

MOTION

The City of Los Angeles (City) is moving forward with plans to expand the Los Angeles Convention Center to foster economic development and facilitate smart growth around this important City asset. In addition to hotel rooms, the Convention and Tourism Development Department has repeatedly demonstrated the need to expand the amount of self-contained meeting and convention space near the Convention Center to remain competitive with other cities. The Los Angeles Tourism & Convention Board has found that inadequate hotel and convention space has contributed to a loss of as much as \$1 billion annually in convention business.

Studies commissioned by the City over the last eight years have shown that Los Angeles has a surprisingly small amount of self-contained convention space near the Convention Center. This is compared to cities such as Anaheim and San Diego, which had 447,500 square feet and 498,300 square feet, respectively, and 759,300 square feet, respectively. San Francisco has recently completed an expansion of its convention center to approximately 1.4 million square feet of useable space, not including nearby self-contained meeting and convention space. While the City has steadily increased the number of hotel rooms, and the proposed expansion of the Convention Center will increase its usable space to over 750,000 square feet, the shortfall of self-contained meeting space highlights the need to particularly focus on increasing the amount of complimentary meeting space around the Convention Center to attract large national and international conventions and conferences.

A proposal to construct a large mixed-use project with approximately 730 hotel rooms was recently announced by a local developer on a 2.59-acre site at the corner of Albany Street and Pico Boulevard, approximately 525 feet from the Convention Center ("Project"). The addresses of the site are 1330 West Pico Boulevard and 1308-1346 South Albany Street. The Project would include over 63,000 square feet of convention and meeting room facilities, as well as restaurants, bars and lounges, a tower containing hotel rooms, and amenities for hotel guests and the community. The Project will replace a large vacant building and is expected to create 2,000 full-time equivalent construction jobs, 700 permanent jobs, and generate \$11 million in annual tax revenue to the City.

The developer has indicated that the proposed Project requires financial assistance to construct and has requested the City to provide economic incentives similar to those granted to other large economic development activities. The developer would fund an independent economic analysis. More convention and meeting facilities are critical for the success of the Convention Center and the City to be a competitive location for large national and international conventions and conferences. Additionally, the Pico-Union neighborhood has historically been separated from the rest of the City and under-served by private investment. The Project will provide and stimulate economic growth in the community west of the Convention Center with investment in public open space, infrastructure improvements, and mobility enhancements. Thus, it is essential the City support this project and the economic opportunities it will create while satisfying the City's long-range planning and economic development priorities.

I THEREFORE MOVE that the City Council authorize and instruct the Chief Legislative Analyst to hire consultants necessary to evaluate the project known as the 1330 West Pico Project and make recommendations on economic development incentives that could help the project proceed, including but not limited to: a potential incentive agreement consistent with City policies; accept up to \$150,000 for consultant services from the developer to analyze the economics and financing associated with this instruction; request/authorize/instruct the City Controller to deposit/appropriate/expend all funds received as a result of this action in Fund 100, Department 28, Contractual Services Account 3040; and authorize the CLA to make any technical corrections, revisions, or clarifications to the above instructions in order to effectuate the intent of this action; and

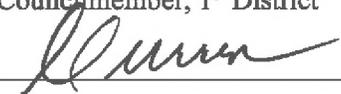
I FURTHER MOVE that the developer pay the full cost for any financial and economic analysis, consultants, and any other reviews associated with the economic evaluation of this project.

PRESENTED BY:



Gilbert A. Cedillo
Councilmember, 1st District

SECONDED BY:



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