

MOTION

In 2018, Council authorized and instructed the Chief Legislative Analyst (CLA) to hire consultants necessary to evaluate the Venice Hope Hotel project and make recommendations on economic development incentives that could help move the project forward, including, but not limited to, a potential site specific revenue agreement consistent with City policies (C.F. 18-0734).

As proposed, Venice Hope Group LLC (Developer) would construct a 300-room hotel (in conjunction with a 250-unit residential development and supportive commercial uses) within walking distance of the Convention Center, at 1611 South Hope Street. The Developer has indicated that the proposed hotel project requires financial assistance to construct and has requested that the City evaluate and consider providing economic incentives such as those that have been provided to other large hotel projects. BB

The Developer provided funds to support an independent economic and fiscal analysis necessary to evaluate their proposal. A CLA Report responsive to Council's instruction and forwarding this analysis was subsequently delivered in 2022 (C.F. 18-0734-S1), indicating a financing gap in the project of over \$23 million. The analysis also noted new City revenues, job generation, added hotel rooms, and community benefits as incentives for support for the project.

Since the original Council action in 2018, there have been extreme changes in the economic environment due to the COVID-19 pandemic and inflation, among other factors, necessitating a fresh look at the project. Despite these unprecedented challenges, the Developer is ready and excited to move forward with development of the Venice Hope Hotel as proposed in 2018. Renewing this vital asset is of utmost importance to fulfilling the City's hotel development goals.

I THEREFORE MOVE that the City Council instruct the Chief Legislative Analyst to present a report regarding the previously requested analysis on the Venice Hope Hotel project and related economic incentives, updating any outdated analysis as required.

PRESENTED BY:


KEVIN DE LEON
Councilmember, 14th District

SECONDED BY:



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