

Public scrutiny

Supporters of Convention Center have a lot of convincing to do

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When a group of high-powered business types promises a city the world - jobs! new revenues! revitalization! - but says it needs an itty-bitty public subsidy to pull it off, taxpayers ought to react with great skepticism.

Especially when those high-powered business types are talking about sinking more public money into Downtown L.A. and its fiscal black hole, the Los Angeles Convention Center.

Deals that truly are too good to pass up typically don't need welfare to sustain them. And taxpayers have already wasted plenty of money on the Convention Center - no sense throwing good money after bad.

Still, it's too soon to outright dismiss the proposal to float millions in loans and tax breaks to support building a massive luxury hotel next door to the failing Convention Center.

The developers and politicians pushing the plan deserve a fair shot at making their case - although they will have a hard time convincing a wary public.

With taxpayers forced to cover the Convention Center's nearly \$1 million annual operating deficit, plus more than \$30 million in debt servicing, any plan that could bring the facility to solvency deserves consideration.

But that's the question: Would the subsidized hotel actually put the Convention Center in the black, or would only the usual fat cats prosper? Given the Convention Center's past, it's hard to believe that a luxury hotel is all that separates it from profitability.

Nationwide, the convention center market is over-saturated, with business declining. And Downtown L.A. will always be at a competitive disadvantage against nearby markets that offer more interesting attractions, such as Las Vegas and Anaheim. Besides, downtown hotels already suffer from dismal occupancy rates that would only be exacerbated by more competition.

Suffice it to say, promoters of this new hotel and its subsidies have a lot of convincing to do. But if they want to win over the public, there are some key things they must do:

Be honest and transparent - conduct all business in public, and not behind closed doors. The public deserves a full, up-front accounting of all the costs involved, with no secret clauses or surprise expenses down the road.

Offer a realistic, credible and independently verified business plan. When can the public expect a return on its investment, and how large would that return be? What would be the effect on business at other hotels in the area?

Give neighborhood councils a chance to study and weigh in on the deal. How will siphoning more of the tax base to downtown affect the rest of the city's neighborhoods?

If this plan really can work for the betterment of all Los Angeles, all of Los Angeles will rally behind it. But the city won't be won over easily.

L.A. residents are tired of downtown development coming at the expense of services in their neighborhood. We're fed up with bailing out the Convention Center after all these years. And we've had it with insider deals that seem to benefit no one except the politicians and the special interests that fund their campaigns.

Maybe this hotel plan is something different - maybe. But it's going to take a lot more than happy talk and big promises to give the deal legitimacy in the public mind.