

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 31, 2014

To: Board of Los Angeles Convention & Tourism Development Commissioners

From: Marla Bleavins, Assistant General Manager   
Department of Convention and Tourism Development

Subject: **FY 2016 BUDGET PRESENTATION**

At the November 5, 2014 Board of Los Angeles Convention & Tourism Development (CTD) Commissioners meeting, AEG and CTD staff will present the FY 2016 budgets for the Convention Center operations and the CTD Department. This meeting will provide an opportunity to answer your questions about the upcoming budget and solicit your input. The following documents are attached for your review:

- Attachment A – 15/16 Proposed Budget
- Attachment B – 15/16 Proposed Budget (Operations by Month)
- Attachment B – 15/16 Bureau Booking
- Attachment D – 15/16 LACC Booking Summary
- Attachment E – 15/16 CTD Department Budget
- Attachment F – 15/16 Capital Improvement Expenditure Program Request

We will submit the final version of the proposed budget for your consideration at the November 19, 2014 meeting so that we can submit it to the Mayor's Office for his proposed budget on November 21, 2014.

The budget for the Los Angeles Tourism and Convention Board will be presented at a subsequent meeting once the Transient Occupancy Tax (TOT) revenue estimate that forms the basis of their budget is available.

	<b>Budget</b> <b>7/1/15 - 6/30/16</b>	<b>Budget</b> <b>7/1/14 - 6/30/15</b>
<b>Revenue's (net of event expenses)</b>		
Rent	12,304,051	10,810,952
Less Discounts	(5,625,830)	(4,667,699)
<b>Net Rent</b>	<b>6,678,221</b>	<b>6,143,254</b>
Food and Beverage Sales	12,466,239	12,679,987
F & B expenses	(10,199,628)	(10,474,041)
<b>Net Food and Beverage Revenue</b>	<b>2,266,611</b>	<b>2,205,946</b>
Utility Services Gross Billing	9,946,642	10,073,070
Percent kept by vendor	(6,372,636)	(6,444,076)
<b>Utility Services Commissions</b>	<b>3,574,007</b>	<b>3,628,994</b>
Parking receipts	8,563,549	8,502,187
Staples Center Debt Service	(1,000,000)	(1,000,000)
<b>Net Parking Revenue</b>	<b>7,563,549</b>	<b>7,502,187</b>
Event Billing	643,419	620,445
Event Expenses	(929,807)	(674,935)
<b>Net Event Billing</b>	<b>(286,387)</b>	<b>(54,490)</b>
<b>Communications</b>	<b>963,223</b>	<b>962,194</b>
<b>Cell Towers</b>	<b>425,894</b>	<b>384,855</b>
<b>Marketing / Advertising</b>	<b>312,500</b>	<b>249,500</b>
<b>AV</b>	<b>290,000</b>	<b>250,000</b>
<b>Other</b>	<b>62,239</b>	<b>59,189</b>
<b>Prior Year carryover &amp; Other</b>		<b>-</b>
<b>Total Revenue</b>	<b>21,849,856</b>	<b>21,331,628</b>
<b>Expenses</b>		
Salaries & Wages - Full Time	7,348,377	7,149,846
Salaries & Wages - Part Time	1,040,319	1,016,893
Overtime General	199,516	195,080
Parking Wages	867,075	864,016
Payroll Taxes	679,244	652,832
Fringe Benefits	1,217,956	949,878
Workers Comp Insurance - Base coverage	71,060	71,060
<b>Total Wages Salaries and Benefits</b>	<b>11,423,547</b>	<b>10,899,604</b>
Printing and Binding	39,080	38,580
Contracted services	3,147,699	3,310,479
Parking Operating expenses and Management Fee	574,106	574,320
Field Equipment	120,462	102,718
Maintenance Materials & Supplies	170,000	132,000
Transportation Reimbursement	13,819	13,819
Utilities	4,858,552	4,765,545
Office & Administration	262,090	248,490
Operating Supplies	251,550	284,047
Modifications / Repairs	15,000	18,000
Advertising / Promotions	300,427	292,443
Uniforms	20,800	12,000
Recruiting	5,283	5,283
Employee Welfare	35,845	49,345
Insurance	169,391	169,391
Subscriptions	-	-
Furniture, Office, and Technical Equipment	-	-
Guest Relations	9,500	-
Communications	-	-
Startup expenses	-	-
Travel	-	-
Bad Debt & Interest	-	-
Building Operating Expense	-	-
Depreciation	56,323	50,000
Prior Year Adjustment	-	-
Management Fee	371,315	364,105
<b>Total Other Expenses</b>	<b>10,421,241</b>	<b>10,430,565</b>
<b>Appropriations</b>		
<b>Total Appropriations</b>	<b>-</b>	<b>-</b>
Total Expenses and Appropriations	21,844,789	21,330,169
Interest Expense	-	-
Balance to Reserve	5,067	1,460

AEG Management LACC, LLC  
Los Angeles Convention Center  
15/16 Proposed Budget

		Operations by Month											
	Budget 15/16	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
Revenue's (net of event expenses)													
Bureau Booking													
Conventions	3,747,996	255,879	356,210	-	490,356	87,718	-	248,731	170,257	340,958	361,743	149,523	1,286,621
LACC Booking													
Assembly	1,699,632	71,577	140,128	243,915	230,945	44,185	68,111	43,177	320,990	117,935	116,126	27,226	275,318
Consumer	6,065,255	20,156	135,282	112,251	505,482	3,178,539	74,657	729,637	287,749	289,799	168,246	483,944	79,513
Trade	1,263,591	275,826	33,112	81,563	22,428	105,051	-	432,414	93,968	88,859	44,448	39,066	46,856
Meeting	424,774	25,388	44,950	35,979	64,810	41,995	22,774	31,740	64,250	19,049	34,931	26,587	12,322
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	284,427	25,500	17,000	26,828	17,916	25,500	17,000	42,500	27,183	34,000	17,000	17,000	17,000
Profit on LACC Events	9,737,679	418,447	370,471	500,536	841,581	3,395,269	182,542	1,279,468	794,140	549,641	380,751	593,823	431,009
Non Event Related Revenue													
Parking	7,563,549	611,146	241,603	340,196	588,241	1,289,192	685,380	658,926	512,255	771,042	559,984	467,681	837,902
Cell Towers	425,894	34,886	34,886	34,886	35,284	35,562	35,562	35,805	35,805	35,805	35,805	35,805	35,805
Other Revenue	62,239	5,550	5,550	4,950	4,950	4,950	5,550	4,950	4,950	4,950	5,689	5,100	5,100
Marketing / Sponsorship	312,500	18,750	8,750	16,750	8,750	12,950	8,750	8,750	8,750	14,050	8,750	8,750	188,750
Total Non event Related Revenue	8,364,181	670,332	290,789	396,782	637,225	1,342,653	735,242	708,431	561,760	825,846	610,228	517,336	1,067,556
Total Revenues (net of event expenses)	21,849,856	1,344,658	1,017,470	897,318	1,969,162	4,825,640	917,784	2,236,630	1,526,158	1,716,445	1,352,721	1,260,682	2,785,186
Expenses by Department (AEG Management LACC, LLC)													
Finance & Admin	3,504,474	282,286	263,486	271,348	267,236	263,586	269,787	263,888	287,205	265,288	264,888	265,317	540,159
Operations	11,106,510	1,130,663	1,004,856	911,890	911,913	911,293	996,791	853,559	809,009	833,337	820,977	833,045	1,089,175
Event Services	964,966	75,822	76,102	77,322	80,122	74,622	78,222	77,122	74,622	74,622	74,622	77,622	124,149
Guest Services / Security	1,798,169	163,157	148,412	146,212	146,212	146,412	151,219	146,212	146,212	146,212	146,212	146,212	165,485
HR	625,494	51,474	50,379	51,579	48,879	51,579	62,230	48,879	49,079	49,079	49,079	48,879	64,381
Sales and Marketing	868,262	69,010	64,510	67,676	68,176	69,176	80,633	67,676	68,176	67,676	69,676	67,676	108,199
Total Expenses by department	18,867,875	1,772,412	1,607,745	1,526,027	1,522,538	1,516,668	1,638,882	1,457,336	1,434,303	1,436,214	1,425,454	1,438,751	2,091,548
Other Departments													
Parking expense	1,441,182	105,773	75,609	81,920	107,079	194,131	119,794	116,564	142,363	125,253	104,483	89,916	178,297
General Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
LACC Oversight Group (13 employees)	1,535,732	68,949	115,718	176,010	116,611	115,718	116,611	125,089	116,611	168,335	116,611	115,718	183,751
	2,976,913	174,722	191,327	257,931	223,689	309,849	236,405	241,653	258,973	293,588	221,094	205,634	362,049
Total Expenses and Appropriations	21,844,789	1,947,134	1,799,071	1,783,957	1,746,227	1,826,517	1,875,286	1,698,989	1,693,276	1,729,802	1,646,548	1,644,385	2,453,597
Discount add back	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance to Reserve	5,067	(602,476)	(781,601)	(886,640)	222,935	2,999,123	(957,502)	537,642	(167,118)	(13,357)	(293,826)	(383,703)	331,589

AEG Management LACC, LLC  
Los Angeles Convention Center  
July 2015 - June 2016  
Bureau Booking

Total 15/16	25
Total 14/15	23
Total 13/14	20

Event Name	Rent			Billed Services	Recovered Services Est. Event Expenses	42010	42015		AV			42016	42017		
	Gross	Discount	Net Rent			Electrical			Gross	Vendor Share	LACC Rev.	Gross	Vendor	Smart City	
						Electrical	Contra	Net						Telephone	LACC Revenue
Anime Expo	306,210	(306,209)	1	20,223	42,187	104,000	(54,080)	49,920	-	-	-	46,700	(30,355)	-	16,345
IDEA Health and Fitness Convention	221,917	(123,942)	97,975	3,755	28,030	45,000	(27,900)	17,100	-	-	-	22,600	(14,690)	-	7,910
2015 Special Olympics World Summer Games	548,915	(547,915)	1,000	20,000	28,030	165,000	(102,300)	62,700	10,000	(7,500)	2,500	10,000	(6,500)	-	3,500
ACM SIGNGRAPH Conference	575,390	(574,390)	1,000	37,030	28,030	296,000	(183,520)	112,480	10,000	(7,500)	2,500	165,000	(107,250)	-	57,750
AdobeMax	339,050	(229,264)	109,786	26,380	28,030	203,594	(126,228)	77,366	10,000	(7,500)	2,500	215,000	(139,750)	-	75,250
National Association Housing & Redevelopment	76,106	(71,106)	5,000	10,000	28,030	65,000	(40,300)	24,700	10,000	(7,500)	2,500	18,240	(11,856)	-	6,384
CoreNet Global - North American Summit	83,847	(82,847)	1,000	10,000	28,030	65,000	(40,300)	24,700	10,000	(7,500)	2,500	45,240	(29,406)	-	15,834
UBM Game Developers Conf Online GDC Next & ADC	69,030	(68,030)	1,000	2,500	28,030	35,000	(22,348)	12,653	15,000	(11,250)	3,750	91,240	(60,931)	2,500	32,809
Obesity Society Annual Meeting	292,281	(272,281)	20,000	10,000	28,030	165,000	(102,300)	62,700	15,000	(11,250)	3,750	40,500	(26,325)	-	14,175
MayKay Leadership Conference	554,450	(394,450)	160,000	7,780	11,556	115,000	(71,300)	43,700	10,000	(7,500)	2,500	70,000	(45,500)	-	24,500
LA Marathon	40,000	-	40,000	1,500	17,734	22,000	(13,640)	8,360	1,655	(1,241)	414	16,000	(10,400)	-	5,600
American Heart Assn - International Stroke Conference	346,293	(277,200)	69,093	6,900	48,623	80,000	(49,600)	30,400	11,500	(8,625)	2,875	105,000	(68,250)	-	36,750
Biophysical Society Annual Meeting	196,246	(163,492)	32,754	2,500	28,030	25,000	(15,500)	9,500	10,000	(7,500)	2,500	60,000	(39,000)	-	21,000
American Academy of Allergy, Asthma, and Immunology - 2016 meeti	343,673	(318,673)	25,000	10,000	17,734	100,000	(62,000)	38,000	10,000	(7,500)	2,500	90,000	(58,500)	-	31,500
International Association of Dental Research	162,876	(152,876)	10,000	10,000	17,734	100,000	(62,000)	38,000	10,000	(7,500)	2,500	15,000	(9,750)	-	5,250
Hewlett Packard Company - HP Global Conference	1,000	-	1,000	15,000	17,734	145,000	(89,900)	55,100	-	-	-	2,500	(1,625)	-	875
Association of Writers and Writing Programs - Annual Conference	155,872	(154,872)	1,000	10,000	25,171	65,000	(40,300)	24,700	5,000	(3,750)	1,250	26,000	(16,900)	-	9,100
SCVA Junior National Qualifier	242,041	(153,965)	88,076	2,500	14,558	3,173	(1,967)	1,206	-	-	-	3,109	(2,021)	-	1,088
SCVA Junior National Qualifier	242,041	(153,965)	88,076	2,500	14,558	3,173	(1,967)	1,206	-	-	-	3,109	(2,021)	-	1,088
American Roentgen Society - Annual Meeting	122,001	(112,001)	10,000	10,000	17,734	100,000	(62,000)	38,000	10,000	(7,500)	2,500	5,000	(3,250)	-	1,750
American Soc of Colon & Rectal Surgeons Annual Meeting	147,659	(128,240)	19,419	10,000	21,166	100,000	(62,000)	38,000	10,000	(7,500)	2,500	100,000	(63,000)	-	37,000
NeighborWorks American - Training Institute	49,555	(48,555)	1,000	2,500	21,166	5,569	(3,556)	2,013	15,000	(11,250)	3,750	10,000	(7,875)	2,500	4,625
Association of Legal Adminstrators - Annual Conference	174,032	(147,412)	26,620	10,000	21,166	115,000	(71,300)	43,700	10,000	(7,500)	2,500	10,000	(6,300)	-	3,700
E3	1,026,580	(1,025,580)	1,000	52,240	62,060	2,533,680	(1,722,902)	810,778	-	-	-	270,000	(170,100)	-	99,900
BET	202,508	(118,566)	83,942	-	43,786	150,000	(93,000)	57,000	14,500	(10,875)	3,625	90,000	(56,700)	-	33,300
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	6,519,572	(5,625,830)	893,741	293,308	666,936	4,806,188	(3,122,208)	1,683,980	197,655	(148,241)	49,414	1,530,238.00	(988,254.70)	5,000.00	546,983.30

Revenue by Month															
July	528,127	(430,151)	97,976	23,978	70,217	149,000	(81,980)	67,020	-	-	-	69,300	(45,045)	-	24,255
August	1,124,305	(1,122,305)	2,000	57,030	56,060	461,000	(285,820)	175,180	20,000	(15,000)	5,000	175,000	(113,750)	-	61,250
September	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	568,033	(451,247)	116,786	48,880	112,121	368,594	(229,176)	139,418	45,000	(33,750)	11,250	369,720	(241,943)	2,500	130,277
November	292,281	(272,281)	20,000	10,000	28,030	165,000	(102,300)	62,700	15,000	(11,250)	3,750	40,500	(26,325)	-	14,175
December	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
January	554,450	(394,450)	160,000	7,780	11,556	115,000	(71,300)	43,700	10,000	(7,500)	2,500	70,000	(45,500)	-	24,500
February	386,293	(277,200)	109,093	8,400	66,357	102,000	(63,240)	38,760	13,155	(9,866)	3,289	121,000	(78,650)	-	42,350
March	703,795	(635,041)	68,754	37,500	81,231	370,000	(229,400)	140,600	30,000	(22,500)	7,500	167,500	(108,875)	-	58,625
April	761,954	(574,803)	187,151	25,000	72,020	171,346	(106,234)	65,111	15,000	(11,250)	3,750	37,218	(24,192)	-	13,026
May	371,246	(324,207)	47,039	22,500	63,497	220,569	(136,856)	83,713	35,000	(26,250)	8,750	120,000	(77,175)	2,500	45,325
June	1,229,088	(1,144,146)	84,942	52,240	105,847	2,683,680	(1,815,902)	867,778	14,500	(10,875)	3,625	360,000	(226,800)	-	133,200
	6,519,572	(5,625,830)	893,741	293,308	666,936	4,806,188	(3,122,208)	1,683,980	197,655	(148,241)	49,414	1,530,238	(988,255)	5,000	546,983
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Attachment C

AEG Management LACC, LLC  
Los Angeles Convention Center  
July 2015 - June 2016  
Bureau Booking

	40001	40003	40005	0.1744300	
	Food and Beverage				
Event Name	Concessions	Catering	Contra F & B	Net F & B	Budget per event
Anime Expo	298,097	240,000	(444,382)	93,715	138,017
IDEA Health and Fitness Convention	99,968	10,000	(90,816)	19,152	117,862
2015 Special Olympics World Summer Games	275,000	185,000	(380,259)	79,741	141,411
ACM SIGNGRAPH Conference	185,000		(152,930)	32,070	214,800
AdobeMax	175,000	35,000	(172,591)	37,409	300,661
National Association Housing & Redevelopment	85,000	15,000	(82,186)	17,814	38,368
CoreNet Global - North American Summit	75,000	10,000	(69,858)	15,142	41,146
UBM Game Developers Conf Online GDC Next & ADC	250,000	229,963	(394,462)	85,501	110,182
Obesity Society Annual Meeting	25,000		(19,877)	5,123	87,718
MayKay Leadership Conference	110,000	15,000	(103,194)	21,806	248,731
LA Marathon	24,000		(19,803)	4,197	42,337
American Heart Assn - International Stroke Conference	150,000	25,000	(144,475)	30,525	127,920
Biophysical Society Annual Meeting	200,000	15,000	(177,401)	37,599	77,823
American Academy of Allergy, Asthma, and Immunology - 2016 n	150,000	25,000	(144,396)	30,604	119,870
International Association of Dental Research	100,000	10,000	(90,763)	19,237	67,253
Hewlett Packard Company - HP Global Conference	125,000		(103,230)	21,770	76,011
Association of Writers and Writing Programs - Annual Conferenc	85,000	5,000	(73,774)	16,226	37,105
SCVA Junior National Qualifier	250,000	5,000	(209,026)	45,974	124,285
SCVA Junior National Qualifier	250,000	5,000	(209,026)	45,974	124,285
American Roentgen Society - Annual Meeting	150,000	25,000	(143,449)	31,551	76,067
American Soc of Colon & Rectal Surgeons Annual Meeting	10,000	2,000	(9,865)	2,135	87,888
NeighborWorks American - Training Institute	10,000		(8,221)	1,779	(5,499)
Association of Legal Adminstrators - Annual Conference	10,000		(8,221)	1,779	67,133
E3	1,250,000		(1,021,275)	228,725	1,130,582
BET	120,000		(98,042)	21,958	156,038
				-	-
	4,462,065	856,963	(4,371,522)	947,506	3,747,996

July	398,065	250,000	(535,198)	112,867	255,879
August	460,000	185,000	(533,189)	111,811	356,210
September	-	-	-	-	-
October	585,000	289,963	(719,097)	155,866	490,356
November	25,000	-	(19,877)	5,123	87,718
December	-	-	-	-	-
January	110,000	15,000	(103,194)	21,806	248,731
February	174,000	25,000	(164,278)	34,722	170,257
March	575,000	50,000	(515,790)	109,210	340,958
April	735,000	40,000	(635,275)	139,725	361,743
May	30,000	2,000	(26,307)	5,693	149,523
June	1,370,000	-	(1,119,317)	250,683	1,286,621
	4,462,065	856,963	(4,371,522)	947,506	3,747,996
	-		-	-	-

AEG Management LACC, LLC  
Los Angeles Convention Center  
July 2015 - June 2016  
LACC Booking Summary

Attachment D

Year over Year events			
Total	2013/2014	Budget 14/15	Budget 2015/2016
LATCB Booked	23	23	25
Assembly	53	48	48
Consumer	42	50	46
Trade	21	17	18
Meeting	163	126	136
Food Service	4	0	0
Filming	32	31	33
Total	338	295	306

	Rent			Recovered Services (room set up, misc)			Electrical Revenue			AV			Communications / Smart City			Food and Beverage			Budget per event
	Gross	Discount	Net Rent	Billed Services	Est. Event wages	Net	Electrical	Contra	Net	Gross	Vendor Share	LACC Revenue	Gross	Vendor Share	LACC Share	Gross F & B	Contra F & B	Net F & B	
Assembly	11,127	-	11,127	1,797	-	1,797	11,653	(7,254)	4,399	1,146	(860)	287	2,927	(1,903)	1,025	16,529	(13,553)	2,975	21,609
Consumer	30,412	-	30,412	1,338	-	1,338	14,822	(9,226)	5,595	193	(145)	48	1,953	(1,270)	684	14,653	(12,015)	2,638	40,714
Trade	26,854	-	26,854	1,143	-	1,143	17,587	(10,948)	6,639	1,515	(1,136)	379	3,943	(2,563)	1,380	19,753	(16,198)	3,556	39,950
Meeting	2,625	-	2,625	100	-	100	310	(193)	117	-	-	-	-	-	-	1,850	(1,517)	333	3,175
Food Service	2,500	-	2,500	-	-	-	800	(498)	302	-	-	-	-	-	-	2,000	(1,640)	360	3,162
Filming	8,500	-	8,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,500

Revenue by Month - July	1																		
Assembly	47,200	-	47,200	10,500	-	10,500	9,118	(4,741)	4,377	4,500	(3,420)	1,080	-	-	-	47,000	(38,579)	8,421	71,577
Consumer	12,000	-	12,000	13,000	-	-	6,000	(3,735)	2,265	-	-	-	3,200	(2,080)	1,120	26,635	(21,864)	4,771	20,156
Trade	224,800	-	224,800	4,500	-	4,500	65,000	(34,450)	30,550	6,000	(4,560)	1,440	5,700	(3,705)	1,995	70,000	(57,459)	12,541	275,826
Meeting	21,000	-	21,000	800	-	800	2,480	(1,544)	936	-	-	-	-	-	-	14,800	(12,148)	2,652	25,388
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	25,500	-	25,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,500
	330,500	-	330,500	28,800	13,000	15,800	82,598	(44,470)	38,128	10,500	(7,980)	2,520	8,900	(5,785)	3,115	158,435	(130,051)	28,384	418,447

Revenue by Month - August	2																		
Assembly	114,000	-	114,000	3,000	-	3,000	20,000	(12,450)	7,550	4,500	(3,420)	1,080	18,500	(12,025)	6,475	45,000	(36,977)	8,023	140,128
Consumer	96,412	-	96,412	-	-	-	34,940	(21,750)	13,190	7,000	(5,320)	1,680	5,006	(3,254)	1,752	124,746	(102,497)	22,248	135,282
Trade	26,854	-	26,854	-	-	-	2,000	(1,245)	755	2,500	(1,900)	600	3,943	(2,563)	1,380	19,753	(16,230)	3,523	33,112
Meeting	36,750	-	36,750	900	-	900	3,410	(1,930)	1,480	5,000	(3,800)	1,200	-	-	-	25,900	(21,281)	4,619	44,950
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	17,000	-	17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,000
	291,015	-	291,015	3,900	-	3,900	60,350	(37,375)	22,975	19,000	(14,440)	4,560	27,449	(17,842)	9,607	215,399	(176,986)	38,413	370,471

Revenue by Month - September	3																		
Assembly	160,890	-	160,890	23,500	41,060	(17,560)	84,118	(52,363)	31,755	10,132	(7,700)	2,432	15,427	(10,028)	5,400	344,457	(283,457)	61,000	243,915
Consumer	91,235	-	91,235	-	8,500	(8,500)	-	-	-	1,206	(917)	289	5,859	(3,809)	2,051	153,459	(126,283)	27,176	112,251
Trade	53,708	-	53,708	1,143	6,500	(5,357)	17,587	(10,948)	6,639	-	-	-	5,143	(3,343)	1,800	139,753	(114,979)	24,774	81,563
Meeting	26,250	-	26,250	800	-	800	2,480	(1,351)	1,129	400	(304)	96	-	-	-	43,500	(35,797)	7,703	35,979
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	25,500	-	25,500	-	-	-	-	-	-	-	-	-	-	-	-	7,500	(6,172)	1,328	26,828
	357,582	-	357,582	25,443	56,060	(30,618)	104,185	(64,662)	39,523	11,738	(8,921)	2,817	26,429	(17,179)	9,250	688,669	(566,688)	121,981	500,536

Revenue by Month - October	4																		
Assembly	138,349	-	138,349	12,577	-	12,577	81,573	(50,779)	30,794	12,523	(9,518)	3,006	16,836	(10,944)	5,893	220,199	(179,872)	40,327	230,945
Consumer	397,112	-	397,112	7,452	-	7,452	69,287	(43,131)	26,156	3,271	(2,486)	785	41,253	(26,815)	14,439	325,112	(265,573)	59,539	505,482
Trade	8,000	-	8,000	1,000	-	1,000	6,000	(3,735)	2,265	-	-	-	500	(325)	175	60,000	(49,012)	10,988	22,428
Meeting	44,625	-	44,625	1,700	-	1,700	5,270	(3,281)	1,989	-	-	-	5,000	(3,250)	1,750	80,576	(65,830)	14,745	64,810
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	17,000	-	17,000	-	-	-	-	-	-	-	-	-	-	-	-	5,000	(4,084)	916	17,916
	605,086	-	605,086	22,729	-	22,729	162,129	(100,925)	61,204	15,794	(12,004)	3,791	63,589	(41,333)	22,256	690,887	(564,371)	126,516	841,581

Revenue by Month - November	5																		
Assembly	22,255	-	22,255	3,593	-	3,593	23,307	(14,508)	8,798	2,292	(1,742)	550	5,855	(3,805)	2,049	33,057	(26,118)	6,939	44,185
Consumer	1,330,823	-	1,330,823	128,776	78,911	49,865	3,334,093	(2,133,301)	1,200,792	75,386	(57,143)	18,243	565,906	(385,714)	207,692	1,767,930	(1,396,806)	371,124	3,178,539
Trade	70,054	-	70,054	1,143	-	1,143	27,587	(17,173)	10,414	2,515	(1,911)	604	3,943	(2,563)	1,380	102,253	(80,796)	21,457	105,051
Meeting	34,125	-	34,125	1,300	-	1,300	4,030	(2,509)	1,521	-	-	-	-	-	-	24,050	(19,001)	5,049	41,995
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	25,500	-	25,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,500
	1,482,757	-	1,482,757	134,812	78,911	55,901	3,389,016	(2,167,491)	1,221,526	80,193	(60,797)	19,396	575,703	(392,082)	211,121	1,927,290	(1,522,722)	404,568	3,395,269

Revenue by Month - December	6																		
Assembly	56,509	-	56,509	9,890	17,734	(7,844)	69,920	(43,525)	26,395	10,938	(8,313)	2,625	17,564	(11,416)	6,147	55,331	(71,052)	(15,722)	68,111
Consumer	78,796	-	78,796	1,000	17,734	(16,734)	26,822	(16,696)	10,125	1,800	(1,368)	432	26,953	(19,615)	10,562	30,000	(38,524)	(8,524)	74,657
Trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Meeting	31,500	-	31,500	100	-	100	3,720	(2,316)	1,404	4,400	(3,344)	1,056	-	-	-	39,720	(51,007)	(11,286)	22,774
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	17,000	-	17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,000
	183,805	-	183,805	10,990	35,467	(24,477)	100,461	(62,537)	37,924	17,138	(13,025)	4,113	44,517	(31,031)	16,709	125,051	(160,583)	(35,532)	182,542

Revenue by Month - January	7																		
Assembly	22,255	-	22,255	3,593	-	3,593	23,307	(14,508)	8,798	2,292	(1,742)	550	5,855	(3,805)	2,049	33,057	(27,125)	5,932	43,177
Consumer	496,635	-	496,635	12,264	39,874	(27,610)	335,965	(209,138)	126,827	19,158	(14,560)	4,598	29,319	(20,596)	11,090	658,108	(540,012)	118,096	729,637
Trade	370,561	-	370,561	3,903	12,458	(8,555)	102,673	(63,914)	38,759	4,015	(3,051)	964	17,586	(12,243)	6,592	134,260	(110,167)	24,093	432,414
Meeting	26,250	-	26,250	1,000	-	1,000	3,100	(1,930)	1,170	-	-	-	-	-	-	18,500	(15,180)	3,320	31,740
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	42,500	-	42,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42,500
	958,201	-	958,201	20,760	52,331	(31,571)	465,045	(289,490)	175,554	25,466	(19,354)	6,112	52,759	(36,645)	19,732	843,925	(692,484)	151,441	1,279,468

Revenue by Month - February	8																		
Assembly	163,125	-	163,125	5,593	2,500	3,093	35,960	(22,385)	13,575	6,792	(5,162)	1,630	72,855	(53,666)	28,897	493,114	(382,444)	110,670	320,990

AEG Management LACC, LLC  
Los Angeles Convention Center  
July 2015 - June 2016  
LACC Booking Summary

Year over Year events			
Total	2013/2014	Budget 14/15	Budget 2015/2016
LATCB Booked	23	23	25
Assembly	53	48	48
Consumer	42	50	46
Trade	21	17	18
Meeting	163	126	136
Food Service	4	0	0
Filming	32	31	33
Total	338	295	306

	Rent			Recovered Services (room set up, misc)			Electrical Revenue			AV			Communications / Smart City			Food and Beverage			Budget per event
	Gross	Discount	Net Rent	Billed Services	Est. Event wages	Net	Electrical	Contra	Net	Gross	Vendor Share	LACC Revenue	Gross	Vendor Share	LACC Share	Gross F & B	Contra F & B	Net F & B	
Consumer	230,412	-	230,412	1,338	-	1,338	39,822	(24,789)	15,033	493	(375)	118	5,953	(4,514)	2,431	171,179	(132,762)	38,418	287,749
Trade	53,708	-	53,708	2,286	-	2,286	35,173	(21,895)	13,278	3,030	(2,303)	727	7,886	(5,126)	2,760	94,506	(73,296)	21,210	93,968
Meeting	55,125	-	55,125	2,100	-	2,100	6,510	(4,052)	2,458	-	-	-	-	-	-	20,350	(15,783)	4,567	64,250
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	25,500	-	25,500	-	-	-	-	-	-	-	-	-	-	-	-	7,500	(5,817)	1,683	27,183
	527,869	-	527,869	11,317	2,500	8,817	117,465	(73,122)	44,343	10,315	(7,839)	2,476	86,693	(63,306)	34,088	786,650	(610,101)	176,549	794,140
Revenue by Month - March	9																		
Assembly	55,636	-	55,636	8,983	-	8,983	58,266	(36,271)	21,996	5,731	(4,355)	1,375	14,636	(9,514)	5,123	137,990	(113,168)	24,822	117,935
Consumer	191,235	-	191,235	23,014	17,000	6,014	86,465	(53,824)	32,641	578	(440)	139	45,906	(29,839)	16,067	242,959	(199,255)	43,703	289,799
Trade	53,708	-	53,708	2,286	-	2,286	35,173	(21,895)	13,278	3,030	(2,303)	727	7,886	(5,126)	2,760	89,506	(73,406)	16,100	88,859
Meeting	15,750	-	15,750	600	-	600	1,860	(1,158)	702	-	-	-	-	-	-	11,100	(9,103)	1,997	19,049
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	34,000	-	34,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,000
	350,329	-	350,329	34,883	17,000	17,883	181,764	(113,148)	68,616	9,339	(7,098)	2,241	68,428	(44,478)	23,950	481,555	(394,933)	86,622	549,641
Revenue by Month - April	10																		
Assembly	55,636	-	55,636	8,983	-	8,983	58,266	(36,271)	21,996	5,731	(4,355)	1,375	14,636	(9,514)	5,123	127,643	(104,630)	23,013	116,126
Consumer	121,647	-	121,647	5,352	-	5,352	59,287	(36,906)	22,381	771	(586)	185	7,812	(5,078)	2,734	88,454	(72,507)	15,947	168,246
Trade	26,854	-	26,854	1,143	-	1,143	17,587	(10,948)	6,639	1,515	(1,151)	364	3,943	(2,563)	1,380	44,753	(36,685)	8,069	44,448
Meeting	28,875	-	28,875	1,100	-	1,100	3,410	(2,123)	1,287	-	-	-	-	-	-	20,350	(16,681)	3,669	34,931
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	17,000	-	17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,000
	250,012	-	250,012	16,578	-	16,578	138,549	(86,247)	52,302	8,017	(6,093)	1,924	26,391	(17,154)	9,237	281,200	(230,502)	50,698	380,751
Revenue by Month - May	11																		
Assembly	25,000	-	25,000	-	-	-	200	(125)	76	-	-	-	2,927	(1,844)	1,083	6,000	(4,933)	1,067	27,226
Consumer	200,823	-	200,823	29,900	7,600	22,300	268,643	(167,230)	101,413	5,000	(3,800)	1,200	65,953	(41,550)	24,403	752,097	(618,291)	133,806	483,944
Trade	26,854	-	26,854	-	-	-	17,587	(10,948)	6,639	2,500	(1,900)	600	3,943	(2,484)	1,459	19,753	(16,239)	3,514	39,066
Meeting	23,625	-	23,625	-	-	-	-	-	-	-	-	-	-	-	-	16,650	(13,688)	2,962	26,587
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	17,000	-	17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,000
	293,302	-	293,302	29,900	7,600	22,300	286,430	(178,303)	108,127	7,500	(5,700)	1,800	72,823	(45,879)	26,945	794,500	(653,151)	141,349	593,823
Revenue by Month - June	12																		
Assembly	33,700	-	33,700	10,000	-	10,000	11,400	(7,097)	4,304	187,891	-	187,891	73,855	(46,528)	27,326	66,114	(54,017)	12,098	275,318
Consumer	60,823	-	60,823	-	-	-	14,822	(9,226)	5,595	2,500	(1,900)	600	3,906	(2,461)	1,445	60,383	(49,334)	11,049	79,513
Trade	32,000	-	32,000	-	-	-	25,000	(15,563)	9,438	1,440	(1,094)	346	3,943	(2,484)	1,459	19,753	(16,139)	3,614	46,856
Meeting	10,500	-	10,500	-	-	-	1,240	(772)	468	-	-	-	-	-	-	7,400	(6,046)	1,354	12,322
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	17,000	-	17,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,000
	154,023	-	154,023	10,000	-	10,000	52,462	(32,657)	19,804	191,831	(2,994)	188,836	81,703	(51,473)	30,230	153,650	(125,535)	28,115	431,009
Totals																			
Assembly	894,554	-	894,554	100,213	61,294	38,919	475,434	(295,023)	180,411	253,323	(49,728)	203,594	258,945	(173,089)	95,564	1,608,962	(1,322,372)	286,590	1,699,632
Consumer	3,307,952	-	3,307,952	222,096	182,618	39,478	4,276,144	(2,719,728)	1,556,416	117,164	(88,895)	28,269	807,027	(545,325)	295,786	4,401,061	(3,563,708)	837,353	6,065,255
Trade	947,099	-	947,099	17,402	18,958	(1,556)	351,367	(212,713)	138,653	26,544	(20,174)	6,371	64,413	(42,523)	23,140	794,292	(644,408)	149,884	1,263,591
Meeting	354,375	-	354,375	10,400	-	10,400	37,510	(22,964)	14,546	9,800	(7,448)	2,352	5,000	(3,250)	1,750	322,896	(281,545)	41,351	424,774
Food Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Filming	280,500	-	280,500	-	-	-	-	-	-	-	-	-	-	-	-	20,000	(16,073)	3,927	284,427
	5,784,480	-	5,784,480	350,111	262,870	87,241	5,140,454	(3,250,428)	1,890,027	406,831	(166,245)	240,586	1,135,385	(764,187)	416,240	7,147,211	(5,828,106)	1,319,105	9,737,679

Department of Convention and Tourism Development  
Fiscal Year 2016 Departmental Request

Attachment E

Appropriations					
Appr Unit	Name	FY 2014-15 Request	FY 2014-15 Adopted	FY 2015-16 Request	Variance
001010	Salaries, General*	\$1,491,292	\$1,620,732	\$1,474,313	(\$146,419)
001070	Salaries, As-Needed	\$225,000	\$50,000	\$50,000	\$0
001090	Salaries, Overtime	\$10,000	\$5,000	\$5,000	\$0
002120	Printing and Binding	\$20,000	\$5,000	\$5,000	\$0
002130	Travel	\$15,000	\$0	\$15,000	\$15,000
003040	Contractual Services	\$25,000	\$14,000	\$25,000	\$11,000
003310	Transportation	\$6,000	\$6,000	\$6,000	\$0
003330	Utilities Expense Private Co.			\$6,000	\$6,000
006010	Office and Administrative	\$40,000	\$15,000	\$30,000	\$15,000
009350	Communication Services	\$5,000	\$5,000	\$13,000	\$8,000
	Total	\$1,837,292	\$1,720,732	\$1,629,313	-\$91,419

\* FY 2015-16 request will be revised when the final Wages and Count is available.



**Department of Convention and Tourism Development**  
**Capital Improvement Expenditure Program**  
**FY 2015-16 Budget Request**

Attachment F

Priority Ranking	Project Name	Proposed By	Total Project Cost	Previously Approved	FY 2015-16 Request
1	Solar Array Project	CTD	\$7,000,000	\$0	\$7,000,000
2	South Hall Floor Remediation	CTD	\$1,750,000	\$350,000	\$350,000
3	Graphic Command Control computer upgrade	AEG	\$160,000	\$0	\$160,000
4	HVAC System for the Independent Distribution Facility - IDF 2.0	AEG	26,000	\$0	\$26,000
5	Cooling tower pump package	AEG	\$70,000	\$0	\$70,000
6	Carpet Replacement	CTD	\$1,300,000	\$300,000	\$280,000
7	Compactor Replacement	AEG	\$75,000	\$0	\$75,000
8	Upgrade Room Lighting Dimming Control System	CTD	\$900,000	\$350,000	\$400,000
9	Visual Interaction Displays	AEG	\$600,000	\$0	\$600,000
10	Security Ramp Gates	AEG	\$30,000	\$0	\$30,000

11	Escalator and Elevator Repair/Modernization Program	CTD	\$1,500,000	\$300,000	\$300,000
12	Two way radio upgrade	AEG	\$400,000	\$0	\$80,000
13	South Hall Lighting System	AEG	\$400,000	\$0	\$400,000
14	Access Control throughout the Convention Center	AEG	\$90,000	\$0	\$90,000
15	2 Pole Sign Upgrade to programmable signs	AEG	\$400,000	\$0	\$200,000
16	Meeting Room Sound System Upgrade	AEG	\$2,000,000	\$0	\$400,000
17	West Hall low roof replacement	AEG	\$830,000	\$0	\$830,000
18	Concession stand renovation	AEG	\$350,000	\$0	\$350,000
19	Men's and Women's restroom remodel Hall K and Hall G	AEG	\$125,000	\$0	\$125,000
Total			\$18,006,000	\$1,300,000	\$11,766,000

**CITY OF LOS ANGELES**  
CALIFORNIA

**HOLLY L. WOLCOTT**  
City Clerk

**GREGORY R. ALLISON**  
Executive Office

When making inquiries relative to  
this matter, please refer to the  
Council File No.



**ERIC GARCETTI**  
MAYOR

Office of the  
**CITY CLERK**

**Council and Public Services**  
Room 395, City Hall  
Los Angeles, CA 90012  
General Information - (213) 978-1133  
Fax: (213) 978-1040

**SHANNON HOPPE**  
Division Manager

[www.cityclerk.lacity.org](http://www.cityclerk.lacity.org)

October 15, 2014

To All Interested Parties:

The City Council adopted the action(s), as attached, under Council File No. 14-1383, at its meeting held October 14, 2014.

City Clerk  
wrq

Mayor's Time Stamp

OFFICE OF THE MAYOR  
RECEIVED

2014 OCT 14 PM 12:50

CITY OF LOS ANGELES

**FORTHWITH**

City Clerk's Time Stamp

CITY CLERK'S OFFICE

2014 OCT 14 PM 12:49

CITY CLERK

BY \_\_\_\_\_ DEPUTY

SUBJECT TO THE MAYOR'S APPROVAL

COUNCIL FILE NO. 14-1383

COUNCIL DISTRICT \_\_\_\_\_

COUNCIL APPROVAL DATE October 14, 2014

RE: EXTENSION OF NEW HALL AND EVENT CENTER PROJECT AGREEMENT WITH THE ANSCHUTZ ENTERTAINMENT GROUP AND LOS ANGELES CONVENTION CENTER DEVELOPMENT ALTERNATIVE

LAST DAY FOR MAYOR TO ACT OCT 24 2014  
(10 Day Charter requirement as per Charter Section 341)

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**DO NOT WRITE BELOW THIS LINE - FOR MAYOR USE ONLY**

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APPROVED

  
\_\_\_\_\_

\*DISAPPROVED

\_\_\_\_\_  
\*Transmit objections in writing  
pursuant to Charter Section 341

DATE OF MAYOR APPROVAL OR DISAPPROVAL 10/14/14

  
\_\_\_\_\_

MAYOR

**File No. 14-1383**

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to an extension of the New Hall and Event Center agreement with Anschutz Entertainment Group (AEG), and development alternative for the Los Angeles Convention Center (LACC).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. AUTHORIZE the Mayor and the Councilmember of the Ninth Council District, on behalf of the City, to execute an extension to the Implementation Agreement (IA) (Attachment B of the joint Chief Legislative Analyst [CLA] and City Administrative Officer [CAO] report dated October 8, 2014, attached to Council file [C.F.] No. 14-1383) for the New Hall and Event Center project, which provides an additional six months to secure a National Football League (NFL) team, plus six months at the discretion of the CLA and CAO, to close escrow if appropriate and to complete requirements of the IA.
2. INSTRUCT the CLA and CAO, with the assistance of the President, Board of Los Angeles Convention and Tourism Department Commissioners (Commission), or Commission designee, the Public Works Bureau of Engineering (BOE), and AEG to formulate and provide design criteria to the architects selected under the previously approved Task Order Solicitation Process; and, INSTRUCT the BOE to issue a notice to proceed with the LACC expansion and modernization design process according to those criteria.
3. AUTHORIZE the CLA to receive \$750,000 from AEG to fund the Task Order Solicitation Process, now to be known as the Collaborative Design Process, and complete studies, reviews, and other documents necessary to inform the Council and Mayor with regard to alternative development opportunities for the LACC; AUTHORIZE the Controller to deposit/appropriate/expend all funds received as a result of this action in Fund 100/28, 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.
4. INSTRUCT the CLA and CAO to report to Council with assistance from AEG, the Los Angeles Department of Convention and Tourism Development (LADCTD), BOE, City Attorney, Department of City Planning, Economic and Workforce Development Department, and other departments as appropriate to evaluate the LACC expansion and modernization project, including review of entitlements, economic impacts, timelines, cost estimation, legal issues, operational impacts, cost estimations, and other related matters, and, if appropriate, prepare a Memorandum of Understanding (MOU) to advance terms into preparation of transactional documents or amendments to existing transactional documents.
5. INSTRUCT the CAO to prepare and report on a finance plan based on the information available for the LACC alternative development scenarios.

6. AUTHORIZE the Controller to unencumber a total of \$71,755.29, encumbrance document Identification No. GAE 53 C012119703M (\$27,711.79 for KNN Public Finance and \$44,043.50 for Public Resources Advisory Group, PRAG), revert said amount to the Reserve Fund, transfer therefrom to the Unappropriated Balance, Fund 100/58, and reappropriate therefrom to the Capital Finance Administrative Fund, 100/53, Account No. 000339, Fiscal Year 2014-15, to pay for advisory and consulting costs including legal fees; and, AUTHORIZE the CAO to make any technical corrections, revisions, or clarifications to the above instructions in order to effectuate the intent of this action.

Fiscal Impact Statement: The CLA/CAO reports that approval of this action will have a positive impact on the City's General Fund. Receipt of the funds provided in this action will offset the need to issue \$600,000 in commercial paper notes through the Municipal Improvement Corporation of Los Angeles, previously approved by the Council for expenditure for architectural services. Otherwise, the City would have paid in the 2014-15 Fiscal Year approximately \$2,500 which includes costs associated with the interest letter of credit and remarketing fee rates in addition to future debt repayment costs.

Community Impact Statement: None submitted.

**(In taking this action, Council is relying on Environmental Impact Report (EIR) No. ENV-2011-0585-EIR certified by the Council on September 28, 2012, attached to C.F. No. 11-0023 )**

### SUMMARY

At a special meeting held on October 10, 2014, the Economic Development Committee considered a joint report from the CLA and CAO dated October 8, 2014, and a communication from the President of the Commission dated October 2, 2014, relative to an extension of the IA between the City and AEG for the New Hall and Event Center project and alternative development plans for the LACC.

Both the CLA and CAO addressed the Committee and provided a brief overview of their joint report. Additionally, a representative of AEG appeared before the Committee and responded to related questions.

The CLA noted that the current IA between AEG and the City will expire on October 18, 2014 and that on September 29, 2014, AEG requested a 6-month to one-year extension to the Agreement in order to secure an NFL team for the proposed Event Center. The CAO stated that the original "Plan A" (development of a New Hall and Event Center) is still the preferred option. However, if AEG is unable to secure a team during the life of the extension, the City can move forward with a Plan B (modernization and expansion of the LACC).

In the event Plan A is not implemented, the CLA/CAO reported that AEG is contributing \$750,000 toward alternative development plans for the LACC, now known as "Plan B Plus" (\$600,000 for the design process and \$150,000 for analysis of the design concepts and economic impacts). The City will meld its previous efforts towards a design process into a

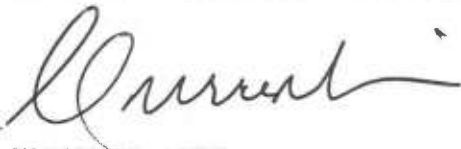
collaborative process among AEG, the BOE, LADCTD, CLA and CAO, and the funds contributed by AEG for the design process will represent a positive impact on the General Fund.

During further discussion of this matter and in response to questions from the Committee, the AEG representative noted that Plan A is also AEG's first choice, although there a number of variables and parties involved. However AEG was encouraged by the progress made which is why it is seeking an extension to the IA. AEG anticipates within six months that it will have more information regarding a commitment from the NFL.

After providing an opportunity for public comment, the Committee approved the recommendations in the joint CLA/CAO a technical amendment by the CLA relative to the EIR. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
KREKORIAN:	ABSENT
HUIZAR:	ABSENT
CEDILLO:	YES
MARTINEZ:	ABSENT
WESSON:	YES
KORETZ:	YES

REW  
10/10/14  
FILE NO. 14-1383

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**

**ADOPTED**

**OCT. 14 2014**

**LOS ANGELES CITY COUNCIL**


**TO THE MAYOR FORTHWITH**



**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: October 8, 2014

TO: Honorable Members of the City Council

FROM: Sharon M. Tso   
Chief Legislative Analyst

Miguel A. Santana  
City Administrative Officer



**NEW HALL AND EVENT CENTER EXTENSION  
AND CONVENTION CENTER DEVELOPMENT ALTERNATIVE**

**SUMMARY**

In September 2012, the City Council and Mayor approved entitlements, transaction documents, and other, plans, documents and actions that would have allowed for the development of a new convention center hall and an event center that would host a National Football League (NFL) team. The key document in that set of approvals was the Implementation Agreement (IA) which required that the Anschutz Entertainment Group (AEG) secure a team to play in the event center within two years. Otherwise, the entire action would expire. On October 18, 2014, the two year deadline will be met and the agreements will expire.

Throughout 2013, the City Council investigated development options for the Los Angeles Convention Center (LACC) to ensure that an alternative plan was ready in case AEG was not able to secure an NFL team. Key criteria for an expanded and modernized convention center were developed based on reports from specialists in the convention business, as well as a technical panel assembled by the Urban Land Institute (ULI). In June 2014, the Council authorized the Bureau of Engineering (BOE) to initiate a design competition to seek architects to design an alternative development plan for the LACC. That process began with a Task Order Solicitation (TOS) seeking qualified architectural teams. The City received 11 responses and eventually selected three teams for the design phase of the competition.

On September 29, 2014, AEG requested that the City extend the IA for up to one year to allow more time to secure an NFL team and meet the requirements of the IA (Attachment A). In addition, AEG offered to secure an architect and develop an alternative design for the LACC.

This report recommends granting an extension to the IA. It also recommends a Collaborative Design Process wherein the TOS design process already initiated would continue with the participation of AEG on the City's team. A design review panel comprised of the Chief Legislative Analyst (CLA), City Administrative Officer (CAO), the President or other designated commissioner of the Board of Los Angeles Convention and Tourism Department Commissioners



(Commission), and AEG will develop design criteria and work with BOE and LACC to direct the design process. Several alternative designs will be developed, providing decision makers with options to move forward the expansion and modernization of the LACC should no NFL team commit to this development site. To support this process, AEG will contribute \$750,000 to support architectural designs, economic analysis, or other services needed to inform the Collaborative Design Process. Designs will be displayed for public viewing as part of the evaluation process.

At the conclusion of this process and in the event that no team commits to Los Angeles, City staff and AEG will provide a series of reports and designs to inform the Council and Mayor's next actions.

### **RECOMMENDATIONS**

That the City Council, with approval of the Mayor:

1. Authorize the Mayor and the Councilmember of the Ninth District, on behalf of the City, to execute an extension to the Implementation Agreement (IA) (Attachment B) for the New Hall and Event Center project, which provides an additional six months to secure an NFL team, plus six months at the discretion of the Chief Legislative Analyst (CLA) and City Administrative Officers (CAO), to close escrow if appropriate and to complete requirements of the IA;
2. Instruct the CLA and CAO, with assistance of the President or other Commission Designee of the Board of the Los Angeles Convention and Tourism Department Commissioners (Commission), Bureau of Engineering (BOE), and AEG to formulate and provide design criteria to the architects selected under the previously-approved Task Order Solicitation Process and instruct the BOE to issue a notice to proceed with the LACC expansion and modernization design process according to those criteria;
3. Authorize the CLA to receive \$750,000 from AEG to fund the Task Order Solicitation Process, now to be known as the Collaborative Design Process, and complete studies, reviews, and other documents necessary to inform the Council and Mayor with regard to alternative development opportunities for the LACC; request/authorize/instruct the 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;
4. Instruct the CLA and CAO to report to Council with assistance from AEG, LACC, BOE, City Attorney, Department of City Planning, Economic and Workforce Development Department (EWDD), and other departments as appropriate to evaluate the Convention Center expansion and modernization project, including review of entitlements, economic impacts, timelines, cost

estimation, legal issues, operational impacts, cost estimations, and other related matters, and, if appropriate, prepare a Memorandum of Understanding (MOU) to advance terms into preparation of transactional documents or amendments to existing transactional documents;

5. Instruct the CAO to prepare and report on a finance plan based on the information available for the LACC alternative development scenarios; and
6. Request/authorize/instruct the Controller to unencumber a total of \$71,755.29, encumbrance document ID#GAE 53 C012119703M (\$27,711.79 for KNN Public Finance and \$44,043.50 for Public Resources Advisory Group, PRAG), revert said amount to the Reserve Fund, transfer therefrom to the Unappropriated Balance, Fund 100/58, and reappropriate therefrom to the Capital Finance Administrative Fund, 100/53, Account No. 000339, Fiscal Year 2014-15, to pay for advisory and consulting costs including legal fees and authorize the CAO to make any technical corrections, revisions, or clarifications to the above instructions in order to effectuate the intent of this action.

#### **FINANCIAL IMPACT**

Approval of this action will have a positive impact on the City's General Fund. Receipt of the funds provided in this action will offset the need to issue \$600,000 in commercial paper notes through the Municipal Improvement Corporation of Los Angeles, previously approved by the Council for expenditure for architectural services. Otherwise, the City would have paid in the 2014-15 Fiscal Year approximately \$2,500 which includes costs associated with the interest letter of credit and remarketing fee rates in addition to future debt repayment costs.

#### **EVENT CENTER AND NEW HALL PROJECT**

In September 2012, the City Council and Mayor approved a series of actions related to the development of an event center on the site of the West Hall of LACC to be built and operated by AEG. Replacement of the West Hall was one of the critical elements of those actions. The approvals for that project, which became known as the New Hall and Event Center project, were based on a series of principles adopted by the City and agreed to by AEG. Among these was a requirement that any reduction in LACC facilities would be replaced with equivalent space and that costs to construct the New Hall would be borne entirely by net new revenues. Further, the City would expend no funds for construction of the Event Center. The actions approved by the Council and Mayor in September 2012 conformed to these principles.

The September 2012 actions approved a series of entitlements that allowed for the development of the project, with the IA serving as the organizing document for the entire project. The IA functions, in part, as an escrow document. It contains a series of actions that must be met in order to close escrow on the project, transfer site control to AEG, and move forward with construction of the New Hall and Event Center.

A central requirement to meet the escrow instructions of the IA rested on the ability of AEG to secure an NFL team. None of the entitlements, the Specific Plan and Signage District, the

Development Agreement, or any other transactional document (such as ground leases) would activate until an NFL team was secured.

Finally, the IA included a termination date two years from execution of the IA if an NFL team had not been secured. Failure to close escrow within two years would end the project and all project entitlements and transaction documents would expire.

The IA was fully executed on October 18, 2012, which means that the IA expires on October 18, 2014. To date, AEG has not been able to secure an NFL team. This means that the IA and all related entitlements and other transactional documents will expire on October 18, 2014.

### **AEG Extension Proposal**

On September 29, 2014, AEG submitted a letter to the City (Attachment A) requesting an extension of the IA for the New Hall and Event Center project. The letter indicates that recent negotiations with the NFL have been productive and warrant additional time to secure commitments from the NFL. In addition, AEG proposed an alternative development strategy for the LACC and put forward a process for the development of that strategy.

AEG reports that they have recently made progress with the NFL regarding the location of a team in Los Angeles. They indicate that an extension of six months would provide AEG and the NFL with an opportunity to determine whether these discussions could lead to the placement of a team in Los Angeles. The City has not received any communication from the NFL on this matter.

### **IA Extension**

To effectuate an extension, the Council would need to approve a contract amendment that extends the escrow period in the IA. Providing an extension meets the policy position of the City, most recently reiterated in Council Resolution (CF 13-1167-S1) which again strongly supported the placement of an NFL team in Los Angeles. A draft amendment to accomplish this extension is provided in Attachment B.

It should be noted that the extension of six months only concerns the opportunity for AEG and the NFL to determine the terms related to the relocation of a team to Los Angeles. If these negotiations are successful, then an additional six months would be needed for AEG to complete the escrow requirements in the IA.

The following outlines the actions that would occur under each six-month phase of the proposed extension:

- Six months to April 17, 2015:
  - \* Provide AEG and NFL opportunity to complete discussion of terms necessary to locate a team in Los Angeles
  - \* Establish a clear expiration date
  - \* The New Hall Target Construction Date of October 18, 2014, specified in the IA will be determined by April 17, 2015, if an NFL team is secured.

- If an NFL team is secured, six additional months to October 16, 2015:
  - \* Address any outstanding items related to the IA, Ground Lease, Reciprocal Easement Agreement, Specific Plan, etc. and obtain Council and Mayor approval as needed
  - \* Negotiate three-party agreement between AEG-City-NFL Team
  - \* AEG and City to initiate formation of a Mello-Roos District to support project financing
  - \* AEG and City to meet final escrow requirements of the IA and execute the Ground Lease and all other documents

## **PLAN B ALTERNATIVE DESIGN**

In June 2014, the City initiated a design competition to develop an alternative development plan for the LACC due to uncertainty in securing an NFL team. Reports from the LACC and the Los Angeles Convention and Tourism Board indicated that the City was at risk of losing significant convention and exhibition business if an alternative strategy for the LACC was not in place.

To advance the development of an alternative strategy, the City commissioned reports from Convention, Sports, and Leisure (CSL) and an Urban Land Institute technical panel. Both of these reports identified design criteria that would elevate the status of the LACC as a major convention facility. The Task Order Solicitation (TOS) released to architects by BOE incorporated design criteria developed in these technical reports.

BOE released the TOS to their list of pre-qualified architectural firms. The TOS required that interested teams include a partner that has substantial experience in the design of convention center facilities. BOE received 11 submissions by the July 24, 2014, deadline. The review panel evaluated all proposals and selected six firms to be interviewed. At the completion of the review and interview process, the selection team recommended that three teams move forward in the Design Competition phase of the TOS. The selected teams are:

- AC Martin Partners with LMN
- Lehrer Architects LA with Gensler
- HMC Architects with Populus

## **AEG Alternative Design Proposal**

In their correspondence of September 29, 2014, AEG proposed an alternative design process wherein they would secure the services of an architectural firm, develop an alternative design for the LACC based on criteria identified by the City, and present that plan for City review. This approach would place the City's TOS design process on hold.

## **Collaborative Design Process**

Discussions with AEG led to the development of a Collaborative Design Process that builds on the work of the TOS design process. This approach combines the City's process, already underway, with AEG's concepts. This would ensure that design alternatives are available for review in a timely manner should the effort to secure an NFL team fail.

At this stage, a Collaborative Design Process is recommended to proceed concurrent with AEG's effort to secure a team. This allows the City to continue the TOS process as planned and now includes AEG, the LACC operations manager, as a partner in the design process. The process would be directed by the CLA and CAO, with the assistance of the Commission, and AEG.

The Collaborative Design Process would focus on alternatives for improving, expanding and modernizing the convention center, beginning with the criteria developed by the TOS and amplified by recommendations from AEG. In addition, the architects would be directed to provide design alternatives with and without the reservation of a hotel site on City property.

It is expected that the architectural teams would provide a total of six design concepts, two from each architectural team. Submissions would include architectural models, 3-D renderings, site plans, floor plans, exterior elevations, cost estimates, phasing plans, and a design and construction schedule. Construction costs would be targeted between \$250 million and \$350 million, with a not-to-exceed amount of \$350 million.

In addition, the architectural teams would provide an urban design analysis related to connectivity and hotel demands and opportunities to ensure that designs consider connectivity between the Convention Center, the Sports and Entertainment District, South Park, Pico Union, and greater Downtown.

The purpose of this Collaborative Design Process is to provide options for the Council and Mayor to consider with regard to expansion and modernization of the Convention Center. These options will consider LACC functionality and service, connections to the community, and cost feasibility.

With regard to the specifics of this project, this approach:

- Capitalizes on extensive staff work to date analyzing prospects for the LACC;
- Incorporates work completed by the Urban Land Institute;
- Takes advantage of previously approved authorities;
- Allows for review of design alternatives;
- Expedites design using the City's procurement procedures, ensuring compliance with contracting rules;
- Incorporates procedures to ensure that local firms participate in the project;
- Provides for analysis and design of campus-wide linkages and connectivity to improve the visitor experience; and
- Retains the timely development of designs for expansion and modernization of the LACC.

To facilitate this process, the CLA and CAO would lead the design competition, with support from AEG, the Commission, the City Attorney, BOE, Planning, and EWDD. This approach ensures that all City agencies with a role in this project can dedicate their resources to the process and facilitate solutions.

### **Concurrent Study**

During the Collaborative Design Process, City staff will obtain and prepare various studies necessary to report on the expected outcomes of this project. These reports include:

- An analysis of economic impact and job creation to provide insight into the effects of the alternatives on the local economy;
- An analysis of incremental tax revenues generated by the project;
- Financial and bond counsel will provide insight into financing options for the project;
- Existing project entitlements will be evaluated to determine whether they can support the alternative development scenario;
- Existing agreements related to STAPLES, Gilbert Lindsay Plaza, parking facilities, signage, and other relevant project elements will be reviewed; and
- An evaluation of private uses and revenues that could be generated to support the project.

### **DESIGN REVIEW**

A review panel designated by Council will be assembled to evaluate the submissions of the architectural teams. In addition, models and drawings will be displayed for the public to review and comment on the submissions. This will also provide an opportunity for the Council and Mayor to review the submissions. In addition, the review panel will seek input from the Board of Los Angeles Convention and Tourism Department Commissioners, the Los Angeles Convention Center and Exhibition Center Authority Commission, the City Planning Commission, the Cultural Affairs Commission, and the Board of Public Works. Additional details concerning the design review will be prepared and reported prior to the submission deadline.

### **PROCESS OUTCOMES**

By the end of the six month extension period the City will have had sufficient information on whether to move forward with the original deal as outlined in the IA. If no progress has been made between AEG and the NFL, the Council will have architectural designs and data that would inform further action on LACC expansion and modernization. By the end of the six month period, City staff will report back with necessary information for the Council to consider in deciding the best alternative plan. More specifically, the Council will have answers to the following questions:

1. What does the design of the project look like?

As a highly visible civic building that serves local and regional residents, as well as visitors from across the nation and around the world, the LACC should represent the City's best ideas, while providing functionality and quality of life improvements to the immediate and adjacent neighborhoods. The designs for the facility, then, should provide for an integrated campus and improved connectivity among the Convention Center facilities and with the surrounding community, including the Sports and Entertainment District, South Park, Pico Union, and greater Downtown.



2. What is the proposed financing plan?

The financing plan will address approximate project costs, including construction budget costs, risk assumptions and source of funds. Details will be provided on the proposed debt structure, an analysis on taxable versus tax-exempt debt, term for the proposed bonds, assumed interest rates, etc. This will be a preliminary financial plan. Final costs will not be known until a construction contract is awarded and the bonds are issued. In developing the finance plan, the City will also study the potential for net new General Fund tax revenues generated from each alternative.

3. What is the proposed cost to the City and private use opportunities?

This analysis will determine whether there are any private use opportunities on the site, potential revenues that could be generated through such use, impacts on the General Fund, and other factors. Creating such a partnership may allow for an opportunity to fund a portion of the expansion and modernization project.

4. What is the proposed project timeline?

The convention industry, and potential and existing clients have been following closely the City's activities as it relates to expanding and improving the Convention Center facility. Clients are making decisions based on construction schedules and project completion deadlines. Therefore, time is of the essence. Furthermore, market interest rates are at historical lows. It is uncertain how long the market can maintain such low rates. Timing therefore is a critical factor as it could have significant impacts on costs and the financing structure.

5. How does the proposed design address large convention needs as it relates to exhibit space, ballroom, meeting room space, etc.?

The new design must provide a minimum of equivalent functionality, and must provide the necessary exhibit, meeting room and ballroom spaces that would enable the Convention Center facility to compete for large conventions. If the City's goal is to compete as a top tier convention center there are certain design elements that must be satisfied. As equally critical, the City must be able to balance its facility's needs with the overall financial plan for the City. This also requires that the Council take action in developing a priorities list for all capital improvement projects, including the Convention Center facility.

6. How does the proposed project address needs related to the City's hotel capacity?

The City has a goal of increasing hotel room space to ensure that the City remains competitive with other convention cities in California, indicating a need for at least 8,000 rooms in walking distance of the LACC by 2025. Currently, a factor that hinders the City from competing as a top tier facility is the lack of hotel capacity within walking distance of the Convention Center facility. This coupled with the need to improve the public transportation system, makes it difficult to compete with San Francisco or Chicago. Therefore, the plan to address hotel capacity within walking distance is critical for developing a top tier facility and requires a long term strategic plan that encourages hotel development and growth within Downtown Los Angeles.

**Attachment A**

**AEG Letter of  
September 29, 2014**





**Dan Beckerman**

President & Chief Executive Officer

September 29, 2014

The Honorable Eric Garcetti  
Office of the Mayor  
City of Los Angeles  
200 N. Spring Street, Room 303  
Los Angeles, CA 90012

The Honorable Herb Wesson  
President, City Council  
City of Los Angeles  
200 N. Main Street, Room 430  
Los Angeles, CA 90012

The Honorable Curren Price  
Councilmember, District 9  
Chair, Economic Development Committee  
City of Los Angeles  
200 N. Main Street, Room 420  
Los Angeles, CA 90012

RE: Los Angeles Convention Center Modernization

Dear Mayor Garcetti and Councilmembers Wesson and Price:

For over fifteen years, AEG and the City have been working collaboratively to achieve our shared objectives of creating a modern, invigorated, healthy and diverse downtown. We have made significant progress during this time where our company and our partners have invested billions of dollars that have been a catalyst for billions more in investment throughout the City's core.

In a few weeks, the City and AEG will reach an important turning point with the scheduled expiration of time to proceed with the transactional agreements for the Convention and Event Center Project. We recognize that this process has taken longer than either of us originally anticipated, but we remain committed to the vision behind the project and are continuing to work earnestly to carry out steps necessary to see that vision fulfilled. We appreciate the patience that the City has exhibited while we have pursued an Event Center with an NFL team and we certainly understand your frustration and skepticism given the protracted nature of the NFL discussions that have yet to lead to a transaction.

[dbeckerman@aeg-la.com](mailto:dbeckerman@aeg-la.com)

800 W. Olympic Blvd., Suite 305 • Los Angeles, CA 90015 • p. (213) 742-7120 • f. (213) 763-7711

With that backdrop, we are not asking for more time lightly, as we understand from your feedback that there are important objectives and principles underlying the project that need to be advanced without undue delay. In particular, since the project was approved, the need to upgrade our convention center facilities (and to do it in a way that doesn't cause financial strain upon the City and its General Fund) has become even more pressing, as has the need for more hotel rooms to support the Convention Center.


Therefore, we are asking for a modest extension of the deadline in our agreement, but are doing so with an understanding that it is critical to the City that we simultaneously advance the exploration of an alternative plan. This additional time would allow AEG to finalize its analysis and conclusions on next steps for the further development of an integrated campus, while at the same time allowing AEG the opportunity to conclude its current efforts to secure the NFL commitments required to proceed with the Event Center. In addition, preserving the existing transactional and entitlement framework as a potential foundation for any new plans would, in our opinion, create the best opportunity for AEG and the City to adhere to the key project principles to which we remain committed.

The attached proposal provides that during the assessment period AEG would engage design firms at its expense to assist in preparing options for an alternative development that would carry out the City's objectives to modernize and expand the Convention Center. Further, concurrently AEG would seek to put forward a proposal to develop a large group hotel in the immediate vicinity of the Convention Center.

The ultimate goal is to develop a coherent and integrated alternative development plan for the convention center and surrounding areas (including the addition of a large hotel) that has the highest probability of success in a prompt time frame, with well-conceived site planning and thorough evaluation of economic feasibility based on relevant private sector development experience. AEG's significant investment in the area uniquely positions it to identify and pursue the best approach necessary to accomplish this goal as well as to shorten considerably the time frame needed to implement the solution.

We would welcome the opportunity to engage in further discussions with the City in order to explore our mutual goals of modernizing and expanding the Convention Center and advancing further development, such as a hotel, in the immediate vicinity that would be supportive of the Convention Center.

Very truly yours,

  
Dan Beckerman

Cc: The Honorable Members of the Los Angeles City Council  
Office of the City Administrative Officer  
Office of the Chief Legislative Analyst

**PROPOSAL**  
**Convention and Event Center Project**

**1. ASSESSMENT PERIOD**

- a. The City and AEG would agree to extend the Implementation Agreement for six months to April 17, 2015 ("Assessment Period") in order to (i) facilitate consideration of alternative development generally consistent with the existing transactional framework, the Convention and Event Center Specific Plan and the City's goals for the Convention Center, and (ii) provide additional time to determine whether AEG will be successful in on-going efforts to secure NFL commitments to enable the Event Center project to proceed. AEG would also request that if the requisite NFL team commitments are secured during the Assessment Period, then an additional extension (up to six months) could be granted by City staff if reasonably necessary to satisfy other procedural conditions in the Implementation Agreement (such as the issuance of bonds for the Convention Center project).
- b. AEG would agree to spend up to \$750,000 to fund the activities it proposes during the Assessment Period, as follows: AEG would expend up to \$600,000 to retain architectural firms for design services to further develop an alternative development plan and AEG would reimburse the City for up to \$150,000 to enable the City to evaluate such plans before determining how to proceed absent the Event Center.
- c. As with the initial effort for the Convention and Event Center Project, throughout the Assessment Period AEG would work closely with City representatives in the development and consideration of alternative development plans and, if applicable, the negotiation of necessary agreements should the City and AEG elect to proceed to proceed with such plans.

**2. PLAN OBJECTIVES**

- a. Evaluate, facilitate and advance an alternative development plan to modernize, expand and improve the Convention Center and surrounding facilities to position the Convention Center to compete with other top-tier convention centers and establish Los Angeles as the leading destination for major group events.
- b. Allow the City and AEG to determine during the Assessment Period whether on-going efforts to proceed with the Event Center project will be fruitful or whether

the City and AEG should affirmatively proceed with an alternative development plan.

- c. Establish a viable and financeable plan for the near-term expansion of the Convention Center, providing approximately 270,000 square feet of additional exhibit and meeting room space located adjacent to, and contiguous with, the South Hall and the West Hall.
- d. Identify and secure financial commitments from AEG in order to reduce public funding for the Convention Center expansion and lessen the burden on the City's General Fund.
- e. Identify a capital improvement plan for the West Hall, which would ensure the continued effective functioning of that facility for the foreseeable future while preserving the options for future expansion of the Convention Center or other compatible development at the West Hall site.
- f. Establish a viable plan for a large hotel in the immediate vicinity of the Convention Center with a significant number of rooms that is feasible to finance and develop in an expeditious timeframe. Take advantage of site opportunities in the immediate vicinity of the Convention Center to locate this hotel and other uses supportive of the Convention Center.
- g. Develop a long-term development plan to provide for enhanced integration and improved connectivity between the individual components of the Convention Center (South Hall, New Hall, West Hall and Gilbert Lindsay Plaza), as well as between LA LIVE, STAPLES Center and the Convention Center. For example, the plan could provide for pedestrian bridges connecting new and existing hotels as well pedestrian bridges connecting LA LIVE and the Convention Center.
- h. Take maximum advantage of, and build upon, the existing entitlements and transactional framework contemplated in the Implementation Agreement in order to shorten the time frame for improvement of the Convention Center, while minimizing pre-development costs and risks to the General Fund.

### 3. ALTERNATIVE DEVELOPMENT

- a. **Components.** During the Assessment Period, AEG would consult with the City on alternative development options containing the following core components:
  - i. **Convention Center:** The modernization and expansion of the Convention Center with approximately 270,000 square feet of additional exhibit and meeting room space located adjacent to, and contiguous with, the South

Hall and the West Hall. In addition, the plan would provide for improvements to both Gilbert Lindsay Plaza and the West Hall.

- ii. **New Hotel Development:** The development by AEG of another large group hotel, with a minimum of 750 hotel rooms, in close proximity to the Convention Center. AEG would explore locating this hotel on the Olympic North site it owns nearby the Convention Center, thereby preserving the West Hall site for future development opportunities. The new group hotel could take the form of either a separate hotel operated under a distinct flag, or an expansion of the existing JW Marriott at LA LIVE.
  - iii. **Convention Center Expansion Parcel:** In addition, consideration would be given to AEG's use of the airspace parcel it owns above the Olympic West Garage at LA LIVE for additional future development opportunities.
  - iv. **Future Development Opportunities.** Identification of potential uses for future available development sites on or adjacent to the Convention Center. Such uses might include additional entertainment and dining venues, additional convention, meeting and ballroom facilities, additional offices, studios and production facilities, and any other complimentary uses that would enhance the quality, character and operation of the overall integrated campus.
- b. **Assessment Factors.** In order to develop a feasible and financially viable alternative development plan, AEG and the City would consult on the following assessment factors:
- i. **Feasibility.** As with the City's evaluation of the Convention and Event Center Project, evaluations of potential components would be provided, including viability of hotel size and location and the potential funding sources for construction of Convention Center improvements and additional facilities.
  - ii. **Funding.** AEG would identify potential payment streams to the City to underwrite a significant portion of the cost of the near-term Convention Center expansion and renovation in a manner that is based on the existing transactional framework as appropriate. Potential sources could include use of the Signage Agreement (together with special assessment districts) with appropriate modifications, or rental streams from one or more ground leases. In order to facilitate the financing and construction of a new hotel, the City could reinvest the transient occupancy tax (TOT) generated by the new hotel on a basis comparable to that negotiated for the JW Marriott/Ritz Carlton hotel project at LA Live.

- iii. **Entitlements.** As noted above, AEG and the City would consider how to take maximum advantage of the existing entitlements and minimize time-consuming and expensive additional review. Any alternative development plan would be supportive of the City's objectives and generally consistent with the Specific Plan, including submission and approval of Project Permit Compliance Review.
- iv. **Transaction Framework.** AEG and the City would consider how to use the existing transactional framework to the greatest extent feasible.
- v. **Timing.** The City and AEG would assess the timing of options in an effort to commence and complete the modernization of the Convention Center and related hotel development as soon as reasonably feasible.

## **Attachment B**

### **First Amendment to Implementation Agreement**

**FIRST AMENDMENT  
TO  
IMPLEMENTATION AGREEMENT**

by and among

City of Los Angeles,

L.A. Event Center, LLC,

L.A. Convention Hall, LLC,

L.A. Parking Structures, LLC, and

L.A. Arena Land Company, LLC.

**Dated as of October\_\_\_\_, 2014**



**FIRST AMENDMENT  
TO  
IMPLEMENTATION AGREEMENT**

This First Amendment to Implementation Agreement ("First Amendment") is made as of this \_\_\_\_\_ day of October, 2014 ("First Amendment Effective Date"), by and among L.A. Arena Land Company, LLC, a Delaware limited liability company, L.A. Convention Hall, LLC, a Delaware limited liability company, L.A. Event Center, LLC, a Delaware limited liability company, L.A. Parking Structures, LLC, a Delaware limited liability company, and the City of Los Angeles, a California municipal corporation and charter city ("City") (collectively, the "Parties").

**RECITALS**

A. The Parties previously entered into that certain Implementation Agreement, dated as of October 18, 2012, in connection with a proposed renovation of the Los Angeles Convention Center and development of an event center commonly known as the Farmers Field. That Implementation Agreement, together with an October 17, 2012, letter confirming the Parties' understanding upon execution of such Implementation Agreement, shall be collectively referred to herein as the "Implementation Agreement". All capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Implementation Agreement.

B. The Parties now desire to enter into this First Amendment to, among other things, extend the Outside Date for Closing (as those terms are defined in the Implementation Agreement), as specified herein.

C. In consideration of the extension of the Outside Date, the Developer has agreed to deposit with the City an amount of Seven Hundred Fifty Thousand Dollars (\$750,000) in order for the City to pursue one or more contingency plans for the renovation of the Los Angeles Convention Center in case that Closing fails to occur by the extended Outside Date.

NOW THEREFORE, IN CONSIDERATION of the mutual agreements, obligations, and representations, the Parties hereby agree as follows:

**AGREEMENT**

**I. Extension of Outside Date and Termination of the Implementation Agreement**

The Outside Date, as defined in Section 4.2 of the Implementation Agreement, shall hereby be amended to be April 17, 2015. The City, acting jointly through its Chief Legislative Analyst ("CLA") and its City Administrative Officer ("CAO"), may, at its sole and absolute discretion, further extend the Outside Date by any amount of time (but no later than October 16, 2015) in the event that, prior to April 17, 2015, Developer demonstrates to the City that Developer has secured the NFL Team commitments (together with the approval of the NFL) necessary to enable the development of the Project to proceed as contemplated in the Implementation Agreement ("NFL Commitment"). Notwithstanding the foregoing, the Outside

Date shall automatically be further extended to October 16, 2015, in the event that the Closing condition set forth in Section 3.2.17 (City's Rights Regarding Primary Venue Contract) of the Implementation Agreement has been satisfied prior to April 17, 2015. The Implementation Agreement shall automatically terminate on April 17, 2015, in the event that neither one of the following occurs prior to April 17, 2015: (i) Developer demonstrates to the City that Developer has secured the NFL Commitment; (ii) the Closing condition set forth in Section 3.2.17 (City's Rights Regarding Primary Venue Contract) of the Implementation Agreement has been satisfied.

## **II. Extension of Target New Hall Completion Date**

The "Target New Hall Completion Date," as defined in Section 6.3.1 of the Implementation Agreement, shall hereby be amended to mean "a date to be mutually determined by the City and Developer by no later than April 17, 2015 based upon the facts and circumstances existing as of such time; and everywhere within the Implementation Agreement that the date "October 31, 2014" is used in connection with the completion of the New Hall, such date shall be replaced in all instances and for all purposes with the term "the Target New Hall Completion Date."

## **III. Predevelopment Funds for Contingency Plan(s)**

(a) Developer shall deposit with the City a one-time payment ("Predevelopment Funds") in the amount of Seven Hundred Fifty Thousand Dollars (\$750,000) within thirty (30) calendar days after the First Amendment Effective Date. In the event that Developer fails to timely deposit such funds to the City, the City, at its absolute discretion, shall have the right, but not the obligation, to unilaterally terminate the Implementation Agreement. The City shall spend the Predevelopment Funds as follows: (i) up to \$200,000 per architectural firm to engage the three (3) architectural and design firms (the "Selected Architects") previously selected by the City pursuant to its approved Task Order Solicitation Process, and the City shall issue a notice to proceed to each of the Selected Architects to commence the design process described below; and (ii) up to \$150,000 in connection with the City's retention of third party financial analysts, design professionals and other consultants for services that may include architectural, design, financial analysis, and cost estimation in order to enable the City to evaluate the various alternative development plans produced by the Selected Architects. The City shall have no obligation to return to Developer any unspent portion of the Predevelopment Funds.

(b) Following the full execution of this First Amendment and until April 17, 2015, the City and AEG shall jointly continue the City's "Plan B Design Process" in order to advance the mutually desired expansion and modernization of the Los Angeles Convention Center in the event that the conditions to Closing under the Implementation Agreement cannot be timely satisfied, all as follows:

(i) The City, acting jointly through its CLA and CAO, shall work with the LACC Commission president or another designated LACC Commissioner, the City's Bureau of Engineering, and Developer to formulate and provide design criteria to each of the Selected Architects and to issue a notice to proceed with the design competition pursuant to such design criteria;

(ii) The design criteria will focus on creating feasible alternatives for improving, expanding and modernizing the Los Angeles Convention Center;

(iii) The design criteria will request that each of the Selected Architects design alternatives both with and without a reservation of a hotel site on City property; it being contemplated that a total of six (6) design concepts will be received, two (2) from each of the Selected Architects;

(iv) Each design alternative shall include an architectural model, 3-D renderings, a site plan, floor plans, exterior elevations, a cost estimate, a phasing plan, and a design and construction schedule;

(v) Construction costs ranging from \$250,000,000 to \$350,000,000 (with a not-to-exceed budget of \$350,000,000) shall be a variable in the design criteria to be submitted to the Selected Architects; and

(vi) The Selected Architects shall provide urban design analysis related to connectivity and hotel demands and opportunities between and among the Los Angeles Convention Center, LASED, and the South Park community generally.

#### **IV. Affirmation of Other Terms**

Except as otherwise provided herein, all terms and conditions contained in the Implementation Agreement are hereby ratified and confirmed. The Implementation Agreement shall remain in full force and effect, except as expressly modified by this First Amendment.

*[signature pages follow]*

**IN WITNESS WHEREOF**, the Parties hereby have executed this First Amendment as of the First Amendment Effective Date.

**CITY OF LOS ANGELES**, a municipal corporation of the State of California

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

MICHAEL N. FEUER, City Attorney

ATTEST:

HOLLY L. WOLCOTT, City Clerk

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**L.A. EVENT CENTER, LLC**, a Delaware  
limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**L.A. ARENA LAND COMPANY, LLC**, a  
Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**L.A. CONVENTION HALL, LLC**, a  
Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**L.A. PARKING STRUCTURES, LLC**, a  
Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# CITY OF LOS ANGELES

CALIFORNIA

BOARD OF  
LOS ANGELES  
CONVENTION AND  
TOURISM  
DEVELOPMENT  
COMMISSIONERS

JON F. VEIN  
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OTTO PADRON

GILLIAN ZUCKER



ERIC GARCETTI  
MAYOR

LOS ANGELES  
DEPARTMENT OF  
CONVENTION AND  
TOURISM DEVELOPMENT

ROBERT R. "BUD" OVROM  
EXECUTIVE DIRECTOR

1201 S. FIGUEROA STREET  
LOS ANGELES, CA 90015  
(213) 741-1151  
FAX (213) 765-4441  
TTY (213) 763-5077

October 2, 2014

The Honorable Eric Garcetti  
Mayor, City of Los Angeles

The Honorable Herb Wesson  
President, City Council

The Honorable Curren Price  
Chair, Economic Development Committee

**RE: LOS ANGELES CONVENTION CENTER EXPANSION AND FUTURIZATION  
PROJECT**

Dear Mayor Garcetti and Council Members Wesson and Price:

As the Commission which has the direct management responsibility for the Los Angeles Convention Center, our Board of Commissioners, at its meeting on October 1, 2014, reviewed Mr. Beckerman's letter, dated September 29, 2014, addressed to you regarding the modernization of the Convention Center.

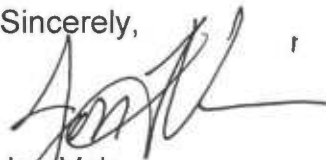
We wholeheartedly agree with Mr. Beckerman's assessment that the collaborative relationship between the City and AEG over the last 15 years has created "a modern, invigorated, healthy, and diverse downtown." Indeed, nothing better embodies the revitalization of downtown than LA Live, and the incredible leadership and commitment of Mr. Anschutz in bringing it to fruition.

In the spirit of continuing to advance that common vision, our Board voted to **support** the proposed **six month extension** of the Agreement between the City and AEG, with the following recommendations:

- The Board of the Los Angeles Department of Convention and Tourism Development (CTD) should be specifically included in the plan development and review process.
- AEG should provide a more detailed schedule for the six months, with critical milestones delineated, such as completion of the Economic Impact Report (EIR), financing plan, hotel needs assessment, legal mechanism for implementation, completion of conceptual design plan(s), plan for addressing EIR revisions, and the determination regarding an NFL team. The \$150,000 AEG offered to help the City pay for this evaluation might need to be increased.
- AEG should work with the Bureau of Engineering (BOE) and the CTD Department very early in the six month extension period to determine a path going forward on the design alternatives and required program criteria. The goal should be to put the City Council and the CTD Board in a position to be able to clearly evaluate the operational, economic, and financing benefits and challenges of the different possible design alternatives prior to having to make a final decision on how to proceed.
- AEG should work with the CTD Department to clearly and empirically demonstrate the advantages and disadvantages of different possible locations for a future hotel development, so the City Council and the CTD Board can ultimately make an objective decision on what is best for the City.
- AEG should provide monthly progress reports to the Economic Development Committee and the CTD Board. Such milestone reviews should allow for timely course corrections.

We look forward to working with AEG over the next six months to finally realize a major revitalization of the Los Angeles Convention Center.

Sincerely,



Jon Vein  
President  
CTD Board of Commissioners

cc: The Honorable Members of the Los Angeles City Council  
CTD Board of Commissioners  
Kelli Bernard, Deputy Mayor  
Miguel Santana, City Administrative Officer  
Sharon Tso, Chief Legislative Analyst  
Bud Ovrom, CTD Executive Director