1. Call to Order

2. Public Comment

3. Meeting Minutes
   - Approval of Meeting Minutes from January 14, 2015
   - Approval of Amendments to Meeting Minutes from November 11, 2014

4. President’s Comments
   - Formation of Committees
   - Commission Meeting Time and Frequency

5. Update on the LACC Authority Lease Revenue Program – Natalie Brill

6. Executive Director’s Report
   - Update on Status of Expansion Plans
   - Powers and Duties of LACC Authority and CTD Commission

7. Adjournment
The Los Angeles Convention and Exhibition Center Authority convened a regular meeting on Wednesday, January 14, 2015 at 10:45 a.m. at the Los Angeles Convention Center (LACC), located at 1201 S. Figueroa Street, Los Angeles, CA 90015, in Meeting Room 503.

COMMISSIONERS PRESENT
Susan Rodriguez, President (outgoing)
Wayne Avrashow, President (incoming)
Cheryl Turner, Vice President (incoming)
Ray Bishop
Martin Cooper
David Cunningham
Dennis Hernandez
J. Richard Leyner
Robert Mallicoat
Keith Martin
Jason Seward
Majib Siddiquee

COMMISSIONERS ABSENT
Peter Gravett
Courtney Reum

DEPARTMENT STAFF AND GUESTS PRESENT
Tom Fields, Assistant General Manager and COO – Los Angeles Department of Convention & Tourism Development (CTD)
Glyn Milburn, Business Representative – Office of the Mayor
John Wickham, Legislative Analyst – Office of the Chief Legislative Analyst (CLA)
Renee Stadel, Deputy City Attorney – Office of the City Attorney
Barbara Kirklighter, Vice President, Revenue Strategy – Los Angeles Tourism & Convention Board (LATCB)
Cristine Villorante, Executive Administrative Assistant – CTD

Item 1. Call to Order  – The meeting was called to order by President Rodriguez.

Item 2. Public Comment – Ms. Joyce Dillard commented on her testimony in front of the Board of Public Works Commission relative to the Task Order Solicitation for the LACC Renovation and Expansion Project and how it is not under Public Work’s jurisdiction, but that of the Authority.
Item 3. Approval of Meeting Minutes from November 12, 2014

Moved by: Commissioner Leyner
Seconded by: Commissioner Cooper

Approved
Yes: Commissioners Avrashow, Bishop, Cooper, Cunningham, Hernandez, Leyner, Mallicoat, Martin, Rodriguez, Seward, Siddiquee

No: Commissioner Turner

Item 4. President’s Comments – President Rodriguez expressed her appreciation for her tenure as President for the last year.

Item 5. Election of Officers

Commissioner Cunningham, Chair of the Nominating Committee, provided a brief history of the Nominating Committee and its customs.

The nominating committee announced their nomination of Wayne Avrashow for President and Susan Rodriguez for Vice President and requested Commissioners to move forward with acceptance, seconded by Commissioner Mallicoat.

Discussion ensued about the Nominating Committee’s logic and election process.

Upon the conclusion of discussion, Commissioner Bishop moved to nominate Cheryl Turner as Vice President, which was subsequently withdrawn and replaced with a substitute motion to nominate Cheryl Turner as Vice President, seconded by Commissioner Cooper.

Further discussion ensued and upon conclusion, Commissioner Bishops substitute motion was withdrawn from the floor and Commissioner Cunningham’s motion was amended to open the floor to nominations.

Note: Commissioner Siddiquee departed early and did not participate in the voting process.

Nominees for President

Wayne Avrashow
Moved by: Commissioner Bishop
Seconded by: Commissioner Rodriguez and Leyner

9 Votes: Commissioners Avrashow, Bishop, Cooper, Cunningham, Hernandez, Leyner, Mallicoat, Rodriguez, Seward
Cheryl Turner  
Moved by: Commissioner Seward  
Seconded by: Commissioner Hernandez  

2 Votes: Commissioners Martin and Turner

Nominees for Vice President

Susan Rodriguez  
Moved by: Commissioner Cunningham  
Seconded by: Commissioner Hernandez  

2 Votes: Commissioners Mallicoat and Rodriguez

Cheryl Turner  
Moved by: Commissioner Bishop  
Seconded by: Commissioner Cooper  

7 Votes: Commissioners Bishop, Cooper, Hernandez, Leyner, Martin, Seward, and Turner  

2 Abstain: Commissioners Avrashow and Cunningham  

Note: Results fell short of majority vote of eight (8) to pass, Commissioner Avrashow moved for another vote, seconded by Commissioner Hernandez.

Susan Rodriguez  
Moved by: Commissioner Cunningham  
Seconded by: Commissioner Hernandez  

2 Votes: Commissioners Mallicoat and Rodriguez

Cheryl Turner  
Moved by: Commissioner Cooper  
Seconded by: Commissioner Seward  

9 Votes: Commissioners Avrashow, Bishop, Cooper, Cunningham, Hernandez, Leyner, Martin, Seward, and Turner.

Item 6. Ethics Training – Ms. Renee Stadel, Deputy City Attorney, gave a presentation on Ethics rules and regulations as it relates to the Authority.

Item 7. Executive Director’s Report – Mr. Tom Fields reported on the current fiscal year’s capital improvement projects and the White Paper which outlines the expansion and futurization of the Convention Center.

Commissioner Bishop asked CTD staff to report any issues that may impact the Authority’s roles and responsibilities.
Commissioner Cooper moved for CTD staff to be directed to provide an economic benefits analysis, which was seconded by Commissioner Leyner. The motion fell short of the majority vote of eight (8).

Yes: Commissioners Bishop, Cooper, Leyner, Mallicoat, Seward and Turner

No: Commissioners Avrashow and Rodriguez

**Item 8. Agenda Forecast and Special Topics**

Commissioner Bishop would like a clearer understanding of the Authority’s roles as it relates to the accounting of lease payments and financials.

Commissioner Bishop requested that requests from Commissioners be added to the meeting minutes.

Commissioner Turner moved to have the Authority be given access to income, expense, and lease payment reports on a regular basis.

President Avrashow asked that Commissioner Turner to withdraw her motion and see if his request encompasses her requests.

President Avrashow requested the following:
- A White Paper for the Authority to include duties or roles and responsibilities, along with financials.
- Service on Committees
- After an understanding of the Authority’s roles and responsibilities, revisit meeting time and frequency.

**Item 9. Adjournment** – The meeting was adjourned at 12:51 p.m.
The Los Angeles Convention and Exhibition Center Authority (Authority) convened a regular meeting on Wednesday, November 12, 2014 at 10:40 a.m. at the Los Angeles Convention Center (LACC), located at 1201 S. Figueroa Street, Los Angeles, CA 90015, in Meeting Room 510.

COMMISSIONERS PRESENT
Susan Rodriguez, President
Wayne Avrashow
Ray Bishop
Dennis Hernandez
J. Richard Leyner
Robert Mallicoat
Keith Martin
Courtney Reum
Jason Seward
Majib Siddique
Cheryl Turner

COMMISSIONERS ABSENT
Martin Cooper
David Cunningham
Peter Gravett

DEPARTMENT STAFF & GUESTS PRESENT
Bud Ovrom, Executive Director –
Los Angeles Department of Convention & Tourism Development (CTD)
Tom Fields, Assistant General Manager & Chief Operating Officer - CTD
Marla Bleavins, Assistant General Manager – Finance and Administration - CTD
Terry Martin Brown, Assistant City Attorney – Office of the City Attorney
Diana Mangioglu, Sr. Administrative Analyst II – Office of the City Administrative Officer
John Wickham, Legislative Analyst – Office of the Chief Legislative Analyst (CLA)
Barbara Kirklighter, Vice President, Revenue Strategy –
Los Angeles Tourism & Convention Board (LATCB)
Cristine Villorante, Executive Administrative Assistant - CTD

Item 1. Call to Order – President Rodriguez called the meeting to order.

Item 2. Public Comment – Ms. Joyce Dillard expressed her concerns on the use of Housing and Urban Development funds, Prop 1C funds and air rights. She asked the Authority to look more closely at the financial aspects of the Convention Center.
ADD:
Commissioner Leyner commented that if air rights are a concern with regards to the expansion involvement, the Authority should have 100% knowledge of its responsibilities.

Commissioner Bishon requested bullet points for the powers and duties of the Authority.

Commissioner Bishop and Leyner requested that any issues with air rights under the jurisdiction of the Authority should be identified and asked Mr. Bud Ovrom if staff can assist with his request.

**Item 3. Approval of the Meeting Minutes –**

September 10, 2014 Meeting Minutes
Commissioner Hernandez moved to approve the meeting minutes of September 10, 2014, seconded by President Rodriguez, as amended. President Rodriguez requested a review of the recording to confirm the second motion to approve the meeting time of 10:30 a.m.

**Approved**
Yes: Pres. Rodriguez, Commissioners Avrashow, Bishop, Hernandez, Leyner, Mallicoat, Martin, Reum, Seward, Siddiquee, and Turner

No: None

October 15, 2014 Meeting Minutes
Commissioner Hernandez moved to approve the meeting minutes of October 15, 2014, seconded by Commissioner Leyner.

**Approved**
Yes: Pres. Rodriguez, Commissioners Avrashow, Bishop, Hernandez, Leyner, Mallicoat, Martin, Reum, Seward, Siddiquee, and Turner

No: None

**Item 4. President’s Comments** – President Rodriguez thanked everyone for coming and extended her appreciation to Ms. Terry Martin Brown for providing the Authority with today’s overview of the Brown Act and the Authority’s powers and duties.

**Note: A portion of Item 7 was taken out of order due to presenter’s time constraints.**

**Item 7. Executive Director’s Report** –
Mr. John Wickham provided a status update on AEG’s extension to the Implementation Agreement for the New Hall and Event Center Project (Council File No. 14-1383). The process is currently on hold.
ADD:
Commissioner Seward requested quarterly reports on assets or bonds. Ms. Marla Bleavins referred the inquiry to Ms. Diana Mangiglu who stated that bi-annual reports can be provided.

Ms. Martin Brown gave the Authority an overview of the Brown Act (California’s open meeting law) and the Authority’s powers and duties (Joint Exercise Powers Agreement between the City of Los Angeles and the County of Los Angeles).

*Item 7. Executive Director’s Report* –
Mr. Ovrom reported on the Task Order Solicitation (TOS) for Plan B.
Item 8. Proposed Future Monthly Meeting Schedule –

December 10, 2014 Meeting
Due to a conflict in President Rodriguez’s schedule, coupled with the lack of relevant agenda items for December’s meeting, Commissioner Leyner moved to cancel the meeting on December 10, 2014, seconded by Commissioner Avrashow.

Approved
Yes: Pres. Rodriguez, Commissioners Avrashow, Bishop, Hernandez, Leyner, Malliccoat, Martin, Reum, Seward, Siddiquee, and Turner

Abstain: Commissioners Seward and Turner (noted as a Yes vote)

No: None

The next meeting is scheduled for January 14, 2015.

Item 9. Adjournment – The meeting was adjourned at 12:43 p.m.
Los Angeles Convention and Exhibition Center Authority

Update on the LACC Lease Revenue Program

Presented by the Office of the City Administrative Officer

February 11, 2015
Presentation Overview

- Overview of Bond Structure
- LACC Commercial Paper Program
- Roles of Financing Team
OVERVIEW OF BOND STRUCTURE
Bonds and the City

- Los Angeles Convention and Exhibition Center Lease Revenue bonds are obligations of the City’s General Fund, as the General Fund makes a lease payment equivalent to the debt service payment.

- The CAO issues and manages debt for the City, including bonds authorized by the Los Angeles Convention and Exhibition Center Authority.

- As part of our duties, we monitor the City’s outstanding debt for refunding opportunities to achieve savings.

- To pay for $9.4 million of approved capital improvement projects, CAO recommended establishing a Commercial Paper (CP) program, similar to the City’s MICLA CP program.

- Briefing intended to provide an update on LACC CP Program and next steps.

- Informational only at this time. We will return to request approval of relevant bond documents to complete the debt transaction.
## Summary of Outstanding Bonds

<table>
<thead>
<tr>
<th>Date Issued</th>
<th>Series</th>
<th>Amount Issued (Par)</th>
<th>Amount Outstanding*</th>
<th>Final Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/1/98</td>
<td>Series 1998 A</td>
<td>$45,580,000</td>
<td>$27,285,000</td>
<td>8/15/2024</td>
</tr>
<tr>
<td>6/3/03</td>
<td>Series 2003 A</td>
<td>226,045,000</td>
<td>34,995,000</td>
<td>8/15/2015</td>
</tr>
<tr>
<td>9/23/08</td>
<td>Series 2008 A</td>
<td>253,060,000</td>
<td>253,060,000</td>
<td>6/30/2023</td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td></td>
<td><strong>$524,685,000</strong></td>
<td><strong>$315,340,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

*As of 1/1/2015
Lease Structure of Outstanding Bonds

- City leases the asset to the Authority and Authority leases the asset back to the City
- Authority and City enter into the following documents for each issuance:
  - **Resolution of the Authority**: Approves the issuance of the bonds and approval of bond documents in near final form
  - **Amended Lease Agreement**: Between the City and the Authority allowing for a revised lease payment schedule
  - **Assignment Agreement**: Between the Authority, the City and the Trustee assigning the Authority’s right to receive rental payments from the City to the Trustee
  - **Indenture**: Contract among the City, the Authority and the Trustee pledging certain revenues for the repayment of the bonds and stipulates the rights of the bondholders
LACC COMMERCIAL PAPER PROGRAM
Establish CP Program

- LACC needs capital improvements
  - Currently, using City’s General Fund MICLA CP Program until LACC CP Program is on-line

- 2014-15 Adopted Budget
  - Mayor and Council approved $9.4 million in capital projects
  - Capital Finance Administration Fund includes $2 million in General Fund for LACC CP Program

- Currently appraising LACC for fair market value

- Two Requests for Proposals
  - Letters of Credit
  - Remarketing Agents
## 2014-15 LACC Capital Improvements

<table>
<thead>
<tr>
<th>Item #</th>
<th>Equipment / Infrastructure</th>
<th>5 Year Prioritized Infrastructure Plan (CIEP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>South Hall and Concourse Roof Replacement: Replace existing roof with new “cool roof” material.</td>
<td>2014-15 FY $4,000,000</td>
</tr>
<tr>
<td>2</td>
<td>Security Surveillance Replacement Program: Upgrade existing video surveillance system to include 24/7 operating mode, a neural network/machine learning system, and optical character recognition, resulting in increased energy savings, lower labor-intensive maintenance, and a more secure environment.</td>
<td>$900,000</td>
</tr>
<tr>
<td>3</td>
<td>Elevator Replacement: Replace existing elevators that are non-compliant with ADA requirements.</td>
<td>$1,100,000</td>
</tr>
<tr>
<td>4</td>
<td>South Hall Meeting Rooms HVAC variable frequency drive (VFD) Upgrades: Replace (5) of the 300 series Meeting Rooms' HVAC systems with new variable frequency drives.</td>
<td>$70,000</td>
</tr>
<tr>
<td>5</td>
<td>Modernization includes: Elevators, Escalator and Elevator Repair/Modernization Program: Due to the age and use of the equipment, major repairs and modernization are needed on a yearly basis. New controls, motors &amp; pumps, cab interiors, lighting, etc. / Escalators - new handrails, handrail chains and rollers, etc.</td>
<td>$125,000</td>
</tr>
<tr>
<td>6</td>
<td>South Hall and Concourse public restrooms vestibule renovation: Phase 1 includes the first floor restrooms. Phase 2 includes the second floor restrooms.</td>
<td>$150,000</td>
</tr>
<tr>
<td>7</td>
<td>Security Surveillance Replacement Program: Upgrade entire video surveillance system including new control system, new consoles, and new cameras.</td>
<td>$500,000</td>
</tr>
<tr>
<td>8</td>
<td>South Hall Roof Replacement: Replace existing roof with new “cool roof” material.</td>
<td>$350,000</td>
</tr>
<tr>
<td>9</td>
<td>Colortran Dimming System: Replace failing obsolete Colortran room lighting dimmer system with new dimmer system.</td>
<td>$350,000</td>
</tr>
<tr>
<td>10</td>
<td>South Hall Cooling Tower Replacement: Replace five (5) existing cooling towers that are corroded and have reached the end of their lifecycle.</td>
<td>$450,000</td>
</tr>
<tr>
<td>11</td>
<td>Cold Reinforcement: Due to the high traffic usage and ongoing cleaning/shampooing, the existing cold reinforcement is deteriorating. The project would entail removal of the old cold reinforcement and new cold reinforcement.</td>
<td>$300,000</td>
</tr>
<tr>
<td>12</td>
<td>Elevator and Escalator Repairs Modernization Program: Due to general wear and the equipment, major repairs and modernization are needed on a yearly basis. New control system, motors &amp; pumps, cab interiors, lighting, etc. / Escalators - new handrails, handrail chains and rollers, etc.</td>
<td>$300,000</td>
</tr>
<tr>
<td>13</td>
<td>Automatic - ‘Scissor’ Lifts (ELS): For cargo lifts, LACC has five (5) man rider lift systems (LASSP) that provide efficient lift power for the entire facility. All the systems, utilities, and a sufficiently equipped electrical system are in good condition.</td>
<td>$600,000</td>
</tr>
<tr>
<td>14</td>
<td>Sidewalk Replacement: Numerous curbs and sidewalks located outside the facility have reached their life span and an unsightly condition requiring ongoing maintenance. Project includes sidewalks on LACC private areas as well as public areas.</td>
<td>$120,000</td>
</tr>
</tbody>
</table>

**Total** $9,315,000

$94 million of Capital Improvement projects approved by the Mayor and Council.
## Preliminary Time Line

<table>
<thead>
<tr>
<th>Time</th>
<th>Year</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall</td>
<td>2015</td>
<td>Chose Financial Advisor from City’s list of qualified financial advisors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Worked on selecting appraiser</td>
</tr>
<tr>
<td>January</td>
<td>2015</td>
<td>Met with Appraiser to describe scope</td>
</tr>
<tr>
<td>March</td>
<td>2015</td>
<td>Appraisal Report received</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Release RFP and select Letter of Credit banks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Release RFP and select Remarketing Agents</td>
</tr>
<tr>
<td>April</td>
<td>2015</td>
<td>Commercial Paper documents to Authority for approval</td>
</tr>
<tr>
<td>May</td>
<td>2015</td>
<td>Report to Mayor and Council to approve Commercial Paper documents</td>
</tr>
<tr>
<td>June</td>
<td>2015</td>
<td>Issue Commercial Paper as needed for projects</td>
</tr>
</tbody>
</table>
ROLE OF FINANCING TEAM
Role of the Authority

- Los Angeles Convention and Exhibition Center Authority primary responsibility is to finance bonds for the improvements to the Los Angeles Convention Center.

- The Authority approves a resolution to issue revenue bonds and incur other forms of indebtedness in accordance with the Joint Powers Authority. Mayor and City Council approval also needed.

- The Authority assigns the responsibility to manage the debt and capital projects on its behalf to City staff, including the CAO, who serve as ex officio staff to the Authority.
Financing Team

- Financial Advisor
  - Montague DeRose and Associates
- Attorneys
  - Note and Tax Counsel: Hawkins Delafield Wood
  - Disclosure Counsel: Nixon Peabody
- Letter of Credit provided by bank
- Remarketing Agents
- Appraisers
- Trustee
- City Staff: ex officio staff to the Authority
QUESTIONS?
DATE: February 6, 2015

TO: Los Angeles Convention and Exhibition Center Authority Commission

FROM: Robert R. "Bud" Ovrom, Executive Director
Los Angeles Department of Convention and Tourism Development

SUBJECT: UPDATE ON STATUS OF EXPANSION PLAN

As part of my Executive Director's Report on the agenda for your February 11 meeting, I will walk through the attached Notice to Proceed that has gone out to the three architectural firms.

There will be a kick-off meeting for the three architectural teams on February 18. I will make sure you also get the materials from that meeting.

A copy of the White Paper is attached. Hard copies were distributed at your last meeting and additional copies will be available at your next meeting. It is always a good resource document to have with you when we are discussing Plans A or B.

RRO:cv
Exec Ref No. 15-017

Attachment
Los Angeles Convention Center (LACC)
Renovation and Expansion Project

Task Order Solicitation No. 0001 (Work Order No. E190777A)

This addendum consists of this three-page transmittal containing further revisions to the revised Competition Brief issued June 13, 2014 email “City of Los Angeles Task Order Solicitation (Revised)” to the 2014 PQOC Architectural On-Call List of consultants.

Documents will be available by January 7, 2015 for download at eng.lacity.org/projects/laccexpansion.

Consultants are hereby notified of the following changes (highlighted in yellow for clarity):

I. MODIFICATIONS TO TASK ORDER SOLICITATION:
   
   No changes.

II. MODIFICATIONS TO COMPETITION BRIEF:

   1. Section I, ABOUT THE LOS ANGELES CONVENTION CENTER, Fig. 1 – Existing Site Plan has been revised as follows:

      The figure is now labeled Fig. 2 – Existing Site Plan. The site plan has also been revised with the following note - This portion of property is currently under lease and is not part of this project (see attached).

   2. Section III, PROGRAMMING GOALS FOR THE LOS ANGELES CONVENTION CENTER, Item J. Identify Public Private Development Opportunities has been revised as follows:

      J. Identify Public Private Development Opportunities
      Identify public-private development opportunities that fit with the LACC campus and generate adequate revenue to support development of the major improvements. These could include one or more hotels and possibly retail uses. Revenues generated through the development of private uses on the property, including ground lease payments and possessory interest tax, could be used to help support bond payments. The conceptual plan should provide a blank pad where a privately developed, owned and operated 1,000-room hotel, and possibly other commercial use, could/should be located to best address the goals of LACC. In addition, propose a concept design with no hotel on the LACC site.

   3. Section III, PROGRAMMING GOALS FOR THE LOS ANGELES CONVENTION CENTER, Item L. Urban Design Analysis has been added as follows:
L. Urban Design Analysis
   As part of the conceptual design prepare a single urban design diagram of the
   relationships of existing and proposed off-site hotel developments with the new on-
   site Convention Center development. This diagram is for the alternative where there
   is no hotel on the LACC site. Diagram these relationships from Wilshire Blvd. on the
   north, to Grand Avenue on the east, to the 10 Freeway on the south, to Union
   Avenue on the west. The City will provide the information on the planned off-site
   hotel developments for the diagram.

4. Section VII, PROJECTED SCHEDULE FOR TASK ORDER has been revised as
   follows:

<table>
<thead>
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<th>STAGE II</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Board of Public Works Approval to Award Task Order to Selected</td>
<td>January 5, 2014</td>
</tr>
<tr>
<td>Teams</td>
<td></td>
</tr>
<tr>
<td>2. Issue Notice to Proceed to Selected Teams</td>
<td>January 7, 2015</td>
</tr>
<tr>
<td>3. Initial Public (Community) Meeting</td>
<td>January 15, 2015</td>
</tr>
<tr>
<td>4. HOLD After First Community Meeting (One Month)</td>
<td></td>
</tr>
<tr>
<td>5. Design Initiation Meeting</td>
<td>February 17, 2015</td>
</tr>
<tr>
<td>6. First Review Meeting with Teams</td>
<td>March 10, 2015</td>
</tr>
<tr>
<td>7. Second Review Meeting with Teams</td>
<td>April 7, 2015</td>
</tr>
<tr>
<td>8. Selected Teams Complete Conceptual Design Work</td>
<td>May 18, 2015</td>
</tr>
<tr>
<td>10. Presentation and Discussion of Work Product with City Team – See</td>
<td>from: June 2, 2015 to: June 4, 2015</td>
</tr>
</tbody>
</table>
   Approximate Schedule Below                                              |                              |
   June 2nd Daytime: Brief Elected Officials                              |                              |
   June 2nd Evening: Public Meeting                                      |                              |
   June 3rd Daytime: Briefings for Various Boards                         |                              |
   June 4th Daytime: Selection Committee Presentation                     |                              |
Los Angeles Convention Center (LACC) Renovation and Expansion Project

Task Order Solicitation No. 0001 (Work Order No. E190777A)

<table>
<thead>
<tr>
<th>Stage III</th>
</tr>
</thead>
<tbody>
<tr>
<td>11. Board of Public Works Approval to Select Finalist and Authorize Contract Negotiations</td>
</tr>
<tr>
<td>1. Negotiate Contract</td>
</tr>
</tbody>
</table>

III. MODIFICATIONS TO ATTACHMENTS 1-9:
No changes.

IV. MISCELLANEOUS:
No Changes

Sincerely,

Deborah Weintraub, AIA, LEEDAP
Chief Deputy City Engineer
Bureau of Engineering
Department of Public Works
Fig. 2 - Existing Site Plan
THE EXPANSION & FUTURIZATION PROJECT

WHITE PAPER
THE FUTURE OF THE LOS ANGELES CONVENTION CENTER
December 2014
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<td>5</td>
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<td>7</td>
</tr>
<tr>
<td>D. Expansion</td>
<td>11</td>
</tr>
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<td>III. THE LACC EXPANSION AND</td>
<td>13</td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>A. Design</td>
<td>13</td>
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<td>14</td>
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<td>2. Primary Project Criteria</td>
<td>15</td>
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<td>19</td>
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<td>23</td>
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<td>24</td>
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</tbody>
</table>

This report may be electronically downloaded from www.lacclink.com/about/la-city-department
I. INTRODUCTION

The purpose of this report is to provide the background, current status, and proposed next steps for the future of the Los Angeles Convention Center (LACC).

On October 18, 2012, the City entered into a two-year agreement with Anschutz Entertainment Group (AEG) to construct a National Football League (NFL) Stadium and Event Center at the current location of the Convention Center’s West Hall. That agreement has now been extended to April 17, 2015, to allow AEG additional time to secure the commitment of a NFL football team.

The City has successfully accomplished all of the tasks it committed to perform to make the return of the NFL to the City of Los Angeles (City) a reality. A suitable site has been identified, a preliminary design by AEG has been approved, the Environmental Impact Report (EIR) has been certified, and a mutually acceptable business transaction between AEG and the City has been executed. The ultimate success of the effort now rests solely with AEG and the National Football League.

On December 18, 2013, the City Council directed staff to develop a back-up plan in the event the NFL Stadium/Event Center failed to come to fruition. The Convention Center is a billion dollar City asset which needs to be better utilized as an economic engine for the City. The City’s first priority continues to be the Stadium/Event Center. However, if that is not going to happen for reasons beyond the City’s control, another alternative must be ready to be put into action.

Clearly, returning to the status quo of underutilizing this strategic site is not in the best interest of the City’s long term economic future. The Los Angeles Tourism & Convention Board (LATCB) recently conducted an analysis which found that of the 803 lost citywide conventions recorded in 2010-2014, 271 were due to lack of hotels (16%) or convention center space not deemed suitable (18%). The combined value of the 271 events that were lost as a result of insufficient hotel capacity and insufficient space at LACC is: 3.3 million room nights, $750 million in room revenue, $105 million to Transient Occupancy Tax (TOT), and a lost economic impact of $4.9 billion.

This report will present recommendations for the Los Angeles Convention Center’s Expansion and Futurization Project to capture more of the market share and turn the Convention Center into a better economic engine for the City.
The 54-acre LACC site is strategically located as the southern anchor of Downtown Los Angeles in the booming South Park and Sports & Entertainment Districts.
II. TURNING THE LACC INTO AN ECONOMIC ENGINE

Simply building a larger and more modern physical facility is not going to guarantee success. Indeed, a great many cities have built or expanded their convention centers with the naïve assumption that, “if you build it, they will come.” One recent book, *Convention Center Follies* by Dr. Heywood Sanders, noted that between 1989 and 2011 the amount of exhibit space in the United States nearly doubled from 36 million square feet (sf) to 70.5 million square feet, while demand remained flat. Excessive boosterism and hyperbole by city leaders, business associations, and consultants have too often led to a “white elephant” being replaced by an even larger white elephant, when revenue and attendance fell short of the projections which were made to approve the project in the first place.

However, Los Angeles is not a second-tier market or a desperate city trying to be more than it can realistically be. Los Angeles is the second largest city in the United States and gateway to the rapidly emerging Pacific Asian market. We have the third busiest airport in the nation and the number one ranking port (based on container volume). In 2014, the *Guardian* rated Los Angeles the most powerful City brand in the world, beating out New York, London, and Paris. Our competitive edge was credited as resulting from “cultural variety and sheer glitter,” plus weather, beaches, improving crime rates and other valuable assets. Los Angeles welcomed 42.2 million visitors in 2013 and is well on its way to the targeted goal of 50 million by 2020.

The City of Los Angeles is well positioned to make its Convention Center a very meaningful building block within the City's larger economic development strategy. There is no “silver bullet”. It will take “silver buckshot” - - numerous separate efforts all aimed at the same target. We need to change the very essence of how we perceive and operate the Convention Center.

Under the leadership of Mayor Garcetti and the City Council, much of that work has already started with a “Four Pillars” strategy - - Governance, Privatization, Hotel Development, and Expansion.
A. Governance

In April 2014, the City Council unanimously passed and the Mayor signed a new governance ordinance which became effective on June 9, 2014. This historic ordinance fundamentally changed the way the Convention Center is governed in Los Angeles:

- The new Department of Convention and Tourism Development (CTD) was created.
- The Los Angeles Tourism and Convention Board (LATCB) and the LACC were put under the management of this new department. Previously, LATCB reported to the City Administrative Officer (CAO) and had no formal organizational link to the LACC, which reported directly to the Mayor.
- An authoritative, rather than advisory, Commission was established, consisting of Jon Vein (President), Ray Bidenost (Vice President), Gillian Zucker, Nicole Duckett Fricke, and Otto Padron.
- A more empowered Executive Director position was created, assuming the responsibilities which had previously been performed by the CAO.
- The new CTD Department was charged with promoting convention and tourism development citywide.
- The City/County Joint Powers Financing Authority remains in place. The Convention and Exhibition Center Authority, a 15-member joint powers authority between the City and County, plays a critical role by issuing debt for the development of the LACC.

Although it has officially only been in existence since June 2014, this new Ordinance represents a profound change in the way the LACC is governed and held accountable.
B. Privatization

In 2013, with the leadership of the CAO, the City embarked on a comprehensive effort to “privatize” the daily operations of the LACC, as is done with many of the other successful convention centers:

<table>
<thead>
<tr>
<th>CONVENTION CENTER</th>
<th>CITY</th>
<th>OPERATOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>McCormick Place</td>
<td>Chicago, IL</td>
<td>SMG</td>
</tr>
<tr>
<td>Orange County Convention Center</td>
<td>Orlando, FL</td>
<td>Orange County</td>
</tr>
<tr>
<td>Las Vegas Convention Center</td>
<td>Las Vegas, NV</td>
<td>Las Vegas Convention and Visitors Authority</td>
</tr>
<tr>
<td>Georgia World Congress</td>
<td>Atlanta, GA</td>
<td>Georgia World Congress Center Authority</td>
</tr>
<tr>
<td>Ernest M. Morial Convention Center</td>
<td>New Orleans, LA</td>
<td>New Orleans Public Facility Management Inc.</td>
</tr>
<tr>
<td>George R. Brown Convention Center</td>
<td>Houston, TX</td>
<td>Houston First Corporation</td>
</tr>
<tr>
<td>Anaheim Convention Center</td>
<td>Anaheim, CA</td>
<td>City of Anaheim</td>
</tr>
<tr>
<td>Moscone Center</td>
<td>San Francisco, CA</td>
<td>SMG</td>
</tr>
<tr>
<td>Jacob K. Javits Convention Center</td>
<td>New York, NY</td>
<td>New York Convention Center Operating Corporation</td>
</tr>
<tr>
<td>San Diego Convention Center</td>
<td>San Diego, CA</td>
<td>San Diego Convention Center Corporation</td>
</tr>
</tbody>
</table>

A Management Agreement between AEG and the City was approved by the City Council in October 2013. The transition to the private operator began in October 2013, and became fully operational in January 2014.

Although a $1.6 million dollar deficit was projected for the first six months under the private sector operating contract, due to normal one-time start-up and transition expenses, AEG Facilities managed to finish the fiscal year in the black! The AEG Facilities team implemented new strategies to strengthen Convention Center exposure, boost sales, increase event programming, and improve client retention. Several new contracts were negotiated with service providers, contractors, and suppliers to reduce costs, and revenues were increased in several key areas. Additionally, security staffing was increased by 50% improving safety and security at the LACC.

Along with the new governance ordinance, this transition to privatization has been a **historic change** in how the Los Angeles Convention Center is administered and held accountable.

900-room, 73 floors, InterContinental Hotel at Wilshire Grand, currently under construction, is scheduled to open in 2017 and will be the tallest building west of Chicago.
C. Hotel Development

The analysis of factors which contribute to the LACC’s underperformance compared to competitive cities also revealed a very dramatic deficiency in the number of hotel rooms within walking distance of the convention center.

According to a 2014 report by Convention Sports Leisure (CSL) Consulting Group, at the current number of hotel rooms within walking distance, the LACC can accommodate only 74% of the national convention market’s hotel room requirement, whereas our immediate competitors in San Diego, Anaheim, and San Francisco can meet 92-99% of the market’s needs.

Not only does Los Angeles immediately forfeit 26% of the national convention business, it is that portion of the market which represents the largest and most lucrative conventions, such as: the Orthopedic Surgeons Association (32,000 attendees); American Society of Hematology (35,000 attendees); American Heart Association (28,000 attendees); and American College of Cardiology (28,000 attendees). Each of these four events generates approximately 50,000 room nights and each would have contributed approximately $60 - 80 million in economic impact to Los Angeles.

The LACC needs approximately 8,000 rooms within walking distance to be in a position to accommodate 90% of the convention market.
CTD Department Action Plan goal is to have almost 8,000 rooms by 2020.

<table>
<thead>
<tr>
<th>HOTELS WITHIN WALKING DISTANCE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EXISTING AS OF JULY 1, 2013</td>
<td></td>
</tr>
<tr>
<td>1 J.W. Marriott Los Angeles L.A. LIVE</td>
<td>878</td>
</tr>
<tr>
<td>2 Sheraton Los Angeles (The Bloc)</td>
<td>485</td>
</tr>
<tr>
<td>3 Figueroa Hotel</td>
<td>285</td>
</tr>
<tr>
<td>4 Stillwell Hotel</td>
<td>232</td>
</tr>
<tr>
<td>5 Mayfair Hotel</td>
<td>215</td>
</tr>
<tr>
<td>6 Luxe City Center Hotel</td>
<td>175</td>
</tr>
<tr>
<td>7 Ritz Milner Hotel</td>
<td>137</td>
</tr>
<tr>
<td>8 The Ritz-Carlton, Los Angeles</td>
<td>123</td>
</tr>
<tr>
<td>9 O Hotel</td>
<td>67</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>2,597</strong></td>
</tr>
<tr>
<td>OPENED FISCAL YEAR 2013-2014</td>
<td></td>
</tr>
<tr>
<td>10 Residence Inn Los Angeles L.A. LIVE</td>
<td>219</td>
</tr>
<tr>
<td>11 Ace Hotel</td>
<td>182</td>
</tr>
<tr>
<td>12 Courtyard Los Angeles L.A. LIVE</td>
<td>174</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>575</strong></td>
</tr>
<tr>
<td>UNDER CONSTRUCTION</td>
<td></td>
</tr>
<tr>
<td>13 Wilshire Grand</td>
<td>900</td>
</tr>
<tr>
<td>14 Metropolis</td>
<td>350</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>1,250</strong></td>
</tr>
<tr>
<td>UPCOMING</td>
<td></td>
</tr>
<tr>
<td>15 Renaissance</td>
<td>450</td>
</tr>
<tr>
<td>16 Fig Central</td>
<td>183</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>633</strong></td>
</tr>
<tr>
<td>POTENTIAL SITES</td>
<td></td>
</tr>
<tr>
<td>17 LACC</td>
<td>1,000</td>
</tr>
<tr>
<td>18 Olympic West</td>
<td>600</td>
</tr>
<tr>
<td>19 9th Street Sites</td>
<td>400</td>
</tr>
<tr>
<td>20 Fig South</td>
<td>350</td>
</tr>
<tr>
<td>21 dtLA South Park</td>
<td>300</td>
</tr>
<tr>
<td>22 Case Hotel</td>
<td>151</td>
</tr>
<tr>
<td>23 Fig North</td>
<td>122</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>2,923</strong></td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td><strong>7,978</strong></td>
</tr>
</tbody>
</table>

CITY OF LOS ANGELES DEPARTMENT OF TRAFFIC

CTD does not endorse or qualify any hotel or property information in this report.

**NOTE:** This report is for internal use only.
The table below provides a different perspective of the same problem. The San Francisco, Anaheim, and San Diego Convention Centers each host **two to almost four times** as many citywide conventions as the LACC. Those conventions result in literally hundreds of thousands more hotel room nights being sold than in Los Angeles - - and represent hundreds of millions of dollars of lost economic impact each year.

<table>
<thead>
<tr>
<th>CALENDAR YEAR 2013</th>
<th>LOS ANGELES</th>
<th>SAN FRANCISCO</th>
<th>ANAHEIM</th>
<th>SAN DIEGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citywide Events</td>
<td>22</td>
<td>52</td>
<td>84</td>
<td>75</td>
</tr>
<tr>
<td>Room Nights Sold</td>
<td>154,769</td>
<td>852,921</td>
<td>463,839</td>
<td>704,029</td>
</tr>
<tr>
<td>Avg Room Nights/Event</td>
<td>7,035</td>
<td>16,402</td>
<td>5,522</td>
<td>9,387</td>
</tr>
</tbody>
</table>

The convention industry is very specific about what it looks for in a convention center: meeting planners desire large, 1,000+ room hotels on-site (preferred) or within easy walking distance. The average size of existing hotels near the LACC is only 264 rooms. San Diego, by comparison, has three hotels in excess of 1,000 rooms immediately adjacent to its convention center (Marriott Marquis – 1,360 rooms; Manchester Hyatt – 1,628 rooms; Hilton Bayfront – 1,190 rooms, with plans to add an additional 500 rooms).

The hotels of Los Angeles boasted a record breaking 80.6% occupancy rate for FY 2013-14. While hoteliers may be celebrating soaring occupancy rates and increased revenue per available room, these numbers actually indicate a dire need for increased hotel supply. The City and the LATCB adopted a goal of 50 million visitors by 2020. For calendar year 2013, we achieved 42.2 million. With the hotel supply already at over 80% occupancy, it means Los Angeles will not be able to accommodate the desired increase in visitors.

The inaugural FY 2012-13 CTD Department Action Plan set an initial goal of **4,000 new hotel rooms by 2020** (in addition to the then current supply of 2,597 rooms). Although that total of 6,597 rooms would still be below San Diego, Anaheim, and San Francisco, it is a goal that is achievable by 2020. As the chart on Page 8 shows, **575 rooms** were opened last fiscal year. Another **1,250** are currently under construction. An additional **633 rooms** are entitled and expected to start construction in the near-future, for near term total of 2,458 new rooms and a new grand total of 5,055 rooms.

One limiting factor to achieving this goal has become apparent in recent months. Although new hotels in Downtown are being constructed, most of them are **smaller** than what is needed to help drive the convention business. For example, the Metropolis project, now owned by Greenland, USA, was entitled for 900 hotel rooms. Only 300 hotel rooms are currently planned, with the majority of the site to be used for residential development. The Fig Central site, now owned by Oceanwide, is expected to add 504 residential units and 166,583 square feet of retail, but only 183 hotel rooms. Moreover, this hotel is expected to be in the super luxury niche, at or above the Ritz-Carlton at LA LIVE. While very beneficial for the City, it won’t really be a convention oriented hotel.

The Fig North site, now owned by Shenzhen Hazens Real Estate Group, appears to be looking at about 300 hotel rooms, or only about 122 hotel rooms more than the current 178 room Luxe City Center Hotel at that location. The new 900 room, 73 story InterContinental Hotel at Wilshire Grand is going to be a fabulous addition to downtown, but it is replacing a 900 room hotel which has existed at that location for decades, so no net gain.
The Jamison Properties project, at the southeast corner of Figueroa and 12th Street, immediately across the street from the LACC’s primary entrance, will have 648 residential units and 48,000 sf of retail, entertainment and restaurants and no hotel. In the last three years, virtually all of the Figueroa Street frontage, from Pico to Venice Boulevards, immediately across the street from the LACC’s South Hall, has been developed with midrise wood frame rental apartments and no hotels.

All of these projects will be truly outstanding developments which will benefit the City in a great many ways. However, the hotel components of these mixed-use projects will not be large enough to provide the hotel rooms necessary to move Los Angeles into the top tier of national convention destinations.

The JW Marriott/Ritz Carlton at LA LIVE has been a phenomenal boom for the LACC and all of downtown. However, its very success has resulted in higher room rates and lower room availability. As a result, it is increasingly unable to meet the needs of the LACC. A November 7, 2014 report from PKF Consulting Group for LATCB concluded that between September 2007 and August 2014 the JW Marriott/Ritz Carlton only fulfilled 63% of the total rooms requested for citywide conventions pursuant to the 2007 Room Block Agreement with the City.

Adding 4,000 new hotel rooms by 2020 remains an essential component of the CTD Action Plan. Not having an NFL Stadium on the LACC campus would free-up enough land to build 1-3 hotels physically connected to the convention center. With the football stadium, the surrounding smaller hotels probably would suffice, since most fans would be locals who returned home after each of the eight regular home games. But, an expanded Convention Center will capture more convention market share and attract more out of town conventioneers who will stay in the hotels year round. One or more 1,000 room hotels physically integrated into the Convention Center will put the LACC into a whole new level of national and regional competitiveness.

Perhaps most importantly, as the map on Page 8 shows, additional sites within the immediate area remain available for additional hotel development in the future. It is therefore plausible that we could get to almost 8,000 rooms by 2020. That would still be far less than San Francisco (17,020); Anaheim (10,676); and San Diego (9,091) but would at least put us in a more competitive range. Linking the hotels outside the Convention Center area by mass transit, as is found in Chicago and New York City, would further enable Los Angeles to truly compete at a national level.

Although this analysis would appear to demonstrate ample demand for more hotels, getting hotel developers and operators to invest hundreds of millions of dollars to build them can be a totally different matter! Rather than simply retain a consultant to do an academic “hotel demand study”, CTD staff is proposing to use this six month time extension to go out to the market and directly determine the level of interest and commitment by national hotel developers and brands capable of successfully undertaking a 1,000 room hotel on the LACC campus. Hence by April 2015 the City would have not only six different conceptual designs, but also a concrete expression of interest by credible hotel developers and operators.
D. Expansion

The remainder of this report will be devoted to the fourth pillar of the LACC strategy and the immediate task at hand - - the expansion and modernization of the convention center facility itself. The new governance structure, the privatization of the daily operations, and the strategy of new hotel construction all go hand in hand with the badly needed physical expansion and improvements of the LACC.

The initial mandate from the Mayor and City Council was to end the six month extension period on April 17, 2015, ready to immediately implement whatever alternative is determined to be in the best interest of the City. Some technical problems with the Amendment to the Agreement which authorized the six month extension have now prolonged the end of the Design Competition to June 2015.

For the second largest city in the nation, and as a City with tremendous national and international appeal, Los Angeles has a surprisingly small convention center (see table below). Furthermore, when the Convention Center was expanded in 1993, the design was tailored as a “trade show” facility and not a “convention” facility, the difference being that conventions require a much larger ratio of meeting space to exhibit space. The inadequacy of meeting and ballroom space will be addressed in this expansion effort.

\[
\text{Comparison of Existing Sellable Space} \\
\text{Competitive and Comparable Facilities}
\]

<table>
<thead>
<tr>
<th>City</th>
<th>Square Feet of Total Sellable Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago, IL</td>
<td>3,164,800</td>
</tr>
<tr>
<td>Orlando, FL</td>
<td>2,537,200</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>2,181,600</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>1,657,300</td>
</tr>
<tr>
<td>New Orleans, LA</td>
<td>1,295,400</td>
</tr>
<tr>
<td>Anaheim, CA</td>
<td>1,238,100</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>1,002,700</td>
</tr>
<tr>
<td>New York, NY</td>
<td>933,000*</td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>904,700</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>870,000</td>
</tr>
<tr>
<td>San Diego, CA</td>
<td>806,100</td>
</tr>
</tbody>
</table>

Reported by CSL, May 2014

*Not reported by CSL
The LACC occupies a highly visible strategic entrance to downtown from the Northbound 110 Freeway as well as the Eastbound and Westbound 10 Freeway and should be designed to serve as an iconic landmark for the City.
III. THE LACC EXPANSION AND FUTURIZATION PROJECT

A. Design

A properly designed and expanded convention center is critical to the City’s effort to compete in the national and regional convention marketplace and maximize the LACC’s potential to generate an increased level of economic benefit to Los Angeles. Moreover, the LACC is located at the southern gateway to Downtown and thereby offers a unique opportunity to provide a highly visible and iconic entrance to the increasingly dynamic area, which integrates with the surrounding community in thoughtful and responsible urban design.

With the success of Plan A in question, City Council took steps to prepare a contingency plan for alternative expansion. On June 4, 2014, the City Council directed the City’s Bureau of Engineering (BOE) to issue a Task Order Solicitation (TOS) for a “Design Competition” in which architectural firms from BOE’s on-call list would compete in a design effort (Council File No. 13-0762). The design competition consists of two phases: the first addressing qualifications of the competing design teams, and the second being the conceptual design effort. On September 5, 2014, BOE concluded Phase-I with the recommendation of three design teams to enter the Phase-II competition. The selected teams are (in alphabetical order): AC Martin and LMN Architects; Gensler and Lehrer Architects; and HMC Architects and Populous.

With the Council’s authorization to proceed, Phase-II will begin in January 2015. At the request of AEG, Phase-II of the design competition has been amended to include two designs - one with an on-site hotel and one without. Each of the three selected firms will receive a $200,000 stipend for their respective design work. At the conclusion of the design competition, each team will submit drawings, renderings, and models of the two designs. Designs will be displayed for public viewing, and ultimately, the Mayor and Council will determine the final selection and direction.

The City’s first priority remains the construction of an NFL Stadium. The alternative design will only be implemented if AEG fails to secure a team.
The City’s design criteria for the alternative expansion and futurization of the LACC was determined through a process involving input and recommendations from several professional and expert sources including Urban Land Institute (ULI), Convention Sports Leisure (CSL), existing and potential clients, LATCB, and other industry experts. As a result of this effort, the following project goals and criteria were established:

**Primary Project Goals:**

- Position the LACC to expand its economic impact by developing a facility and a surrounding campus that is more competitive with major west coast centers, and one that attracts/accommodates citywide events with higher number of delegates.
  - Increase annual room nights to 500,000 by increasing citywide sales (additional economic impact of $500,000,000 annually).

- Create adequate space inventory and a modern, functional design to achieve the following:
  - Attract and host larger conventions and trade shows.
  - Attract and host multiple “medium” size citywide events simultaneously (i.e., have ability to stack events).
  - Accommodate growth of anchor tenants (LA Auto Show & E3)

- Increase L.A.’s competitive status and become “the” convention destination of choice on the west coast (currently L.A. runs last in citywide event room-night generation among its competitive set - San Francisco, San Diego, and Anaheim).

- Create a responsible, prominent civic presence and statement as the southern gateway to downtown.

- Integrate the building into the fabric of the community through responsible urban design. This includes “walkability” and a connection with surrounding neighborhoods, the LA LIVE campus, transportation hubs, etc.
• Capitalize on LA’s great weather by creating/offering significant outdoor programing venues.

• Address the design over Pico Blvd in a manner that avoids the creation of a long tunnel.

• Lead the industry in sustainability, technology, and innovative design.

• Create private use opportunities to generate additional revenue.

**Primary Project Criteria:**

• Add approximately 280,000 sf of exhibit space (resulting in a total of 1,000,000 sf of exhibit space).

• Add approximately 30 additional meeting rooms of various sizes; with an increase of approximately 70,000 sf of additional meeting room space. Increase meeting room space if budget allows.

• Add a ballroom of approximately 60,000 sf. The ballroom must be designed to divide into smaller ballrooms and convert into a mini-conference center. It must also be designed for exhibits. Increase ballroom space if budget allows.

• Create/reserve adequate space (a pad) for a 1,000 room hotel on-site, and as an alternative, identify desirable urban connections to a new off-site hotel(s).

• Modernize West Hall (interior and exterior).

• Harmonize the exterior architectural treatments/façades of the entire complex, considering South Hall, all new construction, and West Hall.

• Add approximately 2,000 additional parking spaces.

• Create significant exterior gathering/event spaces to capitalize on the City’s weather. This includes the reprogramming of Gilbert Lindsay Plaza.

• Improve facility functionality, access, circulation, etc. to enhance and expedite event production and service operations, food & beverage operations and offerings, and ultimately the client/attendee experience.

• Improve urban design and guest experience by creating activation and improved connections to other campus elements, to the surrounding community. Improve “wayfinding”, “walkability”, and access.

• Target a construction budget of $350 million (hard costs).

In addition to the criteria listed above, design and funding solutions must be identified for addressing important off-site infrastructure and urban design elements such as the Pico Metro station, Union/Pico portals, My Fig Project, etc. Public review and engagement will be addressed through multiple means, including the commission review and approval process. Commissions involved include Planning, Cultural Affairs, Public Works, and CTD Department and Finance Authority Commissions.
Proposed LACC expansion with NFL stadium

Conceptual LACC expansion without NFL stadium, with potential hotel pad
All of the criteria listed above is essential to capturing a greater market share and elevating the LACC’s status to a “destination of choice” for clients considering a west coast destination. The LACC’s current size and configuration lacks required exhibit and meeting space, as well as key program elements such as sizable ballrooms and on-site hotels to attract and retain major conventions, and/or to host simultaneous medium size (stackable) events. The lack of adequate space offerings combined with the lack of ample connected/contiguous space are the primary reasons that Los Angeles ranks last in generation of room nights for citywide conventions when compared to San Francisco, San Diego, and Anaheim (see chart on top of page 9).

The following chart compares existing LACC exhibit and meeting space with the New Hall/Farmer’s Field Stadium project and with the primary Plan B space criteria listed above. Plan A provides an additional 251,000 square feet while Plan B provides 410,000 square feet.

<table>
<thead>
<tr>
<th>TYPE OF SPACE</th>
<th>EXISTING SF TOTALS</th>
<th>PLAN A TOTALS WITH FARMER’S FIELD</th>
<th>CITY’S PLAN B CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit Space</td>
<td>720,000</td>
<td>846,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Ballroom Space</td>
<td>0</td>
<td>47,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Meeting Room Space</td>
<td>102,000</td>
<td>102,000</td>
<td>172,000</td>
</tr>
<tr>
<td>Multi-Use (PH &amp; CH)</td>
<td>48,000</td>
<td>126,000</td>
<td>48,000</td>
</tr>
<tr>
<td>Grand Total</td>
<td>870,000</td>
<td>1,121,000</td>
<td>1,280,000</td>
</tr>
</tbody>
</table>

B. Space Inventory and Offerings

As indicated in the Hotel section above, Los Angeles cannot compete for approximately 26% of the convention market due to an inadequate amount of hotel room inventory. However, even with additional hotel rooms, the LACC still lacks the proper inventory of necessary space offerings to capture lost business. Space offerings include exhibit space and ballroom/meeting space at the LACC, as well as meeting space at on-site or near-by hotels that supplement the LACC’s space offerings. This 26% of the business contains the most lucrative segment of the convention market, yielding the highest levels of economic impact and job creation.

There are many elements that make a great convention destination, with one of the most important being properly designed space offerings and the size and location thereof. When considering space inventory, event planners look for the right mix, size, and placement of the following space offerings:

- Convention Center Exhibit Space
- Convention Center Ballroom Space
- Convention Center Meeting Room Space
- Hotel Rooms and Hotel Conference/Meeting Space

Most conventions consist of exhibits, large general or key-note sessions, several conference or educational sessions (aka “break-out sessions”), and food functions. For a destination to even be considered by an event planner, the destination must have enough space offerings to accommodate these essential program elements.
Further, large conventions, especially in the pharmaceutical and medical sectors have such a large conference component (educational/break-out sessions) that they plan their program at the convention center and at one or two of the on-site or nearby hotels to accommodate the number of break-out rooms required for all the concurrent sessions. This is why it is essential for a destination to have the correct “critical mass” of space inventory at the convention center, and have strategic placement of hotels with adequate ballroom and meeting capacity to supplement the convention center. This is one of the reasons that the trend of multiple on-site hotels is growing in the convention industry to offer the event planner an effective and connected package to best meet their programing needs.

The following is a list provided by LATCB of large conventions that would choose Los Angeles if the LACC had adequate levels of properly designed and placed space offerings and program solutions.

<table>
<thead>
<tr>
<th>EVENT</th>
<th>LACC EXHIBIT SPACE</th>
<th>LACC MEETING SPACE</th>
<th>HOTEL MEETING SPACE</th>
<th>TOTAL ROOM NIGHTS</th>
<th>ECONOMIC IMPACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Heart Association</td>
<td>550,000 sf</td>
<td>275,000</td>
<td>TBD</td>
<td>57,700</td>
<td>$84,530,000</td>
</tr>
<tr>
<td>American Academy of Ophthalmology</td>
<td>840,000 sf</td>
<td>280,000</td>
<td>TBD</td>
<td>57,000</td>
<td>$83,505,000</td>
</tr>
<tr>
<td>Cisco Live</td>
<td>600,000 sf</td>
<td>345,000 sf</td>
<td>TBD</td>
<td>55,000</td>
<td>$80,575,000</td>
</tr>
<tr>
<td>Water Environment Federation</td>
<td>800,000 sf</td>
<td>140 meeting rooms of various sizes for concurrent sessions</td>
<td>31,000</td>
<td>$45,415,000</td>
<td></td>
</tr>
<tr>
<td>International Assoc. of Chiefs of Police</td>
<td>528,000 sf</td>
<td>141 meeting rooms of various sizes for concurrent sessions</td>
<td>25,000</td>
<td>$36,625,000</td>
<td></td>
</tr>
</tbody>
</table>

The economic impact of direct and induced (indirect) spending for just the five events listed above is over $330,000,000 (economic impact is calculated using LATCB and a multiplier projection of $1,464 spent per room night).

In addition to having the right amount of space offerings for larger conventions, a successful convention center must have enough inventory to host two medium sized conventions simultaneously (i.e. host “stackable” events). The majority of desired conventions and tradeshows fall into this category of medium sized events. A typical space profile of a (singular) desired size, medium sized event is listed below. In order to accommodate two “stacked” events, a successful convention center must have enough well placed and well designed space offerings to accommodate both events.

- 250,000 to 400,000 sf of exhibit space
- 25,000 to 60,000 sf of ballroom space
- 30 to 50+ meeting rooms of various sizes
C. Schedule

Based on BOE estimates, the following categories of design and construction phases, and estimated duration of each phase are shown below. Once a final architect and contractor are selected, a more refined and presumably shorter schedule will be developed. Assuming Phase-II of the design competition begins in February 2015, the targeted opening of the new facility would be early 2020.

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<td>Q-1</td>
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<td>CON</td>
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</tbody>
</table>

EIR = ENVIRONMENTAL IMPACT REVIEW AND APPROVALS
CS = CONTRACTOR SELECTION
DC = PHASE II - DESIGN COMPETITION
CDR = CONCEPTUAL DESIGN (REFINEMENT) PHASE
SD = SCHEMATIC DESIGN PHASE
DD = DESIGN DEVELOPMENT PHASE
CD = CONSTRUCTION DRAWINGS PHASE
CON = CONSTRUCTION

While the project could take up to five years, the most important and timely element of the schedule is the start date and “making the commitment to begin.” For the last three years the convention market has been told that LACC is modernizing and expanding via the New Hall and Farmer’s Field projects - and that the modernization/expansion would be completed by a “certain” date. Over the last three years that date has moved multiple times, and with the latest 6 month extension to the AEG Agreement, the market is once again left to speculate on what will happen. This uncertainty has had, and continues to have, a negative impact on the LACC’s brand and marketing effort. This trend will continue until there is a plan in place (design and timeline), and a commitment to that plan.

Convention and tradeshow clients deal with a significant amount of programing challenges, requirements, and related logistics to create and execute a successful event. As such, clients demand the “when” and the “what” of any expansion or modernization project so they can determine how such activity will impact their program during construction, and how the finished product will facilitate their needs. In short, if we are to strengthen our brand and increase citywide sales, we must provide clients with the following:

- A **marketable** plan/design that is attractive and meets their needs.
- A **believable** commitment to the plan.
- A **creditable** realistic schedule and financing plan.
D. Financing

The City’s design competition for the Expansion and Futurization Project was predicated on an estimated cost of construction of $350 million. Fortunately, the City is well positioned financially to undertake this Expansion and Futurization Project within existing resources already being allocated to the Convention Center.

Throughout this planning process, the CTD Department has been committed to living within its means. Other cities have run into legal and/or political problems with their convention center financing plans, because they levied new taxes or raised existing tax rates. The CTD Department will not recommend raising the TOT rate above its current 14%, nor seek more of the TOT than the 3.5 points that have been historically allocated for debt service.

The bonds issued for West Hall, which opened in July 1971, have been completely paid off. South Hall, which opened in November 1993, has $321,875,000 in outstanding debt, which will be paid off in FY 2022-23 (see table below). Any debt issued for the Expansion and Futurization project would be in addition to this current debt. The new project would likely not open until 2020 and all of the current debt will be paid off by 2023, so that overlap is manageable.

<table>
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<tr>
<th>FISCAL YEAR</th>
<th>DEBT SERVICE</th>
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<tr>
<td>14-15</td>
<td>$48,285,743.76</td>
</tr>
<tr>
<td>15-16</td>
<td>$48,212,737.51</td>
</tr>
<tr>
<td>16-17</td>
<td>$47,136,862.51</td>
</tr>
<tr>
<td>17-18</td>
<td>$47,080,931.26</td>
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<tr>
<td>18-19</td>
<td>$47,008,681.26</td>
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<tr>
<td>19-20</td>
<td>$47,010,518.76</td>
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<tr>
<td>20-21</td>
<td>$46,940,643.76</td>
</tr>
<tr>
<td>21-22</td>
<td>$46,955,796.88</td>
</tr>
<tr>
<td>22-23</td>
<td>$12,881,850.00</td>
</tr>
</tbody>
</table>

The annual debt service payment for FY 2013-14 was $48,355,025 and will decrease by approximately $100,000 each year until 2023. The final debt service payment significantly drops to approximately $13 million.
The debt service for the Convention Center has always been paid from the City’s TOT, which is a General Fund revenue. Debt was first issued in 1968 to build the Convention Center. The original facility was financed by increasing TOT from 4% to 5%. In 1985, the Council approved the expansion of the facility and authorized an increase in TOT from 10% to 11% to finance expansion costs. The TOT was subsequently increased by an additional 1.5% to offset increased construction costs. These increases to the TOT rate occurred prior to the passage of Proposition 218 in 1996, which required voter approval of such tax increases going forward.

For FY 2014-15, the full TOT is projected to generate $194 million, and is one of the General Fund’s largest and fastest growing revenue – up 64%, just since FY 2009-10. In addition to the 3.5 points historically allocated for convention center debt service, 1 point goes to the Los Angeles Tourism and Convention Board (LATCB) and 1 point to the Cultural Affairs Department. The remaining 8.5 points remain within the General Fund.

Because of the rapid growth of the TOT since the end of the Great Recession, the historical 3.5 points is projected to generate over $52 million in FY 2014-15 and exceed the $48 million for debt service (the difference will remain in the General Fund).

In December 2013, the CAO provided the City Council with a report regarding “FINANCING OPTIONS FOR AN ALTERNATIVE MODERNIZATION PROJECT OF THE LOS ANGELES CONVENTION CENTER” (CF No. 13-0762).
For that report, one of the City’s financial advisors, KNN Public Finance, provided five alternative financing scenarios. Each one was based on different assumptions regarding date of issuance, interest rates, taxable vs. tax exempt status, and deferred debt service payments. Although the report was too preliminary to reach any definitive conclusions, it did provide enough prima facie reason to believe that the City could achieve over $400 million in bond proceeds and stay within the current appropriation of $48 million for annual debt service.

Those debt service payments would continue for 30, rather than 10, additional years, but such is the nature of maintaining any major public facility. Whether it is the LACC, a library, police station, fire house or City Hall itself, every 20-40 years the City is going to need to undertake major capital improvements, typically through the issuance or refinancing of municipal bonds. The budgetary challenge is to be able to make the annual debt service payments. Based on the CAO’s report, there does appear to be prima facie reason to believe the LACC can live within its existing on-going debt service appropriation and reap enough additional bond proceeds to pay for the proposed project.

With any project of this magnitude, there is always the possibility of a cost overrun or a revenue shortfall. Fortunately, the LACC also has additional potential revenue streams which could be utilized, if necessary. Because of its strategic location in the Sports and Entertainment District, at the intersection of two major freeways and next to LA LIVE, the LACC has unique signage and naming opportunities. If Plan A and the NFL stadium come to pass, most of those revenue generating opportunities would flow to AEG. Even without the Farmer’s Field Agreement, many of those rights are controlled by AEG pursuant to the 1999 Staples Agreement. However, those rights expire in 2023. Prior to that expiration, AEG and the City could cooperate on a transaction to monetize those opportunities. Or, the City could wait until after 2023 (the construction project isn’t apt to be completed until 2020) and have unilateral control of the naming and signage opportunities.

Moreover, the LACC has a unique opportunity to see its existing 5,481 parking spaces become an even greater source of revenue (currently budgeted at $8.5 million for FY 2014-15). Both LA LIVE and the LACC are currently bordered by large surface parking lots. With the current building boom in South Park, most lots will be developed for commercial and residential uses within the next 3-5 years. The LACC’s existing parking will become much more profitable, perhaps to the extent that the LACC might consider building more parking to become an even greater revenue generator.

During the next six months, the CAO, CLA, and CTD will have time to better refine all of these possible financing mechanisms. AEG will also have the opportunity to put forward its financing proposals for consideration. In the end, the Mayor and City Council will be able to analyze and select the business deal which they feel is in the best interest of the City.
E. Economic Impact Analysis

One of the most worrisome aspects of preparing a report such as this is to have confidence in the economic impacts which are projected. As noted at the beginning of this report, history has shown that many cities were either misled or fooled themselves by relying on economic projections which did not live up to their rhetoric.

This report has relied on previous studies done by very respected consulting firms, such as CSL, PKF and Tourism Economics. Many of their conclusions have been cited in earlier sections of this report:

- Between 2010-14, 271 events were lost due to lack of hotel rooms or insufficient convention center space - resulting in the lost potential of 3.3 million room nights, $750 million in lost room revenue, $105 million in lost TOT and a lost economic impact of $4.9 billion (Page 1).

- The LACC can accommodate only 74% of the national convention market’s hotel room requirement, whereas our immediate competitors in San Diego, Anaheim, and San Francisco can meet 92-99% of the market’s needs (Page 7).

- A staggering display of the disparity in the number of events hosted and room nights sold between Los Angeles and our chief competitors in San Diego, Anaheim, and San Francisco, ranging from 200% to almost 400% (Page 9).

- Just five prominent conventions, for which Los Angeles cannot even compete, could provide over $330 million in economic impact (Page 18).

Just about everyone has understood for years that the LACC is not the economic engine it could/should be. Even if these studies are off by 50%, Los Angeles would still be an underachiever! Los Angeles is one city where we do not need to worry too much about overbuilding. Even if we got to 8,000 hotel rooms, we would still be far behind San Francisco, Anaheim, or San Diego (Page 7). With a convention center of 1,280,000 sf, we would move ahead of Anaheim, San Francisco, and San Diego, at their current levels, but still behind Chicago, Orlando, Las Vegas, Atlanta, and New Orleans (Page 11). It is our unique partnership with LA LIVE that provides the synergy to be a top tier contender.

As the second largest city in America, the United States capital of the Pacific Rim, and one of the most recognized cities in the world, we have every reason to be confident that we can make this convention center more than it is today. However, to quantify the cost benefit of such an investment and to update all previous economic impact studies, the CTD staff is recommending that a new economic impact report be undertaken prior to the end of the extension Agreement with AEG (April 17, 2015) and be included in the report back to the City Council at the end of the Plan B Design Competition (June 2015).
IV. CONCLUSION

Mayor Garcetti probably said it best in an October 2014 Op Ed piece for the LA Wave Newspaper:

“But at the end of the day, getting a football team to Los Angeles is a means to an end – and we will achieve that end with or without football.”

“My primary goals are to rebuild our Convention Center, revitalize our convention industry and continue the revitalization of South Park, built on the momentum started with the construction of Staples Center.”

The strategy Mayor Garcetti and the City Council have put in place assures the City of a major economic development victory either way:

- A billion dollar 68,000-seat NFL Stadium and Event Center integrated into the Los Angeles Convention Center, combined with the Lakers, Clippers, Kings, and Sparks playing at Staples, along with the outstanding entertainment and dining venues at LA LIVE, would clearly establish downtown Los Angeles as the premiere sports and entertainment district in the nation.

- A 1,280,000 square foot convention center, with over 7,000 hotel rooms within walking distance, and physically and operationally integrated with Staples and LA LIVE, would move the LACC into the top five convention centers in the nation, capable of capturing 90% of the annual convention business in the United States.

Either alternative would provide the City with thousands of jobs, millions of dollars of direct revenue and hundreds of millions of dollars in total economic impact.

2015 should finally be the definitive time to make a decision either way.

The years immediately prior to the Great Recession saw an incredible rebirth of downtown Los Angeles. The Great Recession temporarily stalled that growth, but as Mayor Garcetti often says, "we have now put that recession in our rearview mirror."

The next 5-10 years offer the potential for Los Angeles to soar to amazing new heights. The Los Angeles Convention Center is proud to be a part of this incredible revitalization of downtown Los Angeles.
DATE: February 6, 2015

TO: Los Angeles Convention and Exhibition Center Authority Commission

FROM: Robert R. "Bud" Ovrom, Executive Director
Los Angeles Department of Convention and Tourism Development

SUBJECT: POWERS AND DUTIES OF THE LACC AUTHORITY AND CTD COMMISSION

At your last meeting, President Avrashow asked for "a report that clearly defines the role(s) and areas of focus of the Commission."

To help start a discussion that will lead to a final product, I am attaching three documents:

- A "Powers and Duties of the Los Angeles Convention and Exhibition Center Authority" dated March 12, 2008. In recent years, this has been the short description used to explain the job of this Commission.
- The Power Point presentation Marla presented on August 13, 2014 for your orientation.
- The JPA document itself.

I hope these documents will help guide your discussion.

RRO:cv
Exec Ref No. 15-018

Attachments
POWERS AND DUTIES OF THE LOS ANGELES CONVENTION AND EXHIBITION AUTHORITY

-The powers and duties of the Authority are set forth in the document titled “Joint Exercise Of Powers Agreement Between The City Of Los Angeles And The County Of Los Angeles Creating An Agency To Be Known As The Los Angeles Convention And Exhibition Center Authority”

-Section 3 of the Agreement describes the Authority’s powers and duties:

“The Authority shall and is hereby authorized in its own name to do all that is necessary and desirable (subject to limitations provided in this Agreement) to cause to be designed and constructed within the heretofore described area a suitable Convention and Exhibition Center together with related facilities.”

“...In carrying out the purpose as authorized by this Agreement, the Authority shall have the power to:

(a) Submit to City a Plan of Development showing the land to be acquired for such purpose and lease the same from City.
(b) Undertake any and all of the powers specified in the Mark-Roos Local bond Pooling Act of 1985, as amended from time to time, including, but not limited to, the powers enumerated in Sections 6588, 6589, 6590 and 6591 of the California Government Code; provided, however, that the powers conferred by this clause (b) shall not preclude the exercise of powers by Authority under Article Two of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, if it wishes to exercise such powers, but those powers shall be supplemental and in addition to the other powers specified in this clause (b). (Amended 1993)
(c) In the manner prescribed or permitted by the Charter of the City, make and enter into contracts, employ agents and employees provided that no such contract shall be that of either City or County and no such agent or employee so employed shall be the agent or employee of City or County.
(d) Construct and lease to City the Convention and Exhibition Center and related facilities when completed all as more particularly provided in any lease, leaseback agreements authorized to be executed by City...
(e) Receive gifts, contributions and donations of property, funds and services and other forms of assistance from persons, firms, corporations, City and any other governmental entity.

(f) Invest funds in any securities which are legal investments for funds of City.

The Authority shall also have the power to sue and be sued in its own name.”
Purpose of the Authority

- Joint Exercise of Powers Agreement (JPA) was executed in 1967 to provide for:
  - The construction and operation of a convention and exhibition hall and related facilities, including any expansion or enlargement thereof
  - The acquisition and development of properties

Source: JPA, Section 1
Powers and Duties of the Authority

- Submit a Plan of Development
- Issue revenue bonds and incur other forms of indebtedness
- Make and enter into contracts
- Construct and lease the Convention and Exhibition Center to the City
- Receive gifts, contributions and donations of property, funds, services, etc.
- Invest funds in securities
- Sue and be sued under the Authority’s name

Source: JPA, Section 3
Key Provisions of the JPA

- The Authority is a public entity, separate from the City and the County
- The Commission is composed of fifteen members:
  - Ten appointed by the Mayor and approved City Council
  - Five appointed by the Board of Supervisors
- The term length is four years
- City officers serve the Authority in their respective roles
- Commission is to meet "...as often as is required in order to perform in an efficient manner the duties imposed upon and give proper and legal notice thereof"
- Business transactions require a quorum of eight members
- Less than eight members may adjourn
- Action requires a majority vote of entire membership
- JPA expires in 2027
- Amendments allow for expansion, different types of indebtedness, extension of JPA term, clarification of property lines and removal of property from the purview of the JPA

4. RESPONSIBILITIES OF THE AUTHORITY COMPARED WITH THE DEPARTMENT COMMISSION
## Comparison of Responsibilities

<table>
<thead>
<tr>
<th>AUTHORITY</th>
<th>COMMISSION</th>
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<tbody>
<tr>
<td>DEVELOP CONVENTION CENTER FACILITY</td>
<td>POLICY AND OPERATIONS RELATED TO LACC &amp; TOURISM</td>
</tr>
</tbody>
</table>

- [ ] Acquire land
- [ ] Issue revenue bonds
- [ ] Lease facility back to City
- [ ] Advise Mayor and Council on Convention Center Operations
- [ ] Oversee Executive Director and contracts with private operator and convention and visitors bureau
- [ ] Advise on strategic plan for tourism and hotel development

Source: JPA, Section 3; Los Angeles Administrative Code, Chapter 11 Division 8
JOINT EXERCISE OF POWERS AGREEMENT
BETWEEN
THE CITY OF LOS ANGELES
AND
THE COUNTY OF LOS ANGELES
CREATING AN AGENCY TO BE KNOWN AS THE
LOS ANGELES CONVENTION AND EXHIBITION CENTER AUTHORITY

Dated: January 16, 1967
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**JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND THE COUNTY OF LOS ANGELES CREATING AN AGENCY TO BE KNOWN AS THE LOS ANGELES CONVENTION AND EXHIBITION CENTER AUTHORITY**

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<td>Execution and Certification</td>
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JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE CITY OF LOS ANGELES
AND THE COUNTY OF LOS ANGELES CREATING AN AGENCY TO BE KNOWN
AS THE LOS ANGELES CONVENTION AND EXHIBITION CENTER AUTHORITY

This Agreement, dated January 16, 1967, by and between The City of Los Angeles, a
municipal corporation organized and existing under the Constitution and laws of the State of California
(hereinafter called "City"), and the County of Los Angeles, a body corporate and politic, of the
State of California (hereinafter called "County");

WITNESSETH:

Whereas, City and County are desirous of securing the construction and operation of a convention
and exhibition hall and related facilities suitable as a place of public assembly for the use, benefit
and enjoyment of the public upon a site within City bounded by 11th Street, Figueroa Street, Pico
Boulevard and the Harbor Freeway; and

Whereas, City and County are desirous of accomplishing the aforesaid purpose by the joint
exercise of their respective powers, which are common to both of them, pursuant to agreement as
authorized by Chapter 5, Division 7, Title 1 (commencing at Section 6500) of the Government Code
of the State of California.

Now, Therefore, City and County do agree as follows:

Section 1. Purpose of Agreement.

The purpose of this Agreement is to create an agency as a public entity separate and apart from
the parties to this Agreement to administer and execute such Agreement, the purpose of which is to
provide for the construction and operation of a convention and exhibition hall and related facilities
(herein sometimes referred to as "Convention and Exhibition Center") suitable as a place of public
assembly for the use, benefit and enjoyment of the public upon a site within City bounded by 11th
Street, Figueroa Street, Pico Boulevard and the Harbor Freeway, all as more particularly set forth in
this Agreement. The method by which such purpose will be accomplished is as hereinafter set forth.

Section 2. Creation of Authority.

There is hereby created an agency as a public entity separate and apart from City and County,
to be known as the Los Angeles Convention and Exhibition Center Authority. Such agency (herein
sometimes referred to as "Authority") shall administer and execute this Agreement. Such authority
shall be a Commission composed of fifteen members, each serving in their individual capacities as
members of such Commission. No officer or employee of City, County, or the State of California or any
other governmental agency shall be a member of the Commission. Ten members thereof shall be
appointed by the Mayor subject to the approval of the Council of City, and five members thereof shall
be appointed by the Board of Supervisors of County. The Commission shall be known as the Los
Angeles Convention and Exhibition Center Authority Commission.

The Mayor, subject to the approval of the Council of City, shall appoint four members for a
two year term and six members for a term of four years. The Board of Supervisors of County shall
appoint two members for a two year term and three members for a four year term. Such two and four
year terms shall commence upon the date of this Agreement. Upon the expiration of terms commencing
with the date of this Agreement, the term of each member shall be four years commencing in the
respective years upon the same date therein as the day and month of the date of this Agreement. Members
shall hold membership on the Commission during the term for which they were appointed and until
their successors have been appointed, except that any member may be removed from membership on
the Commission by the Mayor, subject to the approval of the Council of City in the case of members
appointed by the Mayor, or by the Board of Supervisors of County in the case of members appointed by said Board. In the case of a vacancy in membership on the Commission, the same shall be promptly filled by appointment thereto by the Mayor subject to the approval of the Council of City in the case of a vacancy in membership as to which the Mayor subject to the approval of the Council of City has the power of appointment, or by the Board of Supervisors of County in the case of vacancy in membership as to which it has the power of appointment. An appointment to fill a vacancy occurring during an unexpired term shall be for the period of the unexpired term. The Mayor, when such appointment has been approved by the Council of City, and the Board of Supervisors of County shall forthwith notify the Secretary of the Commission of all appointments of members thereto when made.

The City Clerk of City shall be and act as the Secretary of the Los Angeles Convention and Exhibition Center Authority Commission. The Treasurer of City shall be and act as the Treasurer of the Authority, including, without limitation, any services in connection with the issuance and servicing of the revenue bonds which the Authority is authorized to issue hereunder. The Controller of City shall act as Controller of the Authority. The City Attorney of City shall be and act as Attorney for the Authority except that the County Counsel of County may, if he so elects, so act as to matters in which the City Attorney of City is precluded from acting because of conflict of interest or other legal impediment. In the event that the City Attorney is legally precluded from acting, and the County Counsel declines to act, the Commission may employ other Counsel with the consent of the Council of City being first obtained and funds being appropriated by City for such purpose.

City shall, furnish personnel, or funds for the employment thereof, to the extent determined upon the Council of City to assist the Authority in carrying out its powers, functions and duties. City shall, on the request of the Authority, furnish suitable quarters and supplies, or provide funds for such purpose, to the extent determined upon by the Council of City.

Section 3. Powers and Duties of Authority.

The Authority shall and is hereby authorized in its own name to do all that is necessary and desirable (subject to limitations provided in this Agreement) to cause to be designed and constructed within the heretofore described area a suitable Convention and Exhibition Center together with related facilities.

The design and construction of all buildings, structures and related facilities hereby authorized must meet at least all minimum requirements of the building, fire and safety laws and regulations of the State of California and of City.

The design of all buildings and structures must first be approved by the Board of Municipal Art Commissioners of City before the Authority may proceed with the construction of such buildings and structures. If the Board of Municipal Art Commissioners fails to decide upon such design within fifteen days after the design is submitted to it, such design will be deemed approved by said Board unless the Council of City shall by resolution extend the time for such decision.

In carrying out the purpose as authorized by this Agreement, the Authority shall have the power to:

(a) Submit to City a Plan of Development showing the land to be acquired for such purpose and lease the same from City.

(b) Issue revenue bonds and incur other forms of indebtedness to the extent and in the manner authorized in Article 2, Chapter 5, Division 7, Title 1 (commencing with Section 6340) of the Government Code of the State of California and employ bond counsel and secure other technical advice in connection therewith, subject to the provisions of Section 9 hereof.

(c) In the manner prescribed or permitted by the Charter of City, make and enter into contracts, employ agents and employees provided that no such contract shall be that of either City or County and no such agent or employee so employed shall be the agent or employee of City or County.

(d) Construct and lease to City the Convention and Exhibition Center and related facilities, when completed all as more particularly provided in any lease, lease-back agreements authorized to be executed by City.
(e) Receive gifts, contributions and donations of property, funds and services and other forms of assistance from persons, firms, corporations, City and any other governmental entity.

(f) Invest funds in any securities which are legal investments for funds of City.

The Authority shall also have the power to sue and be sued in its own name.

Section 4. Convention and Exhibition Center Authority Commission.

The Convention and Exhibition Center Authority Commission shall diligently administer and execute this Agreement in accordance with the terms thereof and for such purpose shall

(a) Meet as often as is required in order to perform in an efficient manner the duties imposed upon it, and give proper and legal notice thereof as may be required by law or rule of the Commission.

(b) Adopt rules for conducting its meetings and other business.

(c) Elect a president and vice-president at its first meeting and thereafter at the first meeting held in each succeeding calendar year. In the event that the president or vice-president so elected ceases to be a member of the Commission, the position of president or vice-president shall be vacant as the case may be and such vacancy shall be filled at the next meeting of the Commission held after such vacancy occurs. In the absence or inability of the president to act, the vice-president shall act as president. The president, or in his absence the vice-president, shall preside at and conduct all meetings of the Commission. Eight members present shall constitute a quorum for the transaction of business except that, a lesser number may adjourn for lack of a quorum. Action by the Commission shall be taken by a majority vote of the entire membership.

Section 5. Term of This Agreement.

This Agreement shall become effective as of the date hereof and shall continue in full force and effect for a period of fifty years from the date hereof except that it shall be terminated prior thereto at such time as all revenue bonds herein provided for and issued pursuant hereto and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made as set forth in the proceedings for the issuance thereof; provided, however, that this Agreement shall terminate three years from the date hereof in the event no revenue bonds shall have been issued on or before said date.

Section 6. Disposition of Property of Authority.

Upon termination of this Agreement all property, funds, assets and interests therein of the Authority shall become the property of and be owned by City.

Section 7. Accountability of Funds.

The Authority shall be held strictly accountable for all funds received, held and disbursed by it, and shall render an annual report as to the same not later than August 1 of each year during the term of this Agreement to City and to County.

Section 8. No Contributions by County.

County shall not contribute any funds for the purpose of this Agreement and will make no claim to the return of any surplus money on such account. However, as an aid to City and separate and apart from this Agreement, County reserves the right to make contributions to City to be used for the improvement of streets in the Convention and Exhibition Center area.
Section 9. Issuance and Sale of Revenue Bonds by Authority.

Incurrence Other Forms of Indebtedness.

The power for the issuance and sale of revenue bonds provided in Section 3 hereof is authorized to be exercised by Authority pursuant to this Agreement subject to the following provisions in addition to the applicable provisions of the Government Code of the State of California.

(a) The total principal amount of revenue bonds issued shall be in such amount as may be necessary to carry out the purpose of this Agreement as limited by City in any lease, lease-back agreement or agreements.

(b) No term or condition for the issuance of any revenue bond shall be such as to restrict City in the quiet use and enjoyment or operation of the convention and exhibition hall and related facilities leased to City so long as City pays to the Authority the rental therefor and discharges all other obligations required under the terms of any lease, lease-back agreements executed between the Authority and City.

The Authority shall have the further additional power to incure other forms of indebtedness pursuant to Section 6547.1 of the Government Code, subject, however, to the same limitations and restrictions set forth in (a) and (b) of this section of this Agreement relative to the issuance of revenue bonds by the Authority.

Section 10. Land Acquisition and Lease to Authority by City.

Upon submission to City by the Authority of the Plan of Development showing the land to be acquired, as provided in Section 3 of this Agreement, City shall use its best efforts to acquire said land and improvements thereon by purchase or condemnation in the event that the necessary funds to defray the cost of such acquisition are paid by the Authority to City as the same are needed for such purpose.

The land and any improvements thereon so acquired by City will be leased by City to the Authority and the funds so paid by the Authority to City shall be credited to the Authority as advanced rental therefor, all as more particularly set forth in those certain lease, lease-back agreements authorized to be executed by City.

Section 11. Accounting and Custody of Funds.

The Controller of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or the terms and conditions under which revenue bonds are issued by the Authority. Except as otherwise provided in the terms or conditions under which revenue bonds are issued, the Treasurer of the Authority shall have custody and disburse the funds of the Authority. Disbursement shall be made by the Treasurer in accordance with procedures therefor prescribed by the Controller. Funds of the Authority in the custody of the Treasurer thereof shall be deposited in the city treasury of City and shall be kept separate and apart from the funds of City. Any earnings on the funds of the Authority shall be credited to and be a part of the funds of the Authority.

The fiscal year of the Authority shall begin on the first day of July of each year and shall end on the thirtieth day of June of the following year.

Section 12. Indemnification and Nonliability of County.

City agrees to indemnify and hold harmless County and each of its officers, agents and employees free from any cost or liability imposed upon County, its officers, agents or employees arising out of the performance of this Agreement or imposed upon County or Authority by virtue of Government Code Section 895.2.

It is further agreed that any debt, liability or obligation of Authority shall not constitute a debt, liability or obligation of County as a party to this Agreement.

Section 13. Notices, Requests, etc.

Notices, requests, demands, reports and other communications pursuant to this Agreement shall be made and given to City by delivering same to the City Clerk of City, to County by delivery to the Clerk of the Board of Supervisors of County, and to the Authority by delivery to the City Clerk of City as Secretary of the Commission.
Section 14. Miscellaneous.
The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

Section 15. Partial Invalidity.
If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 16. Successors.
This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

THE CITY OF LOS ANGELES

By /s/ L. E. TIMBERLAKE  
Mayor

Attest:

/s/ WALTER C. THIEL  
City Clerk

(Seal)

I HEREBY APPROVE the form and legality of the foregoing Agreement this 16th day of January, 1967.

/s/ ROGER ARNEBERGH  
ROGER ARNEBERGH  
City Attorney

COUNTY OF LOS ANGELES

By /s/ FRANK G. BONELLI  
Chairman of the Board of Supervisors

Attest:

/s/ FRANK PANARISI  
Acting Clerk of the Board of Supervisors

(Seal)

Approved as to Form this 10 day of January, 1967.

HAROLD W. KENNEDY  
County Counsel

/s/ JOHN D. MAHARG
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  

On this 16th day of January, in the year 1967, before me, RICHARD H. BOWERS, a Notary Public, State of California, duly commissioned and sworn, personally appeared L. E. TIMBERLAKE, known to me to be the Acting Mayor, and WALTER C. THIEL, known to me to be the City Clerk, respectively, of THE CITY OF LOS ANGELES, a municipal corporation, that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of said municipal corporation therein named, and acknowledged to me that such municipal corporation executed the within instrument pursuant to an ordinance of The City of Los Angeles.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year in this certificate first above written.

/s/ RICHARD H. BOWERS

(Notarial Seal Imprinted)
[Notarial Seal]

Notary Public, State of California
My Commission Expires February 7, 1969

STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  

On this 16th day of January, in the year 1967, before me, WILLIAM A. LAWRENCE, a Notary Public, State of California, duly commissioned and sworn, personally appeared FRANK G. BONELLI, known to me to be the Chairman of the Board of Supervisors, and FRANK PANARISI, known to me to be the Chief Deputy Clerk of the Board, respectively, of the COUNTY OF LOS ANGELES, a public entity, that executed the within instrument, and known to me to be the persons who executed the within instrument on behalf of said public entity therein named, and acknowledged to me that such public entity executed the within instrument pursuant to a resolution of the Board of Supervisors of said County of Los Angeles.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year in this certificate first above written.

/s/ WILLIAM A. LAWRENCE

(Notarial Seal Imprinted)
[Notarial Seal]

Notary Public, State of California
My Commission Expires September 23, 1969
CERTIFICATION

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

I, WALTER C. THIEL, City Clerk of the City of Los Angeles and ex-officio Clerk of the City Council of the City of Los Angeles, do hereby certify and attest the foregoing to be a full, true and correct copy of the original JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND THE COUNTY OF LOS ANGELES CREATING AN AGENCY TO BE KNOWN AS THE LOS ANGELES CONVENTION AND EXHIBITION CENTER AUTHORITY on file in my office, and that I have carefully compared the same with the original.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the City of Los Angeles, this 29 day of December, 1967.

WALTER C. THIEL
City Clerk of the City of Los Angeles

By

HENRY P. RIO
Deputy
AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE CITY OF LOS ANGELES AND THE COUNTY OF LOS ANGELES

WHEREAS, the City of Los Angeles, a municipal corporation organized and existing under the Constitution and laws of the State of California (hereinafter called "City"), and the County of Los Angeles, a body corporate and politic, of the State of California (hereinafter called "County") entered into an Agreement, dated January 16, 1967 (the "Joint Powers Agreement"), creating the Los Angeles Convention and Exhibition Center Authority (the "Authority") to finance the construction of the Los Angeles Convention and Exhibition Center (the "Convention Center"); and

WHEREAS, the City and County are desirous of permitting the Convention Center to be expanded and enlarged if, after the requisite feasibility studies and environmental determinations are completed, the City and the Authority decide to proceed with such expansion.

NOW, THEREFORE, the City and the County do agree as follows:

Section 1. Section 1 of the Joint Powers Agreement
is hereby amended to read in its entirety as follows:

"The purpose of this Agreement is to create an agency as a public entity separate and apart from the parties to this Agreement to administer and execute such Agreement, the purpose of which is to provide for the construction and operation of a convention and exhibition hall and related facilities, including any expansion or enlargement thereof (herein sometimes referred to as 'Convention and Exhibition Center') suitable as a place of public assembly for the use, benefit and enjoyment of the public upon a site within City bounded by 11th Street, Figueroa Street, Venice Boulevard and the Harbor Freeway, all as more particularly set forth in Exhibit A hereto titled 'Legal Description - Convention and Exhibition Center Site,' which is incorporated herein by this reference. The method by which such purpose will be accomplished is as hereinafter set forth."

Section 2. Section 5 of the Joint Powers Agreement is hereby amended to read in its entirety as follows:

"This Agreement shall become effective as of the date hereof and shall continue in full force and effect for a period of sixty years from the date hereof except that it shall be terminated prior thereto at such time as all revenue bonds, certificates of participation or other obligations herein provided for and issued pursuant hereto and the interest thereon shall have been paid in full or adequate provision for such payment shall have been made as set forth in the proceedings for the issuance thereof."

Section 3. Section 9 of the Joint Powers Agreement is hereby amended to add a final paragraph to read as follows:
"The Authority shall also have the power to arrange for financing by means of certificates of participation in lease payments made with respect to the Convention and Exhibition Center facilities."

Section 4. The first paragraph of Section 11 of the Joint Powers Agreement is hereby amended to read in its entirety as follows:

"The Controller of the Authority shall establish and maintain such funds and amounts as may be required by good accounting practice or the terms and conditions of revenue bonds, certificates of participation or other obligations herein provided for. Except as otherwise provided in the terms or conditions under which such revenue bonds, certificates of participation or other obligations are issued, the Treasurer of the Authority shall have custody and disburse the funds of the Authority. Disbursement shall be made by the Treasurer in accordance with procedures therefor prescribed by the Controller. Funds of the Authority in the custody of the Treasurer thereof shall be deposited in the city treasury of City and shall be kept separate and apart from the funds of City. Any earnings on the funds of the Authority shall be credited to and be a part of the funds of the Authority."

Section 5. This Agreement to amend the Joint Powers Agreement shall terminate and cease to have any force and effect if certificates of participation are not issued with respect to the proposed expansion of the Convention and Exhibition Center before January 1, 1986, or before the effective date of the elimination of the federal tax exemption which is available for such certificates on the date hereof, whichever is later.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

THE CITY OF LOS ANGELES

By [Signature]  
Mayor

Attest:

[Signature]  
City Clerk

(Seal)

I HEREBY APPROVE the form and legality of the foregoing Agreement this 15th day of November, 1985.

[Signature]  
City Attorney
COUNTY OF LOS ANGELES

Chairman of the Board of Supervisors

ATTEST:

LARRY J. MONTEILH,
Executive Officer-Clerk of the Board of Supervisors

By Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

S O
NOV 21 1985

LARRY J. MONTEILH
EXECUTIVE OFFICER

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

LARRY J. MONTEILH
Executive Officer
Clerk of the Board of Supervisors

By Deputy
Total Convention and Exhibition Center Site Area

That portion of City Lands of Los Angeles, as per map recorded in Book 3, pages 64 and 65 of Patents, in the Office of the County Recorder of Los Angeles County, bounded and described as follows:

Beginning at the intersection of the northeasterly line of Venice Boulevard with the northwesterly line of Figueroa Street; thence northeasterly along said northwesterly line to the southerly line of Eleventh Street as shown on map of Tract No. 28165, filed in Book 814, pages 66 to 69 inclusive, of Maps, in the Office of said County Recorder; thence westerly and northwesterly along the southerly and southwesterly lines of said Eleventh Street to the northwesterly line of Lot 5, said Tract No. 28165; thence southwesterly along said northwesterly line to the northeasterly line of Twelfth Street; thence southerly in a direct line to the intersection of the
southwesterly line of said Twelfth Street with the northwesterly line of Lot 6, said Tract No. 28165; thence southwesterly along said northwesterly line to the northeasterly line of Pico Boulevard; thence southerly in a direct line to the intersection of the southwesterly line of said Pico Boulevard with the northwesterly line of Bond Street; thence southwesterly along said northwesterly line and southeasterly along the southwesterly line of said Bond Street as described in Parcel 11 of Relinquishment of Highway Right of Way, recorded in Book D2311, page 780 of Official Records, in the Office of said County Recorder, to the northwesterly line of Cherry Street; thence northeasterly along said northwesterly line to said southwesterly line of Pico Boulevard; thence southeasterly along said southwesterly line to the easterly line of property of the State of California lying easterly of and adjacent to the freeway off-ramp of the Harbor Freeway; thence in a generally southerly and southeasterly direction along the easterly and northeasterly lines of State property lying adjacent to said freeway off-ramp to said northeasterly line of Venice Boulevard; thence southeasterly along said northeasterly line to the point of beginning.

EXCEPTING therefrom that portion within Pico Boulevard as shown on the map of said Tract No. 28165.
On this 15th day of November, in the year 1985, before me, Aram A. Elmassian, a Notary Public, State of California, personally appeared Tom Bradley, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as Mayor and Elias Martinez, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument as City Clerk, respectively, of THE CITY OF LOS ANGELES, a municipal corporation and acknowledged to me that such municipal corporation executed the within instrument.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year in this certificate first above written.

[Notarial Seal]
EXECUTIVE OFFICE OF
THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
383 HALL OF ADMINISTRATION / LOS ANGELES, CALIFORNIA 90012

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On this 21st day of November, 1985, pursuant to Section 25103 of the Government Code, the undersigned, a deputy clerk of the Board of Supervisors of the County of Los Angeles acknowledges that pursuant to a resolution adopted by the Board of Supervisors of the County of Los Angeles on February 6, 1969, the facsimile signature of Edmund D. Edelman, Chairperson of the Board of Supervisors of the County of Los Angeles has been affixed hereto as the official execution of this document. The undersigned further certifies that on this date, a copy of the document was delivered to the Chairman of the Board of Supervisors of the County of Los Angeles.

IN WITNESS WHEREOF, I also hereto set my hand and affixed the official seal the day and year first above written. I further acknowledge that the County of Los Angeles has executed this document.

LARRY J. MONTEILH
Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles

By: [Signature]
August 21, 1980

*Municipal Auditorium Department
City Administrative Officer
Attention: Arden Siemers
Controller
Chief Legislative Analyst
Data Service Bureau
Los Angeles County Board of Supervisors (has agreements)

I HEREBY CERTIFY that at the meeting of the Council held August 18, 1980, a Resolution was adopted approving and authorizing execution and recordation of a certain Lease Amendment and Ground Lease Amendment and approving the award of base rental payable by the City under said Lease Amendment.

The Council action taken is approval of an amendment of the Joint Exercise of Powers Agreement between the City of Los Angeles and County of Los Angeles which created the Los Angeles Convention and Exhibition Center Authority and is an amendment to the site description to clarify the effect of the realignment of 11th Street.

The Mayor has executed the subject Agreements on behalf of the City and the City Clerk has attested thereto.

*Upon completion of Agreements by your Department, please return original copy to the City Clerk's Office for placing in the file.

REX E. LAYTON, CITY CLERK

By
Deputy

mh

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

89 AUG 26 1980

JAMES S. MIZE
EXECUTIVE OFFICER
FIRST AMENDMENT OF JOINT EXERCISE OF POWERS AGREEMENT
BETWEEN THE CITY OF LOS ANGELES AND THE COUNTY OF LOS
ANGELES CREATING AN AGENCY TO BE KNOWN AS THE LOS ANGELES
CONVENTION AND EXHIBITION CENTER AUTHORITY

This First Amendment, dated for convenience as of August 1,
1980, is made and entered into by and between THE CITY OF LOS ANGELES,
a municipal corporation organized and existing under the Constit-
tution and laws of the State of California (the "City"), and the
COUNTY OF LOS ANGELES, a body corporate and politic, of the State of
California (the "County").

The City and the County hereby agree that a new Section 17
shall be added to the Joint Exercise of Powers Agreement Between The
City of Los Angeles and the County of Los Angeles Creating an Agency
to be Known as the Los Angeles Convention and Exhibition Center
Authority, which shall read as follows:

"Section 17. In order to clarify the effect of the
realignment of 11th Street the description of the site shall
be more particularly described as set forth in Exhibit A
attached hereto."

IN WITNESS WHEREOF, the parties hereto have caused this First
Amendment to be executed and attested by their proper officers there-
unto duly authorized, and their official seals to be hereeto affixed,
as of the day and year first above written.

THE CITY OF LOS ANGELES

By [Signature]
Mayor

Attest:
[Signature]
City Clerk

Date: August 20, 1980.

I HEREBY APPROVE the form and legality of the foregoing
Amendment this 20th day of Aug., 1980.

ADOPTED
BOARD OF SUPERVISORS

[Signature]
City Attorney

89 AUG 20 1980

COUNTY OF LOS ANGELES

[Signature]
Chairman of the Board of Supervisors

Attest: JAMES S. MIZE
EXECUTIVE OFFICER

Clerk of the Board of Supervisors

Date: August 27, 1980.

[Signature]
Deputy County Counsel

APPROVED AS TO FORM THIS 21st DAY OF
AUGUST, 1980.

[Signature]
Deputy County Counsel
EXHIBIT A

Lots 1, 2, 3, 4, 5 and 6, Tract No. 23165, as per map recorded in Book 814, pages 56 to 69 inclusive, of Maps, in the office of the County Recorder of Los Angeles County.

Description Approved
Bureau of Engineering

AUG 14, 1980
AMENDMENT NO. 2
TO
JOINT EXERCISE OF POWERS AGREEMENT
BETWEEN THE CITY OF LOS ANGELES
AND THE COUNTY OF LOS ANGELES

WHEREAS, the City of Los Angeles, a municipal corporation organized and existing under the Constitution and the laws of the State of California (the "City") and the County of Los Angeles, a body corporate and politic of the State of California (the "County"), entered into a Joint Exercise of Powers Agreement dated January 16, 1967 (the "Joint Powers Agreement") creating the Los Angeles Convention and Exhibition Center Authority (the "Authority") to finance the construction of the Los Angeles Convention and Exhibition Center (the "Convention Center"); and

WHEREAS, the County and the City were desirous of permitting the Convention Center to be expanded and enlarged and as a consequence of which entered into an Amendment to Joint Exercise of Powers Agreement dated as of November 15, 1985 expanding the purposes of the Joint Powers Agreement to cover the Convention Center as the same was to be expanded ("Project II"); and

WHEREAS, the Authority has heretofore issued $350,000,000 in principal amount of Convention and Exhibition Center Authority Certificates of Participation, Series 1989A (Refunding) (the "1989 Certificates"), and $202,030,000 in principal amount of Certificates of Participation, 1990 Series (the "1990 Certificates"), each representing undivided interests in rental payments due and payable by the City for Project II and the Convention Center, respectively (collectively the "Certificates"); and

WHEREAS, it is desirable and deemed to be in the best interests of the Authority and the City to defease all or a portion of the 1989 Certificates and 1990 Certificates by a refinancing and, in order to reduce interest rates on the new securities, to have the Authority perhaps issue lease revenue bonds rather than certificates of participation; and

WHEREAS, it is therefore deemed desirable and in the best interests of the Authority to expressly expand its powers to permit it to issue bonds and other obligations in accordance with Article Four of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Marks-Roos Local Bond Pooling Act of 1985") so as to permit more flexibility in the types of securities that may be issued by the Authority to refund outstanding Certificates.
NOW, THEREFORE, the City and County do agree as follows:

Section 1. Clause (b) of the fourth paragraph of Section 3 of the Joint Powers Agreement is hereby amended in its entirety as follows:

"(b) Undertake any and all of the powers specified in the Marks-Roos Local Bond Pooling Act of 1985, as amended from time to time, including, but not limited to, the powers enumerated in Sections 6588, 6589, 6590 and 6591 of the California Government Code; provided, however, that the powers conferred by this clause (b) shall not preclude the exercise of powers by Authority under Article Two of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, if it wishes to exercise such powers, but those powers shall be supplemental and in addition to the other powers specified in this clause (b)."

Section 2. Section 9 of the Joint Powers Agreement is hereby amended by deleting the entire section and substituting therefor the following:

"Section 9. Incurrence of Indebtedness by Authority.

The power of Authority to incur indebtedness pursuant to this Agreement is subject to the following additional provisions in addition to the applicable provisions of the California Government Code:

(a) The total principal amount of bonds or other indebtedness issued shall be in such amount as may be necessary to carry out the purpose of this Agreement as limited by City in any lease, lease-back agreement or agreements.

(b) No term or condition for the issuance of any bond or other obligation shall be such as to restrict City in the quiet use and enjoyment or operation of the convention and exhibition hall and related facilities leased to City as long as City pays to Authority the rental therefor and discharges all other obligations required under the terms of any lease or lease-back agreements executed between Authority and City."
IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to be executed and attested by their proper officers thereunto duly authorized, and their official seal to be hereto affixed, as of this 3 day of September, 1993.

CITY OF LOS ANGELES

Attest:

By

Mayor

JAMES K. HAHN, CITY ATTORNEY

By

Assistant City Attorney

COUNTY OF LOS ANGELES

Attest:

By

EDMUND D. EDELMAN, Chairman of the Board of Supervisors

LARRY J. MONTEILH, Executive Officer - Clerk of the Board of Supervisors

By Sylvia J. Villalobos, Deputy

APPROVED AS TO FORM

DE WITT W. CLINTON, County Counsel

By

DEPUTY

AUG 17 1993
AMENDMENT NO. 3
TO
JOINT EXERCISE OF POWERS AGREEMENT
BETWEEN THE CITY OF LOS ANGELES
AND THE COUNTY OF LOS ANGELES

This Amendment No. 3 to Joint Exercise of Powers Agreement Between the City of Los Angeles and the County of Los Angeles ("Third Amendment") dated as of February 1, 1998, is executed by and between THE CITY OF LOS ANGELES, a municipal corporation organized and existing under the Constitution and laws of the State of California (the "City"), and the COUNTY OF LOS ANGELES, a body corporate and politic of the State of California (the "County"), and amends that certain Joint Exercise of Powers Agreement between the City and the County dated January 16, 1967 and recorded on February 7, 1968 in the official records of Los Angeles County as Document No. 2508, as amended by (i) that certain Amendment to Joint Exercise of Powers Agreement between the City and the County dated as of November 15, 1985 and (ii) that certain Amendment No. 2 to Joint Exercise of Powers Agreement between the City and the County dated as of September 3, 1993 (collectively, the "Joint Powers Agreement").

RECITALS

WHEREAS, the City and County entered into the Joint Powers Agreement creating the Los Angeles Convention and Exhibition Center Authority (the "Authority") for the purpose of constructing and operating the Los Angeles Convention and Exhibition Center (the "Convention and Exhibition Center") upon a site bounded by 11th Street, Figueroa Street, Venice Boulevard and the Harbor Freeway (the "Convention and Exhibition Center Site");

WHEREAS, the City, the County and the Authority desire to further develop the Convention and Exhibition Center and its surrounding areas;

WHEREAS, the City and the County have determined that it is in their best interests and the best interests of their citizens, and will further the interests of the Convention and Exhibition
Center and the Authority, to construct a sports and entertainment arena and related facilities (the "Arena") upon the portion of the Convention and Exhibition Center Site currently housing the Convention and Exhibition Center's North Hall and to arrange for the acquisition and conveyance of properties adjacent to the Convention and Exhibition Center, as further described in the DDA (as hereinafter defined), to the Developer (as hereinafter defined) for the development of parking facilities and other enhancing facilities for the use of the Convention and Exhibition Center and the Arena;

WHEREAS, in order to facilitate the acquisition of the adjacent properties according to the DDA, the Authority proposes to issue the Los Angeles Convention and Exhibition Center Authority Taxable Lease Revenue Bonds (Olympic and Figueroa Properties Acquisition Project) 1998 Series A, to be supported by lease payments by the City pursuant to the Third Amended and Restated Convention and Exhibition Center II Lease, dated as of February 1, 1998;

WHEREAS, in order to facilitate the construction and operation of the Arena on a portion of the Convention and Exhibition Center Site and on certain other real property; (1) the City, the Community Redevelopment Agency of the City of Los Angeles and the L.A. Arena Development Company, LLC (the "Developer") have entered into a Disposition and Development Agreement dated as of October 31, 1997 (the "DDA"), pursuant to which the City intends to lease certain land within the Convention and Exhibition Center Site to the Developer for the construction of the Arena, and (2) the City and the County have determined to amend the Joint Powers Agreement in order to (i) remove from the encumbrance of the Joint Powers Agreement and from the definition of "Convention and Exhibition Center Site" the real property described in Schedule A attached hereto and (ii) to amend the purpose of the Authority under the Joint Powers Agreement in order to facilitate the acquisition and conveyance of properties adjacent to the Convention and Exhibition Center as described above.

NOW, THEREFORE, the City and County do hereby agree as follows:

1. The definition of "Convention and Exhibition Center Site" described in Section 1 of the Joint Powers Agreement and Exhibit A to the Joint Powers Agreement (attached hereto as Schedule B) are each hereby amended by removing and deleting therefrom the real property described in Schedule A attached hereto and incorporated herein by this reference, and all references to the Convention and Exhibition Center Site (whether referred to in the Joint Powers Agreement as such or as the "site," "area" or "land") shall henceforth be deemed to refer to the real property described in Exhibit A to the Joint Powers Agreement as amended to remove and delete the property described in Schedule A attached hereto.

2. Section 1 of the Joint Powers Agreement is hereby amended to read in its entirety as follows:

"The purpose of this Agreement is to create an agency as a public entity separate and apart from the parties to this Agreement to administer and execute such Agreement, the purpose of which is to provide for (a) the construction and operation of a convention and exhibition hall and related facilities, including any expansion or enlargement thereof (herein sometimes referred to as 'Convention

98 501496
and Exhibition Center') suitable as a place of public assembly for the use, benefit and enjoyment of the public upon a site within City bounded by 11th Street, Figueroa Street, Venice Boulevard and the Harbor Freeway, all as more particularly set forth in Exhibit A herein, as modified pursuant to Section 1 of Amendment No. 3 to Joint Exercise of Powers Agreement Between the City of Los Angeles and the County of Los Angeles, and as it may be further amended from time to time, titled 'Legal Description - Convention and Exhibition Center Site,' which is incorporated herein by this reference, and (b) the acquisition and development of properties near the Convention and Exhibition Center for parking purposes and for the development and enhancement of off-premises consumer, retail and lodging uses that are incident to the promotion of the Convention and Exhibition Center.

3. All other terms and conditions of the Joint Powers Agreement shall remain in full force and effect, unchanged by this Third Amendment.

4. This Third Amendment shall be construed, governed and enforced in accordance with the laws of the State of California.
IN WITNESS WHEREOF, the Parties hereto have caused this Third Amendment to be duly executed by their respective authorized officers as of the date first written above.

THE CITY OF LOS ANGELES

By: [Signature]
Name: JOHN FERRARDO
Title: PRESIDENT OF THE CITY COUNCIL

[signatures continued on next page]
Attest:

PATRICIA HEALY, City Clerk

APPROVED AS TO FORM AND LEGALITY:

JAMES K. HAHN, City Attorney

By: [Signature]
Name: Patricia V. Tubert
Title: Sr. Assistant City Attorney

THE COUNTY OF LOS ANGELES

By: [Signature]
Name: Yvonne Brathwaite Burke
Title: Chair, Board of Supervisors

Attest:

JOANNE STURGES, Executive Officer - Clerk of the Board of Supervisors

By: [Signature]

Sylvia Villalobos, Deputy
APPROVED AS TO FORM:

DEWITT W. CLINTON, County Counsel

By: ____________________________

Name: MARK SALADINO

Title: Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

09TH JAN 20 1998

JOANNE STURGES
EXECUTIVE OFFICER
STATE OF CALIFORNIA  
COUNTY OF LOS ANGELES  

On this 26th day of March, 1998 before me appeared John Ferraro personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(Seal)

Diana Green
Notary Public in and for said County

Diana Green
Printed Name of Notary Public

May 9, 2001
Commission Expiration Date

Attach to Amendment No. 3 to Joint Exercise of Powers Agreement between the City of Los Angeles and the County of Los Angeles.
STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

On this 35th day of MARCH, 1998 before me appeared YOLANDA BRYANT-WATTS personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

(SEAL)

ANNA ELENA CERVANTES
Notary Public in and for said County

ANNA ELENA CERVANTES
Printed Name of Notary Public

JUNE 19, 2000
Commission Expiration Date
LEGAL DESCRIPTION
OF
AREN SITE

The land referred to herein is situated in the County of Los Angeles, State of California, and is described as follows:

PARCEL 1: NORTH HALL

THOSE PORTIONS OF LOTS 1, 2 AND 3 AND TRENTO STREET NORTH, 82 FEET AND 97 FEET WIDE, NOW VACATED BY (COUNCIL FILE NO. 82-1136 OF THE CITY OF LOS ANGELES) RESOLUTION NO. 90-01558 OF THE CITY OF LOS ANGELES, ON FILE IN THE OFFICE OF THE CITY CLERK OF SAID CITY, AND RECORDED AUGUST 16, 1990 AS INSTRUMENT NO. 90-1426283, OFFICIAL RECORDS, AS SHOWN ON TRACT NO. 28165, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDED IN BOOK 814 PAGES 66 TO 69 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF LOS ANGELES COUNTY, DESCRIBED AS A WHOLE AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHEASTERNLY LINE OF LOT 1, DISTANT THEREON SOUTH 61 DEGREES 51 MINUTES 21 SECONDS EAST 652.41 FEET FROM THE NORTHEASTERLY TERMINUS OF SAID LINE SHOWN AS SOUTH 61 DEGREES 51 MINUTES 43 SECONDS EAST 666.02 FEET ON SAID TRACT NO. 28165 THEREOF; THENCE SOUTH 28 DEGREES 08 MINUTES 39 SECONDS WEST 44.47 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 105.00 FEET; THENCE SOUTHWESTERLY, WESTERLY AND NORTHWESTERLY 138.02 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 75 DEGREES 18 MINUTES 41 SECONDS; THENCE NORTH 76 DEGREES 32 MINUTES 40 SECONDS WEST 33.23 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 43.00 FEET; THENCE WESTERLY 29.66 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 39 DEGREES 31 MINUTES 13 SECONDS; THENCE ON A NON-TANGENT LINE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 162.17 FEET; THENCE NORTH 28 DEGREES 26 MINUTES 13 SECONDS EAST 31.50 FEET; THENCE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 34.73 FEET; THENCE SOUTH 28 DEGREES 26 MINUTES 13 SECONDS WEST 31.50 FEET; THENCE SOUTH 61 DEGREES 32 MINUTES 47 SECONDS EAST 32.62 FEET; THENCE SOUTH 28 DEGREES 26 MINUTES 47 SECONDS WEST 269.35 FEET; THENCE SOUTH 61 DEGREES 48 MINUTES 26 SECONDS EAST 63.37 FEET; THENCE NORTH 73 DEGREES 31 MINUTES 42 SECONDS EAST 60.45 FEET, TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 161.60 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS NORTH 72 DEGREES 37 MINUTES 32 SECONDS EAST; THENCE SOUTHWESTERLY 100.58 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 35 DEGREES 39 MINUTES 46 SECONDS; THENCE ON A NON-TANGENT LINE; SOUTH 61 DEGREES 37 MINUTES 19 SECONDS EAST 377.64 FEET TO THE NORTHWESTERLY RIGHT OF WAY LINE OF FIGUEROA STREET, 112 FEET WIDE, AS SHOWN ON SAID MAP, THENCE NORTH 37 DEGREES 41 MINUTES
47 SECONDS EAST 61.43 FEET ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF FIGUEROA STREET, 112 FEET WIDE, TO THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE MOST SOUTHEASTERLY LINE OF SAID LOT 1 SHOWN AS SOUTH 37 DEGREES 41 MINUTES 37 SECONDS WEST 187.38 FEET; THENCE ON A DIRECT LINE NORTH 42 DEGREES 20 MINUTES 09 SECONDS EAST 123.63 FEET TO THE EASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE MOST SOUTHEASTERLY LINE OF SAID LOT 3, SHOWN AS SOUTH 78 DEGREES 04 MINUTES 11 SECONDS WEST 22.85 FEET; THENCE NORTH 37 DEGREES 41 MINUTES 47 SECONDS EAST 545.94 FEET ALONG THE NORTHWESTERLY RIGHT-OF-WAY LINE OF FIGUEROA STREET, 102 FEET WIDE, AS SHOWN ON SAID MAP TO THE MOST EASTERLY CORNER OF LOT 2; THENCE NORTH 15 DEGREES 32 MINUTES 53 SECONDS WEST 17.90 FEET ALONG THE EASTERLY LINE OF SAID LOT 2 TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF SAID ELEVENTH STREET, 102 FEET WIDE, AS SHOWN ON SAID MAP, SAID RIGHT-OF-WAY LINE BEING A NON-TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 549.00 FEET TO WHICH BEGINNING A RADIAL LINE BEARS NORTH 20 DEGREES 09 MINUTES 57 SECONDS EAST; THENCE WESTERLY 159.32 FEET ALONG SAID CURVED RIGHT-OF-WAY THROUGH A CENTRAL ANGLE OF 16 DEGREES 37 MINUTES 40 SECONDS; THENCE NORTH 86 DEGREES 27 MINUTES 43 SECONDS WEST 235.98 FEET ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE OF ELEVENTH STREET, TO THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE NORTHERLY LINE OF SAID LOT 2, SHOWN AS NORTH 50 DEGREES 01 MINUTES 32 SECONDS EAST 21.76 FEET ON SAID MAP; THENCE NORTH 86 DEGREES 16 MINUTES 08 SECONDS WEST 122.45 FEET ALONG A DIRECT LINE TO THE EASTERLY TERMINUS OF THAT CERTAIN CURVE IN THE SOUTHERLY LINE OF SAID ELEVENTH STREET, 102 FEET WIDE, AS SHOWN ON SAID MAP, HAVING A RADIUS OF 651 FEET, SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 651.00 FEET, AND TO WHICH BEGINNING A RADIAL LINE BEARS SOUTH 5 DEGREES 31 MINUTES 37 SECONDS WEST; THENCE WESTERLY AND NORTHWESTERLY 256.98 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 22 DEGREES 37 MINUTES 03 SECONDS; THENCE NORTH 61 DEGREES 51 MINUTES 21 SECONDS WEST 13.62 FEET ALONG THE SOUTHEASTERLY RIGHT-OF-WAY OF ELEVENTH STREET, 102 FEET WIDE TO THE POINT OF BEGINNING.

EXCEPT THEREFROM, ALL OIL, CRUDE OIL, GAS, PETROLEUM, ASPHALTUM, HYDROCARBONS, CARBONS, MINERALS, AND MINERAL SUBSTANCES, GOLD, SILVER AND OTHER PRECIOUS METALS, AND OTHER KINDRED SUBSTANCES AND MINERALS OF WHATEVER NATURE, IN, UNDER AND RECOVERABLE FROM THE HEREINBEFORE DESCRIBED LAND, TOGETHER WITH THE RIGHT TO DRILL FOR AND PRODUCE SUCHE, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES BY DIRECTIONAL DRILLING CONDUCTED FROM SURFACE LOCATIONS ON LAND OTHER THAN THE LANDS HEREINABOVE MENTIONED. SUCH EXCEPTION AND RESERVATION SHALL NOT OPERATE TO CREATE ANY
RIGHT TO CONDUCT DRILLING OPERATIONS FROM ANY PORTION OF THE
SURFACE OF SAID ABOVE DESCRIBED LAND. ALL DIRECTIONAL DRILLING
SHALL BE CONDUCTED IN SUCH A MANNER THAT THE WELL, HOLE SHAFT
OR OTHER MEANS OF REACHING OR REMOVING SUCH OIL, GAS OR OTHER
HYDROCARBON SUBSTANCES DOES NOT PENETRATE ANY PART OR PORTION
OF SAID REAL PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF,
AS EXCEPTED AND RESERVED IN VARIOUS INSTRUMENTS OF RECORD,
THREE OF WHICH RECORDED:

JANUARY 10, 1958 AS INSTRUMENT NO. 2914, IN BOOK 56379, PAGE 119;
OCTOBER 23, 1968 AS INSTRUMENT NO. 2933, IN BOOK D4172 PAGE 989 AND
JANUARY 23, 1970 AS INSTRUMENT NO. 2758 IN BOOK D4615 PAGE 229,
ALL OF OFFICIAL RECORDS.
PARCEL A:

LOTS 1 TO 6 INCLUSIVE OF TRACT 28165, IN THE CITY OF LOS ANGELES, AS PER MAP RECORDER IN BOOK 814 PAGES 66 TO 69 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, TOGETHER WITH THAT PORTION OF TRENTON STREET SOUTH BETWEEN FIGUEROA STREET AND PICO BOULEVARD AS SHOWN AND DEDICATED ON THE MAP OF TRACT 28165, NOW VACATED BY (COUNCIL FILE NO. 82-1136 OF THE CITY OF LOS ANGELES) RESOLUTION NO. 83-01558 OF THE CITY OF LOS ANGELES, ON FILE IN THE OFFICE OF THE CITY CLERK OF SAID CITY, AND RECORDED JUNE 5, 1990 AS INSTRUMENT NO. 90-1003283, AS SAID VACATION IS SHOWN IN VOLUME 23 PAGE 89 OF STREET VACATION MAPS ON FILE IN THE OFFICE OF CITY CLERKS OF SAID CITY AND TOGETHER WITH ALL OF NAGOYA STREET AND TRENTON STREET SHOWN AS TRENTON STREET NORTH ON THE MAP OF SAID TRACT 28165, BOUNDED AS FOLLOWS:

BOUNDED SOUTHEASTERLY BY A STRAIGHT LINE CONNECTING THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE SOUTHEASTERLY LINE OF LOT 1 OF SAID TRACT, SHOWN AS HAVING A BEARING AND LENGTH OF SOUTH 37°41'37" WEST, 187.38 FEET WITH THE SOUTHWESTERLY TERMINUS OF THAT CERTAIN COURSE IN THE SOUTHEASTERLY LINE OF LOT 3 OF SAID TRACT, SHOWN AS HAVING A BEARING AND LENGTH OF SOUTH 37°41'37" WEST, 363.89 FEET; AND BOUNDED NORTHERLY BY A LINE DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY TERMINUS OF THAT CERTAIN CURVE IN THE NORTHERLY LINE OF SAID LOT 1; SHOWN AS HAVING A RADIUS OF 651 FEET, AND AN ARC LENGTH OF 256.90 FEET, THENCE CONTINUING EASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 1°59'47", AN ARC DISTANCE OF 22.68 FEET; THENCE SOUTH 86°28'08" EAST, 99.75 FEET TO THE NORTHERLY LINE OF LOT 2, SAID TRACT 28165, NOW VACATED BY (COUNCIL FILE NO. 82-1136 OF THE CITY OF LOS ANGELES) RESOLUTION NO. 90-01558 OF THE CITY OF LOS ANGELES, ON FILE IN THE OFFICE OF THE CITY CLERK OF SAID CITY, AND RECORDED AUGUST 16, 1990 AS INSTRUMENT NO. 90-1426183.

EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN LOTS 13 AND 14, BLOCK 2 OF SAID SENTOUS TRACT, ALL GAS, OIL AND MINERALS BELOW A DEPTH OF 500 FEET, WITHOUT RIGHT OF SURFACE ENTRY, AS GRANTED TO ROBERT W. P. MONTGOMERY, A MARRIED MAN, BY DEED RECORDED JULY 18, 1967 IN BOOK D3706 PAGE 541, OFFICIAL RECORDS, AS INSTRUMENT NO. 3015.
ALSO EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN LOT 70 OF
SAID KINCAID’S TRACT AND THE SOUTHWESTERLY 6 FEET OF THE ALLEY
ADJOINING SAID LOT 70; LOTS 42 AND 43 OF SAID FORMAN’S SUBDIVISION OF
THE WEST 20 ACRES OF LOT 8, BLOCK 36 OF HANCOCK’S SURVEY, ALL GAS, OIL
AND MINERALS BELOW A DEPTH OF 500 FEET WITHOUT RIGHT OF SURFACE
ENTRY AS GRANTED TO JAMES A. HENDERSON, A MARRIED MAN BY DEED
RECORDED NOVEMBER 16, 1966 IN BOOK D3483 PAGE 677, OFFICIAL RECORDS, AS
INSTRUMENT NO. 2050.

ALSO EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN LOT 16 OF
SAID KUGHEN AND CASTERLINE’S SUBDIVISION OF THE WARD TRACT, AN
UNDIVIDED ONE-HALF INTEREST IN AND TO ALL CARBONS, MINERALS,
HYDROCARBONS AND OIL AND GAS APPURTENANT TO SAID LAND AS GRANTED
TO CAROLE L. BENSON BY DEED RECORDED MARCH 29, 1968 IN BOOK D3955
PAGE 794, OFFICIAL RECORDS.

BY AN INSTRUMENT DATED JUNE 6, 1968 EXECUTED BY CAROLE L. BENSON, ALL
RIGHTS TO ENTER UPON THE SURFACE OF SAID LAND WERE QUITCLAIMED TO

ALSO EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN LOT 38 OF
SAID KINCAID’S TRACT, ALL OF THE OIL, GAS, GOLD, SILVER AND OTHER
PRECIOUS METALS, MINERALS AND MINERAL SUBSTANCES AND OTHER
HYDROCARBON SUBSTANCES, AS GRANTED TO SAHARA APTS., INC., A
CORPORATION, BY DEED RECORDED IN BOOK 56379 PAGE 119, OFFICIAL
RECORDS, BUT WITHOUT THE RIGHT OF SURFACE ENTRY AND QUITCLAIMED BY
SAID SAHARA APTS., INC., IN DEED RECORDED IN BOOK D1492 PAGE 847,
OFFICIAL RECORDS. A DEED TO THE CITY OF LOS ANGELES FURTHER RECITES,
“IT IS FURTHER UNDERSTOOD THAT ALL DIRECTIONAL DRILLING SHALL BE
CONDUCTED IN SUCH A MANNER THAT THE WELLS, HOLE, SHAFT OR OTHER
MEANS OF REACHING OR REMOVING SUCH OIL, GAS OR OTHER HYDROCARBON
SUBSTANCES DOES NOT PENETRATE ANY PART OR PORTION OF SAID REAL
PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF.”

ALSO EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN THAT
PORTION OF LOT 3, BLOCK 4 OF SAID SENTOUS TRACT, ALL MINERALS, OILS,
GASES AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT
MAY BE WITHIN OR UNDER SAID PORTION OF LOT 3, WITHOUT, HOWEVER THE
RIGHT TO DRILL, DIG OR MINE THROUGH THE SURFACE OF SAID LAND AS
RESERVED BY THE STATE OF CALIFORNIA, IN DEED RECORDED SEPTEMBER 24,
1958 IN BOOK D225 PAGE 376, OFFICIAL RECORDS.

ALSO EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN LOTS 2, 3
AND 14, BLOCK 4 OF SAID SENTOUS TRACT, ALL GAS, OIL AND MINERALS BELOW
THE DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY AS GRANTED
TO COMER TYPE, INC., A CORPORATION BY DEED RECORDED DECEMBER 19,
1967 AS INSTRUMENT NO. 2531 IN BOOK D3862 PAGE 920, OFFICIAL RECORDS.
ALSO EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN LOTS 1 TO 19 OF SAID KINCAID’S TRACT, ALL OIL, GAS AND HYDROCARBON SUBSTANCES LYING BENEATH A DEPTH OF 500 FEET FROM THE PRESENT SURFACE OF SAID LAND AND WITHOUT ANY RIGHT OF ENTRY UPON THE SURFACE OF SAID LAND ABOVE SAID 500 FOOT DEPTH, TOGETHER WITH ANY AND ALL LEASES AFFECTING SUCH OIL AND GAS, ETC., WHETHER OF RECORD OR NOT, AS RESERVED TO THE GRANTOR THEREIN IN DEED EXECUTED BY R. LESLIE KELLEY, A MARRIED MANRecorded April 1, 1966 IN BOOK D3257 PAGE 809, OFFICIAL RECORDS, AS INSTRUMENT NO. 1580.

A DEED TO THE CITY OF LOS ANGELES FURTHER RECITES; “IT IS FURTHER UNDERSTOOD THAT ALL DIRECTIONAL DRILLING SHALL BE CONDUCTED IN SUCH A MANNER THAT THE WELL, HOLE SHAFT OR OTHER MEANS OF REACHING OR REMOVING SUCH OIL, GAS OR OTHER HYDROCARBON SUBSTANCES DOES NOT PENETRATE ANY PART OR PORTION OF SAID REAL PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF.”


ALSO EXCEPT FROM THAT PORTION OF SAID LAND INCLUDED WITHIN THE REMAINING LOTS ACQUIRED BY THE CITY OF LOS ANGELES, BY VARIOUS DEEDS OF RECORD (BUT NOT INCLUDING THOSE PORTIONS OF SENTOUS STREET, ELEVENTH STREET AND GEORGIA STREET DESCRIBED IN DEEDS RECORDED APRIL 9, 1885, IN BOOK 137 PAGE 390 OF DEEDS, IN BOOK 137 PAGE 391 OF DEEDS,
IN BOOK 137 PAGE 392 OF DEEDS, IN BOOK 137 PAGE 393 OF DEEDS, RELINQUISHMENT RECORDED APRIL 22, 1964 IN BOOK R1896 PAGE 67, OFFICIAL RECORDS AND LOT 17 OF KUGHEN AND CASTERLINE'S SUBDIVISION OF THE WARD TRACT;

ALL OIL, GAS AND OTHER CARBON SUBSTANCES IN, UNDER AND RECOVERABLE FROM SAID HEREINBEFORE DESCRIBED PROPERTY, TOGETHER WITH THE RIGHT TO DRILL FOR AND PRODUCE SUCH OIL, GAS AND OTHER HYDROCARBON SUBSTANCES BY DIRECTIONAL DRILLING CONDUCTED FROM SURFACE LOCATIONS ON LAND OTHER THAN THE LANDS HEREINABOVE MENTIONED; IT BEING UNDERSTOOD THAT SUCH EXCEPTION AND RESERVATION SHALL NOT OPERATE TO CREATE ANY RIGHT TO CONDUCT DRILLING OPERATIONS FROM ANY PORTION OF THE SURFACE OF SAID ABOVE DESCRIBED LAND. IT IS FURTHER UNDERSTOOD THAT ALL DIRECTIONAL DRILLING SHALL BE CONDUCTED IN SUCH A MANNER THAT THE WELL, HOLE SHAFT OR OTHER MEANS OF REACHING OR REMOVING SUCH OIL, GAS OR OTHER HYDROCARBON SUBSTANCES DOES NOT PENETRATE ANY PART OR PORTION OF SAID REAL PROPERTY WITHIN 500 FEET OF THE SURFACE THEREOF, AS RESERVED BY VARIOUS DEEDS OF RECORD.


PARCEL B:

PARCELS 1 AND 2 OF OFFICIAL MAP NO. 2, IN THE CITY OF LOS ANGELES, RECORDED ON JUNE 14, 1989 AS INSTRUMENT NO. 89-958587, IN BOOK 5 PAGES 38 TO 40 OF OFFICIAL MAPS.

PARCEL C:

PARCEL 1:

A PARCEL OF LAND, IN THE CITY OF LOS ANGELES, BEING THAT PORTION OF THE AIRSPACE OVER PICO BOULEVARD, 102 FEET WIDE, AS SHOWN ON THE MAP OF TRACT 28165, AS PER MAP RECORDED IN BOOK 814 PAGES 66 TO 69 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BOUNDED NORTHWESTERLY BY A LINE PARALLEL WITH AND DISTANT 280 FEET NORTHWESTERLY MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE AND ITS PROLONGATION OF LOT 5, DENNIS AND STEWART'S ADDITION, AS PER MAP RECORDED IN BOOK 6 PAGE 440 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, AND BOUNDED SOUTHEASTERLY BY A LINE PARALLEL WITH AND DISTANT 10 FEET NORTHWESTERLY MEASURED AT RIGHT ANGLES FROM THE SOUTHEASTERLY LINE AND ITS PROLONGATION OF SAID LOT 5, SAID AIRSPACE LYING ABOVE A HORIZONTAL DATUM PLANE AT AN ELEVATION WHICH IS 15 FEET 0 INCH ABOVE THE MAXIMUM TOP OF CURB ELEVATION BELOW SAID AIRSPACE ON THE NORTHERLY SIDE OF SAID PICO BOULEVARD AS SAID CURB IS SHOWN ON PLAN NO. P-25905 ON FILE IN THE OFFICE OF THE CITY ENGINEER OF THE CITY OF LOS ANGELES.

PARCEL 2:

A PARCEL OF LAND, IN THE CITY OF LOS ANGELES, BEING THAT PORTION OF THE AIRSPACE OVER PICO BOULEVARD, 102 FEET WIDE, AS SHOWN ON SAID MAP OF TRACT 28165, BOUNDED NORTHWESTERLY BY A LINE PARALLEL WITH AND DISTANT 7 FEET NORTHWESTERLY MEASURED AT RIGHT ANGLES FROM THE
NORTHWESTERLY LINE AND ITS PROLONGATION OF LOT 4, BLOCK 1, WRIGHT’S
SUBDIVISION OF THE SISTER OF CHARITY TRACT, AS PER MAP RECORDED IN
BOOK 5 PAGE 431 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY
RECORDER OF SAID COUNTY, AND BOUNDED SOUTHEASTERLY BY A LINE
PARALLEL WITH AND DISTANT 28 FEET SOUTHEASTERLY MEASURED AT RIGHT
ANGLES FROM SAID NORTHWESTERLY LINE AND ITS PROLONGATION OF LOT 4,
SAID AIRSPACE LYING ABOVE A HORIZONTAL DATUM PLANE AT AN ELEVATION
WHICH IS 15 FEET 0 INCH ABOVE THE MAXIMUM TOP OF CURB ELEVATION
BELOW SAID AIRSPACE ON THE NORTHERLY SIDE OF SAID PICO BOULEVARD AS
SAID CURB IS SHOWN ON PLAN NO. P-25905 ON FILE IN THE OFFICE OF THE CITY
ENGINEER OF THE CITY OF LOS ANGELES.