

**Your**

**TRADE, COMMERCE AND TOURISM**

**Committee**

**reports as follows:**

TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to signage proposal with the L.A. Arena Land Company, Inc., for exclusive signage rights for the exterior of the Los Angeles Convention Center (LACC).

Recommendations for Council action:

1. AUTHORIZE the General Manager and Chief Executive Officer, LACC, or designee, to:
  - a. Execute the Signage and Advertising Agreement between L.A. Arena Land Company, Inc., and the City of Los Angeles (entitled "Attachment A" of the joint Chief Legislative Analyst – LACC report dated July 31, 2008 to the Trade, Commerce, and Tourism Committee, attached to the Council file), to implement exclusive signage provisions in the Reciprocal Easement and Environmental Restriction Agreement dated March 26, 1998.
  - b. Execute and record the Grant of Easement (entitled "Attachment B" of the July 31, 2008 Chief Legislative Analyst – LACC report) in favor of L.A. Arena Land Company, Inc., upon execution of the Signage and Advertising Agreement, obtaining of all required land use entitlements by LandCo, and concurrence of the Chief Legislative Analyst (CLA) and the City Administrative Officer.
2. REQUEST that the Community Redevelopment Agency (CRA) consider the proposed Third Amendment to the Reciprocal Easement and Environmental Restriction Agreement (entitled "Attachment C" of the July 31, 2008 CLA- LACC report) between the City of Los Angeles, the CRA, and L.A. Arena Land Company, Inc., to incorporate provisions related to the Signage and Advertising Agreement.
3. REQUEST that the City Attorney, with the assistance of the LACC, to prepare the necessary ordinance to implement the signage plan associated with the Signage and Advertising Agreement.
4. INSTRUCT the LACC to file a Notice of Exemption with the County Clerk
5. FIND that, pursuant to Sections 371(c) and 372 of the City Charter, the use of competitive bidding to select agents to negotiate naming rights and permanent interior signage for the LACC would be undesirable and impractical and not in the City's best interest.

Fiscal Impact Statement: The CLA and LACC report that this agreement will generate a minimum of \$2 million per year with an annual 3% escalation factor. In addition, revenue sharing is expected to generate additional funds.

Community Impact Statement Submitted: None

Summary:

In their joint July 31, 2008 report to the Trade, Commerce, and Tourism Committee, the CLA and LACC state that the proposed signage agreement obligates LandCo to pay a guaranteed annual fee of \$2 million with a 3% per year escalation provision. A revenue sharing component has also been developed in the event that the proposed signage plan generates more revenue than is currently anticipated. The agreement term is 10 years, with the option for LandCo to extend the agreement for two additional 10-year periods.

The CLA and LACC report that a portion of the proposed signage will be sold to sponsors currently active within the Sports and Entertainment District and a portion will be sold to other sponsors. No signs will advertise tobacco products, alcoholic beverages (except beer), firearms, or adult entertainment. Signage installed will include electronic displays, which will include announcements of events, information, and promotion of exhibitors, promoters, and events held at the LACC and LA Live. The signage plan will include both static and dynamic displays. The LACC shall retain control over interior signage for the Convention Center property. The CLA and LACC believe that this agreement is substantially better for the City of Los Angeles than what was previously proposed by LandCo. The report authors recommend approval.

At its meeting held September 3, 2008, the Trade, Commerce, and Tourism Committee discussed this matter with representative of the CLA and LACC. Land use entitlements and design standards are separate from this proposal which encompasses only the business aspect of this agreement. It was stated that AEG will bear the cost of sign installation and maintenance. It was stated by staff that the proposed agreement is a product of tough negotiations and is a good deal for the City. Support for the agreement will also be expressed by a representative of the 9th Council District Office. Committee members expressed interest in greater flexibility in the form of a shorter initial contract term, and options for dedicating a portion of the revenue stream for the arts. The Committee recommended that Council approve the proposed signage agreement, as recommended by the CLA and LACC, and as amended to include the finding necessary for not seeking a competitive bid for this agreement.

Respectfully submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE

**- Not Official Until Council Acts -**

<u>MEMBER</u>	<u>VOTE</u>
HAHN	YES
ROSENDAHL:	YES
LABONGE:	YES

JAW  
9/4/2008  
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