

6. ADOPT FINDINGS of the CPC, including the Environmental Findings as the Findings of the Council, as modified by the Ad Hoc Committee on Downtown Stadium and Convention Center Renovation at its special meeting held September 24, 2012.
7. APPROVE the agreements attached to the Chief Legislative Analyst (CLA), City Administrative Officer (CAO), and LACC report to the Ad Hoc Committee on Downtown Stadium and Convention Center Renovation dated September 11, 2012 (attached to the Council file), and the revised Implementation Agreement entitled Attachment A accompanying the CLA-CAO joint report to the Ad Hoc Committee on Downtown Stadium and Convention Center Renovation dated September 21, 2012 (attached to the Council file); and, AUTHORIZE the CLA, in consultation with the CAO, LACC, and the City Attorney, to make any necessary technical changes prior to their execution.
8. AUTHORIZE the Mayor and the Councilmember of the Ninth Council District, on behalf of the City, to immediately execute the Implementation Agreement, and then the remaining agreements at the close of escrow.
9. INSTRUCT the CLA to transmit to Council the approved executed Team Lease provided that it meets the requirements contained in the Implementation Agreement.
10. INSTRUCT the CAO to prepare the necessary documents to issue Lease Revenue Bonds and Mello-Roos Bonds within the parameters of this report.
11. ADVISE the applicant that, pursuant to California State Public Resources Code Section 21081.6, the City shall monitor or require evidence that mitigation conditions are implemented and maintained throughout the life of the project and the City may require any necessary fees to cover the cost of such monitoring.
12. ADVISE the applicant that, pursuant to State Fish and Game Code Section 711.4, a Fish and Game Fee and/or Certificate of Fee Exemption is now required to be submitted to the County Clerk prior to or concurrent with the Environmental Notice of Determination filing.

Fiscal Impact Statement: The CLA, CAO, and LACC report that this action will not impact the General Fund. The Board of City Planning Commissioners reports that administrative costs are recovered through fees.

Community Impact Statement: None submitted.

SUMMARY

In their report to the Ad Hoc Committee on Downtown Stadium and Convention Center Renovation dated September 11, 2012, the CLA, CAO, and the Chief Executive Officer and Interim General Manager, LACC, present and recommend approval of the Implementation Agreement, related transaction documents, and the new hall design for the proposed renovation of the LACC and the construction of an event center on the current LACC West Hall site to house a National Football League franchise. Approval of the documents represents final approval of the business transaction of this project. It is stated that the agreement for the project fully protects the City's General Fund and that there shall be no public money used for the football stadium. Their report goes on to discuss project cost estimates and financing, design, the use of lease revenue bonds, and related matters.

In their supplemental joint report to the Ad Hoc Committee on Downtown Stadium and Convention Center Renovation dated September 21, 2012, the CLA and CAO present various amendments to the Implementation Agreement and other relevant transaction documents. The CAO and CLA note that a sale of AEG or a change in the developer's status does not impact the stipulation that no City funds will be used for the football stadium. The report recommends revisions to the assignment language should be added to the Implementation Agreement and other relevant transaction documents.

At its special meeting held September 24, 2012, the Ad Hoc Committee on Downtown Stadium and Convention Center Renovation discussed the proposed modernization of the LACC and multi-purpose Event Center project with the CLA and CAO. The CLA discussed the amendments proposed in the September 21, 2012 report. Language was added or clarified for experience, character, and financial components of the agreement. AEG's new owner must have experience running a major entertainment and sports venue. It was further stated that assignment rights are already included in the transaction documents should AEG or any of its assets be sold. The terms of the agreement shall apply to any purchaser.

The CAO stated that the sale of AEG does not put the City at risk because the construction of the football stadium uses no tax-payer funds. It was stated that the agreement minimizes risk by requiring the developer to provide an equity stake of least 40% in the development cost. The CAO went on to state that the current cost project assumes interest rates to remain unchanged. If interest rates increase, additional project financing costs will be born equally by the City and AEG.

The President of AEG was in attendance to discuss the project, touting AEG's success constructing and operating privately financed major sports venues around the world. It was noted that AEG will bear the entire cost of the development and operation of the football stadium.

During the public comment period, support was expressed for the project and the community benefits agreements. Speakers commended AEG and praised the project's positive economic impact on the region and its creation of sorely needed jobs. One speaker expressed opposition.

The Ad Hoc Committee recommended that Council approve the above recommendations relative to the construction of a new multi-purpose Event Center, as recommended by the CLA, the CAO, as amended to incorporate the technical amendments reflected above.

Respectfully submitted,

AD HOC COMMITTEE ON DOWNTOWN STADIUM AND
CONVENTION CENTER RENOVATION

- NOT OFFICIAL UNTIL COUNCIL ACTS -

<u>MEMBER</u>	<u>VOTE</u>
PERRY:	YES
CARDENAS:	ABSENT
REYES:	YES
LABONGE:	YES
ROSENDAHL:	ABSENT
HUIZAR (ALT):	YES

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