

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to an alternative development strategy for the Los Angeles Convention Center.

Recommendations for Council action:

1. AUTHORIZE the Public Works Bureau of Engineering to release a Task Order Solicitation for architects to design an expansion and modernization of the Los Angeles Convention Center, that would explore all options including the concept of a Public Private Partnership.
2. AUTHORIZE \$600,600 to be financed from the Municipal Improvement Corporation of Los Angeles, Commercial Paper (MICLA CP) program, to pay for the cost of pre-design work related to Plan B, of three applicants, \$200,000 per applicant, to be selected from the Task Order Solicitation process for architects to design an expansion and modernization of the Los Angeles Convention Center, to be reimbursed by the Los Angeles Convention Center Commercial Paper Program.

Fiscal Impact Statement: The Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) report that it is recommended that the \$600,000 be debt financed from the 2013-14 MICLA CP. The work associated with the Task Order Solicitation is pre-design work and qualifies as a cost eligible for debt financing through the MICLA CP Program. The existing budget has sufficient funds to pay for the additional cost. Upon creation of the Los Angeles Convention Center Commercial Paper Program, the MICLA CP program will be reimbursed for the associated cost. The recommendations included herein have no additional impact on the General Fund for Fiscal Year 2014-15 and are in compliance with the City's Financial Policies.

Debt Impact Statement: The CLA and CAO report that the cost of issuance for debt financing \$600,000 is approximately \$2,500, which accounts for costs associated with the interest, letter of credit and remarketing fee rates. The total cost is based on a rate that ranges between 0.82 and 1.12 percent, currently. The recommendations included herein are in compliance with the City's debt policies.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on May 27, 2014, the Economic Development Committee (EDC) considered a joint report from the CLA and CAO relative to an alternative development strategy for the Los Angeles Convention Center ("Plan B") in the event that the New Hall and Event Center and Stadium project does not go forward as proposed in the implementation agreement with Anschutz Entertainment Group (AEG) which will expire in October 2014.

The CLA/CAO reported that in December 2013, the EDC approved a recommendation instructing the Public Works Bureau of Engineering (BOE) prepare a Task Order Solicitation (TOS) to seek qualified teams for professional design services to modernize and expand the Convention Center. BOE has now finalized the TOS and is seeking authorization for its release. Additionally, approval is sought for the funding source for the pre-design work.

The CLA and staff, the General Manager of the Los Angeles Department of Convention and Tourism Development, and representatives of the CAO and BOE appeared before the Committee to discuss the matter and responded to related questions.

After providing an opportunity for public comment, the Committee approved the recommendations in the joint CLA/CAO report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| PRICE: | YES |
| KREKORIAN: | YES |
| HUIZAR: | YES |
| CEDILLO: | YES |
| MARTINEZ: | YES |

REW
5/29/14
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-NOT OFFICIAL UNTIL COUNCIL ACTS-