

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the proposed Los Angeles Convention Center (LACC) Expansion and Modernization project.

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

1. AUTHORIZE the total project budget for the Convention Center Expansion/Renovation Project of \$470 million.
2. DESIGNATE the City Engineer as the Program Manager for the Convention Center Expansion/Renovation Project.
3. INSTRUCT the Bureau of Engineering (BOE) to implement the project in logical phases, with issuance of the Notice to Proceed for any and all work to be issued following action by Council on the public-private partnership (P3) report.
4. DELEGATE the authority to the Board of Public Works to execute a sole source contract with Populous Inc., for architecture and engineering design services with a budget authority of \$33,537,590 for seven years.
5. AUTHORIZE the Board of Public Works to:
 - a. Enter into a construction management/general contractor contract with a guarantee maximum price for the Convention Center Expansion/Renovation Project, subject to Council approval.
 - b. Enter into a construction management/project management contract for seven years, subject to Council approval.
6. AUTHORIZE resolution authority for ten new positions in the Department of Public Works, subject to allocation by the Civil Service Commission and paygrade review by the Employee Relations Division, for the period December 1, 2015 through June 30, 2016, as follows:

| <u>Public Works Bureau</u> | <u>Code</u> | <u>Classification</u> | <u>Quantity</u> |
|----------------------------|-------------|---------------------------------|-----------------|
| Bureau of Engineering | 9489 | Principal Civil Engineer | 1 |
| Bureau of Engineering | 9485 | Senior Civil Engineer | 1 |
| Bureau of Engineering | 7925 | Architect | 1 |
| Bureau of Engineering | 7561-2 | Building Mechanical Engineer II | 1 |
| Bureau of Engineering | 7246-4 | Civil Engineering Associate IV | 1 |
| Bureau of Engineering | 7246-3 | Civil engineering Associate III | 1 |
| Bureau of Engineering | 9171 | Senior Management Analyst I | 1 |
| Bureau of Engineering | 1116 | Secretary | 1 |
| Bureau of Engineering | 1368 | Senior Clerk Typist | 1 |
| Board of Public Works | 1523-2 | Senior Accountant II | 1 |

7. DIRECT the Personnel Department to expedite the allocation of these positions for Civil Service Commission consideration.
8. AUTHORIZE the Controller to establish a new fund entitled Convention Center Expansion/Renovation in Department No. 50 to provide cash flow on a revolving basis and to receive and disburse funds for the project.
9. REQUEST the Controller to establish appropriation accounts within the new fund to transfer the appropriations, encumbrances, pre-encumbrances, and expenditures in the Convention Center Expansion/Renovation Project.
10. AUTHORIZE the City Administrative Officer (CAO) to make any technical corrections necessary to implement the intent of the Mayor and Council.
11. INSTRUCT the BOE and the Los Angeles Convention and Tourism Department to report on a semi-annual basis concerning status and progress of the LACC Expansion and Renovation project.
12. APPROVE the use of \$1.5 million of LACC Commercial Paper Program in a limited capacity to fund costs in Fiscal Year 2015-16 for the following:
 - a. \$1 million for BOE contractual services for California Environmental Quality Act related activities.
 - b. \$.5 million for BOE staffing (Six months for four full-time equivalent positions).

Fiscal Impact Statement: The Chief Legislative Analyst (CLA) reports that the recommendations in the CLA report have no fiscal impact. The CAO reports that its report is for informational purposes only. Should one of the options presented related to funding pre-construction costs be taken, the impact to the General Fund could potentially be \$1.5 million.

Debt Impact Statement: The CAO reports that in accordance with the City's Financial Policy, Debt Management Section, the maximum debt service payable in any given year may not exceed six percent of General Fund revenues for non-voted approved debt. As a general rule, for every 0.1 percent, approximately \$26 million in project financing may be issued. Based on this rule, the CAO estimates that it can issue approximately \$400 million of debt; however, this is an estimate and could change due to market conditions and future debt projects.

Community Impact Statement: None submitted.

(Personnel and Animal Welfare and Budget and Finance Committees waived consideration of the above matter)

Summary

At the public hearing held on December 8, 2015, the Economic Development Committee considered reports from CLA and CAO relative to the proposed LACC Expansion and Modernization project. Staff from CLA and CAO gave the Committee background information on the matter. After an opportunity for public comment, the Committee recommended that Council approve the recommendations contained in the CLA report and selected Option No. 1 of the CAO report.

Personnel and Animal Welfare and Budget and Finance Committees waived consideration of the above matter. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,



ECONOMIC DEVELOPMENT COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|----------------------|--------------------|
| PRICE: | YES |
| CEDILLO: | ABSENT |
| HARRIS-DAWSON: | YES |
| KREKORIAN: | YES |
| MARTINEZ: | YES |

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-NOT OFFICIAL UNTIL COUNCIL ACTS-