

When making inquiries relative to
this matter, please refer to the
Council File No. **14-1383**



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February 12, 2016

Honorable Paul Koretz, Chair
Personnel and Animal Welfare Committee

Honorable Paul Krekorian, Chair
Budget and Finance Committee

At its meeting held on February 9, 2016, the Economic Development Committee considered City Administrative Officer (CAO) reports relative to Public-Private financing options for the Los Angeles Convention Center Expansion Project. The Committee took the following actions:

1. Approved Recommendation Nos. 1 through 8 and Nos. 10 through 14 in the supplemental CAO report dated February 4, 2016.
2. Amended Recommendation No. 9 in the supplemental CAO report dated February 4, 2016 to read as follows:
 - a. Authorize the CAO, with the assistance of its public-private partnership (P3) financial advisor, Arup Advisory Inc., Chief Legislative Analyst (CLA), Department of Convention and Tourism Development (CTD), and Bureau of Engineering (BOE), to proceed with the detailed development of a Business Case for a Design-Build-Finance-Operate-Maintain (DBFOM) procurement integrated with a real estate development component for the Los Angeles Convention Center (LACC) Expansion and Modernization Project (Project), inclusive of architectural and engineering services in support of the business case, with consulting services of up to \$1.9 million to be paid from the Capital Finance Administration Fund.
 - b. The Business Case documentation will ensure that the City's policies concerning Convention Center design, operations, and maintenance enhance priority convention uses and event experience, efficiency, and flexibility, and that the City maintains design control to ensure implementation of these policies.
 - c. The Business Case document's project description will prohibit residential uses.
 - d. The Business Case will affirm the City's booking policy, with a priority on City-wide events that attract out-of-town visitors.
3. Directed the CAO to report to Committee once the Business Case has been developed and prior to issuing a Request For Qualification/Request For Proposal for the P3.

4. Instructed the CAO to report to Committee in 30 days with details of the impact the Project will have on the City's debt capacity, including other Council approved projects affecting the debt capacity; potential to phase in the LACC Expansion and Modernization Project; and the impact of the signage, naming rights, and on-site hotel development on the project costs and debt capacity.
5. Directed the CTD and CAO to report on the status of the private management contract and impacts of the P3 on that contract.
6. Instructed the CAO and CLA to report on the fee structure that is negotiated in a P3, including cost controls and performance metrics.
7. Directed the CAO, with the assistance of the BOE, CTD, and other departments as necessary, to report on the staffing needed to support the traditional LACC project compared to the staffing needed to support the P3 procurement and development process, including costs.

This matter is referred to the Personnel and Animal Welfare Committee and the Budget and Finance Committee. Pursuant to the referral of this matter, the subject Council file is hereby transmitted to you for consideration by your Committees.

Sincerely,

Sharon Gin
Economic Development Committee Clerk

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

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