

TRADE, TRAVEL AND TOURISM COMMITTEE REPORT relative to the status of the Los Angeles Convention Center (LACC) Expansion Project.

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

1. AUTHORIZE \$1 million for the City Administrative Officer (CAO) and Chief Legislative Analyst (CLA), in consultation with AEG plenary Conventions Los Angeles, to evaluate the cost and schedule, including risk exposure and cost sharing, of a traditional City delivery method and P3 model, using revised APCLA numbers from February 2023, as well as any other relevant updated data or information they may have, and report on findings within 45 days.
2. INSTRUCT the CAO with the assistance of the CLA to report within 45 days on potential funding sources and funding structures for debt service payments, in addition to impacts on existing programs and services.

Fiscal Impact Statement: The CAO and CLA report that the recommendations found in the joint report CAO/CLA dated December 4, 2023, attached to the Council file, state that there is no General Fund impact in the current year. Further information regarding the fiscal impact of this item can be found on the aforementioned CAO/CLA joint report.

Debt Impact Statement: The CAO and CLA report that the issuance of Municipal Improvement Corporation of Los Angeles (MICLA) debt is a General Fund obligation. The issuance of MICLA for up to \$5 million would cause the City to borrow \$5 million at an approximate 5.5 percent interest rate over 20 years. The total estimated debt service related to the recommendations in this report is \$8.4 million, including interest of approximately \$3.4 million. During the life of the bonds, the estimated average annual debt service is \$418,397 for 20 years. Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. We cannot fully predict what interest rates will be in the future. In accordance with the City's Debt Management policy, the City has an established debt ceiling to guide in evaluating the affordability for future debt. The debt ceiling for non-voted direct debt as a percentage of general fund revenues is six percent. The revised 2023-24 Adopted Budget non voter-approved debt ratio is 2.67 percent. The issuance of debt for these purposes will not cause the City to exceed the six percent non-voter approved debt limit.

Community Impact Statement: None submitted.

**SUMMARY**

At a special meeting held on December 11, 2023, your Trade, Travel and Tourism Committee considered a joint report from the City Administrative Officer and Chief Legislative Analyst relative to the status of the Los Angeles Convention Center Expansion Project.

After an opportunity for public comment was held, the Committee approved the recommendations in the report dated December 4, 2023, as amended above. This matter is now forwarded to the Council for consideration.

Respectfully Submitted,

TRADE, TRAVEL AND TOURISM COMMITTEE

<b><u>MEMBER</u></b>	<b><u>VOTE</u></b>
PARK:	YES
MCOSKER:	YES
SOTO-MARTINEZ:	YES