

Community Impact Statement Recommendation

To: Downtown Los Angeles Neighborhood Council Board
From: Livability Committee
Date Approved by Committee: 01/11/24
For Board Consideration on: 02/13/24

Re: Council Files 23-15-1207-S1: Los Angeles Convention Expansion Project and 15-1207-S2: Los Angeles Convention Center / Expansion and Modernization Project / Exclusive Negotiating Agreement (ENA) / AEG and The Plenary Group (APCLA)

Motion or Recommendation of the committee:

The Livability Committee recommends a vote on [15-1207-S1](#) and [15-1207-S2](#):

For	
For if amended	X
Against unless amended	
Against	

Committee Vote Count: Yes (5), No (0), Abstention (0), Absent (1), Recused (0)

Summary:

In 2016, the Anschutz Entertainment Group (AEG) provided correspondence to the City offering to develop a Convention Center project that would expand the exhibition facility and full-service hotel capacity needs of the City, while providing private development opportunities complementary to the STAPLES Center and LA Live.

The S1 Council File instructed the Chief Legislative Analyst (CLA) with assistance of the City Administrative Officer (CAO), the Convention and Tourism Department (CTD), Bureau of Engineering, and the City Attorney to evaluate the Los Angeles Convention Center expansion project proposed by Anschutz Entertainment Group (AEG) and provide a report with any findings or recommendations on the proposal.

As a result of this first Council File, the City executed an Exclusive Negotiating Agreement (ENA) with APCLA (AEG - the manager and operator of LACC and The Plenary Group) in order to provide terms for a P3 agreement necessary to expand and modernize the LACC. This ENA was effective in March 2019. Unfortunately, the Coronavirus Pandemic drew an immediate halt to operations at LACC, and the Expansion Project was put on hold. Due to this halt, the terms of that ENA (Contract C-132643) expired on January 9, 2023.

The S2 Council File instructs the City Tourism Department to present an extended Exclusive Negotiating Agreement (ENA) with APCLA (AEG and The Plenary Group) at the December 2023 Trade, Travel and Tourism Committee Meeting.

CITY OF LOS ANGELES
CALIFORNIA



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SAMIR BITAR
TREASURER



February XX, 2024

**RE: Community Impact Statement on CF 15-1207-S1/S2: Los Angeles Convention
Expansion Project**

To Whom It May Concern:

At our regularly held public meeting on February XX, 2024, the Board of Directors of the Downtown Los Angeles Neighborhood Council (“DLANC”) voted to provide the following comments below:

The Downtown Los Angeles Neighborhood Council submits this Community Impact Statement **in support if amended** of CF 15-1207-S1/S2: Los Angeles Convention Expansion Project

The Los Angeles Convention Center is one of the most critical economic engines supporting Los Angeles’ tourism and trade economy. The current state of the Convention Center, as documented in countless reports and studies, has had major ramifications on our City’s economy due to the loss of event bookings because of the size and state of the facility. The impacts extend beyond the Convention Center and into our hotels, restaurants and nightlife, neighborhood small businesses, workers and union laborers, and wholesaler suppliers that lose out on revenue, jobs, and traffic due to the loss of events at the Center. The impacts even go as far as our City’s General Fund and revenue streams due to the reduction of funds such as the Transit Occupancy Tax (TOT).

The need to modernize the Convention Center to be a Tier 1 facility to support the City’s economy and jobs is undeniable. Like any infrastructure project, such as Airports, Mass Transit, and parks, the benefits of investment almost always outweigh the cost. The Convention Center’s impact alone as an amenity to Downtown Los Angeles and neighboring communities is critical to supporting the micro-economies that are still recovering from the impacts of COVID-19. The improvement of the expansion of the Convention Center, such as the upgrades

to Gilbert Lindsey Plaza, enhanced pedestrian lighting, and connectivity to the community of Pico-Union to Downtown LA will be immense and otherwise not achievable if modernization did not occur.

Given the benefits of upgrades and improvements to the Convention Center, DLANC recognizes that the impact and risk to the City and the General Fund will be significant, no matter the delivery approach. As such, any delivery method should minimize the impacts to our already stretched City budget and risk while ensuring the work can be accelerated and delivered on time. However, the City should heavily consider studying the viability of a **P3 delivery model** given the associated challenges and time constraints with a city-delivered project.

Secondly, DLANC shares the concerns raised by the Council regarding the potential ramifications and significant risks associated with proceeding with modernization before the Olympics. DLANC concurs that if delays were to occur during construction, the loss or relocation of the venue would have an adverse impact on Downtown and the City as a whole. Should the City proceed with delivering this project before the LA28 games, **DLANC recommends that the project be phased** so that any work is directed towards the actual expansion of the Convention Halls themselves, any relevant MEP, Fire/Life Safety, and ADA upgrades to keep the facility operational during the games, and public/open space at the street level be done first, versus other building upgrades/modifications such as that over Pico Boulevard.

*** SUBJECT TO APPROVAL BY DLANC BOARD OF DIRECTORS ON FEBRUARY XX, 2024 ***

Sincerely,

Claudia Oliveira
President,
DLANC

Debby Zhou
Chair,
DLANC Livability Committee

Cc: Trade, Travel, And Tourism Committee, City Council (via email)
City Tourism Department (via email)
City Tourism Commission (via email)
City Administrative Officer (via email)
Chief Legislative Analyst (via email)
Council District 9 (via email)
South Park Business Improvement District (via email)

MOTION

Since 2013, the City has been exploring opportunities to expand and modernize the exhibit space and services offered at the Los Angeles Convention Center. The national convention business is highly competitive, especially in California where San Francisco, Anaheim, and San Diego provide facilities that directly compete with Los Angeles for business. Each of these cities in the process of expanding their facilities, while Los Angeles continues to explore its options.

In 2015, the City ran a design competition to seek an architect to design a Convention Center expansion through a traditional civic construction process method. At the same time, the City chose to explore opportunities to develop an expansion of the Convention Center through a public-private partnership. Evaluation of those dual development options is on-going.

Recently, the Anschutz Entertainment Group (AEG) provided correspondence to the City offering to develop a Convention Center project that would expand the exhibition facility and full-service hotel capacity needs of the City, while providing private development opportunities complementary to the STAPLES Center and LALive.

The City has a long-standing partnership with AEG, beginning with the successful development of the STAPLES Center. Subsequent work with LALive has resulted in a milestone development that has accelerated the development of Downtown Los Angeles as an international destination. In addition, AEG has certain rights to use portions of the Convention Center that could be incorporated into a larger solution for the Convention Center campus to generate a significant, catalytic project.

I THEREFORE MOVE that the City Council INSTRUCT the Chief Legislative Analyst (CLA) with assistance of the City Administrative Officer (CAO), the Convention and Tourism Department (CTD), Bureau of Engineering, and the City Attorney to evaluate the Los Angeles Convention Center expansion project proposed by Anschutz Entertainment Group (AEG) and provide a report with any findings or recommendations on the proposal.

Presented by: 
CURREN PRICE
Councilmember, 9th District

Seconded by: 


NOV 4 2016

ORIGINAL

MOTION

Since 2013, the City of Los Angeles has been exploring opportunities to expand and modernize the Los Angeles Convention Center (LACC). Due to the current amount of contiguous space available at LACC, Los Angeles is unable to pursue larger events and is losing out on business and tax revenue for the City. The national convention market is highly competitive, especially in California where San Francisco, Anaheim, and San Diego provide facilities that directly compete with Los Angeles for business. Each of these cities has completed expansions or is in the process of expanding its facilities, putting Los Angeles at an even greater competitive disadvantage.

The City Council previously authorized the City to negotiate and execute an Exclusive Negotiating Agreement (ENA) with APCLA (AEG – the manager and operator of LACC and The Plenary Group) in order to provide terms for a P3 agreement necessary to expand and modernize the LACC. Unfortunately, the Coronavirus Pandemic drew an immediate halt to operations at LACC, and the Expansion Project was put on hold. Due to this halt, the terms of that ENA (Contract C-132643) expired on January 9, 2023.

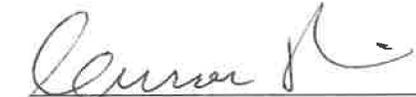
The LACC will host several events at the 2028 Olympic and Paralympic Games and the LACC cannot be under construction during that time. For the Expansion Project to be completed before the Games, the City needs to act quickly in order for another ENA to be executed, the design process to be finished, and construction to be started.

I THEREFORE MOVE that the Council instruct the City Tourism Department to present an extended Exclusive Negotiating Agreement (ENA) with APCLA (AEG and The Plenary Group) next month at the December 5th Trade, Travel and Tourism Committee Meeting.

PRESENTED BY:



TIM McOSKER
Councilmember, 15th District



CURREN D. PRICE, JR.
Councilmember, 9th District

ORIGINAL

SECONDED BY:



MHR
NOV 08 2023