

The Los Angeles
Convention Center
Expansion Project



April 2025

CONTEXT

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January 31, 2025 CAO/CLA Report

Expressed concern since the Project Agreement had fallen behind schedule due to the **complexity of the Project** and the City's attention to the **wildfire response and recovery** efforts.

February 4, 2025 Committee

Instructed the CAO and CLA to evaluate and present options on **how best to proceed** with the Project under the current partnership with APCLA, and expressed a desire to hear more **options outside of this arrangement** and **options beyond the 2028 Games**.

Today

Seeking direction from Council on selecting one of two paths: proceed with **phased delivery of the project, OR reassess the future of LACC** (before or after the Olympics)



BACKGROUND

Scope of Expansion & Modernization

Contiguous
Exhibit Hall Space **+190,000** sq. ft.

Meeting Room
Space **+55,000** sq. ft.

Multi-purpose
Space **+95,000** sq. ft.

Redesigned Gilbert Lindsay Plaza
Modernization of South & West Halls
Added Signage to the LACC Campus



Economic Value

New Jobs

8,666

Total New Jobs
During Expansion

2,231

Annual New Jobs
After Expansion

More Visitors

+500,000

LACC Attendee Days
across 10 Yrs.

+\$165M

Visitor Spending
Each Year

Additional General Fund Tax Revenue

\$543M

Over 30 years



OPTIONS

OPTIONS

1 Proceed with a phased delivery with APCLA

- Complete PA by June 20, 2025
- Construction start by September 17, 2025
- Debt service payment begins in 2028-29

2 Cancel & reassess the future of LACC

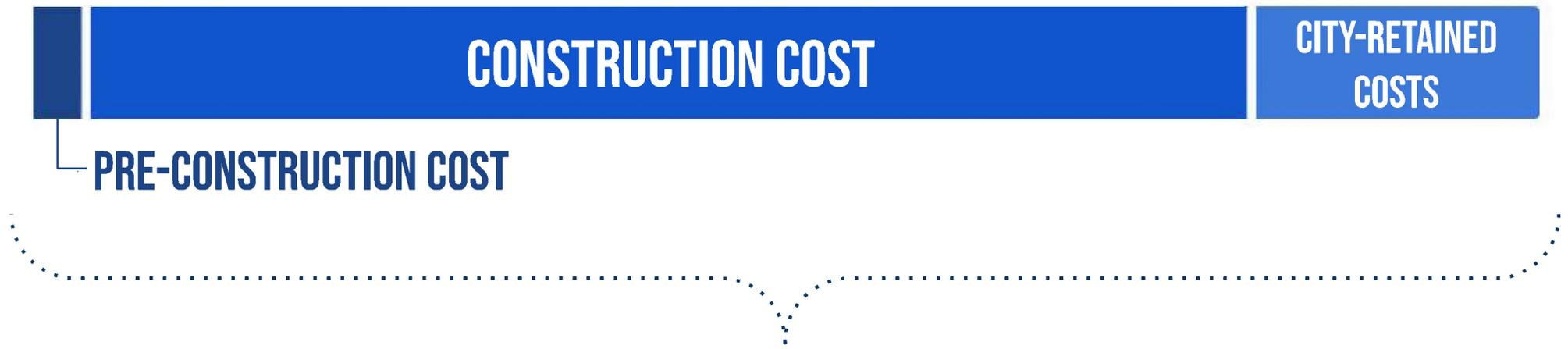
- Terminate the EWA with APCLA and all other advisory contracts



PROJECT COST

Total Cost

Non-binding price estimate as of February 10, 2025



\$2.2 Billion



Pre-construction Costs



\$85M

Early Works Authorization: \$55M

Additional Costs: \$30M (incl. \$18M for EWA extension)



Construction Costs

Non-binding price estimate as of February 10, 2025



\$1.7B

Key Changes compared to previous \$1.4B estimate:

\$189M Allowance increases (\$107M for signage; \$36.7M for kitchen; \$20M for DWP network station; \$25M for other utility companies)

\$103M Technical Requirement Advancement

\$79M Permitting/site investigation cost increase

\$17M Due to Pause (\$8.3M during 2028 Games, \$8.5M escalation for work after 2028 Games)



City-retained Costs



\$421M

- City-held contingencies
- Project and Construction Management
- City Staff and Admin
- Furniture, Fixtures, and Equipment
- Public Art Cost
- Escalation due to GLP now scheduled for 2029
- Legal Fees
- Signage



Debt Service Assumptions

Assumed Interest Rate*

4.23%

Average Annual Debt Service

\$136M

Starting payments in
FY 2028-29 through
FY 2055-56

** 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.*



Operational Costs

30-year Annual Average

LACC Operation & Maintenance expenses	\$56.1M
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Gilbert Lindsay Plaza expenses	\$2.7M
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Management fees paid to LACC operator	\$2.0M
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CTD staff cost	\$2.9M
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Average Annual LACC Operating Costs	\$63.7M
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REVENUE PROJECTIONS

Direct Revenue

Average Annual Revenue
in nominal dollars

Events	\$49M
Parking	\$22M
Signage	\$60M (range: \$28M-\$88M)
Other <i>Includes revenues from cell towers, and advertising and sponsorships</i>	\$6M
Average Annual Revenue	\$137M (range: \$105M-\$155M)



Signage Revenue Risks



Risks as to the compatibility of existing scope with State law



Requires an amendment to the Sign District Ordinance & the redevelopment of GLP to ensure sight lines are clear

Indirect Revenues

Total Additional Tax Collected

As a result of the Expansion

\$543M

Avg. Annual Additional Tax Collected

\$18M



Average Annual General Fund Impact

\$155M – \$200M = (\$45M)

Revenue

*Direct: \$137M
Indirect: \$18M*

Costs

*Debt Service: \$136M
Operating Costs: \$64M*

**Net GF
Impact**



NEXT STEPS

Current Status of Approved Funding

\$54.4M

Approved for Pre-Development Efforts

\$41.6M

Spent / Obligated as of Feb 2025

EWA (APCLA & AHJs)	\$27.1M
Consultants	\$7.0M
APCLA for ENA Obligation	\$4.0M
BOE Staff Costs	\$1.5M
APCLA Entitlement Obligation	\$1.98M



Next Steps

If the City chooses to **proceed with a phased delivery** with APCLA

- Authorize \$27.7M for pre-development work and advisory contracts to be paid from MICLA
 - ◆ \$19.98M increase in the EWA cap
 - ◆ \$7.75M for advisory contracts

If the City chooses to **NOT proceed** with a phased delivery with APCLA

- Instruct relevant departments to terminate the EWA with APCLA and all other advisory contracts
 - ◆ \$10M-13M savings



