

The Los Angeles **Convention Center** **Expansion Project**



September 19, 2025

CONTEXT

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Jan. 2025

CAO/CLA 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.

Feb. 2025

Council instructed the CAO and CLA to evaluate and present options on **how best to proceed** with APCLA, and more **options outside of this arrangement, incl. beyond the 2028 Games.**

Apr. 2025

Council instructed staff to negotiate with APCLA to **extend the Early Works Agreement (EWA)** and pursue a **Phased Delivery** that pauses construction for the 2028 Games.

Aug. 2025

Sought direction on whether to pursue the LACC Expansion OR terminate the project

Earlier this week, B&F directed departments to close out the expansion and report back on potential modernization options

Today

Presenting updated pricing information received from APCLA as of last night, seeking full Council direction



CONTEXT | Updates

Construction Costs ↓

City-retained Costs ↓

Signage Revenues ↑

Interest Rate ↓



BACKGROUND

Scope of Expansion & Modernization

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

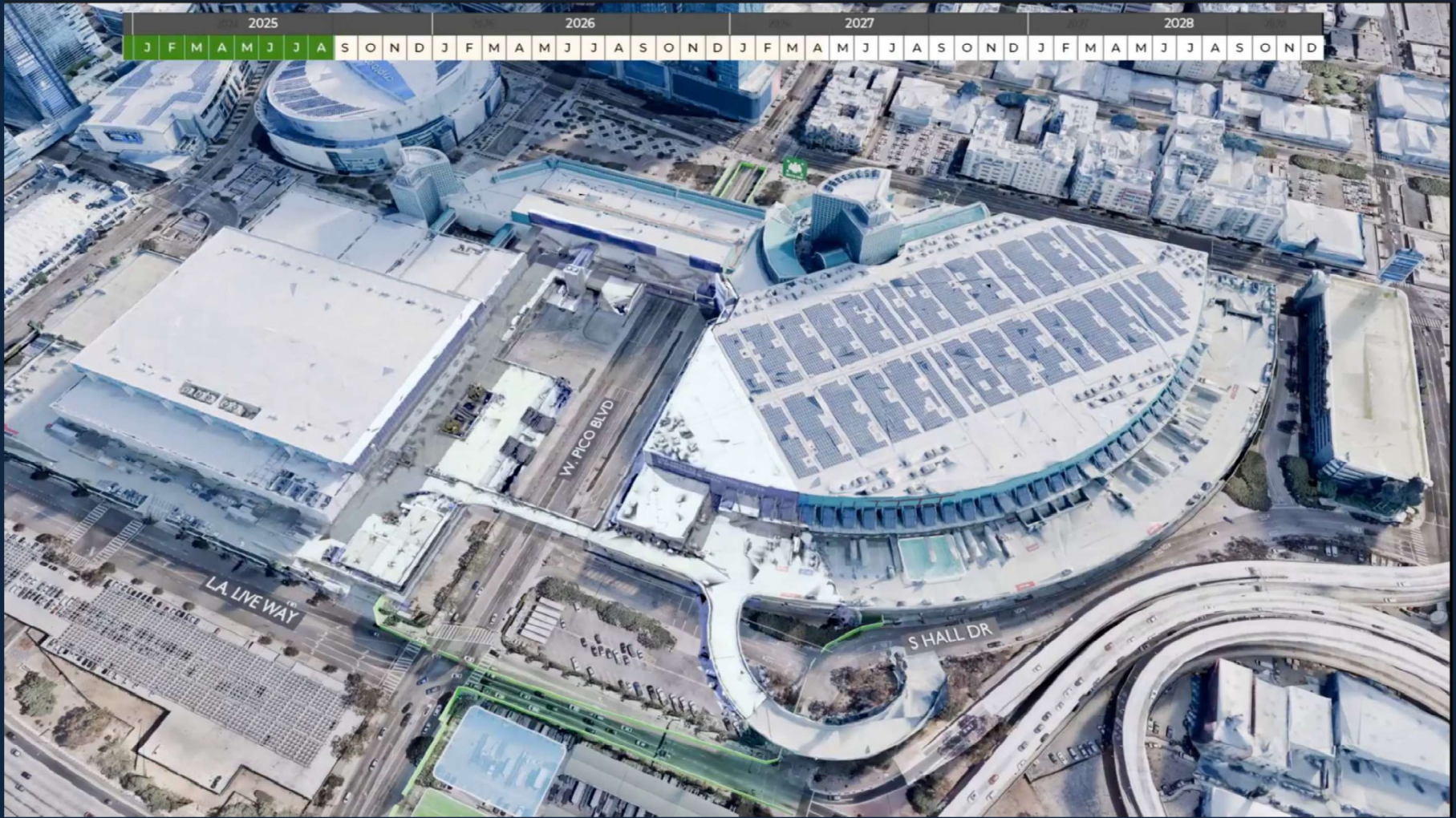
Meeting Room
Space **+39,000** sq. ft.

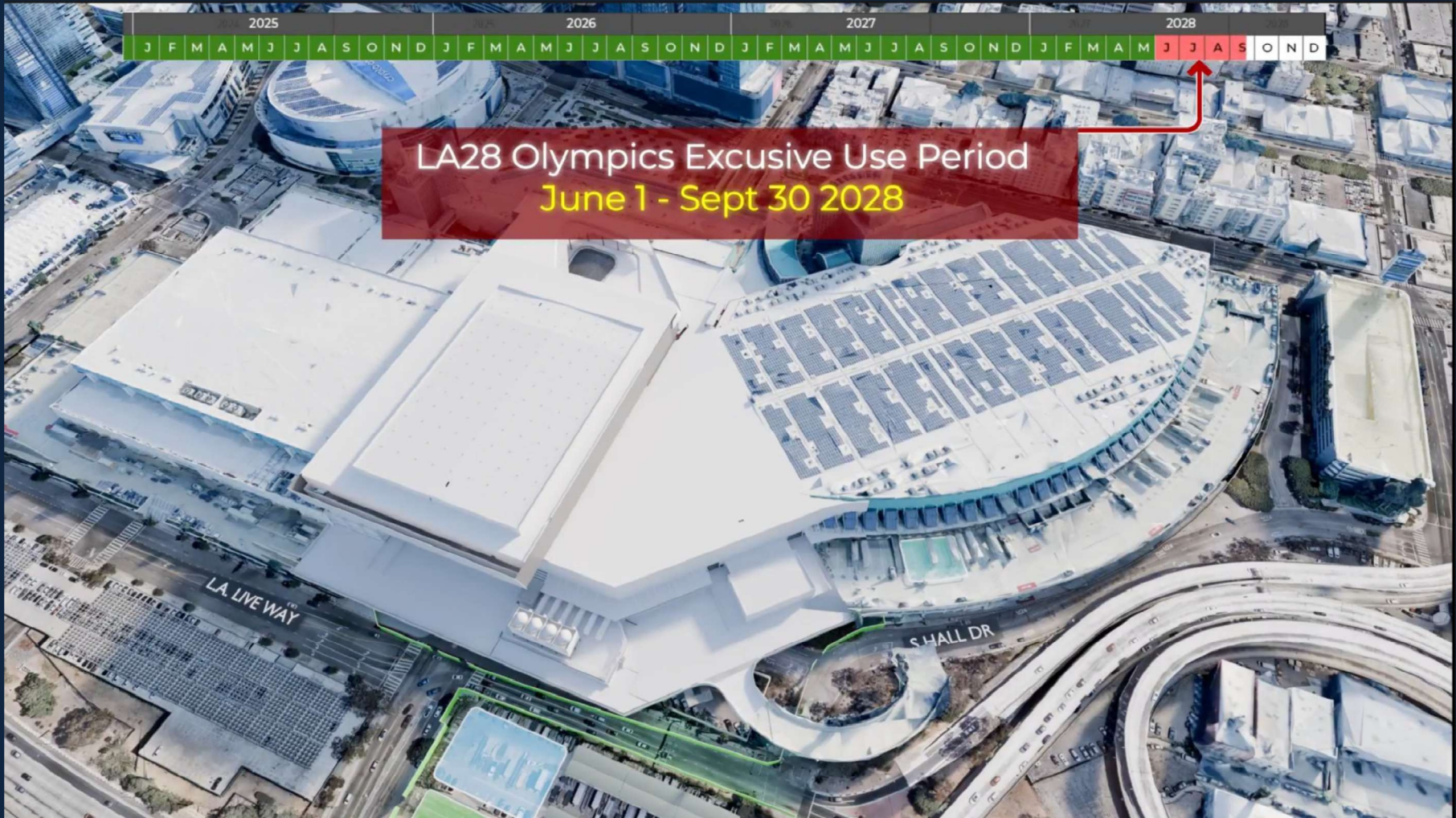
Multi-purpose
Space **+95,000** sq. ft.

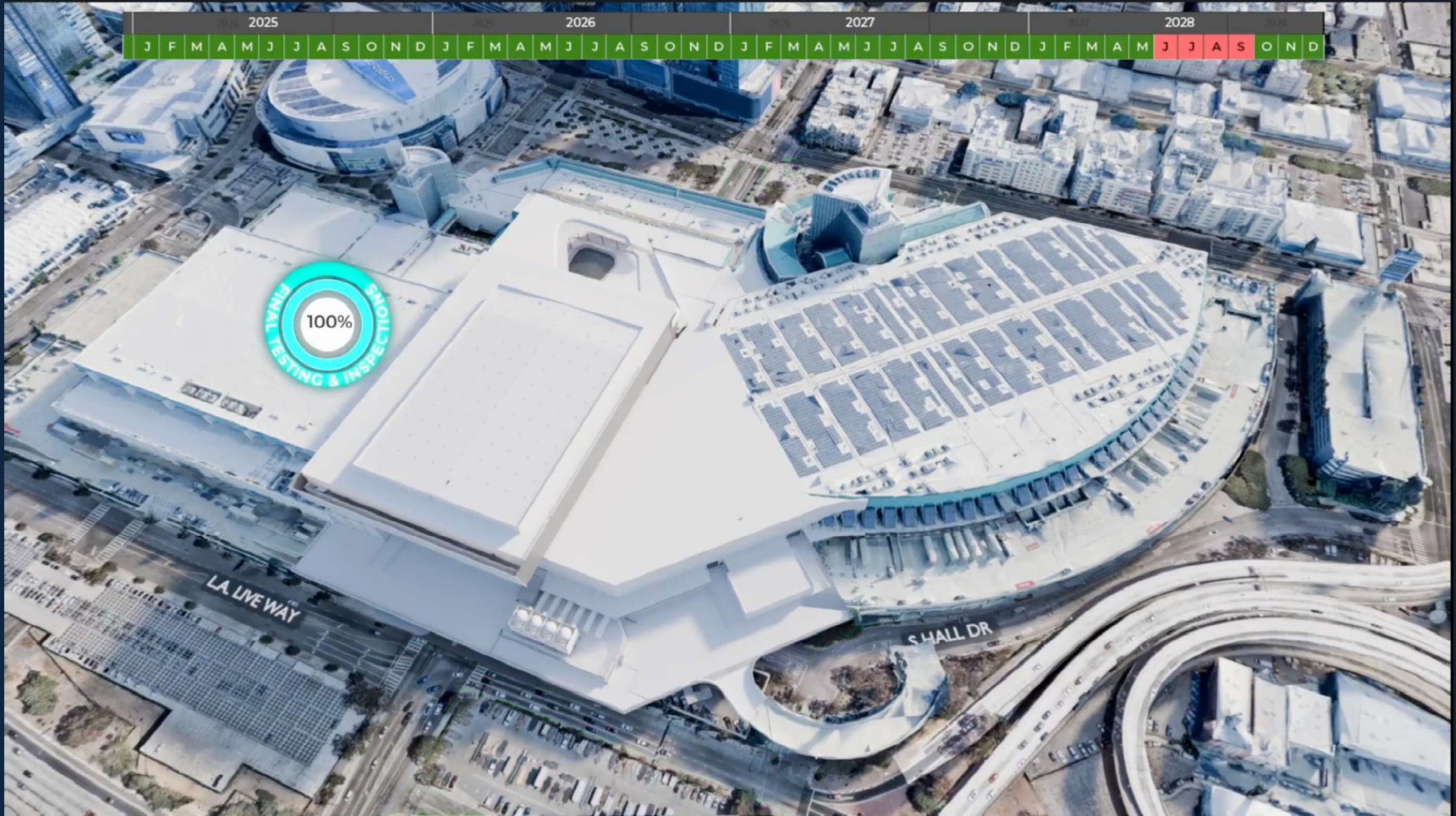


Modernization of South & West Halls
Added Signage to the LACC Campus









Economic Value

New Jobs

13,300

Total New Jobs
During Expansion

2,153

Annual New Jobs
After Expansion

More Visitors

+500,000

LACC Attendee Days
across 10 Yrs.

+\$150M

Visitor Spending
Each Year

Additional General Fund Tax Revenue

\$652M

Over 30 years



OPTIONS

CAO RECOMMENDED OPTIONS

1 Proceed with the phased delivery with APCLA

- Approve total Project Costs of up to **\$2.62 billion**
- Accept the Committed Proposals from APCLA as revised by the submission on September 18, 2025
- General Fund debt service payments begin in 2028-29

2 Terminate the project

- Terminate the EWA with APCLA and all other advisory contracts



PROJECT COST

As proposed on September 18, 2025

Total Cost

Price estimate as of September 18, 2025

CONSTRUCTION COST

**CITY-RETAINED
COSTS**

PRE-CONSTRUCTION COST

\$2.62 Billion



Pre-construction Costs



\$82M

Initial Early Works Agreement: \$54M

Costs for EWA Extension: \$28M

Construction Costs

Price estimate as of September 18, 2025



\$1.95B

Key Changes compared to previous \$1.7B estimate:

\$127M in Owner Allowances *(primarily as a result of higher than anticipated DWP and Kitchen Costs)*

\$(106)M in Value Engineering savings *(primarily due to the removal of Gil Lindsay Plaza, \$53M)*

\$105M in Subcontractor Cost Increases *(representing scope clarifications with several trades, unforeseen scope impacts, and other pricing changes)*



City-retained Costs



\$553M

Key Changes compared to previous \$421M estimate:

\$117M in Contingencies, Claims, Scope Change, Utilities and Transferred Scope from VE Exercise to address tariff impacts, schedule acceleration, and other risks

\$12M in Project and Construction Management and Legal Fees

Cost Financing

Project Cost
\$2.62B



Cost Financing

$$\left(\begin{array}{c} \text{Project Cost} \\ \$2.62\text{B} \end{array} \right) + \left(\begin{array}{c} \text{Capitalized Interest} \\ \$421.36\text{M} \end{array} \right)$$

Cost Financing

$$\left(\begin{array}{c} \text{Project Cost} \\ \$2.62\text{B} \end{array} \right) + \left(\begin{array}{c} \text{Capitalized Interest} \\ \$421.36\text{M} \end{array} \right) + \left(\begin{array}{c} \text{Issuance Cost} \\ \$8.46\text{M} \end{array} \right)$$

Cost Financing

$$\left(\begin{array}{c} \text{Project Cost} \\ \$2.62\text{B} \end{array} \right) + \left(\begin{array}{c} \text{Capitalized Interest} \\ \$421.36\text{M} \end{array} \right) + \left(\begin{array}{c} \text{Issuance Cost} \\ \$8.46\text{M} \end{array} \right)$$

Total Amount to be Financed

\$3.05 Billion



Debt Service Assumptions

Assumed Interest Rate*

4.6%

Average Annual Net Debt Service

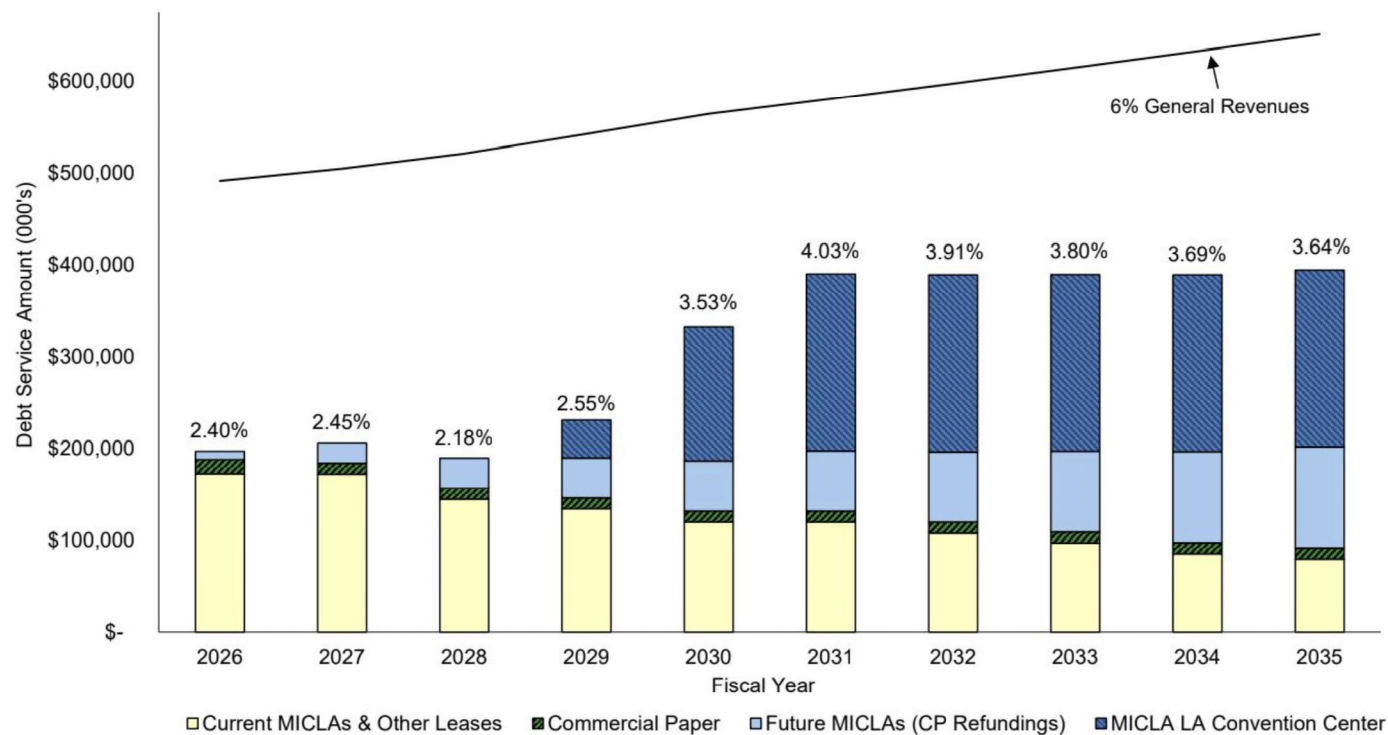
\$171 M

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.



Debt Capacity *(non-voter approved)*



*Projected revenue growth in Fiscal Years 2025-26 to 2029-30 is 1.8%, 2.7%, 3.3%, 4.1%, and 4.1%, respectively. Projected revenue growth in 2030-31 through 2034-35 is 2.9%.



REVENUE PROJECTIONS

Direct Revenue

Average Annual Revenue
in nominal dollars

Events	\$52M
Parking	\$24M
Signage – On Site Sales Scenario	\$38M
Other <i>Includes revenues from cell towers, and advertising and sponsorships</i>	\$6M
Average Annual Revenue	\$120M



Indirect Revenues

Total Additional Tax Collected <i>As a result of the Expansion</i>	\$652M
Avg. Annual Additional Tax Collected	\$22M



Net General Fund Impact

*Average Annual General Fund Impact**

$$\text{\$142M} - \text{\$231M} = (\text{\$89M})$$

Revenue

Direct: \$120M
Indirect: \$22M

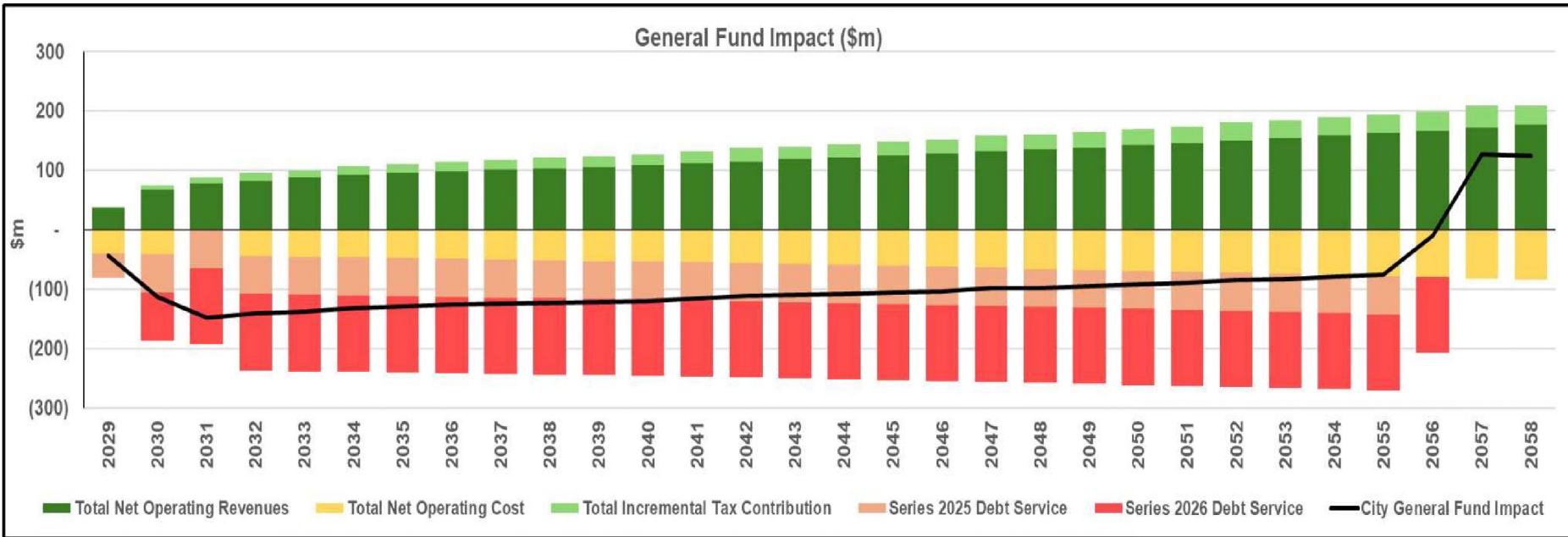
Costs

Debt Service: \$171M
Operating Costs: \$60M

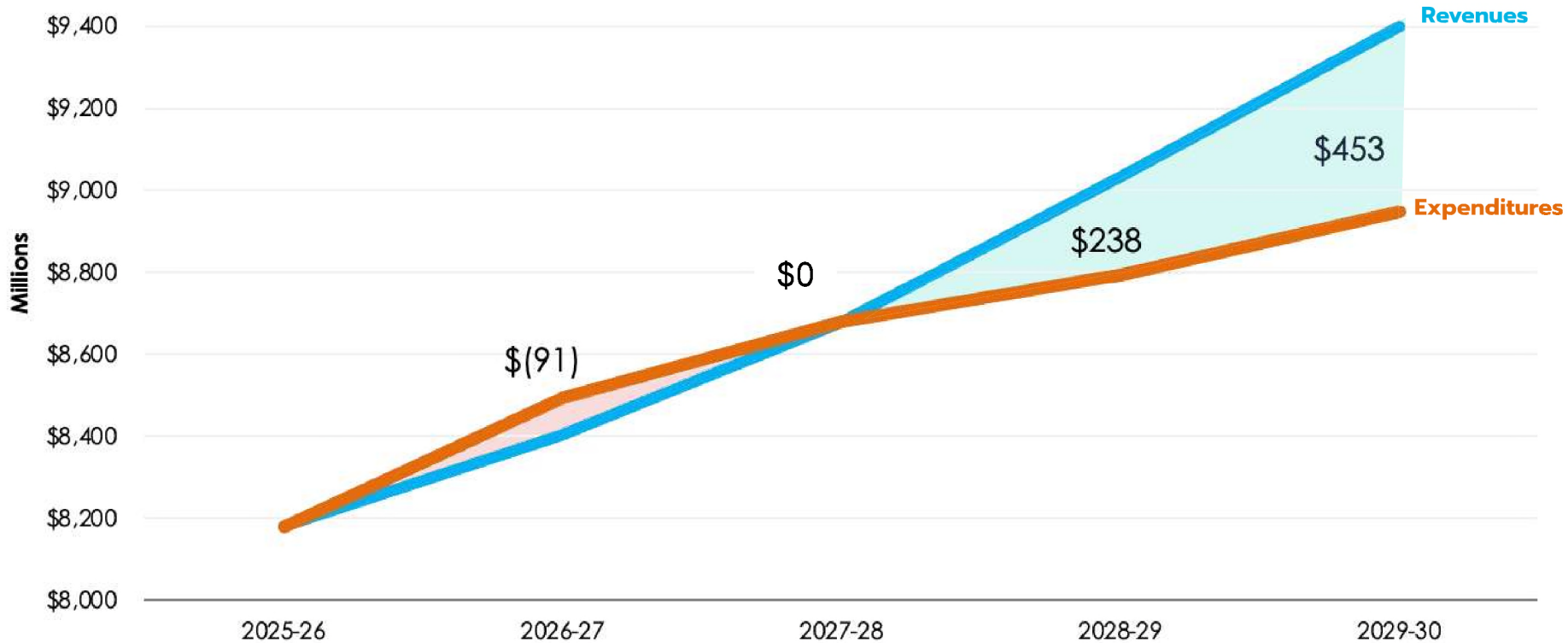
**Net GF
Impact**



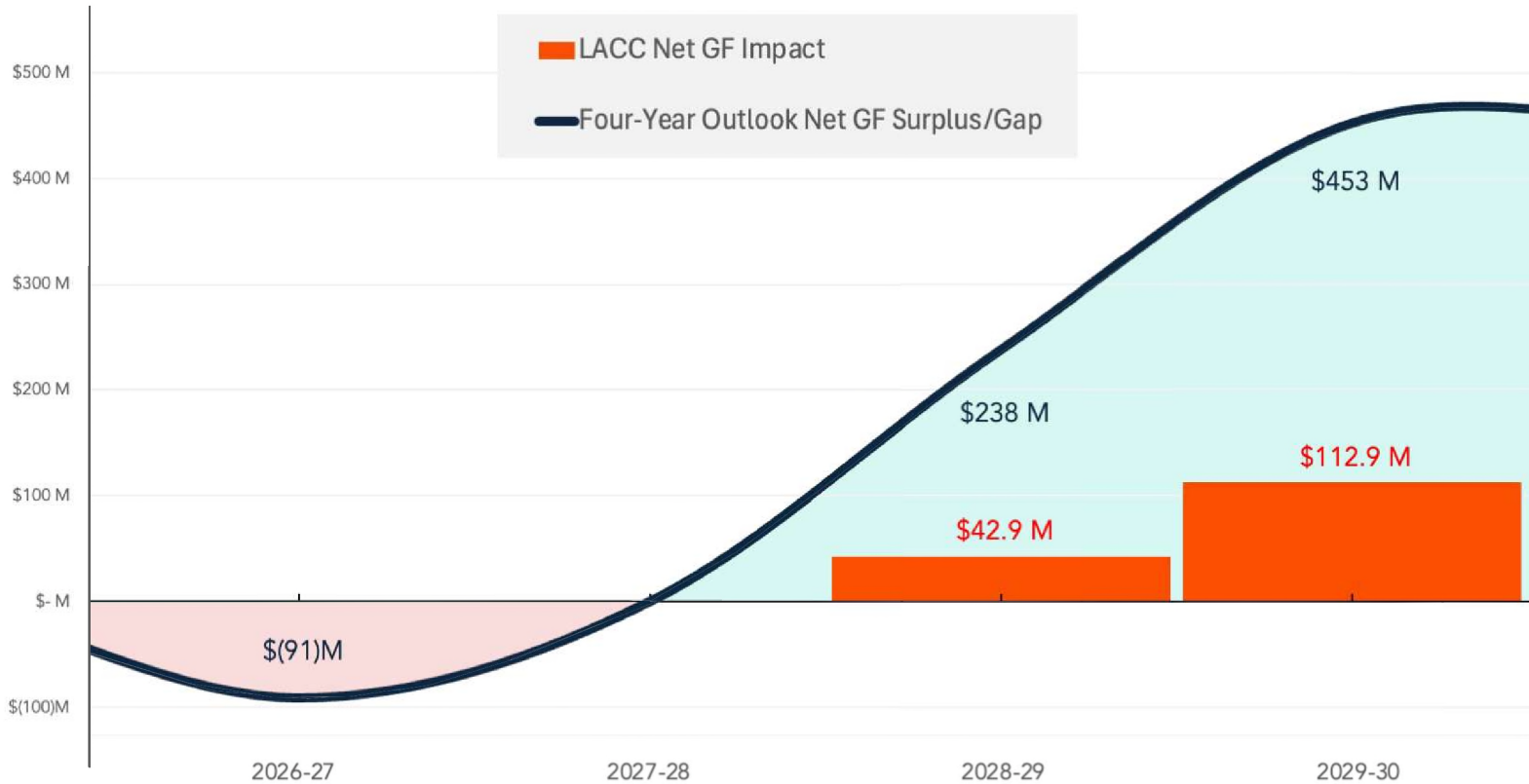
Estimated Net General Fund Impact by Fiscal Year



Four-Year Outlook | FY25-26 Adopted Budget



Four-Year Outlook | LACC Net GF Impact



RISKS

Risks and Challenges

**Unknown
Site
Conditions**

**Approvals
for
Olympics
Readiness**

Schedule

**DWP
Workstream**

**Signage
Revenues**



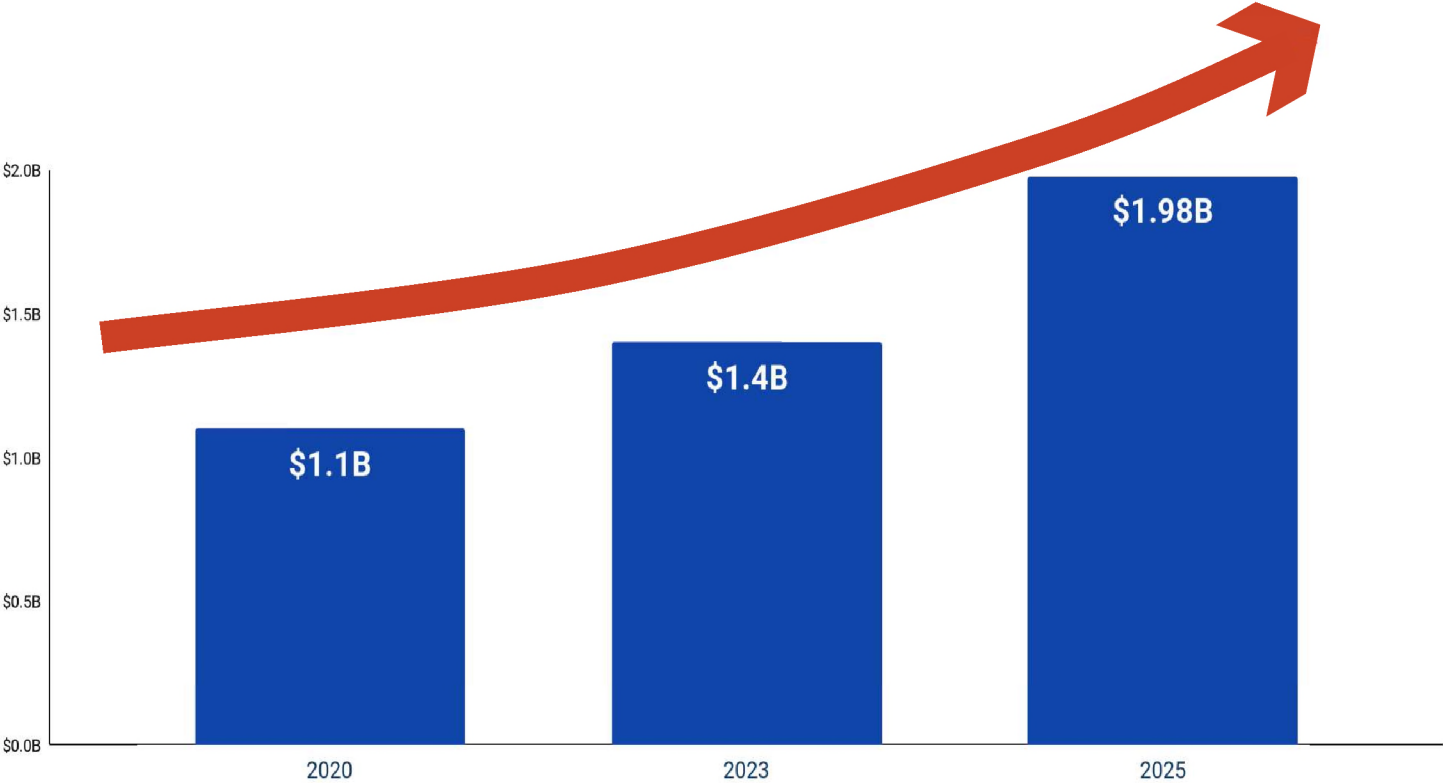
Signage Revenue Risks

Freeway Facing Signage

Current freeway-facing assumptions only allow for **on-site sales**

→ reducing average annual revenue by **\$23 million** (\$690 Million over 30 years)

Changes in LACC Construction Costs



NEXT STEPS

CAO RECOMMENDATION

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