

ENVIRONMENTAL IMPACT REPORT (EIR) and ADDENDUMS, and ECONOMIC DEVELOPMENT AND JOBS REPORT relative to the LA Convention Center Expansion & Modernization Project.

SUBMITS WITHOUT RECOMMENDATION the following recommendations of the City Administrative Officer (CAO) reports dated August 22, 2025 and August 29, 2025:

1. To move forward with an Expansion and Modernization of the Los Angeles Convention Center, the Council should:
 - a. FIND that, based on the independent judgment of the decision-maker, after consideration of the whole of the administrative record, the project was assessed in the previously certified Convention and Event Center Project Environmental Impact Report EIR No. ENV-2011-585-EIR, certified in October 2012; and pursuant to CEQA Guidelines, Sections 15162 and 15164 and the First Addendum and Joint Analysis, dated December 2021, and Second Addendum, dated August 2025, that no major revisions to the EIR are required and no subsequent EIR is required for approval of the project.
 - b. APPROVE total Project Costs of up to \$2.72 billion, inclusive of up to \$82.4 million for preconstruction costs, up to \$2,035 billion for design and construction, a Developer Fee of up to \$35 million, and up to \$566 million for City-Retained Costs.
 - c. ACCEPT the August 16, 2025 Committed Proposals received from AEG Plenary Conventions Los Angeles, LLC (APCLA) including the Firm Fixed Price (FFP) and Baseline Project Schedule (Schedule), as revised by APCLA’s submission on August 28, 2025, including the Olympic Readiness Deadline of March 31, 2028, and INSTRUCT, REQUEST, and AUTHORIZE the necessary City departments to take any and all actions in furtherance of the Los Angeles Convention Center Expansion and Modernization Project, including without limitation the negotiation and execution of any document necessary to implement the partial release/modification of Anschutz Entertainment Group Rights referenced in the CAO Addendum report dated August 29, 2025, attached to the Council file.
 - d. AUTHORIZE by Resolution, subject to allocation by the Board of Civil Service Commissioners and pay grade determination by the CAO, Employee Relations Division, the following 25 positions, to be employed in the Bureau of Engineering (BOE), Bureau of Contract Administration (BCA), Los Angeles Fire Department (LAFD), Board of Public Works, Office of Accounting (OOA), and CAO for technical, administrative, and other support staff for the Los Angeles Convention Center Expansion and Modernization Project, for the period of September 1, 2025 through June 30, 2026, to be funded from the Municipal Improvement Corporation of Los Angeles (MICLA) Lease Revenue Bonds to finance this Project:

| <u>Dept.</u> | <u>No.</u> | <u>Class Code</u> | <u>Class Title</u> |
|--------------|------------|-------------------|---------------------------------------|
| BOE | 1 | 9490-1 | Deputy City Engineer |
| BOE | 1 | 1117-2 | Executive Administrative Assistant II |
| BOE | 1 | 1116-0 | Secretary |
| BOE | 1 | 7927-0 | Senior Architect |
| BOE | 2 | 7237-0 | Civil Engineer |
| BOE | 1 | 7957-4 | Structural Engineering Associate IV |
| BOE | 1 | 9171-1 | Senior Management Analyst I |
| BOE | 1 | 1523-2 | Senior Accountant II |
| BCA | 1 | 7296-0 | Chief Construction Inspector |
| BCA | 1 | 7297-0 | Principal Construction Inspector |
| BCA | 2 | 7191-0 | Construction Inspector |

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| BCA | 2 | 7294-0 | Senior Construction Inspector |
| BCA | 1 | 9165-1 | Compliance Program Manager I |
| BCA | 1 | 9184-0 | Management Analyst |
| OOA | 1 | 9171-2 | Senior Management Analyst II |
| OOA | 1 | 1523-2 | Senior Accountant II |
| OOA | 1 | 1358-0 | Administrative Clerk |
| OOA | 1 | 1513-0 | Accountant |
| OOA | 1 | 9184-0 | Management Analyst |
| OOA | 1 | 1525-1 | Principal Accountant I |
| LAFD | 1 | 7978-4 | Fire Protection Engineering Associate IV |
| LAFD | 1 | 2128-2 | Fire Inspector (Sworn) |
| CAO | 1 | 1541-2 | Senior Administrative Analyst II |

- e. AUTHORIZE City Administrative Officer to activate Substitute Authorities as needed for positions authorized upon the adoption of the 2025-26 budget and the positions recommended within this report for the Bureau of Engineering and the Board of Public Works OOA to expedite hiring for positions which have not been allocated by the Civil Service Commission and the new positions approved in this report, as necessary for technical, administrative, and other support staff for the Los Angeles Convention Center Expansion and Modernization Project, for the period of September 1, 2025 through January 30, 2026, to be funded from the Municipal Improvement Corporation of Los Angeles (MICLA) Lease Revenue Bonds to finance this Project.
 - f. AUTHORIZE the CAO to make technical corrections as necessary to those transactions included in this report to implement Council and Mayor intentions.
2. Should the Council decide to not proceed with an Expansion and Modernization of the Los Angeles Convention Center, the Council should:
 - a. INSTRUCT the CAO and the CLA to terminate all work on the Los Angeles Convention Center Expansion and Modernization Project with AEG Plenary Conventions Los Angeles, LLC, including the Early Works Agreement as well as contracts for financial advisor, legal, project management, and other contracting services held by the CAO, BOE, and the City Attorney.

Fiscal Impact Statement: The CAO reports that, as presented in the Addendum Report dated August 29, 2025, the total costs of the Project is estimated to be \$2,718 million. Based on this cost, the average annual net General Fund impact over the 30 year operating period is estimated to be \$111 million, in nominal dollars. This net General Fund impact represents the gap between the Operating Revenues and tax contributions achieved against the operating expenditures and debt service payments required on an annual basis. The net General Fund impact will be greater if the Operating Revenues and tax contributions do not materialize as planned. On an annual basis, the actual amount that the General Fund will need to support the operating expenditures and debt service payments on the Project will be greater than \$111 million. From fiscal years 2030-31 to 2036-37, the City would need to budget over \$200 million annually from revenues not directly or indirectly derived from the LACC operations. The impact on the General Fund slowly decreases over time and only flips to a positive impact in fiscal year 2055-56 when the final lease payment is made. There is no additional General Fund impact in 2025-26 and 2026-27 as sufficient funding for lease payments (debt service) due in these years will be paid from bond proceeds within the Capitalized Interest Fund. Lease payments beginning on April 15, 2029 (2028-29) through April 15, 2055 (2054-55) will require future annual General Fund budget appropriations in the Capital Finance Administration Fund (Fund 100/53). There is no additional General Fund impact as a result of terminating the Project at this point

Financial Policies Statement: The CAO reports that recommendations in the report comply with the City's Financial Policies in as much as they recognize that initiating multi-year projects or adding new items to

the budget with future year expenditure requirements, necessitates the City to consider its ability to continue to pay these future year expenses. The issuance of the Bonds will not cause the City's debt obligation payments to exceed six percent of General Revenues for non-voter approved debt as established in the City's Financial Policies. After the issuances of the Bonds, the projected non-voter approved debt ratio is the highest in 2030-31 at 4.16 percent.

Debt Impact Statement: The CAO reports that the report is being considered concurrent to an accompanying report that would authorize the issuance and sale of Municipal Improvement Corporation of Los Angeles (MICLA) Lease Revenue Bonds to finance this Project. The Project, if approved, will cause the City, through MICLA, to borrow an estimated total of \$2.95 billion in lease revenue bonds. Over the 31 year amortization period, total estimated debt service is \$5.90 billion of which \$448.65 million will be paid from capitalized interest (bond proceeds) and the remaining \$5.46 billion (net debt service) will be payable from lease payments to be made by the City to MICLA, which is an obligation of the General Fund. The estimated average annual debt service is \$190.45 million. Final bond maturity is expected to be in 2055-56. The lease payments will require future budget appropriations in the Capital Finance Administration Fund (Fund 100/53). Actual interest rates may differ as rates are dependent on market conditions at the time of issuance

Community Impact Statement: Yes

For, if amended:
Downtown Los Angeles Neighborhood Council

SUMMARY

At the meeting held on September 2, 2025 Economic Development Committee considered a CAO report relative to the final direction on the Los Angeles Convention Center Expansion and Modernization Project and finding that the project was assessed in the previously certified Convention and Event Center Project Environmental Impact Report (EIR), and that pursuant to California Environmental Quality Act (CEQA) Guidelines, Sections 15162 and 15164 and the First Addendum and Joint Analysis, dated December 2021, and Second Addendum, dated August 2025, that no major revisions to the EIR are required and no subsequent EIR is required for approval of the project; and related matters.

The CAO requested amendments to the CAO report dated August 22, 2025, attached to the Council file, replacing recommendations 2 and 3 with recommendations 2 and 3 listed in the CAO addendum report dated August 29, 2025, attached to the Council file. CAO also requested to amend the positions included in Recommendation No. 4 to replace one BCA Sr. Management Analyst I, Class Code 9171-1 to be one BCA Compliance Program Manager I, Class Code 9165-1.

After an opportunity for public comment was held, the Committee moved to submit without recommendations, as stated above.

Respectfully Submitted,

ECONOMIC DEVELOPMENT AND JOBS COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|----------------|-------------|
| PRICE: | YES |
| SOTO-MARTINEZ: | YES |
| JURADO: | YES |

NAZARIAN: ABSENT
PARK: YES

JL 9.2.2025 15-1207-S1

-NOT OFFICIAL UNTIL COUNCIL ACTS-