

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 6, 2026

CAO File No. 0220-05291-1832

Council File No. 15-1207-S1

Council District: 9

To: The Mayor
The Council

From: Matthew W. Szabo, City Administrative Officer



Subject: LOS ANGELES CONVENTION CENTER EXPANSION AND MODERNIZATION
PROJECT - FEBRUARY 2026 STATUS UPDATE

RECOMMENDATION

To note and file this report.

SUMMARY

On September 19, 2025, the Council authorized the Los Angeles Convention Center (LACC) Expansion and Modernization Project (Project). On September 30, 2025, the City entered into a Project Agreement (PA) with AEG Plenary Conventions Los Angeles, LLC (APCLA) to complete the Project (C-202903). Construction on the Project began in October 2025.

This initial Project Status Update report includes a Monthly Progress Report on the Project prepared by the Bureau of Engineering (BOE) (Attachment A) with more specific information on the status of the Project construction through February 6, 2026. In addition, this report includes updates on City-Retained costs, signage, and local job hiring. This Office and BOE will continue to provide Project status reports on a monthly basis.

DISCUSSION

Project Construction

The Monthly Progress Report is an update on Project Construction, including information on key design and construction elements, Project expenditures, a 30-day look ahead, and a key risks and mitigation summary. A summary of key items are discussed below and this report further elaborates on the Project costs, City staffing efforts, and contractual services.

Project Schedule

Each month, APCLA provides the City with a schedule update describing construction progress, updates to the baseline Project schedule, details of any Relief Events that have occurred, and identification of any risk issues that could cause disruption to construction and impact the Project's critical path. APCLA's December Schedule Update reports a 17 day delay in meeting the Olympic Readiness milestone date of March 31, 2028 due to additional work undertaken by APCLA on

behalf of the Los Angeles Department of Water and Power (LADWP). The City is reviewing this information with APCLA to determine if the delay could negatively impact the Project. Should there be a validated delay, APCLA is required to propose a Recovery Plan to put the Project back on schedule. Additionally, APCLA and the City are required to work together to make other adjustments to facilitate the use of the LACC for the 2028 Olympic and Paralympic Games (2028 Games) per the terms of the PA.

The PA also includes requirements for APCLA to provide specific 2028 Olympic and Paralympic Games (2028 Games) Look-Ahead Reports related to Olympics Readiness, the first of which update is due to the City on March 31, 2026, with additional reports due at 18-month and 12-month intervals prior to the Olympics Readiness Deadline. These reports must provide a detailed assessment, including status indications (green, amber, red) for each critical construction activity ahead, to facilitate the City's determination of whether APCLA will achieve Olympics Readiness before the Deadline.

Key Risks and Mitigation Measures

Attachment A references six key risks and describes the mitigation measures that the City team is currently engaged in. The current key risks and mitigation measures are described below:

Mechanical Test and Inspection Panel (MTIP): The existing LACC MTIP, which governs smoke-evacuation controls, is offline and requires verification and re-certification by various Authorities Having Jurisdiction (AHJs). The Project team is working with AHJs to clarify Project requirements, determine responsibilities, solutions, and next steps.

Signage Cost Overruns: The Signage development has advanced to the Design Development (DD) Phase, and APCLA and the Project developer indicate that the total costs may cost drivers and communicate the City's expectations for subsequent pricing submissions. An updated DD pricing report was submitted in late February, and the City team is reviewing variances and cost drivers.

Signage Ordinance Amendment: A signage ordinance amendment must be approved to support the Project's Digital Signage program and compliance with regulatory requirements. The Project team is meeting regularly with the Department of City Planning to ensure the Ordinance moves through the City approval process.

Building Management System (BMS): There are currently two BMS providers with overlapping scope. The existing LACC services provider will have compatibility issues with the APCLA contracted provider. The Project team has selected the preferred provider and is meeting regularly to reconcile scope and ramp down the other's efforts.

Design Development: APCLA seeks to accelerate the 90 percent construction drawing (CD) submittal by a month to April 2026. This acceleration could result in City comments that will not get incorporated into the drawings. The City team is assessing the number of outstanding design comments to be incorporated to de-risk this item.

Unforeseen Conditions on Pico Blvd.: Utility conflicts and previously unidentified utilities have been identified along Pico Blvd. The Project team is meeting to resolve and reconfigure the utility routing.

Project Costs

The Project remains within budget. The *Second Addendum Report to Final Direction on the Los Angeles Convention Center Expansion and Modernization Report*, which was released by this Office on September 19, 2025 (Sept. 19 Report) estimated that Project costs would total \$2,622 million. Below is a breakdown of the Project costs and payments which have been processed as of February 2, 2026. The table does not include Preconstruction Costs of \$82 million, which have been expended.

LACC Project Expenditures as of Feb. 2, 2026		
	Planned	Paid to Date
Base Scope ¹	\$1,606.6	\$118.7
Developer Fee	35.0	5.0
Allowances ¹	345.2	0.0
City Retained Costs	552.6	0.0
Total	\$2,539.4	\$123.7
<i>1 - In the September 19, 2025 report released by this Office, these costs were included in Design and Construction Costs totaling \$1,952 million.</i>		

Base Scope and Developer Fee

Base Scope Project costs have been paid to APCLA for work completed through November 2025. The December 2025 and January 2026 invoices are under review. The \$5 million Developer Fee payable to APCLA within the first monthly progress payment was completed.

Allowances

The Project includes four Allowance items required under the PA; Kitchen and Food Service (\$41.0 million), Digital Signage (\$147.6 million), Los Angeles Department of Water and Power (LADWP) Network Station (\$69.5 million), and Utility Company Costs (\$87.1 million). These allowance items reflect scope areas within the Project which were complex and not sufficiently developed to include in the Project price. The City has approved expenditures of \$8.1 million for work related to Digital Signage, and anticipates approving \$9.7 million for work related to LADWP Network Station Costs. Invoicing for this work is sent subsequent to the City’s approval.

City Retained Costs

City Retained Costs include funding for unforeseen contingencies, claims and scope change, consultant costs, Furniture, Fixtures, Equipment and other Costs, Public Art per the City’s Public Art Program, and City staff and administrative costs. No expenditures have occurred to date, however the City is reviewing submitted invoices from project consultants. This Office also expects to process reimbursements for City staff and administrative costs prior to the close of the fiscal year.

Unforeseen contingencies, claims and scope change: As of February 6, 2026, three Relief Events have been submitted and are under review by the City. Two Relief Events were submitted for work related to the existing building systems within the LACC. One was submitted for the transfer of scope from DWP to APCLA. The results of these Relief Events will be provided in a future update.

Consultant Costs: Project costs included estimated funding for consultants to support the City. The City's project management consultant team consists of three primary roles, all working collaboratively to ensure the Project's successful delivery. Though their titles may seem alike, each role has a distinct and different purpose.

The Project Executive (Innovative Construction Solutions) is the City's primary escalation point for strategic decisions, major risks, and issues that cannot be resolved at the working group level. They engage at key milestones, in executive-level meetings with stakeholders, and at times when critical decisions require senior judgment. The costs of this contract were not initially assumed in the Project budget, but are being absorbed within the approved funds.

The Project Manager (Ernst and Young Infrastructure Advisors (EY)) is the day-to-day leader of the overall Project effort. The EY contract also includes subconsultants that serve as subject matter experts in construction, cost estimating, convention center management, and signage. EY and the subconsultants coordinate all disciplines including design, permitting, construction, and commissioning, to aid in keeping the Project on schedule and on budget. They also facilitate Project meetings, review the master Project schedule, track risks and action items.

The Construction Manager (Arcadis) is the on-site expert focused specifically on the construction phase of the Project. While the Project Manager oversees the full project lifecycle, the Construction Manager's domain is the active construction site including reviewing contractor submittals, monitoring work quality and safety, verifying that work is being built in accordance with the plans and specifications.

In addition to these contractors, the City has continued to retain outside counsel (Nossaman LLP) for legal services and in the process of hiring a Project Neutral to assist in resolving disputes in accordance with the terms of the PA.

City Staff and Administrative Costs: The City approved 33 positions related to this Project in the 2025-26 Budget and the Council action in September 2025. Since Council's approval of the Project, 26 positions across five City departments have been filled. In addition to staffing costs, BOE also anticipates executing a lease agreement for City project space close to the LACC before the end of the fiscal year. A description of the positions and existing vacancies follow.

Status of LACC Project Authorized Positions				
Department	Quant.	Filled*	Vacant	Notes
Bureau of Engineering	13	10	3	The total position count was reduced from 14 to 13 as BOE requested a Sub Authority for one Sr. MA II and will hold vacant a Civil Engineer and a Secretary. Vacancies include one Architect, one Executive Administrative Assistant II, and one Civil Engineer.
Bureau of Contract Administration	11	11	0	No vacancies.
Board of Public Works, Office of Accounting	6	5	1	The vacant position is an Accountant.
Fire Department	2	2	0	No vacancies.
City Administrative Officer	1	0	1	The vacant position is a Sr. Admin. Analyst II
Total:	33	28	5	
<i>* Includes Filled and Job Offers Extended as of March 3, 2026.</i>				

Signage

In accordance with the PA's terms, the City is required to negotiate exclusively with Anschutz Entertainment Group (AEG) for one year regarding the management of the two digital signs facing the freeway. The City has developed a proposal for AEG and is scheduled to begin negotiations this March.

Bond Financing Update

In November 2025, the City sold \$967.87 million in Municipal Improvement Corporation of Los Angeles (MICLA) lease revenue bonds to finance the Project via the first of two planned transactions (the "MICLA 2025 Bonds"). This transaction resulted in an overall all-in true interest cost (TIC) of 4.54 percent. The final TIC was less than the projected 4.67 percent interest rate assumed in the September 19, 2025 CAO report. Looking ahead, this Office anticipates the second bond sale in the amount of \$1.8 billion to occur in October 2026 (the "MICLA 2026 Bonds"). Actual debt service may differ, with respect to the MICLA 2026 Bonds, as interest rates are dependent on market conditions at the time of issuance.

Revenue Components

There are no updates to the Revenue that was reported in the Sept. 19 Report. This Office does not plan to update projected revenues during construction.

Local Job Hiring

On February 24, 2026, The Bureau of Contract Administration's Office of Contract Compliance conducted the Department of Public Works Project Labor Agreement (DPW-PLA) 10 percent Construction Progress Meeting. The project's DPW-PLA's compliance efforts were discussed with APCLA, their main construction contractor, the The PCL Webcor Joint Venture (PWJV), and all of the active Project subcontractors. The meeting was held on site at the LACC, in the Project contractor's main conference room. The following construction performance metrics were discussed in detail.

Individuals representing the Project's executive management, contractors and City inspection and compliance staff attended the meeting, which also included a presentation from the Los Angeles and Orange Counties Building and Construction Trades Council's Apprenticeship Readiness Fund. The next DPW-PLA Construction Progress Meeting will be held at or near 30 percent of construction completion.

	Target	Actual	Variance
Local Hire Hours	30%	35%	5%
Transitional Worker Hours	10%	5%	(5%)
Local Apprentice Hours	50%	44%	(6%)

FISCAL IMPACT STATEMENT

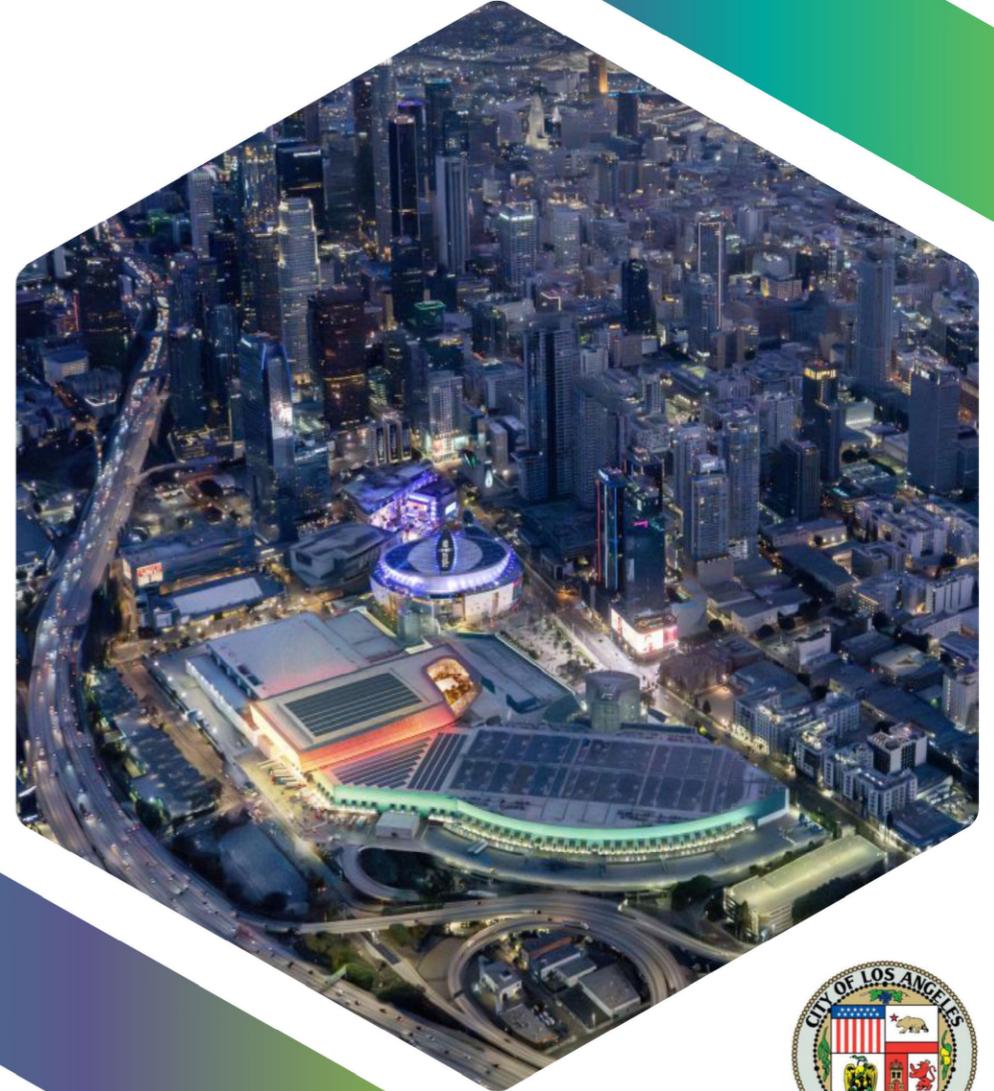
As this report is a note and file, there is no additional General Fund impact. Sufficient funds exist within the Municipal Improvement Corporation of Los Angeles (MICLA) Lease Revenue Bonds, Series 2025 (LACC) Construction Fund No. 27M to support the Project expenditures through October 2026. The anticipated second bond sale in October 2026 will support the remaining Project expenditures through project completion.

Attachment A

Monthly Progress Report

LA Convention Center Modernization and Expansion

February 6, 2026



Prepared for:
City of Los Angeles Office of the Mayor



Agenda

- Executive Summary
- Monthly Progress Update
- Photos
- Financial Performance
- 30-Day Lookahead
- Key Risks/Issues and Mitigation Summary
- Appendix



Progress Update – Week Ending 2/6/2026

On Track **OVERALL STATUS**
On Track **SPEND**
Watch **SCHEDULE**

Olympic Readiness Deadline	3/31/2028
Exclusive-Use Period	6/1/2028 – 9/30/2028
Substantial Completion Deadline	2/9/2029

Schedule Dashboard	
Relief Event Delay Allowance	20 of 20 days remaining
Adverse Weather Day Float	24 of 28 days remaining
Total Float (Shared)	0 days to date
Total Schedule Impacts	-17 days (Reported – under review)
Next Milestone	Piles Start (4/16/2026)
<ul style="list-style-type: none"> ▪ PWJV is projecting 17-day delay to Olympic Readiness due to additional work undertaken on behalf of LADWP ▪ Recent Schedule Update removed a key relationship between activities, potentially obscuring a longer delay risk to Olympic Readiness ▪ 50% CD delivery was 2 weeks late, but PWJV claims 100% CD will be on time ▪ Discovery of asbestos in West Hall has not affected PWJV’s project schedule 	

Financial Status		
	Planned	Paid to Date
Base Scope	\$1,606.6m	\$118.7m
Developer Fee	\$35.0m	\$5.0m
Allowances	\$345.2m	\$0m
City Costs ¹	\$552.6m	\$0m
Total	\$2,539.4m	\$123.7m

- APCLA November invoice has been paid
- December 2025 invoice is under City review

Cash Flow Snapshot (\$ million)			
\$ million	Oct 2025	Nov 2025	Dec 2025
Total Planned City Payment ²	\$124.2m	\$25.1m	\$28.5m
APCLA Invoiced Amount	\$109.0m	\$14.7m	\$--
Actual City Payment	\$109.0m	\$14.7m	\$--
Delta (Actual-Planned City Payments)	\$15.2m	\$10.4m	\$--
Cumulative Planned City Payments	\$124.2m	\$149.3m	\$177.8m
Cumulative Actual City Pmts.	\$109.0m	\$123.7m	\$--
Delta Cumulative (%)	12.2%	17.1%	--%

1. City Costs are inclusive of owner contingency and city-retained costs

2. Total Planned Payment consists of (i) Base Scope and Owner Allowances as listed in the Schedule of Values inclusive of Retainage, (ii) Developer Fees as per PA terms, and (iii) City Retained Costs as per CAO budget



Progress Update – Last 4 Weeks Ending 2/6/2026

Key Accomplishments

Fire and Life Safety (FLS) / Mechanical, Electrical, Plumbing (MEP)

- Conducted working sessions with PWJV and AHJs on FLS and smoke control systems design and integration with existing systems. Reviewing deficiencies and expansion design/approach to ensure for code compliant path forward.
- Workshop held with APCLA, BOE on 1/5 to discuss rational analysis of existing spaces and smoke control.
- PWJV submitted updated rational analysis to AHJ on 2/3 for review. BOE reviewing for information and coordination.
- Executive level meeting coordinating with APCLA/PWJV and BOE about BMS integration and next steps.
- AHJ gave code directions on Pico Passage.

Construction/DWP Coordination

- Concourse + Elevator Tower demolition continues; scheduled completion 2/6 to clear area for foundations and grading.
- Make-ready work advancing, including installation of multiple duct banks for temporary and permanent power upgrades. PWJV and LADWP actively coordinating on construction activities and energizing new services.
- LADWP crews actively pulling high-voltage conductors through vault structures in the Pico Corridor; outage windows coordinated for cutover to new permanent power service.
- Ongoing LADWP onsite work, including shutdowns, conduit coordination, cable pulling, and excavation within Pico Blvd.
- Additional coordination underway for interim power service and network station design.

Design Development (DD)

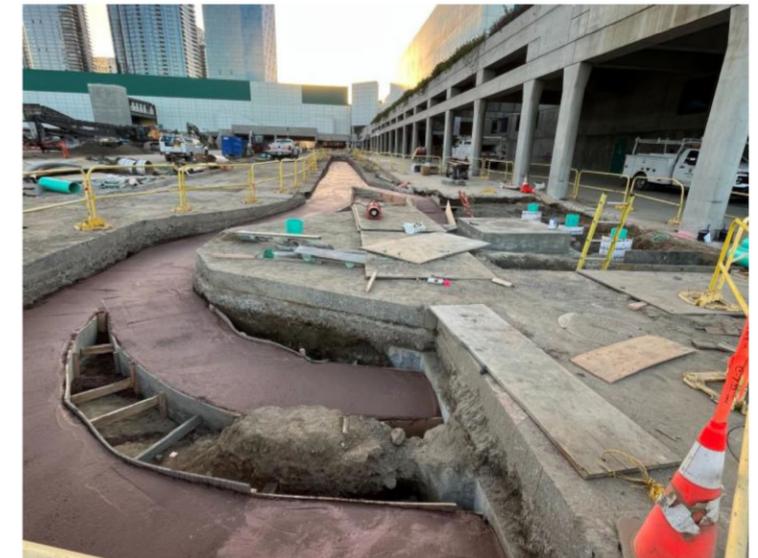
- Conducted multiple comment-resolution meetings between BOE/CTD and PWJV to inform 50% CD design submittal.
- Received the 50% CD package from PWJV design team on 1/29; catalogued documents and initiated review.
- Hosted DD alignment meetings on BMS, Low Voltage, Pico Passage, FF&E, System Integrations, and more.
- Coordinating with PWJV, AHJ, and City teams on documentation, transmittals, permitting, and construction activities.

Signage

- Coordinated risk workshops and targeted working sessions on sign operations and maintenance with APCLA/PWJV to advance resolution of open design items prior to the 100% DD drawings submission for City review (received on 1/29).
- Developed an action plan for reviewing the 100% DD Submittal after meeting with Tech SMEs.
- 100% DD comments tracker has been developed and distributed to reviewers.

Permitting

- Ongoing permit approvals due to improved coordination with APCLA, LADBS, and other agencies.
- Major Development Services Meeting re-established on 1/15 to manage approvals and avoid processing bottlenecks.
- City continues to offer APCLA/PWJV support to advance permit approvals, including coordinating with relevant AHJs.



High Voltage Power Conduits & Vaults
Feb 2, 2026



Photos



Demolition of Concourse & Elevator Tower – Feb 2, 2026

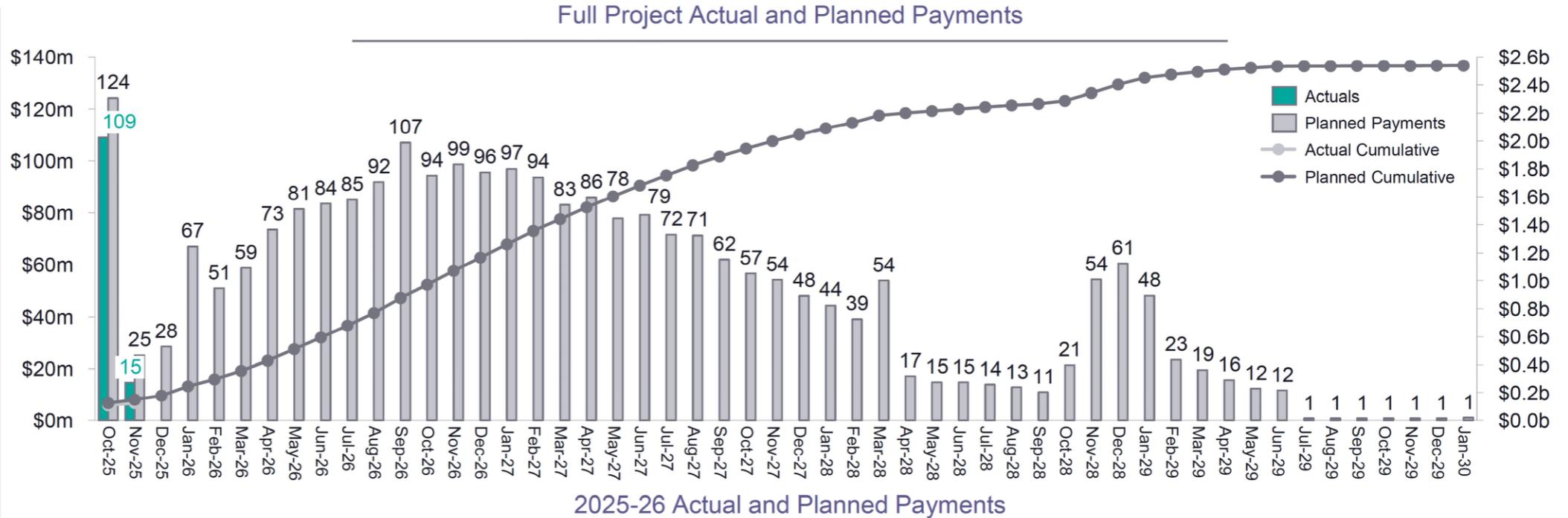


LADWP Pulling Conductors in Pico Corridor – Feb 2, 2026

Executive Summary: Financial Performance

Financial Performance

- Oct and Nov 2025 invoice paid to date
- Dec 2025 invoice is under review



Year Quarter	2025			2026											
	Q4			Q1			Q2			Q3			Q4		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual Paid¹	\$109.0m	\$14.7m	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned	\$124.2m	\$25.1m	\$28.5m	\$67.1m	\$50.9m	\$58.8m	\$73.5m	\$81.5m	\$83.6m	\$85.1m	\$91.9m	\$107.0m	\$94.3m	\$98.6m	\$95.6m
Actual Cumm	\$109.0m	\$123.7m	-	-	-	-	-	-	-	-	-	-	-	-	-
Planned Cumm	\$124.2m	\$149.3m	\$177.8m	\$244.9m	\$295.8m	\$354.5m	\$428.0m	\$509.5m	\$593.0m	\$678.1m	\$770.0m	\$877.0m	\$971.4m	\$1,069m	\$1,166m

1. Actual Paid excludes Developer Cost Reimbursement of \$2.73m paid out through Commercial Paper
 Source: LACC Project Financials (BCA/BOE approved final payments)



30-Day Lookahead – March 2026

Project Management & Technical Updates

Design Progress

- City Technical Team to review and comment on APCLA/PWJV's 50% CD design and Signage 100% DD packages to confirm contractual compliance and input from CTD/LACC was properly incorporated
- City SMEs have provided initial gap analysis on 50%CD & 100%DD Packages. with some concerns around gaps and risks identified in 50%CD submissions.

Permitting

- Continued coordination with APCLA/PWJV, AHJs, and BOE to secure key outstanding permits (e.g., Early Foundations, DWP Network Station, etc.).
- Commence construction activities for approved permits for South Hall Ramp and South / West Hall structural demolition.
- West Hall concrete and Pico Hall superstructure permit submittals expected.

Construction Progress

- PWJV installing temporary walls and fencing for safety in South & West Halls.
- Demolition to West Hall structures along Pico Boulevard to continue, including existing walkway connecting South and West Halls.
- Complete demolition of Concourse/Elevator Tower and continue power duct bank installation and conductor pull operations along Pico Corridor.

DWP Coordination

- PWJV subcontractor to continue trenching and ductbank work along Pico in support of the industrial station alterations set out in Appendix 18D.
- Coordinating outage windows with LACC Operations, APCLA/PWJV, and DWP.
- Coordinate with DWP/PWJV on lane closure and work hours plan.

FLS Systems / Mechanical, Electrical, Plumbing

- Ongoing review meetings with APCLA, AHJs, and BOE on design approach.

Change Management, Finance & Signage Updates

Change Management

- Continuing development of Allowance Order and RFI Processes.
- Reviewing Relief Event Claims #001 & #002 - Discovery of Latent Defects – Fire Life Safety Systems at LACC Campus & Discovery of Latent Defects – Mechanical Test Inspection Panel.
- Reviewing Relief Event Notice #003 – Owner Directed transfer of LADWP underground utility work.

Finance

- Supporting City invoice progress payment review process.
- Continue CAO support on City Costs & General Fund impact tracker.

Signage.

- Advancing Design Development through a formal City review process to finalize drawing packages during the DD phase, followed by detailed constructability and pricing review workshops.



Key Risks/Issues and Mitigation Summary

Issues / Risks	Description	Trend	Mitigation
Mechanical Test & Inspection Panel (MTIP)	Mechanical Test and Inspection Panel; The LACC MTIP, which governs smoke-evacuation controls within the South and West Halls, is offline and requires verification, and re-certification by AHJs.	→	The team is working with LACC / LAFD to clarify requirements, as LAFD has directed that the entire facility operate on one system. All parties will meet with the AHJ to determine responsibilities, potential solutions, and next steps.
Signage – Cost Overrun	Material cost-overrun risk; with current estimates (SD Phase) indicating the total program may exceed its signage allowance by \$9.9M+, and risk-weighted analyses suggesting a potential additional \$20M exposure, resulting in a total projected overrun of up to ~\$30M.	→	Signage SD Pricing Review Workshop on 12/17/2025 resulted in alignment on cost drivers, clarified allowance expectations, and established a consistent approach for tracking and mitigating design-driven impacts. PWJV's DD-phase Pricing Report is expected in late Feb 2026.
Signage – Ordinance Amendment	Signage ordinance amendment must be approved to support the project's permitting sequence. While DCP plan check can begin earlier, LADBS cannot issue until the ordinance is in effect, creating a direct dependency on City Attorney, CPC, PLUM, and Council timelines.	↗	The team has proactively engaged DCP through bi-weekly check-ins to increase visibility into the process and provide necessary support if needed to timely secure upcoming ordinance activity milestones.
Building Management System	Currently there are two Building Management System (BMS) providers with overlapping scope. Existing service provider contracted through LACC (JCI) will have compatibility issues with the PWJV contracted service provider (Siemens).	↗	The project team must determine a viable path forward with a single service provider and confirm that the provider's scope is fully comprehensive. Ongoing meetings to address this were held throughout January 2026 and will continue with APCLA/PWJV, subcontractors, BOE, LACC, and CTD.
Design Development	PWJV is seeking to bring forward the 90% CD submittal forward by a month to 04/02/26. This reduction in time could result in comments that will not get incorporated into the 90% CD.	→	SMEs have completed a gap analysis on the 50% CD and 100 % DD submissions to assess if the level of comments justifies the early delivery of the 90% CD. Concerns have been flagged regarding the 50% CD submissions which are being discussed with the City. Weekly/Bi-weekly design development meetings suggested to de-risk this item.
Unforeseen conditions on Pico Blvd	Coordination efforts are required following identification of utility conflicts and previously unidentified utilities along Pico Blvd.	→	Project team is collaborating with PWJV and DWP to resolve utility conflicts and reconfiguring the utility routing in a timely manner.



QUESTIONS



APPENDIX

