

Communication from Public

Name: The Los Angeles Business Council

Date Submitted: 02/22/2024 01:13 PM

Council File No: 15-1207-S1

Comments for Public Posting: February 22, 2024 Council President Paul Krekorian Los Angeles City Council 200 North Spring St. Los Angeles, CA 90012 RE: Support for the Expansion and Modernization of the LA Convention Center (CF #15-1207-S1) Dear Council President Krekorian, On behalf of the Los Angeles Business Council (LABC), a business research and advocacy organization representing more than 500 members across greater Los Angeles, I am writing in support of Council moving forward CF #15-1207-S1, the expansion and modernization of the LA Convention Center, with private partners AEG and Plenary Group. For more than 80 years, the LABC has harnessed the power of business, government, and community to promote progress in the Los Angeles region in the areas of transportation, housing, sustainability, and economic development. Today, our 500+ members represent business and civic leaders from all industry sectors who are focused on innovative public policy that strengthens our economy while improving quality of life for all of us. As you know, our local economy relies heavily on the tourism industry. Los Angeles has fallen behind other cities when it comes to attracting major conferences and events, with our convention center ranking just 22nd in size nationwide. The planned expansion by the City Tourism Department, along with AEG and Plenary Group, would provide more than 1 million square feet of exhibition space, making us competitive with the largest convention centers in the country. The paired J.W. Marriott and Ritz Carlton hotel complex expansions would accommodate the need for additional hotel rooms near the Convention Center and would bring in additional Transient Occupancy Tax revenue for the City. The expansion is urgently needed as we prepare to host the 2028 Olympic and Paralympic Games, with construction needed to be completed 6 to 12 months prior to their start. As the City's analysis shows, the private sector partners stand ready to meet this deadline. The return on investment by the City makes the expansion more than worthwhile. The Chief Legislative Analyst and City Administrative Officer have reported, using Ernst & Young's analysis, that the expansion would add "\$1.2 billion in City tax revenue for the General Fund over the 30 years subsequent to the completion of the Expansion Project. This amount is approximately \$600 million more than the Status Quo

Scenario.” Furthermore, it is projected to create “an additional 2,600 incremental jobs, generating approximately \$6 billion in additional labor income, \$9 billion in added Gross Domestic Product to the City of Los Angeles, and more than \$15 billion in economic output in nominal dollars.” The City would see an increase from 23 to 40 annual conventions, with an increase of 471,520 hotel room nights by 2030 and additional economic output of approximately \$177 million annually. This includes supporting an additional 6,900 jobs in the City by FY2033. This project will also contribute to the recovery of downtown Los Angeles, with the area increasingly reliant on events and tourism over office workers (recent analysis puts the downtown office vacancy rate at nearly 26%). We urge the City Council to schedule this item for approval and to enter necessary agreements with AEG and Plenary Group and move forward with the Convention Center expansion as expeditiously as possible. Delaying beyond the 2028 Olympic Games would be a missed opportunity to bring needed economic development, tourism, and jobs to downtown Los Angeles, as well as tax revenue to the City. Sincerely, Mary Leslie President Los Angeles Business Council



February 22, 2024

Council President Paul Krekorian
Los Angeles City Council
200 North Spring St.
Los Angeles, CA 90012

**RE: Support for the Expansion and Modernization of the LA Convention Center
(CF #15-1207-S1)**

Dear Council President Krekorian,

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As you know, our local economy relies heavily on the tourism industry. Los Angeles has fallen behind other cities when it comes to attracting major conferences and events, with our convention center ranking just 22nd in size nationwide. The planned expansion by the City Tourism Department, along with AEG and Plenary Group, would provide more than 1 million square feet of exhibition space, making us competitive with the largest convention centers in the country. The paired J.W. Marriott and Ritz Carlton hotel complex expansions would accommodate the need for additional hotel rooms near the Convention Center and would bring in additional Transient Occupancy Tax revenue for the City.

The expansion is urgently needed as we prepare to host the 2028 Olympic and Paralympic Games, with construction needed to be completed 6 to 12 months prior to

their start. As the City's analysis shows, the private sector partners stand ready to meet this deadline.

The return on investment by the City makes the expansion more than worthwhile. The Chief Legislative Analyst and City Administrative Officer have reported, using Ernst & Young's analysis, that the expansion would add "\$1.2 billion in City tax revenue for the General Fund over the 30 years subsequent to the completion of the Expansion Project. This amount is approximately \$600 million more than the Status Quo Scenario." Furthermore, it is projected to create "an additional 2,600 incremental jobs, generating approximately \$6 billion in additional labor income, \$9 billion in added Gross Domestic Product to the City of Los Angeles, and more than \$15 billion in economic output in nominal dollars."

The City would see an increase from 23 to 40 annual conventions, with an increase of 471,520 hotel room nights by 2030 and additional economic output of approximately \$177 million annually. This includes supporting an additional 6,900 jobs in the City by FY2033. This project will also contribute to the recovery of downtown Los Angeles, with the area increasingly reliant on events and tourism over office workers (recent analysis puts the downtown office vacancy rate at nearly 26%).

We urge the City Council to schedule this item for approval and to enter necessary agreements with AEG and Plenary Group and move forward with the Convention Center expansion as expeditiously as possible. Delaying beyond the 2028 Olympic Games would be a missed opportunity to bring needed economic development, tourism, and jobs to downtown Los Angeles, as well as tax revenue to the City.

Sincerely,

A handwritten signature in black ink that reads "Mary Leslie". The signature is written in a cursive, flowing style.

Mary Leslie
President
Los Angeles Business Council