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June 18, 2024

Councilmember Tim McOsker, Chair
Personnel, Audits, and Hiring Committee
Attn: Adam Lid

Councilmember Bob Blumenfield, Chair
Budget, Finance and Innovation Committee
Attn: Luigi Verano

RE: COUNCIL FILE TRANSMITTAL

On June 18, 2024, the Trade, Travel and Tourism Committee considered a joint report from the Chief Legislative Analyst (CLA) and City Administrative Officer (CAO) relative to the Los Angeles Convention Center Expansion Project (Expansion Project), Council file No. 15-1207-S1. After consideration, the Committee moved to approve the following amended recommendations (amendments are bolded):

1. ACCEPT the CAO findings Pursuant to Charter Section 371 and 372, that it is desirable, practical, and compatible with the City's interests to engage with AEG Plenary Conventions Los Angeles, LLC (APCLA) in exclusive negotiations related to the Expansion Project, without a competitive process.
2. INSTRUCT the CLA and CAO, with assistance of other departments as appropriate, to approve and execute the 2024 Proposed Term Sheet and negotiate and enter into an Early Works Agreement (EWA) with APCLA for up to \$36.9 million for pre-development work necessary to complete a modernization and expansion of the Los Angeles Convention Center within the terms substantially as indicated in Attachment A of the joint CAO/CLA report dated June 14, 2024, attached to the Council file, subject to the City Attorney as to form.
3. AUTHORIZE the CLA and CAO to pay APCLA for Early Works including:
 - a. \$4 million for the reimbursement of work completed under the 2019 Exclusive Negotiating Agreement (ENA).
 - b. Up to \$1.98 million in reimbursements for all remaining costs for work completed under the ENA.
4. **INSTRUCT the Bureau of Engineering (BOE), Bureau of Contract Administration, Department of Building and Safety (LADBS), Los Angeles Department of Water and**

Power (LADWP), Los Angeles Department of Transportation (LADOT), Los Angeles Fire Department, Los Angeles Police Department, Department of Cultural Affairs, City Tourism Department, and other departments as needed, to report to council within 45 days on resources necessary to implement the EWA. This report should include recommended processes for expedited review to implement the EWA.

5. RESOLVE that seven positions as listed on said CAO/CLA report are approved in the BOE for the period of July 1, 2024 through June 30, 2025 in accordance with Section 4.133(a) of the Los Angeles Administrative Code, subject to allocation by the Personnel Department and paygrade and Project Manager determination by the CAO, for the Expansion Project.
6. AUTHORIZE the Controller to establish and appropriate \$2 million within Fund No. 29B/50 Commercial Paper Notes (Convention Center) Accounting Fund to a new appropriation account entitled "LACC Expansion – Bureau of Engineering Staffing;" and, AUTHORIZE periodic transfers upon verification of labor amounts to the BOE Fund No. 100/78, Account No. 001010, Salaries General, for salary costs associated with the expansion of the Los Angeles Convention Center.
7. AUTHORIZE the CAO, CLA, City Attorney, BOE, subject to CAO review and approval, to procure, negotiate, and execute contracts and contract amendments for financial advisory, legal, construction management, and other consulting services as necessary for up to \$9.5 million, paid from the Municipal Improvement Corporation of Los Angeles (MICLA) Commercial Paper Program (Los Angeles Convention Center).
8. **INSTRUCT the CAO and CLA to report to Council regarding the status of the Expansion Project no later than December 2024 or sooner if the City assesses that project completion is infeasible or there has been increase to the Not to Exceed Budget (NTE) amount.**
9. AUTHORIZE the CAO and CLA to make technical corrections as necessary to those transactions included in said CAO/CLA report to implement Mayor and Council intentions.
10. **DIRECT the CAO to report by December, 2024 on:**
 - a. **The annual cash flow required to pay for the Expansion Project over the course of the 30-year debt service.**
 - b. **Recommendations for how the City will pay for the Expansion Project, including what programs or funds the CAO recommends reducing or offsetting.**
11. **INSTRUCT the LADWP to immediately begin discussions with APCLA and the BOE on all water and power work needed to facilitate the successful implementation of the project including pre-design activities during the EWA.**
12. **INSTRUCT the BOE to provide Peak Hour Exemptions for permitted work to be performed by APCLA contractors, City departments, and utility companies in order to execute deliverables for the EWA.**

13. **AUTHORIZE** all departments to utilize overtime hours in order to deliver all items detailed in the EWA and to coordinate with the CAO on establishing the necessary work orders for departments to bill their hours to the project.
14. **INSTRUCT** the CAO and CLA to report verbally to relevant committees on a monthly basis regarding progress of the EWA. These verbal reports should include any changes to the development schedule, changes to the NTE budget amount, city assessments of project feasibility and status of project deliverables.
15. **INSTRUCT** the CAO and CLA to accompany any Project Agreement with a dedicated City staffing plan to ensure modernization and expansion is complete by February 25, 2028. This dedicated staffing plan should include assigned roles and responsibilities within the CAO, CLA, LADBS, BOE, Department of Public Works, LADWP, and LADOT.
16. **INSTRUCT** the CAO and CLA to include in their negotiations any incentives or remedies needed to ensure timely completion of all deadlines and deliverables.

This file is now transmitted to the Personnel, Audits, and Hiring Committee and Budget, Finance and Innovation Committee.



Michael Espinosa
 Legislative Assistant
 Trade, Travel and Tourism Committee
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<u>MEMBER</u>	<u>VOTE</u>
PARK:	YES
MCOSKER:	YES
DE LEÓN:	YES
PRICE, JR:	YES
SOTO-MARTÍNEZ:	YES