

Communication from Public

Name: Esabella Rojas

Date Submitted: 01/24/2024 09:12 AM

Council File No: 15-1207-S1

Comments for Public Posting: Dear Chair Blumenfield, On behalf of the Los Angeles Area Chamber of Commerce, representing more than 1,400 member businesses, we are writing to express our strong support of the motion put forth by Councilmember Price which through the Public- Private Partnership (P3 Agreement) with Anschutz Entertainment Group (AEG), which would expand and modernize the Los Angeles Convention Center. While some may be concerned by the economic impact of such a large project, there is no General Fund impact in the current year as a result of the recommendations proposed in this report, as costs will be paid from the MICLA Commercial Paper Program (Los Angeles Convention Center). An appropriation of \$2 million is included in the 2023-24 Adopted Budget, Capital Finance Administration Fund, LACC Commercial Paper Account, for costs associated with administering this commercial paper program, including interest costs. Additionally, the Chief Legislative Analyst reports that the issuance of commercial paper notes will not cause the City's debt service payments to exceed six percent of the General Fund revenues for non-voter approved debt as these are short-term notes. Overall, completing this modernization project will not cause the City of Los Angeles financial problems. The Los Angeles Convention Center is in dire need of modernization. The Convention Center stands as a stark contrast to the booming neighborhood surrounding LA Live, and it's time to stop squandering potential revenue and turn our convention center into a cornerstone of our city's economic growth. The window of opportunity is swiftly closing, demanding urgent decision-making to avoid losing a chance that may not come again. Construction cannot be in progress during the 2028 Olympics because there are several events scheduled at the Convention Center. The expansion must be completed by 2027, necessitating a commencement of work no later than late 2024. We encourage the Council to support this motion and the Public-Private Partnership agreement which would allow Los Angeles to thrive and excel. Thank you for your leadership, and we hope we can count on your support. Please feel free to contact Esabella Rojas at erojas@lachamber.com, if you have any questions. Sincerely, Maria S. Salinas President & CEO

Communication from Public

Name: Los Angeles Tourism
Date Submitted: 01/24/2024 01:43 PM
Council File No: 15-1207-S1
Comments for Public Posting: Letter from Adam Burke, President & CEO, Los Angeles Tourism



January 24, 2024

The Honorable Bob Blumenfield
Budget, Finance, and Innovation Committee, Chair
Council District 3
200 N. Spring St. #465
Los Angeles, CA 90012

RE: Los Angeles Area Chamber of Commerce Support of Council File 15-1207-S1 P3 Agreement

Dear Chair Blumenfield,

As the CEO of Los Angeles Tourism, I write to you today with a sense of pride in the work we do to market this city as a premier destination to millions of visitors annually, which is widely celebrated as the entertainment capital of the world. But I also come to you with a serious sense of urgency.

While we boast the #1 port in America and the #2 airport in America, the Los Angeles Convention Center is ranked a modest #21 in the United States. This ranking falls far short of the recognition our city deserves and is fully capable of achieving, and this status is responsible for losing too much business to our competitors.

The convention and events industry is a vital part of our city's economy, supporting over 550,000 careers, and the Convention Center is one of the main economic tools we use to grow our industry. Our competitors, such as Las Vegas, San Diego, Anaheim, and Chicago consistently outperform us in convention center business.

You already know and agree that the Los Angeles Convention Center is in dire need of modernization. Its current limitations have prevented us from attracting major, high-value events. It is too small, too old, and its exhibition space is disjointed. The convention center's state stands in stark contrast to the thriving neighborhood surrounding LA Live, and we cannot afford to continue squandering revenue potential.

While expansion of the Convention Center is vital before the commencement of the Olympics, it is even more important to know that we may lose a decade's worth of citywide conventions if we don't complete the expansion by the end of 2027. The convention business works on a different timetable than most because we are booking major conventions 5-10 years in the future.

We know that the CAO report is your key guide to making the decision on whether or not to expand the Convention Center, but we are gravely concerned that the CAO report is incomplete because it was produced without consultation of the architect, City Tourism Department, or anyone else with relevant information. We have serious reservations about the accounting in the CAO report, and the Council should too. Let's not squander an economic engine for small business in Los Angeles over incomplete accounting.

We recently received updated numbers from Oxford Economics that say that an expanded center will generate \$69 Million in General Fund revenues annually. When you put that against the projected annual build cost of \$43 Million, the math speaks for itself. We cannot afford further delay. In addition, the \$6 Billion that local businesses will generate in sales by 2033 will not only be a positive contribution to city finances, a positive contribution to the city's reputation and help downtown, but it will also be a positive contribution to business and labor in the city. It's the proverbial win-win-win.



I implore you to demand a complete accounting in order to make an informed decision because too much is at stake. Based on current city priorities, coupled with extensive independent analysis by LA Tourism as the city's contractor, I strongly believe that the P3 agreement with APCLA is the only path that will enable us to complete this critical project by late 2027/early 2028. Failing to act now with urgency will have long-term consequences for our community, small businesses, General Fund revenues, and the hundreds of thousands of Angelenos who depend on tourism for their livelihoods.

Thank you for your attention and consideration. We look forward to your support in making the Los Angeles Convention Center a beacon of excellence in our great city.

Sincerely,

Adam Burke
President & CEO
Los Angeles Tourism & Convention Board