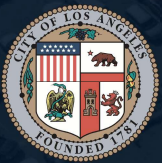


# *The Los Angeles* **Convention Center** Expansion Project



April 2025

**CONTEXT**

# CONTEXT

## January 31, 2025 CAO/CLA Report

Expressed concern since the Project Agreement had fallen behind schedule due to the **complexity of the Project** and the City's attention to the **wildfire response and recovery** efforts.

## February 4, 2025 Committee

Instructed the CAO and CLA to evaluate and present options on **how best to proceed** with the Project under the current partnership with APCLA, and expressed a desire to hear more **options outside of this arrangement** and **options beyond the 2028 Games**.

## Today

Seeking direction from Council on selecting one of two paths: proceed with **phased delivery of the project, OR reassess the future of LACC** (before or after the Olympics)



**BACKGROUND**

# Scope of Expansion & Modernization

Contiguous  
Exhibit Hall Space **+190,000** sq. ft.

Meeting Room  
Space **+55,000** sq. ft.

Multi-purpose  
Space **+95,000** sq. ft.



*Redesigned Gilbert Lindsay Plaza*

*Modernization of South & West Halls*

*Added Signage to the LACC Campus*



# Economic Value

## New Jobs

**8,666**

Total New Jobs  
During Expansion

**2,231**

Annual New Jobs  
After Expansion

More  
Visitors  
**+500,000**

LACC Attendee Days  
across 10 Yrs.

**+\$165M**

Visitor Spending  
Each Year

## Additional General Fund Tax Revenue

**\$543M**

Over 30 years



**OPTIONS**

# OPTIONS

**1**

## **Proceed with a phased delivery with APCLA**

- Complete PA by June 20, 2025
- Construction start by September 17, 2025
- Debt service payment begins in 2028-29

**2**

## **Cancel & reassess the future of LACC**

- Terminate the EWA with APCLA and all other advisory contracts

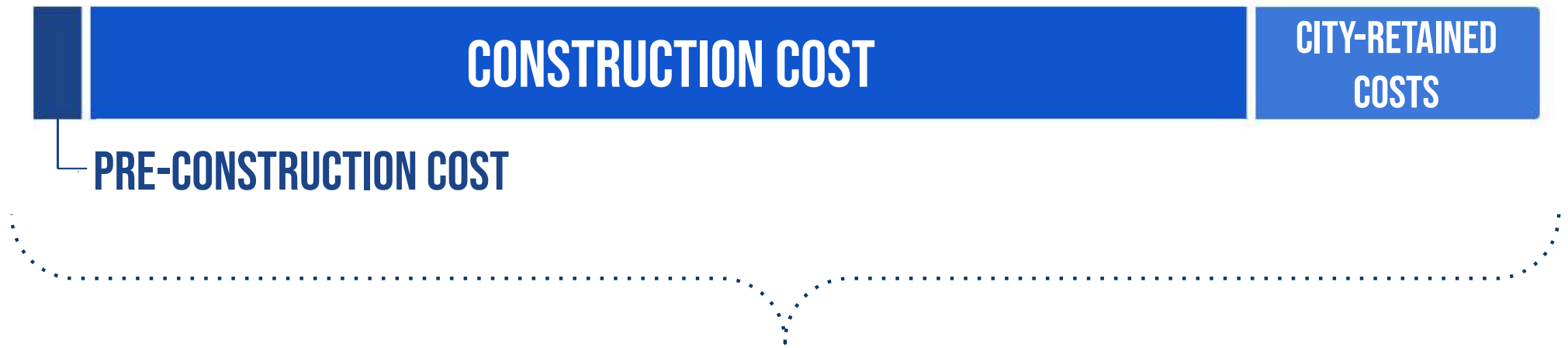




# PROJECT COST

# Total Cost

*Non-binding price estimate as of February 10, 2025*



# \$2.2 Billion



# Pre-construction Costs



**\$85M**

Early Works Authorization: \$55M

Additional Costs: \$30M (incl. \$18M for EWA extension)



# Construction Costs

*Non-binding price estimate as of February 10, 2025*



**\$1.7B**

*Key Changes compared to previous \$1.4B estimate:*

**\$189M** Allowance increases (\$107M for signage; \$36.7M for kitchen; \$20M for DWP network station; \$25M for other utility companies)

**\$103M** Technical Requirement Advancement

**\$79M** Permitting/site investigation cost increase

**\$17M** Due to Pause (\$8.3M during 2028 Games, \$8.5M escalation for work after 2028 Games)



# City-retained Costs



**\$421M**

City-held contingencies  
Project and Construction Management  
City Staff and Admin  
Furniture, Fixtures, and Equipment  
Public Art Cost  
Escalation due to GLP now scheduled for 2029  
Legal Fees  
Signage



# Debt Service Assumptions

Assumed Interest Rate\*

**4.23%**

Average Annual Debt Service

**\$136M**

Starting payments in  
FY 2028-29 through  
FY 2055-56

\* Actual interest rates may differ as rates are dependent on market conditions at the time of issuance. We cannot fully predict what interest rates will be in the future.



# Operational Costs

30-year Annual Average

LACC Operation & Maintenance expenses	\$56.1M
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Gilbert Lindsay Plaza expenses	\$2.7M
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Management fees paid to LACC operator	\$2.0M
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CTD staff cost	\$2.9M
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<b>Average Annual LACC Operating Costs</b>	<b>\$63.7M</b>
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# REVENUE PROJECTIONS



# Direct Revenue

**Average Annual Revenue**  
*in nominal dollars*

Events	\$49M
Parking	\$22M
Signage	\$60M (range: \$28M-\$88M)
Other <i>Includes revenues from cell towers, and advertising and sponsorships</i>	\$6M
<b>Average Annual Revenue</b>	<b>\$137M</b> (range: \$105M-\$155M)



# Signage Revenue Risks



**Risks as to the compatibility of existing scope with State law**



**Requires an amendment to the Sign District Ordinance & the redevelopment of GLP to ensure sight lines are clear**

# Indirect Revenues

<b>Total Additional Tax Collected</b> <i>As a result of the Expansion</i>	\$543M
<b>Avg. Annual Additional Tax Collected</b>	\$18M



## *Average Annual General Fund Impact*

$$\text{\$155M} - \text{\$200M} = (\text{\$45M})$$

**Revenue**

Direct: \$137M  
Indirect: \$18M

**Costs**

Debt Service: \$136M  
Operating Costs: \$64M

**Net GF  
Impact**



**NEXT STEPS**

# Current Status of Approved Funding

**\$54.4M**

Approved for Pre-Development Efforts

**\$41.6M**

Spent / Obligated as of Feb 2025

EWA (APCLA & AHJs)	\$27.1M
Consultants	\$7.0M
APCLA for ENA Obligation	\$4.0M
BOE Staff Costs	\$1.5M
APCLA Entitlement Obligation	\$1.98M



## Next Steps

### **If the City chooses to proceed with a phased delivery with APCLA**

- Authorize \$27.7M for pre-development work and advisory contracts to be paid from MICLA
  - ◆ \$19.98M *increase in the EWA cap*
  - ◆ \$7.75M *for advisory contracts*

### **If the City chooses to NOT proceed with a phased delivery with APCLA**

- Instruct relevant departments to terminate the EWA with APCLA and all other advisory contracts
  - ◆ \$10M-13M *savings*



