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ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to Amendment No. 2 to the contract with AEG Management LACC, LLC (AEG) for the management and operation of the Los Angeles Convention Center (LACC).

Recommendation for Council action:

AUTHORIZE the Executive Director, Department of Convention and Tourism Development, or designee, to execute Amendment No. 2 to Contract No. C-123199 with AEG for the management and operation of the LACC, extending the term of the amended agreement for one year, from October 29, 2019 through October 28, 2020.

Fiscal Impact Statement: The City Administrative Officer reports that there is no General Fund impact as a result of this amendment. The management fees paid to AEG will be paid from revenues derived from the operation of LACC and paid from the Convention Center Revenue Fund No. 725.

Community Impact Statement: None submitted.

TIME LIMIT FILE - DECEMBER 3, 2019

(LAST DAY FOR COUNCIL ACTION - DECEMBER 3, 2019)

SUMMARY

At the meeting held on October 15, 2019, your Economic Development Committee considered a City Administrative Officer report relative to Amendment No. 2 to the contract with AEG for the management and operation of the LACC. The CAO reports that on June 20, 2018, prior to expiration of the Agreement, the Council approved a motion instructing City staff to explore and evaluate a proposal from the AEG to expand and modernize the LACC. The project is contemplated as a public-private partnership structured as a design-build-finance-operate-maintain that would encompass long-term operations and maintenance of the LACC facility (Council file No. 18-0532). This motion concurrently authorized Department of Convention and Tourism Development to extend the term of the Agreement for one year, with two additional one-year extensions subject to Council approval, while the City considered the future development plan of the LACC.

Amendment No. 1 to the Agreement was subsequently executed on September 25, 2018, extending the term of the Agreement one year to October 28, 2019. Amendment No. 2 would utilize a second one-year extension under the authority established through the previous motion, extending the term of the Agreement to October 28, 2020 while the City continues to consider the future development and operations of the LACC. Under the provisions of the motion, there is one additional remaining optional one-year extension, subject to additional Council approval. After an opportunity for public comment was held, the Committee moved to approve the CAO's recommendations, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

A handwritten signature in black ink, appearing to read "J. Buscaino", written in a cursive style.

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
BUSCAINO:	ABSENT
RODRIGUEZ:	YES

ME 10/15/19

-NOT OFFICIAL UNTIL COUNCIL ACTS-