



LOS ANGELES CONVENTION AND EXHIBITION CENTER AUTHORITY

Meeting
Wednesday
June 11, 2014
12:00 p.m.

Los Angeles Convention Center

COMMISSIONERS PRESENT

Andrew Walter, Vice President
Carlos Alfaro
Wayne Avrashow
Shahiedah S. Coates
Peter Gravett
Robert R. Mallicoat
Kanchan Mattoo
Courtney Reum
Sylvia Robledo

COMMISSIONERS ABSENT

Susan Rodriguez, President
Tom Cañas
Candice Choh
Florence Chung
David Cunningham, Jr.

DEPARTMENT STAFF & GUESTS PRESENT

Bud Ovrom, Executive Director
Tom Fields, Assistant General Manager & Chief Operating Officer
Marla Bleavins, Assistant General Manager of Finance and Administration
Glyn Milburn, Business Team Representative – Office of the Mayor
Terry Martin Brown, Assistant City Attorney – Office of the City Attorney
John Wickham, Legislative Analyst – Office of the Chief Legislative Analyst
Diana Mangioglu, Sr. Administrative Analyst II – Office of the City Administrative Officer
Barbara Kirklighter, Sr. Director of Research & Revenue Strategy –
Los Angeles Tourism & Convention Board
Adria Ybarra, Recording Secretary

Item 1. Call to Order – Vice President Walter called the meeting to order at 12:07 p.m.

Item 2. Public Comment – Vice President Walter announced that he has been given notice by the Mayor's office that he will be replaced in the near future and thanked the Authority.

Vice President Walter introduced newly confirmed Commissioner Courtney Reum who briefly provided his personal background.

Item 3. Approval of the Meeting Minutes – The Authority Commission Minutes of May 14, 2014 were unanimously approved.

Item 4. Executive Director Report

a. Plan B

Mr. Ovrom reported on Plan B and highlighted the following:

- The City is still under contract with AEG for a football stadium if an NFL team commits, but the probability is not high. The City has a fiduciary responsibility to the citizens to have an alternate plan (Plan B).
- Current Deficiencies:
 - Not enough hotels
 - Need more contiguous space
- Expansion Plans
 - Build a new hall
 - Remodel West Hall
 - More contiguous space
 - 1M sq. ft. of exhibit space
 - Ballroom
 - Multipurpose space
 - Build a 1,000 room hotel within the Convention Center property

Mr. John Wickham provided supplemental information on Plan B and highlighted the following:

- Task Order Solicitation (TOS)
 - The Bureau of Engineering (BOE) will release the TOS today to a list of qualified architects that BOE has on-call.
 - The TOS asks for qualifications of teams. Teams consist of BOE's qualified architects, teamed with an architect firm that is a convention center specialist.
 - A bidders conference is scheduled for next week.
 - The architects will submit their qualifications by the end of July or early August.
 - In September, the City will select three teams. The teams will receive up to \$200K each to pay for designs, models, and drawings as a design competition.
 - The design competition will result in a selection of an architect by the end of this year
- After the selection, the various architectural phases will take several months.
- Groundbreaking in 2017
- Completion in December of 2019
- Environmental and entitlement work will be done concurrently through the course of this process.
- The Office of the City Administrative Officer (CAO) will be involved in the financing to make sure the financial resources are in place.

- The City is currently paying \$48M annually on the bonds through the General Fund. All of the existing bonds will be paid off by 2023. In 2024, the amount of the bonds for Plan B should be less.
- The City is looking at assistance from new revenue streams to help fund this project such as signage, ground lease revenue from a hotel, and possessory interest tax revenue.

Ms. Diana Mangioglu reported on financing Plan B and highlighted the following:

- The City would be issuing debt to pay for Plan B. At this point, it's difficult to determine how much it will cost.
- The CAO is considering various financing sources such as the MICLA Program and Commercial Paper Program.
- The City is in the process of putting together its financing team which will consist of City personnel, financial advisors, and attorneys that specialize in bond programs.
- The CAO is creating the Commercial Paper Program for the Convention Center and will come back to this Authority for review and approval.
- The City is currently reviewing taxable verses non-taxable debt to determine what is more beneficial for the City.

b. Operations

Mr. Fields reported on the Capital Improvement Projects for FY14-15 and highlighted the following:

- City committed nearly \$10M for improvements this fiscal year
- Installation of new roof on the South Hall and Concourse building
- Carpet replacement in various sections of the facility at the cost of \$300K
- Upgrade of elevators and escalators
- Installation of Automatic Transfer Switches in South Hall
- Upgrade of the security surveillance system
- Upgrade of the electronic parking system
- Upgrade of air handling units in the 300 series meeting rooms
- Modernize the Theater
- Upgrade the dimming systems in Concourse Hall and meeting rooms
- Upgrade of air walls, restroom vestibules, and IT infrastructure

c. Financial

There was no update to report.

Item 5. Proposed Future Monthly Meeting Schedule -

The July 9th meeting will be canceled and resume on August 13th.

The meeting adjourned at 1:15 p.m.
