

# CITY OF LOS ANGELES

CALIFORNIA

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February 13, 2012

Office of the City Administrative Officer  
Request for Bids for an Economic Impact Analysis  
of the Proposed Downtown Stadium and Convention Center Project

Deadline: Monday, March 5, 2012 at 3:00 PM PST

The City Administrative Officer (CAO) requests bids for an economist or team of economists to analyze and report on the economic impact of the Event Center Project to the entire area of the City of Los Angeles, including the Valley and Harbor.

The proposed Event Center Project is located in downtown Los Angeles near the interchange of the I-10 and I-110 freeways. It includes the construction of several buildings near the Los Angeles Convention Center and demolition of the West Hall of the Convention Center. As proposed, a developer acting as a subsidiary of AEG will build a new Convention Center hall called "New Hall" contiguous to the current South Hall of the Convention Center and the new Event Center. To address the need for additional parking as well as to replace the parking spaces to be eliminated, AEG will lease two sites from the City and construct at its sole cost and expense two new parking facilities containing a total of 4,000 parking spaces. In addition, after tearing down the West Hall, the developer will construct a 70,000-seat Event Center which can accommodate NFL football, soccer, conventions and exhibitions, trade shows, concerts and other entertainment, convention and sporting events on the property where the West Hall is currently located.

The New Hall will be owned and operated by the City for Convention Center use. The new parking garages will be owned and operated by the developer. The developer will grant to the City the right to reserve dates for the Event Center and the new parking garages to be used for convention and exhibition events.

The developer will pay for the construction of the \$1.2 billion Event Center and AEG will lease the ground space underneath the Event Center from the City for 55 years. The City will issue bonds to finance the projected cost of \$275 million for New Hall. The bonds will be repaid over 34 years with new and incremental revenues generated from the project, including payments relating to signage in which the City will convey to AEG signage rights on the South Hall and New Hall of the Convention Center. The developer will pay debt service to the City in exchange for signage rights at the Convention Center and will retain all signage and naming rights for the Event Center. Details regarding financing and

payments for the Event Center Project are explained in the attached documents and more information is available from City staff.

Please provide the following information within 6 pages, single spaced, 12-point font, 1-inch margins:

1. Your firm's experience highlighting:
  - a. Analysis of the economic impact on cities, counties and/or regions due to the construction of large public or municipal facilities such as arenas, convention centers, stadiums or sports facilities.
  - b. Presentations of your findings to elected officials and dissemination of public information for review and comment.
  - c. Ability to perform economic analyses with transparency and independence, especially regarding the various Event Center Project stakeholders.
2. Description of what the economic analysis final reports or deliverables will include. This section of the proposal should explain what will be contained in the deliverables and should identify the targeted audience(s).
3. Fixed fee, staff and schedule. The proposal should identify the staff who will be involved, their role in the project and their hourly rates. The proposal should include a schedule to complete the economic analysis. The selected economist or team of economists will also be expected to present their reports and deliverables to City Council, Mayor and other City officials. Resources for this activity should be included in the bid. The final price and schedule for the Analysis will be negotiated by the City with the selected firm or firms prior to the execution of an agreement. A draft of the final report should be completed by Friday, June 1, 2012.
4. Description of the data to be collected, proposed methods of analysis and how the data will be reported.
5. Resources required from the City.
6. A statement regarding your firm's relationship to AEG and its subsidiaries or subcontractors, including contracts with any of these businesses for the last five years. Firms currently doing business with AEG or who have an ongoing relationship or investments with AEG are not eligible for this project, due to potential conflicts of interest.
7. Cover letter of transmittal signed by an officer or other person empowered to commit the proposer to the terms and conditions of the proposal.

When responding to the bid, and as part of your final report, your firm should review available documents related to the Event Center Project including, but not limited to, the following reports and legislation:

- Fiscal Analysis of Proposed Downtown Stadium and Convention Center Project by Conventions, Sports & Leisure International (CSL); July 22, 2011.
- AEG Event Center Proposal; February 16, 2011.
- Los Angeles Convention Center and Event Center Memorandum of Understanding; July 25, 2011 (staff report)
- Memorandum of Understanding between City of Los Angeles and Anschutz Entertainment Group, Inc.
- Council Motion: Council File 11-0023; January 5, 2011. Instructs the Chief Legislative Analyst (CLA) to form a working group and engage AEG in formal discussions concerning the Stadium Project, and requests AEG to submit its Environmental Impact Report (EIR) to the City at the earliest possible date.
- California State Senate Bill No. 292. Establishes expedited judicial review procedures and requires implementation of specified traffic and air quality mitigation measures under the California Environmental Quality Act (CEQA) for the proposed Stadium Project.
- Proposed Plan of Finance for New Hall by Public Resources Advisory Group (PRAG) and KNN Public Finance.
- City Negotiation Principles for Event Center Project by the Chief Legislative Analyst.
- Analysis of estimated growth for conventions by PKF Consulting USA; July 14, 2011.
- Summary of anticipated fiscal contributions of annual operations from the proposed AEG Special Events Center report by MR+E; July 15, 2011.
- City Budget Documents for 2011-12 located on the City's website at: <http://mayor.lacity.org/Issues/BalancedBudget/BudgetArchive/index.htm>

Factors to be incorporated in the economic impact study of the Event Center Project should include, but are not limited to, the areas in the list below. Your firm should add appropriate items based on your experience and what you believe will provide the best information to the City:

- Economic impact to the entire City of Los Angeles, including the Valley and Harbor areas.
- Review of whether the reduction in Convention Center parking revenue, the revenue that the Convention Center receives currently from its parking structures, is equivalent to or greater than the incremental parking tax on the 37 off-site lots identified and makes the City whole (known as the "Make Whole Payment").
- Economic impact of transportation changes related to the project, such as freeways (California Department of Transportation), parking, buses and rail (Los Angeles County Metropolitan Transportation Authority).
- Impact on hotel rooms citywide.
- Quantification of taxes and other direct and indirect revenues citywide.
- Quantification of costs to the City.
- Impact at 1, 5, 20, 30 and 55 years.

- Direct, indirect, temporary and permanent jobs to be created. The final reports or deliverables should discuss how the Event Center Project will impact job growth in the City of Los Angeles.
- Economic impact of potential legal issues and liabilities to the City due to delays in the project either during construction or after the Event Center Project is built. For example, the facilities may be finished but are not able to be used due to a labor stoppage.
- Discussion of spillover effects between the City and the rest of Los Angeles County and how the spillover will be managed.
- Economic findings from other municipalities where large public facilities such as arenas, convention centers, stadiums or sports facilities are planned or were recently built.

The selected economist or team of economists will be required to comply with the City's current Contractor Responsibility Ordinance and other City contracting requirements. In addition, the selected firm or firms will need to provide a copy of their Business Tax Registration Certificate (BTRC) from the City of Los Angeles Office of Finance.

Please note that the City does not pay for mileage, parking, travel, faxes, internal printing and copying or computer time, as these are part of the normal cost of doing business.

We will be choosing the Economic Analysis Team and reserve the right to form the team with any configuration from the qualified list. The most qualified firm or firms will be chosen based on the proposal, the fixed fee submitted and the specific information provided. Each responsive proposal will be evaluated for negotiation and selection in accordance with established City criteria.

A conference call for proposers will be held on Tuesday, February 21, 2012 at 10:00 AM PST. The phone number and access code will be e-mailed to all of the firms by Thursday, February 16, 2012. In addition, the CAO will provide access to related documents at the OEA website: [cao.lacity.org/oea](http://cao.lacity.org/oea). If firms have questions about the RFB, you may e-mail the questions to [cao.oea@lacity.org](mailto:cao.oea@lacity.org). The questions and the responses will be posted at the OEA website.

*All information is due by Monday, March 5, 2012 at 3:00 PM by e-mail and two hard copies delivered to our Office at 200 North Spring Street, Suite 1500, Los Angeles, CA 90012. Please send your response to Madeleine Rackley and Trina Unzicker at [cao.oea@lacity.org](mailto:cao.oea@lacity.org). If you have any questions, please contact Madeleine Rackley at (213) 978-3724 or [Madeleine.Rackley@lacity.org](mailto:Madeleine.Rackley@lacity.org).*

We look forward to hearing from you.