



This is a summary description of the anticipated the fiscal contributions of annual operations of the proposed AEG Special Events Center (SEC)<sup>1</sup> and expansion of the Los Angeles Convention Center (LACC). It reports on an analysis prepared by Metropolitan Research and Economics (MR+E) in July 2011 which established the revenue implications for jurisdictions affected by activities at the future facility.

The analysis considers two locations for impacts:

- 1) On-site impacts-- these are fiscal impacts that occur directly as result of activities that take place within the SEC and the expanded LACC.
- 2) Off-site impacts---Which are the fiscal impacts of activities that are directly related to events that occur at the new project but take place elsewhere in Los Angeles. These are not indirect effects or estimates generated by the use of a multiplier, but are impacts derived from activities that occur at the SEC and expanded LACC

Another important feature of this analysis is that it only focuses on net new incremental growth in activities at the LACC and it explicitly excludes revenues generated by activity at the current LACC facilities.

On an ongoing annual operating basis, the project can be anticipated to contribute over \$41 million in tax revenues in total from all sources both on and off-site. Total impacts by jurisdiction are forecast as follows:

- California<sup>2</sup> \$5,192,000
- Los Angeles County \$6,580,000
- MTA \$1,386,000
- City of Los Angeles \$22,072,000
- LAUSD / K-12 \$6,035,000
- Others \$491,000

---

<sup>1</sup> Also called Farmers' Field

<sup>2</sup> Sales tax only

A prior analysis on the economic impacts of the project, presented to the City of Los Angeles' blue ribbon commission in March, identified the following economic impacts:

- Construction of the proposed project would support over \$1.9 billion in economic output and more than 12,000 full time equivalent jobs over a four year period.
- Annual operations of the project can be anticipated to support over 11,000 total jobs, both on and off site –including jobs at area hotels, each year.
- A recent study by PKF indicates that the project can be anticipated to stimulate the development of over 3,000 new hotel rooms in Downtown Los Angeles.
- AEG currently generates approximately \$100 million in tax revenues based on its existing Los Angeles operations.

#####

#### *About MR+E*

Metropolitan Research and Economics (MR+E) is a Los Angeles based consulting firm concentrating in economic analysis related to urban planning, real estate and economic development. MR+E has completed assignments throughout the United States and internationally with a particular focus on California communities. The firm has worked in a broad variety of contexts from small towns and rural areas to major metropolitan centers.

MR+E advises public agencies, private firms and not-for-profit institutions throughout the United States and the world about the intricacies of urban planning economics, project feasibility, public-private partnerships, and community development strategies. Our principal's 20+ years of experience spans topics ranging from downtowns, redevelopment, zoning and entitlements, public facilities, impact analysis, development policy, public-private partnerships, and community revitalization.