

City of Los Angeles
Office of Economic Analysis

Questions and Answers
NBC Universal Evolution Plan Alternative 10 Request for Bids

Note: Please email us any questions you have that are not answered here (cao.oea@lacity.org). We will add the question and answer to this document and email all potential bidders when it is updated.

1. Q. For the peer review, do you want us to replicate the HR&A analysis, including review of all the supporting data? For example, should we validate land use revenues?

A. Without completely redoing the HR&A analysis, the City would like your firm's opinion on the following: 1) Are there any apparent biases in the HR&A analysis in favor of the developer? 2) Are there any important issues that should have been included in the HR&A analysis that were not? 3) Should HR&A have included any additional data sources/types than it did? 4) Did HR&A use the data from its sources in an appropriate manner? 5) Without fully auditing the data identified in the HR&A reports, spot check a sufficient amount of it to make a reasonable determination that it is accurate. 6) Does your firm have any conclusions different from those provided by HR&A?

Note, the HR&A analysis includes its data sources in tables at the end of the September 17, 2012 report. For the purposes of the peer review, rely on these data.

It should also be noted that the City has not predetermined whether the HR&A report(s) are inaccurate and/or biased or accurate and/or valid. Because they were compensated by the project developer, the City has a fiduciary responsibility to have the reports professionally evaluated by an outside consultant and to have its own fiscal analysis of the project performed.

2. Q. Is there a sample of a Fiscal Analysis or format that the City would prefer?

The City does not have a template for a Fiscal Analysis report. We would appreciate any creative thinking you may have on the presentation of the analysis in addition to the analysis itself. Because the audience for the report is so varied, the information will need to be presented in an easy to understand format--without sacrificing necessary detail. The audience will include: City elected officials and policy makers, City staff, the public, economists if/when a follow up annual report is necessary, and the Local

Agency Formation Commission for the County of Los Angeles (LAFCO) if the City agrees to the project's proposed boundary changes.

We do expect the analysis will include an executive summary that will provide a brief, high-level explanation of your findings relative to revenue neutrality, tax and revenue implications to the City, the potential costs and impacts to City Departments from the Plan for Municipal Services, and the results of the peer review. Easy-to-understand charts and tables to summarize these data will be helpful.

Thereafter, we will work with the successful bidder to define how to organize the more detailed results of your analysis. The major parts of the analysis include the peer review, current baseline, change to baseline after opening of the new attraction, the 20-year impacts of the project, the Plan for Municipal Services, and the supporting data necessary to validate your findings and recommendations. Any recommendations on how to structure these detailed reports that you provide in your bid should include a proposed order, logic, and assumptions in recommending such an order.

Note, the City will meet with the successful bidder prior to commencing work to discuss the work plan and more fully outline the structure of the report.

3. Q. Should our analysis focus on just the new attraction or the attraction and the 20-year projection?

A. The first priority of the City is to determine if/when the project will be revenue neutral, so establishing the current baseline of City costs/revenues and the revenue and costs in the year following the opening of the new attraction are most important. Additionally, the Plan for Municipal Services is critical to the annexation process and determining revenue neutrality, so that is equal in importance to the above analysis. The City is also interested in the total impact of the full project over the 20-year time period and the peer review.

4. Q. Should we incorporate a larger analysis and include the impact of the project on other special districts in our analysis?

A. You should include any direct and induced economic impacts on City revenues and costs that can be tied to the project. If those impacts include special districts within the City of Los Angeles, they should be included. Evaluation of the Plan for Municipal Services should include impacts on City departments that would be affected by annexation.