Los Angeles, California

LOS ANGELES CONVENTION CENTER

TECHNICAL ASSISTANCE PANEL (TAP) PROGRAM

AUGUST 2013
ULI Los Angeles Mission Statement
At the Urban Land Institute, our mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI Los Angeles, a district council of the Urban Land Institute, carries forth that mission as the preeminent regional real estate organization providing inclusive and trusted leadership influencing public policy and practice.

About the ULI Los Angeles Technical Assistance Panels
In keeping with the Urban Land Institute mission, Technical Assistance Panels are convened to provide pro-bono planning and development assistance to public officials and local stakeholders of communities and nonprofit organizations who have requested assistance in addressing their land use challenges.

A group of diverse professionals representing the full spectrum of land use and real estate disciplines typically spend one day visiting and analyzing the built environments, identifying specific planning and development issues, and formulating realistic and actionable recommendations to move initiatives forward in a fashion consistent with the applicant’s goals and objectives.

Client, Panelists and ULI Staff

TAP Client
City of Los Angeles

Panel Chair
Alex Rose
Senior Vice President, Continental Development Corporation

Panelists
Ronald Altoon
Partner, Altoon Partners

Greg Ames
Managing Director, Trammell Crow Company

Austin Anderson
Partner, ProForma Advisors

Bruce Baltin
Senior Vice President, PKF Consulting

Peter Belisle,
Chairman, Project and Development Services, Jones Lang LaSalle

Vincen Bertoni
Planning Director, City of Pasadena

Ed Shaw,
Associate Principal, Entertainment + Culture Advisors

Pat Gibson
President, Gibson Transportation

Dick S. Kaku
President, Kaku Associates Inc.

ULI Los Angeles Project Staff
Gail Goldberg
Executive Director, ULI Los Angeles

Christine Aure Susa
Director, ULI Los Angeles

Matthew Severson
Associate, ULI Los Angeles

Report Editor
James Brasuell
Analyst

Larry Kosmont
President and CEO, Kosmont Companies

Sandra Kulli
Principal, Kulli Marketing

Rick Newman
President and CEO, Lowe Enterprises Real Estate Group

Bob Newsom
Office Leader, HNTB

Todd Pennington
CEO, Pennington & Company

Renata Simril
Senior VP External Affairs, LA Dodgers

Steven Spickard
Land Economics Consultants
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Executive Summary

Assignment and Process
On September 28, 2012, the Los Angeles City Council approved a public-private project designed to significantly improve the Los Angeles Convention Center (LACC) and bring the National Football League (NFL) back to Los Angeles. The Farmers Field Event Center proposed by Anschutz Entertainment Group (AEG) leveraged significant new revenues to allow the city to expand and renovate the LACC, encourage the construction of new hotels in the region, improve the city’s streetscape and transportation infrastructure, and return professional football to Los Angeles. This agreement is contingent upon AEG securing an NFL team by October 2014.

Events over the past months—the potential sale of AEG and the passing of this year’s deadline for NFL teams to express an interest in moving to Los Angeles—have raised concerns about whether AEG will meet the October 2014 deadline. While the city of Los Angeles continues to support the AEG project as their first choice in redeveloping the convention center property, caution requires a study of alternative development potential so that LACC renovation can proceed expeditiously in the event that the Farmers Field project is not consummated.

To that end, the city of Los Angeles (city) has asked the Urban Land Institute’s Los Angeles District Council to make a preliminary study of criteria and considerations that could guide the evaluation of alternative development proposals for the LACC West Hall site and enable the city to achieve its stated objectives for the expansion and enhancement of the facility. ULI has used a modified Technical Advisory Panel model for this report, meeting over a two-day period instead of the customary one-day format, focusing primarily on alternative development proposals for the site and surrounding uses.
Key Questions
The city of Los Angeles requested that the TAP identify development opportunities for the LACC West Hall Site that will both enhance the marketability of the LACC and potentially support the expansion of the LACC facility, focusing especially on answers to the following questions:

1. WHAT ISSUES AND OPPORTUNITIES ARE IMPACTING THE REDEVELOPMENT OF THE LACC SITE?
   a. How does the site relate and respond to the existing and emerging communities near the site?

2. IF THE WEST HALL REMAINS ON THE SITE:
   a. What is the range of uses that could be integrated into the site?
   b. What alternatives exist for different combinations of uses?

3. IF THE WEST HALL IS DEMOLISHED:
   a. What is the range of uses that could be integrated into the site?
   b. What alternatives exist for different combinations of uses?

4. WHAT CONSIDERATIONS AND CRITERIA SHOULD BE USED TO EVALUATE THE ALTERNATIVES?

5. WHAT ARE THE FEASIBLE ECONOMIC TOOLS THAT COULD BE USED FOR ANY REDEVELOPMENT?

Major Conclusions
The TAP recommends a vision for the future of the Los Angeles Convention Center that will embody the best of Los Angeles’ international brand, taking advantage of the region’s unparalleled climate by creating outdoor spaces and bringing natural light into the building itself, while celebrating the diverse local cultures and leveraging the many industries and businesses that call the city and the region home. The TAP’s vision for the LACC will not make it the largest facility in the country, but an aesthetically distinct facility capable of attracting 98 percent of national and regional conventions—Los Angeles currently competes for those exhibitions and meetings with major cities such as San Diego, San Francisco, Anaheim, Las Vegas, Dallas, Chicago, New York, and Washington D.C. Another important part of the TAP vision is to seamlessly integrate the LACC into both the adjacent L.A. Live campus and the evolving neighborhoods of Downtown Los Angeles.

Throughout its two-day process, the TAP panel referred to AEG’s plans for an NFL stadium on the current site of the West Hall as the city considers it: Plan A. The TAP panel was assigned the task of formulating Plan B: what the city should do if the AEG deal is not consummated as currently agreed and approved. To formulate a thorough Plan B, the TAP panel’s recommendations focus on three areas: 1) marketing (i.e., identifying the opportunities, demand drivers, and other relevant matters which affect development of a strategic and tactical plan), 2) planning and design (i.e., translating opportunities and demand drivers into physical ideas and concepts), and 3) implementation (i.e., the methods and tools to accomplish the city’s goals for the convention center). The TAP panel stresses that the city should keep Plan B simple, enhancing the LACC to modern, competitive standards and guiding complimentary development and investment in the adjacent district and neighborhoods.

The panel’s recommendations for marketing would build on the advantages and successes of Los Angeles as an urban and natural environment, as a tourist destination, and as one of the world’s largest and most diverse economies. To do
so requires that the city rethink the role and function of the LACC campus to differentiate it from competitors. Also, the LACC can do more to serve as a regional hub, drawing people and businesses to the campus in new ways, but also doing a better job of serving as the jumping off point for visitors and businesses to explore other attractions, amenities, and opportunities throughout the metropolitan Los Angeles region. For its planning and design recommendations, the TAP panel recommends that the city focus primarily on upgrading the convention facility and expanding the stock and spectrum of hotel rooms within a half-mile walk from the LACC. 

New convention center facilities should be architecturally significant, technologically advanced, and flexible enough to accommodate almost any kind of convention or exhibition arrangement. To that end, a properly designed, sufficient number of meeting rooms and a large, contiguous exhibition space are absolutely critical. Additionally, the LACC should provide a gathering place for local communities of individuals and businesses. Weaved throughout the new hotel stock necessary for the success of the LACC, the city should also invest in improving the already existent multi-modal transportation infrastructure that already benefits the area. The sports and entertainment district that includes the LACC, L.A. Live, the Staples Center, and adjacent hotels, should integrate seamlessly into the surrounding neighborhoods.

Finally, for the implementation of this new vision, the TAP panel recommends a new governance structure for marketing and operations of the LACC. A stronger management structure—such as a Joint Powers Authority or private leasing and management arrangement—would enable strong, unified efforts on marketing, operations, and financing.

The TAP panel stresses that some of the Plan B presented by this report should still be implemented whether or not Plan A does in fact come to fruition. In addition to the unprecedented benefits of the public-private partnership between the city of Los Angeles and AEG, much more is left to be done to make sure that the future of the LACC is as vibrant and successful as it has the potential to be.
ULI’S TECHNICAL ADVISORY PANELS

TAP Process
Prior to the TAP, ULI panel members met with representatives from the city of Los Angeles and local stakeholders to determine the scope of the panel assignment. ULI selected panel members with practiced and professional skills that address the stated objectives for the TAP as provided by the city of Los Angeles. Panel members reviewed background materials prepared by the city of Los Angeles prior to the TAP.

The TAP process is usually a day-long event, but given the city’s desire for a thorough study of the challenges, and possible solutions, presented by the Los Angeles Convention Center, this TAP lasted for two days. On the first day, panel members toured the study area with representatives and later met with key stakeholders. On the second day, panelists worked through an intensive analysis on the specified issues before presenting their findings to the general public and program sponsors at a hearing of the Los Angeles City Council’s Ad Hoc Committee on the Downtown Stadium and Convention Center Renovation.

TAP Panel of Experts
ULI convened a panel of professionals representing a variety of disciplines connected to land use and real estate development, such as architecture and design, real estate development, economic analysis, and development financing. The ULI selected panel members with the intent to convene a robust array of professional expertise relevant to the city’s objectives for the study. ULI also selected panel members with a working knowledge in the sectors of business, the real estate market, and the design typologies common in the study area. All panel members volunteered to participate in the panel process and did not receive compensation for their work.
Area Description

A familiar sight to all Angelenos, the Los Angeles Convention Center sits at the edge of Downtown Los Angeles and at the confluence of two of the region’s busiest freeways—the I-10 and I-110. As it currently exists, the LACC resembles an island in an otherwise active and vibrant urban scene. One reason for the isolation of the facility is its adjacency to the 110 Freeway, which creates a barrier between the facilities and the neighborhood to the west. To the South of the LACC, the 10 Freeway cuts it off from neighborhoods that include cultural amenities like Exposition Park, the Museum of Natural History, and the University of Southern California. To the north, L.A. Live is busy with sports, entertainment, and dining activity throughout the day and evening hours. In comparison to L.A. Live, however, the LACC often appears dormant and inactive.

Despite its dormant and inactive appearance, the LACC has been a catalyst for the development of a great deal of supportive infrastructure. Access via surface streets is plentiful: Olympic Boulevard is the main east-west thoroughfare connecting West L.A. to Downtown, Figueroa Street is a major connection from the Exposition Park Neighborhood to the south, and Flower Street is the most direct path from the central business district to the north. Transit access is also plentiful, with direct access from city, county, and regional bus lines, and a light rail stop on the Expo and Blue Lines at Pico Boulevard and Flower Street. Figueroa Street is expected to see a major increase in transit volume after the completion of the Expo Line and Regional Connector projects and the MyFigueroa project, which will implement the city’s first separated cycle track between USC and L.A. Live.

Downtown Los Angeles is in the midst of one of the greatest urban revivals in the country. Over the past decade, tens of thousands of new residents have moved to neighborhoods in Downtown, including to neighborhoods like South Park, immediately to the east of the LACC. In South Park, new buildings built to the highest environmental standards mix gracefully with historic building stock and streetscaping that favors pedestrian activity. With new restaurants and retail opening seemingly every week, Downtown has become a beloved home to its residents, as well as a 24-7 shopping, dining, and entertainment destination for the region.
Context and Background

Despite the resurgence of Downtown Los Angeles, the LACC has languished as a subpar convention and event venue. The reasons for the LACC’s lack of performance are several, but they are principally due to inadequate facilities on site and a lack of sufficient and appropriately scaled and configured hotel rooms within walking distance of the LACC campus. Most notably, the LACC suffers an insufficient amount of contiguous square footage of the main convention space (currently 741,200 square feet of total space and a maximum of 346,900 square feet of contiguous space) and a lack of hotel rooms within proximity to the convention center. The current, outdated spaces and the need for proximate hotel rooms present the LACC with a chicken and egg challenge: i.e., each component needs the progress from the other to move forward with development. AEG’s recent addition of the J.W. Marriott and Ritz Carlton at L.A. Live began to address part of this deficiency, but only in part. Further adding to the momentum of the hotel development market are two hotels currently under construction in the area: a Courtyard and Residence Inn across Olympic Boulevard from the north side of L.A. Live and the Wilshire Grand at the corner of Figueroa Street and 7th Street, a half mile to the north. These facilities will be complete in 2014 and 2017, respectively, adding more, but not all, of the requisite increase of hotel room stock in the area.

The approved Farmers Field Stadium agreement replaces the West Hall with an NFL stadium that doubles as the state-of-the-art, competitive convention hall the LACC currently lacks. If that deal is not consummated, the city stands to lose the benefit of the expanded and enhanced convention facilities and may also lose many of the other investments AEG had agreed to take on as part of the agreement (a significant investment to expand the Metro light rail stop at Pico and Flower as an example).

Meanwhile, the neighborhood of South Park is ripe for development. Developers are holding many entitled parcels, waiting for signals about the future of the convention center, before proceeding with development plans. With multiple residential towers currently under construction, the area is likely to add even more restaurant and entertainment options. While these developments are important to the continuing urban revival of Downtown Los Angeles, it is also important to ensure that development adjacent to the LACC campus augments and does not constrain the city’s ability to add needed meeting, exhibition, and hospitality facilities. If the city hopes to fully leverage its existing and future investments in the LACC with the investments ongoing in Downtown, the time to act is now.
Development Opportunities Assessment

Observations—The Good

The Los Angeles Convention Center has many advantages working in favor of its success in the national convention industry. First is its central location in the Southern California regional market—home to some 12 million people—and at the nexus of the region’s largest freeways and highest capacity transit lines. Two airports, Los Angeles International Airport and Bob Hope International Airport are also convenient to the LACC, again expanding the facility’s reach. No less significant an advantage is Los Angeles’ established international brand as the home of sunshine, beaches, and Hollywood. Tourism is a powerful regional economic driver—tourists added $15.2 billion to the Los Angeles economy in 2011.

Two of the more contemporary narratives about Los Angeles also represent significant advantages for the success of the LACC. Los Angeles continues to evolve as a worldwide center for creativity and innovation. Beyond Hollywood—and as the aerospace industry has continued to shrink its role in the regional economy—a new generation of tech start-ups and design firms have kept the business culture of Los Angeles on the map as one of the most entrepreneurial and forward-thinking in the country. Private sector interests from all over the world continue to come to Los Angeles for opportunities to partner with, and learn from, the best and brightest business and creative minds in the world.

Another new narrative is that of Los Angeles’ revitalized urban core. There’s something for everyone on the doorstep of the LACC: sports and entertainment, unique culinary experiences, historic buildings, post-modern architecture like the Disney Music Hall designed by L.A.’s own Frank Gehry, museums, and a beautiful civic center. The opportunity to seamlessly integrate the LACC into the urban fabric of Downtown Los Angeles would benefit both the LACC and its neighbors. Los Angeles’ shift toward urbanism includes a significant investment in its public transportation system. Two investments in particular will have a game changing impact on transit in the region: Phase II of the Expo Line, which will build the line to Santa Monica, and the Regional Connector, which will make it easier for transit users from throughout the county to travel to and through Downtown. The new transit capacity will make it easier to travel to and through Downtown, making the LACC and its surrounding sports and entertainment district a natural departure point to explore all that the region has to offer.

Finally, the LACC site itself is rich in available land and land use controls. The size of the site gives a great deal of flexibility to any plans for development on the site, and given the city’s ownership of the site, there are no shortage of options for the future enhancement of the LACC.
Observations—The Challenges

Given those numerous and powerful advantages, why is it then the existing Los Angeles Convention Center falls short of its competitors in the convention market that share nowhere near Los Angeles’ number of natural advantages?

First is the obsolescence and poor condition of the current facilities. The LACC currently lacks a sufficient number of meeting rooms outfitted with the latest in meeting and collaboration technology. The larger convention spaces in the South Hall and West Hall total well below the industry standard in contiguous square footage. Even if the spaces in each of the halls were contiguous, the total would not rise to the level of competitors like San Francisco, Chicago, San Diego, Las Vegas, and even nearby Anaheim. The larger spaces of each hall also lack the newest technology in conference and event production that convention attendees require.

The user experience of the convention center is confusing due to poor way finding and a disjointed layout. The facility also has a surprising (given the climate of the region) lack of outdoor and socialization space, making the facility feel hermetic and cold, rather than open and active. There is a limited, and sometimes complete lack, of transparency between indoor and outdoor spaces, disconnecting the LACC from the surrounding neighborhood and street life and creating a “fortress” character to the campus.

A lack of hotel facilities proximate to the site is an oft-cited cause of the LACC’s poor performance. Beyond a place for conference attendees to rest, hotel programming includes a lot of facilities helpful to conference planners, such as meeting rooms, dining rooms, and outdoor reception areas. Also, a dearth of hotel room inventory causes a lack of price point and product segment diversity, meaning that potential conference attendees can easily be priced out if they aren’t provided discount options. Lack of access to the region further represses the LACC’s ability to leverage its presence into more significant economic development, revenue, and job creation results.

When convention visitors are ready to explore the region’s destinations, the LACC and its neighbors do not do a good job inviting them to explore. Many convention attendees never access the many opportunities and attractions available to them throughout the region by foot, train, bus, or bike because of poor visitor service and way finding.

Market Analysis

The TAP panel acknowledges that the national convention market is not expanding as fast it has in the past, while quickly evolving in this era of innovation in information exchange technology. However, Los Angeles must still have a stronger and leading edge presence in the convention and meetings market. The LACC is part of a larger destination, and the TAP panel believes that the strengths of Los Angeles as a major national and worldwide destination make it an ideal fit to lead the national convention business. Los Angeles is an easy sell on climate, media exposure, the size of the regional population (the more local attendees you can have the better), air lift capacity, and its relationship to the Pacific Rim.
Los Angeles Convention Center

Technical Assistance Panel

Los Angeles City Planner Kevin Keller tells the TAP about the planning regulations in place for the neighborhoods surrounding the convention center.

The panel’s analysis also made explicit the correlation between proximate hotel stock and the success of competitor convention centers. Other cities are getting five or six times the economic benefit from their convention centers as that achieved by Los Angeles—despite the advantages in amenities gifted to Los Angeles (again, as an example: climate, air lift capacity, and local population). Although about 3,000 hotel rooms are in various stages of the development pipeline (200 rooms at Residence Inn L.A. Live on Olympic Boulevard and 174 rooms at the Courtyard by Marriott L.A. Live on Olympic Boulevard, both due to open in August 2014; 450 rooms at the Renaissance Hotel at L.A. Live on Olympic Boulevard and Georgia Street, due to open in 2016; 550 rooms at the Hilton proposed for Olympic Boulevard and Grand; 1,100 at the IDS site at 8th and Francisco; and 900 at Wilshire Grand at 7th and Figueroa, due to open January 2017), many of those units will need a positive indicator about the future of the convention center before they come online. Even then, the TAP panel estimates that between 3,000-5,000 hotel rooms are needed for Los Angeles to fit the needs of 98% of all conventions. If the target is to capture 90% of business, the LACC should accommodate 600,000 SF of space.

After examining Los Angeles’ direct competitors, the TAP panel has found that building the LACC to accommodate up to 800,000 square feet of contiguous space would provide the opportunity to capture 98 percent of potential convention business. While it is physically possible, and appears to be competitively advantageous, to provide more contiguous space (one million square feet is often cited as an appropriate benchmark), the panel does not believe building to that size is necessary or appropriate. The city does not need to measure the success of its expansion or renovation solely by the size of the facility, where incremental differences in size do not produce an exponentially larger benefit. Rather, incremental spending should focus on building a convention center that contains all the necessary technology, meeting space, and user features necessary to exceed that offered by the city’s competitors.

### Space and Hotel Room Night Comparison for Select California Convention Centers

<table>
<thead>
<tr>
<th>Space</th>
<th>Total Space</th>
<th>% of LA</th>
<th>Total Contiguous Space</th>
<th>% of LA</th>
<th>Room Nights</th>
<th>% of LA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>719K SF</td>
<td>347K SF</td>
<td>275K</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td>526K SF</td>
<td>526K SF</td>
<td>750K</td>
<td>273%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anaheim</td>
<td>814K SF</td>
<td>670K SF</td>
<td>365K*</td>
<td>133%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>738K SF</td>
<td>261K SF</td>
<td>810K</td>
<td>295%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* understated

The Los Angeles Convention Center is substantially outperformed by smaller cities in California. The panel recommends the LACC accommodate 800,000 SF of space. 800,000 SF would capture 98% of all potential convention business. If the target is to capture 90% of business, the LACC should accommodate 600,000 SF of space.

### Total Rooms within ½ mile

<table>
<thead>
<tr>
<th>Space</th>
<th>Total Space</th>
<th>% of LA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>1,532</td>
<td></td>
</tr>
<tr>
<td>San Diego</td>
<td>8,281</td>
<td>541%</td>
</tr>
<tr>
<td>Anaheim</td>
<td>6,908</td>
<td>451%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>12,475</td>
<td>814%</td>
</tr>
</tbody>
</table>

The hotel inventory within ½ mile of the LACC is too small to be competitive. The panel estimates 3,000-5,000 hotel rooms are needed for Los Angeles to fit the needs of 98% of all conventions.
Changing the Narrative of the Los Angeles Convention Center

Convention Center/Creative Center
The TAP panel believes that any improvements to the Los Angeles Convention Center should build on the region’s strengths as a center for creativity, innovation, and entrepreneurialism. Some of that goal will be achieved by building technology advancements into the modernized facility, whatever the size and scope of the renovation. That means building in flexibility to make constant upgrades to keep pace with the ever-changing meeting and exhibition technology standards. The convention center should also leverage technology as a tool to foster creativity and innovation beyond just meeting support—perhaps in creating consumer showcase opportunities, business to business opportunities, and partnerships in research and development and academic research. The convention center should be a place where business comes to celebrate and to share, but also a place where business comes to work, by leveraging the very best meeting and collaboration technology available.

Portal to the Region
The theme of isolation continues to the physical relation of the LACC to its surrounding neighborhoods and the region as a whole. Many convention attendees never venture far from their method of transportation between the hotel and the convention site. A critical step in improving the LACC experience should be to improve the physical connections to the many environments, neighborhoods, attractions, and activities of the Los Angeles metropolitan area. The LACC should be a portal or a jumping off point to the neighborhoods, beaches, mountains, parks, cultural attractions, and other destinations that make Los Angeles great. As described above, the LACC already benefits from terrific access to every mode of public and private transportation, yet very little effort on site is devoted to directing visitors to the convention center outward to the greater Los Angeles region.

Partnering with the Private Sector
The LACC functions separately from the business environment of the region. The TAP recommends changing the culture of operations to make the LACC more of a partner to local and regional businesses, rather than an island in the sea of the Los Angeles economic and business environment. In the same spirit of making the LACC a creative, entrepreneurial center, so too should the convention center look to partner with growth businesses for mutual benefit. To the maximum extent possible, the LACC should explore new ways to partner with businesses in technology, healthcare, entertainment and media, and education, especially major universities located in Los Angeles.

On-Site User Experience
Many of the panel’s recommendations about changing the narrative of the LACC begin and end with the user experience on site at the LACC. The TAP recommends a change in the culture of LACC employees—to make each an “ambassador” of Los Angeles and the convention center. Each event should be treated like it’s the Olympics: where visitors are welcomed with smiles, and LACC staff provides helpful and necessary information to make the visitor experience memorable and valuable. Every care should be taken to present a cohesive and positive branding of the Los Angeles experience and to provide convention attendees with concierge services that make it easy for them to access regional amenities.
Los Angeles Convention Center Technical Assistance Panel

Physical and Design Improvements

Neighboring Uses
The TAP panel recommends that the city focus on delivering improvements to the surrounding neighborhood to supplement its investment in the LACC. As an overall theme, the city should look for ways to supplement the placemaking efforts of L.A. Live to expand the emerging sports and entertainment district. Nearby hotels and retail should be considered part of an extended campus of the LACC, and the city should look for ways to seamlessly and naturally integrate the footprint of the LACC district into surrounding hotels, plazas, gathering spaces, restaurants, walkways, retail offerings, and transit portals, and then out into the surrounding neighborhoods.

Just as visitors to the LACC should benefit surrounding neighborhoods by venturing out to patronize restaurants, stores, and other locations, so too should the day-time work force and residents of Downtown Los Angeles find more enticements to visit the convention center district. Recent and forthcoming investments to the transportation infrastructure, like expanded light rail capacity and the Downtown Streetcar, are promising. The uninviting state of the light rail station at the corner of Pico and Flower is a good example of the work left to be done to make these facilities friendlier and easier to use. Moreover, the city must invest in streetscape and pedestrian improvements to make it easier and more pleasant to walk from the central business district, located a half-mile to the north, down to the LACC.

Second, to the greatest extent possible, the city must prioritize the development of hotels within a block or two of the LACC site. Although there are currently about 3,000 hotel rooms in various stages of the development pipeline within proximity to the LACC, there are several opportunity sites next to the LACC site that could potentially be developed for additional hotels. Across Figueroa, for instance, on the two blocks between 11th and Pico, sit large parcels currently entitled for mixed use residential and retail. An investment by the city in the LACC and a seat at the table in planning how to integrate these sites into the programming of the new LACC must be part of the city’s mandate and strategy for LACC enhancement. The panel recommends that the city influence to whatever extent possible the development of those properties as hotels, or mixed-use hotel, retail, and dining. Key “outside the meeting space” amenities are critical to both meeting and convention marketing as well as creating a vibrant streetscape and destination for Downtown Los Angeles businesses and residents.

An accompanying image illustrates the TAP panel’s recommendations about how surrounding parcels can best achieve the goals of improving and expanding the sports and entertainment district, with the LACC as a critical component, while simultaneously and appropriately integrating those uses into nearby residential and commercial neighborhoods: Across Figueroa Street the TAP panel has imagined three hotels and complimentary retail, bisected by courtyards and diagonal pedestrian walkways. The diagonal walkways create easier access between the light rail station, the proposed...
hotels, and the LACC—diagonals make it more convenient to travel from one part of the district to any other. The diagonals also have the benefit of creating more frontages—i.e., more places for visitors to engage with a vibrant built environment.

Part of the concern with the parcels that front Figueroa Street to the west is that the eastern side of the block amounts to a dead edge created by the emergence of the Expo/Blue line tracks from underground. Also, Pico Boulevard is defined by heavy vehicle traffic, making that street less of a destination for leisure and shopping activities. Development on these blocks should focus toward the west, helping to activate the space in front of the LACC’s South Hall and create a lively commercial and hotel corridor along Figueroa Street. The TAP panel recommends that the northeast corner of the southern block and the southeast corner of the northern block are optimal locations for additional hotels. Those are the dark, quiet sides of those blocks. Lively retail activity should be located along the western and northern faces of those blocks. One parcel to the north, north of the corner of 11th Street and Figueroa Street, the TAP recommends a smaller boutique hotel and cafes. A quieter, interactive space, with interior courts away from automobile traffic, would break the scale of the LACC down to the scale of the neighborhood. Finally, the TAP recommends two new hotels off of Chick Hearn Court. The first has an outdoor plaza that connects at grade to the Nokia Theater and the L.A. Live Plaza. Second is directly across from Chick Hearn Court—a square tower with eight corner units to make efficient use of the vantage point and a low piece for ancillary uses like meeting rooms and smaller event spaces—all on top of the existent parking garage.

The structures and amenities of the extended footprint of the district surrounding the LACC should create the feeling of a village for the enjoyment of events, sports, entertainment, hospitality, and dining.

Concept Plan

Compared to the village feel of the surrounding district, the LACC buildings should continue the architectural theme they already achieve: disciplined, institutional, formal, and axial in composition. The programming of the LACC, however, requires an overhaul in nearly every regard.

A key question explored by the panel was whether the city’s Plan B for the convention center should strive to achieve “giant” status (i.e., outdoing its competitors on the national convention center market by building to a greater square footage) or “jewel” status (i.e., focusing on making the convention the “best” facility in terms of amenities and design components for a carefully defined target list of meetings, exhibitions, and conventions, rather than just “the largest”). The panel recommends a design that will not make it the largest facility in the country, but a beautiful, unique facility capable of attracting 98 percent of conventions while embodying the best of Los Angeles’ international brand.

The panel recommends a phased approach to Plan B. The first phase would include the construction of 300,000 square feet of convention and meeting rooms in the “Pico Hall,” contiguous to the existing South Hall. Construction of the Pico Hall would allow the West Hall and its parking structure to stay open during construction. The convention floor of the new facility would be at grade with the South Hall, building over Pico Boulevard much like in the current AEG-proposed scheme. On the accompanying “Context Plan” drawing, additional meeting rooms are represented by purple. These rooms would be built on the ground level and the level above, but all of them would draw on natural light, either through the facility hallways represented in yellow on the Concept Plan, or from outside, represented by the green cut outs shown on the north side of the West Hall. Building the Pico Hall to these specifications would meet the requirements of square footage necessary for the LACC to compete for most of the convention center business in the country.

The space marked by blue on the Concept Plan is a new, 60,000-square-foot ballroom on the second story (visitor information and LACC offices could be located below on first
The ballroom should be the jewel box and front door to the LACC—it creates a gathering place for the visitors and locals to gather and celebrate the Los Angeles experience with class (as well as provide a source of incremental revenue in the operation of the LACC). The proposed circulation elements, represented in yellow on the Concept Plan, allow convention attendees to move from any convention space to the ballroom and vice versa. These circulation elements should flow naturally off-site while providing direct connections whenever possible to L.A. Live and (existing or future) hotels, retail, and restaurants located adjacent to the LACC campus.

The yellow circulation element begins and ends at a glass entryway/escalator that quickly brings visitors up to the convention level or down to the street level. The shape of the entryway would mimic the share of the iconic South Hall, and would also provide an obvious and grand connection to the gathering of pavilions in the outdoor space in front of the ballroom. On the concept plan, the panel has represented these pavilions as geometrically abstract shapes to represent the creativity and formal innovations of Los Angeles. Possible uses for these pavilions include shops, among other options, from movie studios, a “taste of L.A.”-themed culinary experience, representations of the cultural districts of L.A., or a location to buy tickets to the Hollywood Bowl, the L.A. Philharmonic, or any of the region’s great museums, theme parks, and sports and entertainment venues.
The concept plan also shows green outdoor space representing gardens—well-maintained outdoor spaces that draw visitors out of the convention center as well invite traffic in from L.A. Live across the street. These outdoor garden spaces are a component—along with the ballroom, the use of natural light throughout the building, and the outdoor pavilion—that will blur the boundaries between indoors and outdoors throughout the building. Southern California’s design community invented the type of modernist architecture that opened buildings to the surrounding environment. Those principles, which embody the Los Angeles experience—born of the region’s year-round temperate climate—should be employed whenever possible to take advantage of the regional climate and as a point of differentiation for the LACC site. Indoor-outdoor experiences would not be as possible in Chicago and New York, for instance.

Also visible on the Concept Plan is a round structure to the north of the West Hall that should be built as an iconic structure that announces the presence of this grand facility to the adjacent freeway.

A later phase of construction would allow a revision of the West Hall, reusing as much of the existing hall as possible. Construction loads would have to be tested, but the panel’s estimation are that such a renovation is possible and an efficient and feasible upgrade to supplement the construction of Pico Hall.

Both drawings accompanying this report devote significant attention to the many view corridors that render this facility so conspicuous from surrounding freeways. The view corridors provide unparalleled identity opportunities to the project, and should be considered in any construction program for a revamped LACC. For instance, for traffic heading eastbound toward Downtown on the I-10, there is a center line view of the existing South Hall. That view creates an amazing presence for the convention center and the city of Los Angeles as a welcome to Downtown on what is already an architecturally handsome building. Another view corridor is provided travelling northbound on the I-110. There, the first view of the building is when it’s already on top of you, providing a grand vista and exposing the scale of the facility. Heading southbound on the I-110, the LACC should add a promotional feature—perhaps the icon described earlier in this section—to capture the eye of passersby as they clear Olympic Boulevard and theater visible on the corner there.

The parking shown on the west side of the facility represents the existing parking facility. The panel recommends that existing parking should be supplemented by a parking facility that covers the road. The new facility should be at grade, plus two or three levels at about four aisles wide to add the necessary capacity. As a rule of thumb for deciding the size of the new parking facility, once the size of the revamped LACC has been determined, total occupancy load should be divided by 3-3.5. Also, an assumed number of guests arriving by transit can be taken off the top of the total occupancy load before making the calculation.
Implementation

Articulating a Clear Vision

The first step in implementing an ambitious schedule of improvements for the Los Angeles Convention Center is to articulate a clear vision for the facility’s future. The city should make strong decisions and communicate the benefits and rationale of those decisions to the public. Among the concepts that should be clearly described: on-site and neighboring uses, financing mechanisms, design and plan choices, hotel development plans, community and transit connections, and a clear branding and messaging campaign regarding the LACC’s role in the regional tourism industry. The panel has presented the city with a multitude of ideas and rationale upon which to construct the LACC enhancement project’s vision and objectives.

Establishing Clear Management Structures

Necessary at every step of the enhancement of the LACC will be an effective governance structure with the power to control marketing, delivery, and operations. The management structure of the LACC must have the authority to respond to market and the evolving meeting, exhibition, and tourism support requirements; to adjust pricing for seasons, competition, etc.; and to negotiate during business development processes. In the current arrangement, the Los Angeles Convention and Exhibition Center Authority is subject to the discretion of the City Council and a variety of appointed bodies—an arrangement that produces inconsistent and subpar results in terms of marketing, convention business capture, and capital needs planning and execution.

The facility is currently operating at a deficit, with ongoing annual financial support required from the city’s general fund. The panel believes that the appropriate management structure for the future of the LACC is possible through an enterprise entity model, similar to that of the Port of Los Angeles, Los Angeles Department of Water and Power, and Los Angeles World Airports, or through the privatization of LACC operations.

To this end, the panel recommends a public financing authority (PFA) with broad authority and independence. The PFA would enter into a long-term lease of facilities, therefore paying the city for the use of the LACC. The PFA would be a debt authority that could issue debt. The Los Angeles Convention Center Commission (as created through the City Charter) would remain in place in an advisory role, with a CEO of the PFA to control contracts for both the private operator of LACC and marketing services provided by L.A. Tourism and Convention Board. Despite those powers, the PFA would have appropriate public oversight, much like other enterprise entities within the city.
Financing
With a strong management structure in place, the next need in implementation is a sound business plan. Any enhancement program requires a feasible financing plan and a clear determination that the job generation and other economic benefits fully justify the costs of the investment. The panel recommends that the city explore an increase in the Transit Occupancy Tax (TOT), possibly up to 17 percent or in a graduated scheme that increases or decreases depending on the proximity of hotels to the sports and entertainment district. The city should also explore a revenue sharing model to enhance region-wide benefit from the central and the magnetic role the LACC can play in economic development throughout the Los Angeles metropolitan region. With the increases in revenue from the new levels of TOT, the LACC could pay off its current debt and reissue bonds at attractive rates and at levels appropriate to fund the business plan. Other possible methods for increasing revenue include the development of air rights, the sale of transfer of development rights, the sale of naming rights to the convention center or other district facilities, and maximizing revenue generated by on-site parking, such as through a dynamic pricing scheme. Another way to improve the deficits of the current operation worth exploring would be to cut costs by privatizing operations.

Conclusion
The panel applauds the city for being proactive in thinking about a Plan B for the convention center site should approved Farmers Field Event Center agreement not be consummated. However, the panel emphasizes that many of the enhancements and efforts suggested by this report are not mutually exclusive to Plan B. We would strongly encourage the city to factor these suggestions into its preparation for Plan A. The momentum of L.A. Live, working in concert with the redevelopment of Downtown’s diverse neighborhoods, is a once-in-a-generation opportunity that the city should capitalize on to the greatest extent possible. The Los Angeles Convention Center has every opportunity to be an integral and dynamic component in the evolution of Downtown, the city, and the region.
Acknowledgements

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Organization

- Councilmember Jan Perry, City of Los Angeles
- Miguel Santana, City Administrative Officer (CAO), City of Los Angeles
- Gerry Miller, Chief Legislative Analyst, City of Los Angeles
- John Wickham, Analyst, City of Los Angeles
- Robert R. “Bud” Ovrom, Executive Director, LA Convention Center
- Thomas Fields, COO & Assistant General Manager, LA Convention Center
- Ernest Wooden, Jr., President and CEO, Los Angeles Tourism & Convention Board
- Patti MacJennett, Senior Vice President, Business Affairs, Los Angeles Tourism & Convention Board
- Barbara Kirklighter, VP, Sales Operations & Market Strategy, Los Angeles Tourism & Convention Board
- Kevin Keller, Senior City Planner, LA City Planning
- Henry Chu, City Planner, LA City Planning
- Gail Garcia Steffen, Principal, Peralta Garcia Solutions
- Leticia Davis, Principal, Peralta Garcia Solutions
- Susan Sieger, Principal, Crossroads Consulting
- John Kaatz, Partner, CSL International
- Con Howe, Managing Director, Los Angeles Fund at CityView
- Carol Schatz, President & Chief Executive Officer, CCA
- Martha Welborne, Executive Director - Countywide Planning, Metropolitan Transportation Authority
- John Semckin, Vice President, Majestic Realty
Panel Members

CHAIR

Alex J. Rose
Senior Vice President, Continental Development Corporation (Chair)
Alex J. Rose serves as Senior Vice President, Development & Asset Management for Continental Development Corporation in El Segundo, California. He is responsible for managing all development, acquisition, construction and asset management activities for the suburban office/medical/R&D park developer, whose holdings cover nearly 5 million square feet in Southern California’s Los Angeles County South Bay and City of San Francisco markets.

PANEL MEMBERS

Ronald Altoon, FAIA, LEED® AP BD+C, SCDP
Partner, Altoon Partners
A visionary unafraid to speak out on issues, Ronald Altoon’s priority is development of a conceptual vision and a workable strategy to assure completion of a project. Sensitive to context and culture, his design philosophy conjugates architectural tradition and design theory to create projects that accrue in value over time.

Greg Ames
Managing Director, Trammell Crow
Greg oversees the operations and financing for the Greater Los Angeles Development & Investment Group, including accountability for all budgets, schedules, and project management and development activities. Evaluates deal under-writing, structures JVs proposals, performs site selection, and staffs development teams. Greg leads the Office and Industrial Initiatives, JPMorgan project team, and the USC Account.

Austin Anderson
Partner, ProForma Advisors
Austin Anderson has over 25 years of consulting background in a broad range of assignments encompassing land use economics, development, business strategy formulation, and related disciplines. Formerly Vice Chairman and President of Economics Research Associates, Austin has extensive experience in commercial, residential, industrial and recreational land use development for both the private and public sector.

Bruce Baltin
Senior Vice President, PKF Consulting
Bruce Baltin is a Senior Vice President and Executive in Charge of the PKF Consulting USA, LLC practice in Los Angeles. Mr. Baltin oversees the firm’s Asset Advisory Services practice on the West Coast and holds special expertise in economic, financial, and operational analyses for the hospitality industry. He conducts investment analysis, market demand studies, and asset advisory services for all segments of the hospitality real estate industry.
PANEL MEMBERS (CONTINUED)

Peter Belisle  
Chairman, Project and Development Services, Jones Lang LaSalle

As Market Director, Peter is charged with overseeing the firm’s business across the Southwest region, which includes Las Vegas, the Los Angeles area, Orange County, Phoenix, and San Diego. Business lines under Peter’s direction include tenant representation, agency leasing, project management, and a property and facilities management portfolio of 62 million square feet.

Vince Bertoni, AICP  
Director of Planning and Community Development, City of Pasadena

Vince Bertoni is Director of Planning and Community Development for the City of Pasadena and has over 20 years of professional planning experience. Previously, Vince served as the Deputy Planning Director for the City of Los Angeles; as Planning Director for the cities of Beverly Hills, Santa Clarita, and Malibu; and as a staff planner for the cities of Rancho Cucamonga and Redlands.

Ed Shaw  
Associate Principal, Entertainment + Culture Advisors

Edward Shaw is an Associate Principal with Entertainment + Culture Advisors (ECA) and manages economic and business planning analyses for public and private clients in the destination and entertainment development industry. Mr. Shaw advises on land use options and overall project feasibility while delivering customized market demand, program, financial and economic impact assessments.

Patrick A. Gibson, P.E., PTOE  
President, Gibson Transportation

Pat Gibson has over 44 years of experience in preparing traffic and parking analyses for both public and private sector projects. Pat has directed over 50 downtown parking studies and has conducted hundreds of parking studies, as well as shared parking and parking financial analyses. He has prepared traffic and parking studies for stadia and event centers, new and expanded regional shopping centers, and retail/entertainment centers throughout the United States.

Dick S. Kaku  
President, Kaku Associates Inc.

Dick S. Kaku was the founder and sole owner of his transportation planning firm, Kaku Associates (KA), in 1983. The firm became one of the premier traffic engineering and transportation planning consultants in the Los Angeles metropolitan area completing work for the public and private sector as well as for many institutions throughout southern California.

Larry Kosmont  
President and CEO, Kosmont Companies

Larry J. Kosmont, CRE®, is the President and CEO of Kosmont Companies. Kosmont Companies is an industry leader in public/private real estate transactions and public finance. In 2009, Mr. Kosmont created the Kosmont Muni Horizons FundTM which sources private financing for public projects, P3 initiatives, infrastructure funding and economic development. He is Managing Partner of Renaissance Community Fund, which invests and develops mixed use, residential and commercial projects.
PANEL MEMBERS (CONTINUED)

Sandra Kulli
President, Kulli Marketing
Ms. Kulli is a real estate marketing strategist. Ms Kulli’s experience is long and varied, consulting with developers, builders, architects, planners and marketers around the country (and in some other parts of the world) about the business and art of placemaking. She is an advocate of thoughtful design and innovative problem-solving, from urban infill to new communities, and pretty much everything in between.

Rick Newman
President and CEO, Lowe Enterprises Real Estate Group
Rick Newman is responsible for commercial, multifamily and mixed-use property investment, development and asset management at Lowe Enterprises Real Estate Group. He is a member of the National Association of Industrial and Office Properties, the Economic Development Corporation of Los Angeles and the Urban Land Institute, and an executive Board Member of the Los Angeles Urban Land Institute District Council.

Robert L. Newsom, FAIA
Office Leader, HNTB Architecture Inc.
Robert Newsom is Vice President responsible for the leadership of the Architecture practice in the West Division of HNTB. His professional duties include business development, client leadership and management for the region. His work has been widely recognized with over 50 design awards from local, state, and national organizations.

Todd Pennington
Chief Executive Officer & Founder, Pennington & Company, LLC
Todd Pennington has leveraged many years of experience in construction management and consulting to best position emerging and existing assets to succeed with financeable terms. Todd has led large programs, mega projects, offices and regional business units across the US over the last 28 years. Previously, as an Executive Committee member of Bovis Lend Lease, Todd delivered over 100 projects consisting of 45 million square feet of building area.

Renata Simril
Senior Vice President External Affairs, LA Dodgers
Renata Simril was appointed Senior Vice President, External Affairs by the Dodgers in 2012. Simril, a former deputy mayor under Mayor James Hahn, came to the Dodgers from Jones Lang LaSalle, where she served as managing director of the financial and professional services firm’s public institutions practice. Prior to that, Simril was senior vice president with Forest City Enterprises, where she was responsible for Southern California operations.

Steven Spickard, AICP, LEED AP
Managing Principal, Land Economics Consultants
Steven Spickard is the Managing Principal for Land Economics Consultants which provides all types of land use economic analysis, including: real estate market research, financial feasibility pro formas, economic and fiscal impact analysis. They work on all major land uses, but also have specific expertise in mixed-use developments, entertainment driven projects, museums, and all types of public assembly facilities (e.g., convention centers, commercial concert venues, non-profit performing arts theaters, stadiums and arenas.)
At the Urban Land Institute, our mission is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

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