

Playing by the Rules

L.A.'s City Council must boost the chances for a downtown stadium while protecting public funds.

By **WAYNE AVRASHOW**

IN considering Farmers Field, the proposed NFL stadium/events center in downtown Los Angeles, the City Council should heed the words of the great John Wooden, "Be quick, but don't hurry."

The council should be quick to commence its scrutiny of the proposal, but not hurry and succumb to unrestrained boosterism. **Anschutz Entertainment Group** and its chief executive, Tim Leiweke, have a sterling record of achievement with L.A. Live and Staples Center. However, any proposal that directly or indirectly impacts public funds dictates that the council engage in a detailed analysis, including an independent review of the economic impacts of Farmers Field.

The proposed development contains great promise for Los Angeles. Yet there are risk and reward to the city in AEG's plan to demolish one-quarter of the Los Angeles Convention Center's space and for the city to issue \$350 million in bond financing that would be used, in part, to rebuild that space. As the city grapples with a \$300 million budget shortfall and faces the painful options of further layoffs or cutbacks in services, L.A.'s ailing fiscal health cannot be exacerbated.

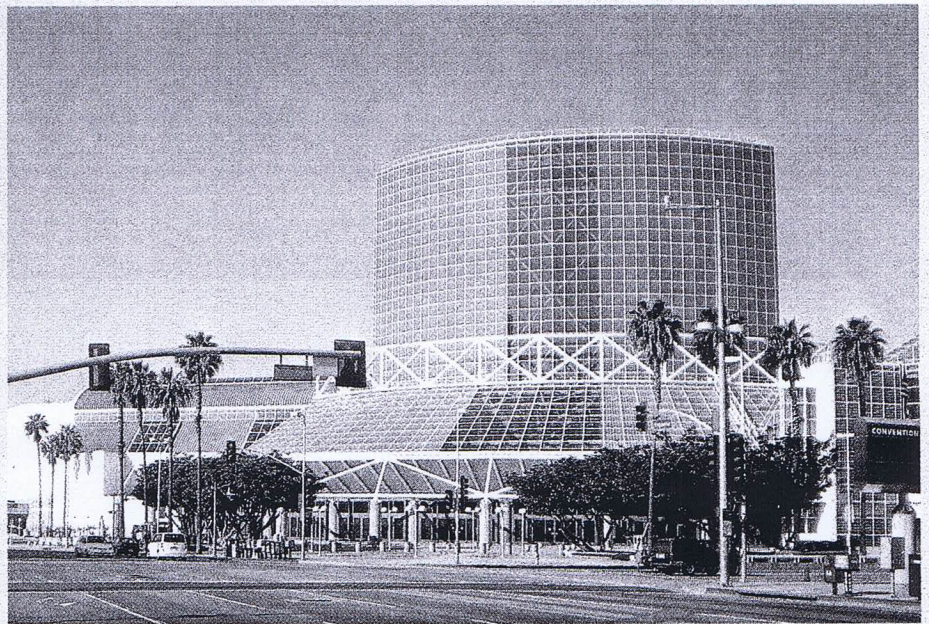
Since 1996, I have served as a commissioner of the Los Angeles Convention and Exhibition Center Authority, known as the Convention Center Commission. I was also a deputy to two City Council members, including chief deputy to Councilman Bob Ronka, who drafted the 1978 city charter amendment that prohibited the expenditure of municipal funds for the 1984 Olympic Games, only allowing for taxes on Olympic tickets and an increase in the hotel occupancy tax – levies not assessed on the general public. The charter amendment was the guarantee that confirmed the promise of "Spartan" games and led to the event's great financial success.

Game plan

Farmers Field does not require a charter amendment, but does require the City Council to secure binding guarantees from all parties. Here's a game plan for the council to consider:

The direct or indirect use of public funds must be fully transparent and reimbursed, including all public infrastructure work and lost Convention Center revenue.

As commissioner, I opposed a 2005 ill-conceived plan to expand the Convention Center due in part to the significant risk inherent in issuing hundreds of millions of dollars of new bonds to finance the plan. The city presently pays \$46 million per year to pay off the \$480 million remaining in bond indebtedness for the existing Convention Center. That indebtedness should only be increased if the repayment source is contractually dedicated and guaranteed. Similar to the Olympic Games, a tax on event tickets could be part of that solution.



Headed for the Showers?: Los Angeles Convention Center's West Hall in downtown.

Since the city is likely to issue future unrelated bonds that may include emergency services, the city's Chief Administrative Office should advise on the appropriate level of bond indebtedness that the city could incur without impacting its ability to borrow money for vital services.

The Convention Center can greatly benefit from AEG's plan to demolish the aging West Hall and construct contiguous facilities of a similar size. The council must ensure that demolition of the West Hall will only commence after the new facilities are operable to prevent loss of conventions to Anaheim or San Diego.

Farmers Field and the Convention Center can complement each other when a use at one venue requires the additional space available at the other. The allure of a pro football game, a Final Four competition or national political convention at Farmers Field would be augmented by the Convention Center's meeting rooms and floor space. These complementary facilities are not available in the City of Industry, the only other viable National Football League alternative in Southern California.

The public's 40-year financial investment in the Convention Center must be protected from lost revenue if mega-events such as the Auto Show or the Electronic Entertainment Expo are

relocated in whole or in part to Farmers Field. These two shows generate approximately 35 percent of the Convention Center's annual revenue. It would be a pyrrhic victory if new convention facilities were to lay fallow while former Convention Center events occupy Farmers Field.

A surgically drafted exemption to the environmental review process would allow the city as the lead agency to vet all impacts, while still requiring public comments and mitigation measures as mandated by the California Environmental Quality Act. This exemption would bar frivolous lawsuits that could be spawned or supported by stadium competitors or by rival municipalities that fear losing an existing NFL franchise.

A wave of civic celebration over this stadium is premature. However a City Council-negotiated deal structure that achieves three goals – protects the city's treasury, expedites the process for AEG to bring an NFL stadium to Los Angeles and enables the Convention Center to achieve its unrealized potential will echo the success of the 1984 Olympic Games. These are difficult but achievable goals.

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