

[Garcetti poses some 'principles' on AEG's stadium](#)
[Kevin Roderick](#) • July 20 2011 11:03 AM

City Council President Eric Garcetti has sent out a list of conditions he would like to see met before AEG's proposal for the NFL stadium to be known as Farmers Field (and construction of a replacement Convention Center hall) is approved. Whether Garcetti can deliver on any of them is an open question, but here is his letter addressed to CAO Miguel Santana and the council's legislative analyst, Gerry Miller.

Messrs. Miller and Santana:

The proposed events center for Downtown Los Angeles could bring significant job creation, economic development and increased competitiveness to the City's Convention Center, and so the City Council has an obligation to carefully consider it. At the same time, we must ensure that taxpayers are protected 100 percent, both in terms of the City's budget and in terms of Angelenos' quality of life.

You and your staffs have done an admirable job representing the taxpayers through this process and have brought to it considerable expertise, including that gained through your previous work on the Staples Center, LA Live, and other initiatives with direct relevance to this proposal. Now, with a basic framework nearing completion, I want to be clear about what I believe are the key issues that any terms must address.

Before any proposal is approved, Angelenos deserve to know: if they build it, what will come in terms of economic benefits? The new Office of Economic Analysis I created was designed to provide rigorous and independent analysis of complex proposals like this. I therefore request that it be assigned the task of analyzing the proposed events center plan in terms of job creation, economic development and revenues to the City budget. In doing so, the Office should utilize a consultant with expertise and experience directly relevant to a stadium and events center proposal.

I also believe it is crucial to lay out clear principles that I believe would maximize benefits for the people of Los Angeles and protect taxpayers:

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- An environmental assessment must not be waived.
- Quality design must be utilized throughout the project, especially on the Pico corridor. The project must be incorporated with its surrounding community, and of key importance is pedestrian connectivity between the project and nearby residential communities. Public transportation and parking improvements that would be owned by the City are also necessary.
- The City shall receive a portion of any signage revenue.
- No taxpayer dollars shall be used to build the stadium.
- At least a majority of new revenues generated directly by the project must flow into the City's general fund to support increased police, fire, street repair and other public services, as opposed to being used to pay project-related expenses.

- The City would enjoy the full benefit of all revenues generated by off-site economic activity (e.g. restaurant sales, new hotels, etc.).
- Repayment of bonds used to finance the new Convention Center must be by way of near certain revenue sources, such as property taxes. This would likely require a bond amount far lower than the approximately \$300 million that has been discussed.
- In the unlikely event that near-certain revenue sources such as property taxes are not generated, financial mechanisms must be in place to ensure there is no general fund exposure from the bonds.
- The length of a team lease must be at least as long as that of the bonds.
- A guarantee mechanism must be in place to ensure a new Convention Center hall is delivered under any project scenario.
- Guarantee mechanisms must be in place for the City to terminate the stadium ground lease and either operate the stadium or receive a cleared piece of land at no cost to the City.

I thank you for your commitment to the people of Los Angeles and appreciate your sharing of my goal of developing terms that significantly benefit our economy and protect the City's finances.

Sincerely,

ERIC GARCETTI
President, Los Angeles City Council
District 13