

CITY OF LOS ANGELES

CALIFORNIA



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December 9, 2009

To All Interested Parties:

City Attorney (w/ blue slip)

The City Council adopted the action(s), as attached, under Council file
No. 09-0136, at its meeting held December 8, 2009.

City Clerk
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12/8/09

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File No. 09-0136

TO THE COUNCIL OF THE
CITY OF LOS ANGELES

Your **TRADE, COMMERCE, AND TOURISM** Committee

report as follows:

TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to flexible demand based pricing for the Los Angeles Convention Center (LACC).

Recommendations for Council action, as initiated by Motion (Perry - Hahn):

1. REQUEST the City Attorney to prepare and present an ordinance to create a flexible pricing structure for LACC usage, incorporating the following:
 - a. Criteria that will allow potential clients to qualify for the flexible pricing program, including:
 1. Cancellation of an event or significant reduction in the space previously contracted for an event.
 2. Vacancy in excess of historical average.
 3. Consideration of ancillary revenue generated by an event that will be in excess of revenues earned by a rate reduction.
 - b. Pricing flexibility of plus or minus 50% from the standard rate of 32 cents per square foot.
 - c. Quarterly reports to the Mayor, City Controller, and City Administrative Officer (CAO) regarding events that have been offered a flexible price, with reporting requirements determined jointly by the LACC and CAO.
 - d. A sunset on the flexible pricing program of three years from the date of implementation.
 - e. A financial and performance audit by the City Controller to be conducted at the conclusion of the flexible pricing program to evaluate the effectiveness of the program.
 - f. Continuation of this program beyond three years if approved by the City Council, provided that an audit is done and considered in conjunction with the action to continue the program.
2. INSTRUCT the LACC to prepare an implementation policy for the flexible pricing program for review by the City Council within 120 days.
3. NOTE and FILE the LACC and CAO reports.

Fiscal Impact Statement: None submitted by the LACC. Neither the CAO or the Chief Legislative Analyst have completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on November 18, 2009, the Trade, Commerce, and Tourism Committee considered Motion (Perry - Hahn) and CAO and LACC reports regarding flexible demand based pricing for the Los Angeles Convention Center. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve Motion (Perry - Hahn) as amended. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE



ADOPTED

DEC 08 2009

LOS ANGELES CITY COUNCIL

<u>MEMBER</u>	<u>VOLE</u>
HAHN:	YES
ROSENDAHL:	YES
LABONGE:	ABSENT

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Not Official Until Council Acts

12/8/09

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File No. 09-0136

**TO THE COUNCIL OF THE
CITY OF LOS ANGELES**

Your BUDGET AND FINANCE Committee

reports as follows:

BUDGET AND FINANCE COMMITTEE REPORT relative to flexible demand based pricing for the Los Angeles Convention Center (LACC).

Recommendations for Council action, as initiated by Motion (Perry-Hahn):

1. CONCUR with the recommendations of the Trade, Commerce and Tourism (TCT) Committee relative to flexible demand based pricing for the LACC, with the following amendments:
 - a. INSTRUCT the Controller to conduct a financial and performance audit to evaluate the effectiveness of the flexible pricing program prior to the three year sunseting of the program so audit results will be available well in advance of the conclusion of the program. The audit should identify the specific criteria used to determine the success of the program and its financial impact;
 - b. INSTRUCT the LACC, City Administrative Officer (CAO) and Chief Legislative Analyst (CLA), with the assistance of the City Attorney, to prepare an implementation policy for the flexible pricing program for review by the City Council within 120 days.
2. ADOPT Motion (Perry-Hahn) as amended by the TCT Committee recommendations relative revised criteria for the flexible pricing program, and authorizing the LACC General Manager to offer pricing options of plus or minus 50 percent from the standard rate of 32 cents per square foot.

Fiscal Impact Statement: None submitted by the LACC. Neither the CAO nor CLA have completed a financial analysis of this report.

Community Impact Statement:

SUMMARY

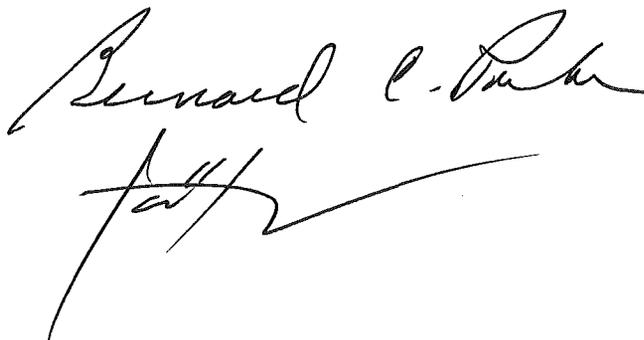
At its meeting of November 23, 2009, the Budget and Finance Committee considered Motion (Perry-Hahn) and CAO reports relative to flexible demand based pricing for the LACC. The Motion asks the Council to instruct the City Attorney to prepare and present an ordinance to amend the Los Angeles Administrative Code to implement a flexible demand-based pricing policy for the LACC and authorize the General Manager to offer pricing options up to 30 percent above or below the current rate of \$0.32 per net square foot of space used or occupied based on demand and seasonal requirements.

The Budget and Finance Committee concurred with actions taken by the Trade, Commerce and Tourism Committee at its meeting on November 18, 2009, with the following amendments: (1) to

instruct the Controller to complete the financial and performance audit well in advance of the program completion and to identify in the audit the specific criteria used to evaluate the impact of the program; (2) to include the CLA and CAO, with the assistance of the City Attorney in the preparation of the implementation policy for the flexible pricing program. Budget and Finance Committee additionally recommended adoption of the Motion (Perry-Hahn) as amended by the TCT Committee recommendations to revise the criteria for the flexible demand-based pricing and authorizing the LACC General Manager to offer pricing options of plus or minus 50 percent from the standard rate of 32 cents per square foot. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

BUDGET AND FINANCE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
PARKS:	YES
SMITH:	ABSENT
ROSENDAHL:	ABSENT
HUIZAR:	YES
KORETZ:	YES

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ADOPTED

DEC 08 2009

LOS ANGELES CITY COUNCIL

-NOT OFFICIAL UNTIL COUNCIL ACTS-