

TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED

#58

MOTION

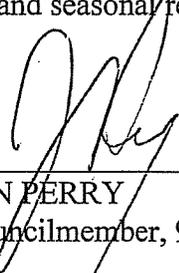
JAN 16 2009

Since January 2006, the Los Angeles Administrative Code has fixed the daily rate to be charged to all licensees at the Los Angeles Convention and Exhibition Center at \$0.32 per net square foot of space used or occupied (Chapter 11, Section 8.149.2 "Daily Rates to Be Charged for Use of the Various Halls for Trade Shows"). The Administrative Code does not offer the Convention Center the flexibility to adjust this rate upward or downward to reflect market conditions, seasonality or demand.

With the challenging economic conditions, the competitive nature of the convention center industry, and emerging opportunities with the completion of LA Live, there is an urgent need for a flexible pricing policy for the L.A. Convention Center, similar to the airline and hotel industries, to enable management to offer various pricing options to event planners in order to attract top quality events while maximizing City revenues.

Based on hospitality industry practices, and local market conditions, options for a rental rate ranging up to thirty percent above or below the current rate of \$0.32 per net square foot of space used or occupied (a range of \$0.22 - \$0.42/square foot) will allow the Convention Center to be more responsive to the current market conditions and stay competitive in a fiscally responsible manner, even during periods of traditionally low occupancy. This flexible demand-based pricing option would give the Convention Center the flexibility to react more effectively to the changing dynamics of many event requirements and market conditions, thereby improving last-minute response times and meeting clients' needs in a more efficient manner, providing clients with the greatest value for their money.

I THEREFORE, MOVE that the City Council instruct the City Attorney to prepare and present an ordinance within 30 days to amend Los Angeles Administrative Code Section 8.149.2 to implement a flexible demand-based pricing policy for the Los Angeles Convention and Exhibition Center and authorize the General Manager to offer pricing options up to 30 % above or below the current rate of \$0.32 per net square foot of space used or occupied (range of \$0.22 - \$0.42/square foot of space used or occupied) based on demand and seasonal requirements.

PRESENTED BY: 
JAN PERRY
Councilmember, 9th District

SECONDED BY: 

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