

ORDINANCE NO. _____

An ordinance amending Sections 8.149.1, 8.149.6, and 8.149.7 of the Los Angeles Administrative Code to allow flexible pricing for the Convention Center through 2024, flexible spending to establish a rate for equipment, and to allow a schedule of rates for spaces not previously captured.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. Section 8.149.1 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 8.149.1. Rate Adjustment Procedure for Certain Licensees.

A. As set forth in Subsections B, C, D, E, and F, the Executive Director may adjust or waive for licensees of the Los Angeles Convention and Center (Convention Center) the following rates:

- (1) Rental rates for Halls, including move-in/move-out daily rates, referenced in Sections 8.149.2 and 8.149.3; and
- (2) Rental rates charged for the use of meeting rooms and special event halls, including move-in/move-out daily rates, referenced in Sections 8.149.3 and 8.149.5.

B. The Executive Director may adjust the rental rate for the Convention Center in an amount up to 35 percent above or below the rental rate (Flexible Demand Based Space Rental Pricing). The adjustment of the rental rate only shall be permitted upon the occurrence of one or more of the following conditions:

- (1) The cancellation of a previously licensed event or a reduction in the space or period of time previously licensed for an event;
- (2) Convention Center vacancy in excess of historical occupancy average;
- (3) Projected ancillary revenue (parking, food and beverage, equipment rentals, etc.) anticipated to be generated by an event which is calculated to offset or exceed the amount of the rate reduction;
- (4) Unusually high or competing demands for Convention Center space;
- (5) Multi-year licenses;

- (6) Events that present an exceptional opportunity to generate extraordinary revenue or economic impact;
- (7) Significant hotel room night generation; or
- (8) Noteworthy civic purpose.

C. The Executive Director shall have the ability to adjust the rental rate in an amount greater than 35 percent below the rental rate in order to retain business at the Convention Center in light of the impacts of the novel coronavirus pandemic on the meetings and conventions industry. This provision shall be operative until December 31, 2024, and only events to be hosted at the Convention Center from January 1, 2021, through December 31, 2024, shall be eligible for consideration under this provision.

D. For an event at the Convention Center that causes at least 3,000 hotel room nights to be booked in the City, with 1,500 hotel room nights booked during the peak attendance of the event, and utilizes no fewer than three hotels (City-wide Event), the Executive Director may reduce or waive the daily rental rate. Any proposed reduction or waiver of rental rates to be charged for City-wide Events under this subsection shall be subject to the following conditions:

(1) Only a City-wide Event licensee shall be eligible for a reduction or waiver of rental rates for exhibit halls or meeting rooms.

(2) The destination marketing organization working with the City shall first recommend a reduction or waiver to the Executive Director in writing. This recommendation shall include a written statement of the reasons for the recommendation and a calculation of the reduced or waived rental rates. The calculation of the reduction or waiver made by the destination marketing organization shall be attached to the license, and the license shall specify both the regular rental rate and the reduced or waived rental rate. No license for a City-wide Event shall be issued until the Executive Director approves the recommendation.

(3) The total amount of a reduction or waiver granted to a City-wide Event licensee cannot exceed 100 percent of the total rate.

(4) The total amount of a reduction or waiver granted to a City-wide Event licensee shall not exceed the total Transient Occupancy Tax receipts reasonably anticipated to be generated for the City as a result of the convention being held in the City.

(5) After each City-wide Event where a reduction or waiver is granted, an audit shall be performed by an independent consulting firm to compare the actual amount of Transient Occupancy Tax generated during the City-wide Event to the reduced or waived rental rate charged to the licensee. If the reduced or

waived rental rate exceeds the Transient Occupancy Tax revenue, the City-wide Event licensee shall be required to pay the Los Angeles City Tourism Department an amount equivalent to the difference.

E. The Executive Director shall have the ability to grant a waiver or exception to the above-mentioned qualifications and restrictions in this section, specifically terms in items D(1), D(4), and D(5), in order to retain business at the Convention Center in light of the impacts of the novel coronavirus pandemic on the meetings and conventions industry. This provision shall be operative until December 31, 2024, and only events to be hosted at the Convention Center from January 1, 2021, through December 31, 2024, shall be eligible for consideration under this provision.

F. A reduction or waiver of rental rates may be granted to a licensee pursuant to either Subsections B or C, or both B and C. Alternatively, a reduction or waiver of rental rates may be granted to a licensee pursuant to either Subsections D or E, or both D and E.

Sec. 2. Section 8.149.6 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 8.149.6. Rates for Use of Equipment.

The Executive Director of the Los Angeles City Tourism Department shall establish a schedule of rates to be charged to licensees for the use of equipment at the Convention Center. Rates adopted for the use of equipment shall be charged in addition to any charges for the use or occupancy of the Convention Center or part thereof. Payment for equipment furnished by the Los Angeles City Tourism Department for use at the Convention Center shall be made to and collected by the Department as set forth the schedule of rates in effect at the time of such use. The Executive Director may discount equipment rates for an event on a case-by-case basis to achieve the best overall business deal for the City.

Sec. 3. Section 8.149.7 of the Los Angeles Administrative Code is amended in its entirety to read as follows and the current Section 8.149.7 is renumbered as 8.419.8:

Sec. 8.149.7. Daily Rates for Use of Special Event/Marketing Spaces.

The Executive Director of the Los Angeles City Tourism Department shall establish a schedule of rates to be charged to licensees for the use of any other Convention Center space not named in Sections 8.149.2 and 8.149.5 of this Code (Special Event/Marketing Spaces). The Executive Director may discount a Special Event/Marketing Space rental rate and the reduction shall not be subject to the provisions contained in Section 8.149.1.

Sec. 4. The City Clerk shall certify to the passage of this ordinance and have it published in accordance with Council policy, either in a daily newspaper circulated in the City of Los Angeles or by posting for ten days in three public places in the City of Los Angeles: one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall; one copy on the bulletin board located at the Main Street entrance to the Los Angeles City Hall East; and one copy on the bulletin board located at the Temple Street entrance to the Los Angeles County Hall of Records.

Approved as to Form and Legality

MICHAEL N. FEUER, City Attorney

By 
KIMBERLY MIERA
Deputy City Attorney

Date 11/30/21

File No. 09-0136

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The Clerk of the City of Los Angeles hereby certifies that the foregoing ordinance was passed by the Council of the City of Los Angeles.

CITY CLERK

MAYOR

Ordinance Passed _____

Approved _____