



WENDY GREUEL
CONTROLLER

April 6, 2010

The Honorable Janice Hahn, Chair
Trade, Commerce and Tourism Committee
Los Angeles City Council
200 N. Spring Street, Room 435
Los Angeles, CA 90012

Date: 4/7/2010
Submitted in TCT Committee
Council File No: 09-0136
Item No.: 8
Deputy: Communication from Controller

Dear Councilwoman Hahn:

I am writing today in support of the City Attorney's report and ordinance to implement flexible demand based spaced rental pricing at the Los Angeles Convention Center (CF 09-0136). As we look to generate revenue through as many means as possible, flexible demand based pricing is something that should have been implemented at the Convention Center a long time ago.

The first audit I released as City Controller looked at the revenues and the expenditures of the Los Angeles Convention Center. Part of what makes the Convention Center so unique is that it is in direct competition with other privately operated Convention Centers around the country. I recommended that as a City, our goal must be to make the Convention Center more marketable, more efficient and look for ways to streamline operations to allow the Convention Center to operate more like a business.

One of the specific recommendations I offered was for the City to allow the Convention Center to implement a pilot flexible demand based pricing program. This pilot program would allow management to fill the Convention Center during slower times by reducing rental prices. LACC estimates that this could bring in between 2%-8% in additional revenue each year. Every day the Convention Center sits empty is lost revenue.

The Convention Center has moved quickly to implement the other recommendations in my audit and it's important that the rest of the City respond in kind. Therefore, I urge you to support and expedite this ordinance so that the Convention Center can implement a flexible demand based pricing system as soon as possible.

Sincerely,


WENDY GREUEL
City Controller