

ORDINANCE NO. _____

An ordinance amending Sections 8.149.1, 8.149.2, 8.149.3, and 8.149.5 of the Los Angeles Administrative Code to implement a flexible pricing policy and update certain requirements at the Los Angeles Convention Center.

**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, and D, the Executive Director may adjust or waive for licensees of the Los Angeles Convention and Exhibition Center (Convention Center) the following rates:

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

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 in Sections 8.149.2 and 8.149.5 (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. 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 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 Department of Convention and Tourism Development an amount equivalent to the difference.

D. A reduction or waiver of rental rates may be granted pursuant to Subsections (B) or (C), but not both.

Sec. 2. Section 8.149.2 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 8.149.2. Daily Rates for Use of the Various Halls.

A Convention Center licensee shall pay the applicable rental rate of \$.32 per square foot of space for the rental of the various halls (Flat Fee Method). Pursuant to the criteria set forth in Section 8.149.1, the rental rate charged may be adjusted by an amount up to 35 percent above or below the rental rate referenced in this section or waived.

The Flat Fee Method shall be based on a \$0.32 per net square foot of space in the various halls as set forth below:

West Hall	Daily Rate
A	\$16,000
B	\$8,000
AB	\$24,000
South Hall	Daily Rate
G	\$11,200
H	\$8,960
J	\$8,960
K	\$11,200
GHJK	\$40,000
GHJ or HJK	\$29,120
HJ	\$17,920
JK or GH	\$20,160
Kentia Hall	Daily Rate
-	\$14,400

The Department of Convention and Tourism Development shall conduct a survey of rental rates at convention centers nationwide at least every five years and shall present recommendations to the Mayor and Council for appropriate rental rate adjustments.

Sec. 3. Section 8.149.3 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 8.149.3. Move-in and Move-out Days.

The Executive Director shall determine the number of move-in and move-out days to be allowed for use of the Convention Center facilities for which no charge will be made, provided that there shall not be less than one day each for move-in and move-out and provided further that the number of no-charge days shall not exceed the following:

TOTAL CONVENTION DAYS	MAXIMUM NO-CHARGE MOVE-IN AND/OR MOVE-OUT DAYS
1	1
2	2
3	3
4	4
5 or more	5

The Executive Director shall charge an amount equal to one-half of the daily rental rate computed, as provided in Sections 8.149.2 or 8.149.5, for any additional move-in or move-out days that exceed the listed above days.

Sec. 4. Section 8.149.5 of the Los Angeles Administrative Code is amended in its entirety to read as follows:

Sec. 8.149.5. Daily Rates for Use of Specific Rooms.

The rental rates for use of specific rooms are as follows:

ROOM	DAILY RATE
301 A	\$260.00
301 B	\$270.00
301 AB	\$530.00
303 A or B	\$260.00
303 AB	\$520.00
304 A, B, or C	\$270.00
304 AB or BC	\$540.00
304 ABC	\$810.00
306 A or B	\$260.00
306 AB	\$520.00
308 A	\$270.00
308 B	\$260.00
308 AB	\$530.00
309	\$400.00
401	\$250.00
402 A or B	\$300.00
402 AB	\$600.00
403 A	\$870.00

403 B	\$820.00
403 AB	\$1,690.00
404 A or B	\$340.00
404 AB	\$670.00
405	\$330.00
406 A or B	\$340.00
406 AB	\$670.00
407	\$330.00
408 A or B	\$850.00
408 AB	\$1,700.00
409 A or B	\$340.00
409 AB	\$670.00
410	\$330.00
411 (Theater)	\$790.00
501 A or B or C	\$260.00
501 AB or BC	\$475.00
501 ABC	\$700.00
502 A or B	\$950.00
502AB	\$1,850.00
503	\$480.00
504	\$260.00
505	\$260.00
506	\$260.00
507	\$260.00
508 ABC	\$500.00
510	\$260.00
511 A or B or C	\$260.00
511 AB or BC	\$480.00
511 ABC	\$690.00
512	\$260.00
513	\$260.00
514	\$260.00
515 A or B	\$1,140.00
515 AB	\$2,240.00
516	\$110.00
517	\$110.00

518	\$480.00
519	\$110.00
Petree Hall C	\$2,000.00
Petree Hall D	\$2,500.00
Petree Hall CD	\$4,500.00
Concourse Hall E or F	\$3,000.00
Concourse Hall EF	\$6,000.00
Concourse Hall 151+152	\$4,000.00
Concourse Hall 151 or 152	\$2,000.00
Concourse Hall 150 ABC or 153 ABC	\$1,200.00

The rental rate for each specific room include the use of one microphone and a quantity of chairs not to exceed the maximum number of persons permitted by applicable fire regulations to occupy such room.

