

COMMUNICATION FROM CHAIR AND MEMBER, PUBLIC SAFETY COMMITTEE relative to prohibiting alcohol advertising on City property.

Recommendation for Council action:

REQUEST the City Attorney to draft an ordinance which would prohibit the advertising of alcohol products on City owned and controlled property, with exemptions for existing contracts, proprietary departments that control their own property (Los Angeles World Airports, Port of Los Angeles, Recreation and Parks, Library), and City departments which have facilities or uses where the sale or consumption of alcohol is permitted.

Fiscal Impact Statement: The Chief Legislative Analyst (CLA) reports that relative to the contract with CBS Decaux for advertising on street furniture, Bureau of Street Services (BSS) indicated that the fiscal impact to the City would be reduced annual revenue of approximately \$400,000 to \$600,000. This amount is based on information provided to BSS by the vendor which estimated that the lost revenue associated with alcohol advertising would be \$2-3 million (10-15 percent) annually. Based on the City's share of the vendor's gross revenue (20 percent), this translates to a reduction of approximately \$400,000 to \$600,000 in annual revenue for the City. Since the effective date of the next contract for street furniture is several years away, it is likely that some portion of this lost revenue could be replaced by selling additional advertising to other buyers.

Community Impact Statement: Yes

Support: Venice Neighborhood Council, Boyle Heights Neighborhood Council, Mar Vista Community Council

## SUMMARY

In a report to Council dated March 15, 2013 (attached to the Council file), the CLA recommends that Council request the City Attorney to draft an ordinance which would prohibit the advertising of alcohol products on City owned and controlled property with the certain exemptions mentioned above. The CLA's report discusses similar laws enacted by other cities, exemptions for the aforementioned department properties and sports events, the potential economic impact associated with lost advertising revenue.

According to the CLA, two City departments currently authorize advertising through contractual agreements with outside vendors: Los Angeles Department of Transportation (LADOT) and BSS. LADOT's contract for advertising on City-owned transit vehicles states already prohibits the advertising of all alcohol products. Two BSS street furniture and bus bench contracts already contain provisions for restricting the advertising alcohol in certain sensitive areas. The Bureau's contract with CBS Decaux does not specifically ban all alcohol advertising content on street furniture. The proposed ban recommended by the CLA would therefore apply only to this contract and only upon the execution of a new contract for this purpose. The CLA notes that eight years remain in the current term of this contract. Extensive support for the proposed ban was submitted by members of the public, as well as public health and community advocacy groups.

At the Public Safety Committee meeting held May 24, 2013, the Committee Chair and Member

recommended that Council request the City Attorney to prepare the ordinance necessary to prohibit the advertising of alcohol products on City owned and controlled property, as described above and as recommended by the CLA.

Respectfully Submitted,

PUBLIC SAFETY COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
ENGLANDER:	YES
PERRY:	ABSENT
BUSCAINO:	ABSENT
KREKORIAN:	ABSENT
ZINE:	YES

JAW

**-NOT OFFICIAL UNTIL COUNCIL ACTS-**