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LOS ANGELES
CONVENTION CENTER
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April 23, 2012

Budget and Finance Committee
c/o Erika Pulst, Office of the City Clerk
Room 395, City Hall
Los Angeles, CA 90012

Honorable Councilmembers:

The Los Angeles Convention Center (LACC) respectfully submits this correspondence regarding the 2012-13 FY Mayoral Proposed Budget as released on April 20, 2012. Consistent with the Mayoral proposed and adopted budgets of the past few years, the LACC's 2012-13 FY Proposed Budget and Appropriations, once again balances LACC's operating expenditures through LACC's operating revenues **with no General Fund contribution towards the operating business of LACC**. Additionally and for the third consecutive year, the LACC's 2012-2013 FY Proposed Budget includes **close to \$4M of reimbursement to the General Fund**, a 54% increase from FY 2011-12, to cover **100%** of the LACC's retirement and health benefits at a time when the General Fund needs it the most. Furthermore, the Proposed 2012-2013 FY Budget also accounts for revenues generated through LACC's Parking Operations and deposited as incremental convention center parking revenue in the "Staples Arena Funding Agreement Reconciliation."

The LACC's projected 2012-13 FY business level reflects the anticipated gradual stabilization and slow recovery within the convention, events and hospitality industry augmented by the L.A. LIVE campus and the Sports and Entertainment District. However, it is expected that the LACC, similar to all venues world-wide, will experience continued pressure to meet event organizers' and producers' pursuit of finding the "best deal." We will also continue to face an ever-increasing cost-conscious attendee base.

LACC is cognizant that in this economic environment, the opportunities which the Sports and Entertainment District present should continue to be methodically and strategically leveraged in maximizing the returns to the City and the LACC. It is also recognized that in an extremely competitive environment, there are multiple venues actively seeking to take away the LACC's and the City's event business. **It is only through consistent, stable, and high-level messaging & service levels, supported by effective and efficient City administrative processes, that the LACC will be able to continue its role as a fiscally solvent, successful, and core contributor to the hospitality and events industry in Los Angeles.**

April 23, 2012

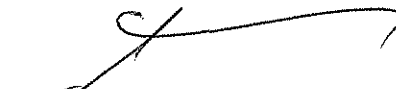
The request contained in this correspondence is for a clarification/informational notation to be added to vividly convey the specific financials of LACC.

■ The funds identified as “Incremental Convention Center Parking Revenue” in the “Staples Arena Funding Agreement Reconciliation” to be noted as “Generated through LACC Parking operations in support of Staples Center events,” in Schedule 16 and where appropriate within the adopted budget.

■ The LACC will also continue collaborating with the appropriate entities to review and make other administrative adjustments, and clarification, if necessary, through the adoption of the LACC 2012-2013 Budget.

In these difficult economic times, the LACC family of employees is cognizant and sensitive to the pressures that all of us in the City are facing. On behalf of the men and women of the Los Angeles Convention Center, I wish to convey our appreciation of the insightful consideration and foresight of the Office of the Mayor’s presentation of the LACC’s 2012-2013 Fiscal Year Budget and your continued support of the business of the LACC as we strive to continue the unprecedented success of the past few years in reflecting and representing the best of Los Angeles.

Sincerely yours,



Pouria Abbassi, P.E.
General Manager & CEO

PA:cv

Ref EXEC 12-123

C: Gaye Williams, Chief of Staff, Office of the Mayor
Matt Karatz, Office of the Mayor
Miguel A. Santana, City Administrative Officer
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