



Comments to Economic Committee Agenda No. 8-CF 12-0692-S2-LA Convention Center Department

Joyce Dillard <dillardjoyce@yahoo.com>

Tue, Dec 10, 2013 at 12:58 PM

Reply-To: Joyce Dillard <dillardjoyce@yahoo.com>

To: Richard Williams <Richard.Williams@lacity.org>, The Honorable Tom LaBonge <councilmember.labonge@lacity.org>, "The Honorable Bernard C. Parks" <councilmember.parks@lacity.org>, "The Honorable Herb J. Wesson Jr." <councilmember.wesson@lacity.org>, The Honorable Jose Huizar <councilmember.huizar@lacity.org>, The Honorable Paul Koretz <Paul.Koretz@lacity.org>, The Honorable Paul Krekorian <Councilmember.Krekorian@lacity.org>, "The Honorable Gilbert A. Cedillo" <councilmember.cedillo@lacity.org>, The Honorable Bob Blumenfield <councilmember.blumenfield@lacity.org>, The Honorable Felipe Fuentes <councilmember.fuentes@lacity.org>, "The Honorable Curren D. Price Jr." <councilmember.price@lacity.org>, The Honorable Mike Bonin <councilmember.bonin@lacity.org>, The Honorable Mitch O'Farrell <councilmember.ofarrell@lacity.org>, The Honorable Nury Martinez <councilmember.martinez@lacity.org>, The Honorable Mitchell Englander <councilmember.englander@lacity.org>, The Honorable Joe Buscaino <councilmember.buscaino@lacity.org>

Conflict of Interest Code amendments were passed prior to this ordinance under CF 13-1626 on December 6, 2013 based on reduced staffing and change of categories. This makes this vote pre-determined in favor of the ordinance before any public comments.

We could not locate the deletion of Position Authorities from the 2013-2014 Budget for the existing Convention Center Department before approval of CF 13-1626.

There is no Fiscal Impact Statement submitted, yet few City employees transferred to AEG MANAGEMENT LACC, LLC and its Related Entities. Most were absorbed by other City departments.

Inherent in the ordinance is a Conflict of Interest for the Board of Los Angeles Convention Center Commissioners:

*The members of the Board shall be exempt from all civil service provisions and, to the extent feasible, shall be selected to provide representation of the following disciplines on the Board: **Business; Hospitality/Hotel Industry; Sports; Cultural Tourism; Entertainment/Leisure Activities; Finance; Conventions/Events and Marketing.***

The Department is set up as a Proprietary department, but has federal obligations of tax exempt bond status maintenance, not enterprise maintenance.

Ignored is the LA CONVENTION AND EXHIBITION CENTER AUTHORITY Joint Powers Agreement JPA (C-35700) dated January 14, 1967. That agreement states:

A. [§101] Purpose of the Agreement

(1) The purpose of this Agreement is to provide for property acquisition, relocation, demolition and replacement housing, which will effectuate the Redevelopment Plan (the "Redevelopment Plan") for the Central Business District Redevelopment Project (the "Project") by providing for the redevelopment of a portion of the Project area (the "Site"). The City intends to provide for the expansion of the Los Angeles Convention Center (the "Convention Center") to meet current demand for exhibition and meeting space and to attract major national and international events to the City and the Project area. The proposed expansion will involve the construction of a new exhibit hall and conference facilities on the Site, substantially as described in the Final -Environmental Impact Report For the Expansion of the Los Angeles Convention And Exhibition Center, dated June 1986, as the "Phase I Expansion", (the "Improvements"), connected with the existing facility. Pursuant to this Agreement, the Agency will acquire the Site, relocate the occupants therefrom, prepare it for construction and convey title to the City. The City will lease the Site to the Authority, which is the joint powers agency established by the City and the County of Los Angeles to finance and construct the Convention Center, and which will lease back the Site and the Improvements to the City, pursuant to that certain Ground Lease between the City and the Authority dated December 1, 1985.

(2) The development of the Site pursuant to this Agreement, and the fulfillment generally of this Agreement, are in the vital and best interests of the City of Los Angeles and the health, safety, morals, and

welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws and requirements.

There is no indication of the status of this agreement from review of the CRA/LA Designated Local Authority or CRA/LA Oversight Board or of the California State Department of Finance.

Involved in the JPA are Tax-Exempt Public Bond Debt Instruments as well as Transfer Floor Area Ratio (TFAR) Public Benefit Trust Fund and TFAR Remaining Inventory.

This ordinance allows a *designated private operator* to make final governmental decisions without the approval of the Board of Los Angeles Convention Center Commissioners. LA Convention and Exhibition Center Authority is ignored completely.

The ordinance states:

*any designated private management contractor of the facility shall have authority to negotiate, execute (in its name), and administer any and all agreements that are required in the ordinary course of business and operation of the Los Angeles Convention Center or as otherwise are necessary for the private management contractor to perform its duties pursuant to a written agreement with the City for management of the Convention Center. Such delegated authority shall include the ability to book/schedule events on the Convention Center's Master Calendar; as well as negotiate and enter into contracts (including licenses with a term exceeding three (3) years, or multi-year licenses) for the use of the Convention Center facilities in accordance with the terms of any management agreement, the Booking Policy stated in this Chapter, and the requirements of this Code and the City Charter, **without further approval of the Board, the Executive Director of the Convention Center Department, or the Council.***

There is no Conflict of Interest category designation established for this Public-Private Partnership.

The ordinance states:

Executive Director shall regularly report to the Board regarding Convention Center operations, including maintenance, finance, sales/marketing, contract administration, public relations, communications, and security/public safety. The Executive Director shall recommend to the Board the schedule of rates and amendments thereto when, in his or her opinion, adjustments to the rates should be made. The Executive Director may enter into contracts (including licenses with a term exceeding three (3) years or multi-year licenses) for the use of the Convention Center facilities in accordance with the Booking Policy set forth in this Chapter without further approval of the Board or the Council, subject to the requirements of this Code and the City Charter. The Executive Director shall report to the Board and serve as the representative of the Board to the Mayor, the Council, other departments, and contractors, such as the tourism and convention bureau and the Convention Center's private management contractor, if any.

Executive Director also reports to the LA Convention and Exhibition Center Authority, again reinforcing the establishment of a Proprietary Department.

The ordinance states:

The Board shall oversee and direct the contractual performance of the tourism and convention bureau, as applicable. Oversight of that contract and services under it shall include requiring the tourism and convention bureau to develop measurable, quantifiable goals for the services to be provided to the City, reviewing the tourism and convention bureau's annual Sales and Marketing Plan (which should incorporate those agreed upon measurable and quantifiable goals), reviewing regular progress reports by the tourism and convention bureau regarding the achievement of those goals, evaluating the performance of the tourism and convention bureau and reporting on its performance to Council.

The Board shall also periodically review the performance of the private management contractor, if any, and provide regular

reports to Council reflecting the private management contractor's performance of contractual obligations, including those regarding sales and marketing, maintenance, security, improvements, customer satisfaction, and any other matters related to the operation of the Center.

The Board shall also advise on matters related to developing a long-term strategic plan for tourism and hotel growth in the City.

Los Angeles Tourism and Convention Board receives income from the TOT Transient Occupancy Tax as well as the Tourist Marking District (Special District) and from LAWA Los Angeles World Airports.

They are tasked with security oversight, not the LA Police Department.

The Conflict of Interest Code is insufficient for such responsibilities spread over expansive areas of both locally, nationally and internationally.

The ordinance states:

The Department shall be responsible for the management and control of the Master Calendar, but may assign this responsibility to the private management contractor, if any. Nothing in this Chapter shall be construed in such a manner as to prevent the tourism and convention bureau from booking dates for all or a portion of the Center's available facilities less than one year in advance of an event's move-in date, upon written approval of the Executive Director.

Private Management Contractor aka AEG MANAGEMENT LACC, LLC and its Related Entities is the final governmental decision maker.

Deny this ordinance as it is not in compliance with by the Voters of the City of Los Angeles for the establishment of sporting facilities, municipal auditoriums and the current Convention Center.

Joyce Dillard
P.O. Box 31377
Los Angeles, CA 90031

