

**TO THE COUNCIL OF THE  
CITY OF LOS ANGELES**

Your **TRADE, COMMERCE, AND TOURISM** Committee

**report as follows:**

TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT relative to a proposal for an enhanced governance structure of the Los Angeles Convention Center (LACC) and for authority to release a request for proposal for operating management services of the LACC.

Recommendations for Council action, as initiated by Motion (Perry - Zine):

1. APPROVE and INSTRUCT the City Administrative Officer (CAO) and the Chief Legislative Analyst (CLA) to work together and report back with the legislative actions necessary to expand the duties and scope of responsibilities of the existing Los Angeles Convention Center Commission to instead operate as a Board of Commissioners that advises the Mayor and Council on all policies related to tourism, marketing Los Angeles, convention business, and administration of the Alternative Service Management and Los Angeles Tourism and Convention Board agreements.
2. APPROVE and INSTRUCT the CAO and the CLA to work together and report back with the legislative actions necessary to create a Chief Executive Officer position that serves as a representative of the Board and a liaison to the Mayor, the Council and City department.
3. REQUEST that the City Attorney work with the CAO and the CLA to prepare and present an Ordinance amending the Administrative Code to implement the intent of the above recommendations.
4. ADOPT Attachment 4, which amends the Booking Policy by:
  - a. Shortening the booking window from 24 months to 12 months.
  - b. Eliminating grandfathered exceptions.
5. ADOPT a goal for the LACC to increase citywide convention attendees by 50 percent over historical amounts to between 400,000 and 425,000.
6. INSTRUCT the CAO and the CLA to report back on recommendations on how to increase hotel capacity in furtherance of the City's goal of increasing convention business by 50 percent.
7. INSTRUCT the CAO and CLA to, if necessary, review the goals of the Los Angeles Tourism and Convention Board contract to make consistent with the outlined proposal.
8. INSTRUCT the CAO to utilize the Office of Economic Analysis to study the potential citywide impact on revenues and job creation as a result of the City's goal of increasing convention business by 50 percent.
9. APPROVE and INSTRUCT the CAO to release a Request for Proposal substantially in the form of the attached draft for the operation and management of the Los Angeles Convention Center.

10. INSTRUCT the CAO to report back and present recommendations on a private management firm for Mayor and Council consideration upon conclusion of the Request for Proposal Process.
11. INSTRUCT the CAO to work with the City Attorney to revise the Administrative Code to reflect current Discount Policy operating practices.

Fiscal Impact Statement: The CAO reports that an alternative management structure for the LACC could generate General Fund savings of \$2.1 million to \$6.3 million for the first year and up to \$3.8 million to \$8.5 million by the fifth year. However, the actual General Fund savings cannot be determined at this time and largely depend on responses to the Request for Proposal. Changes recommended to the governance structure are anticipated to have a financial impact equivalent to the cost of the Chief Executive Officer's salary, which would be competitive to Chief Executive Officers of similar type positions in the convention industry. Increasing the number of citywide conventions will increase the amount of Transit Occupancy Tax received by the City, but that amount requires further study by the Office of Economic Analysis. There is no additional negative impact on the General Fund.

Debt Impact Statement: The CAO reports that this report has no immediate debt impact on the General Fund.

Community Impact Statement: None submitted.

## SUMMARY

At a regular meeting held on August 27, 2012, the Trade, Commerce and Tourism Committee considered the LACC's proposal for an enhanced governance structure and for proposal for operating management services. The CAO stated that in order for the LACC to compete as a top tier facility within the convention industry, the City must enhance the governance structure of the LACC; adopt an alternative structure for operating management services; and expand the City's hotel room supply to 5,000 rooms within a half mile radius of the LACC. The CAO also requested to add the recommendation to work with the City Attorney to revise the Administrative Code to reflect current Discount Policy operating practices.

After a thorough discussion of the matter and having provided an opportunity for public comment, the Committee moved to approve the recommendations contained in the CAO report with the added amendment requested in committee by the CAO. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

TRADE, COMMERCE AND TOURISM COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
LABONGE:	YES
ROSENDAHL:	ABSENT
BUSCAINO:	YES

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**Not Official Until Council Acts**