

BUDGET AND FINANCE COMMITTEE REPORT relative to the efficacy of Incentive Agreements entered into by the City of Los Angeles, and development of reporting requirements consistent with Government Accounting Standards Board (GASB) Statement 77.

Recommendation for Council action:

RECEIVE and FILE the Controller's report, dated August 10, 2018, relative to an examination of the efficacy of the Incentive Agreements entered into by the City of Los Angeles, and recommendations for the development of standards consistent with GASB Statement 77 reporting requirements.

Fiscal Impact Statement: Not applicable.

Community Impact Statement: None submitted.

SUMMARY

At its regular meeting held on November 26, 2018, the Budget and Finance Committee considered a report from the Controller, dated August 10, 2018 (in response to Motion [Blumenfield - Price]), relative to an examination of the efficacy of the Incentive Agreements entered into by the City of Los Angeles, and recommendations for the development of standards consistent with GASB Statement 77 reporting requirements.

The Controller's Director of Auditing and the Principal Performing Auditor provided an overview of the Controller's report and responded to related questions from the Committee. Additionally, the Chief Legislative Analyst (CLA) and staff also responded to questions from the Committee regarding Incentive Agreements.

During discussion, the Committee requested that the CLA report on whether Incentive Agreements for hotels within the vicinity of the Los Angeles Convention Center (LACC) are still necessary inasmuch as the City is near, or has reached, its stated goal of 8,000 rooms within walking distance of the LACC, or if the goal should be reevaluated based on the hotel room capacity near the convention centers of other cities in the region. Additionally, the Committee requested that the CLA and the Controller work together to determine and reconcile the differences between their respective reports on this matter (the CLA prepared and submitted its report on this matter on November 21, 2018).

After further discussion, and after providing an opportunity for public comment, the Committee recommended that Council receive and file the Controller's report. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

A handwritten signature in black ink that reads "Paul Keenan". The signature is written in a cursive, flowing style.

MEMBER	<u>VOTE</u>
KREKORIAN:	YES
ENGLANDER:	YES
KORETZ:	YES
BLUMENFIELD:	YES
BONIN:	YES

REW 11/26/18 FILE NO. 15-0850-S2

-NOT OFFICIAL UNTIL COUNCIL ACTS-