

**CITY OF LOS ANGELES
CALIFORNIA**



ANTONIO R. VILLARAIGOSA
MAYOR

JUNE LAGMAY
City Clerk

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Executive Officer

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Executive Officer

Office of the
CITY CLERK

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KONRAD CARTER
Acting Chief, Council and Public
Services Division

www.cityclerk.lacity.org

When making inquiries relative to
this matter, please refer to the
Council File No. 09-0136

October 19, 2009

Pouria Abbassi
General Manager, Convention Center

Miguel A. Santana
City Administrative Officer

Gentlemen:

On January 16, 2009, the attached Motion (Perry - Hahn) relative to flexible demand-based pricing policy for the Los Angeles Convention and Exhibition Center was referred to the Trade, Commerce, and Tourism Committee for consideration.

This matter is tentatively scheduled for consideration by the Trade, Commerce, and Tourism Committee at a regular meeting on November 4, 2009. In preparation for the meeting, please submit your original report, along with one copy, to the Office of the City Clerk, City Hall, Room 395, mail stop 160, no later than October 28, 2009.

Your attendance, or that of your designee, at the November 4, 2009 meeting is respectfully requested.

Sincerely,

Sharon Gin
Office of the City Clerk
213.978.1064
Sharon.Gin@lacity.org

cc: Councilmember Janice Hahn
Attn: Jenny Chavez

Attachment

09-0136.doc

TO CITY CLERK FOR PLACEMENT ON NEXT
REGULAR COUNCIL AGENDA TO BE POSTED

#58

MOTION

JAN 16 2009

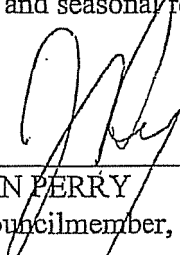
Since January 2006, the Los Angeles Administrative Code has fixed the daily rate to be charged to all licensees at the Los Angeles Convention and Exhibition Center at \$0.32 per net square foot of space used or occupied (Chapter 11, Section 8.149.2 "Daily Rates to Be Charged for Use of the Various Halls for Trade Shows"). The Administrative Code does not offer the Convention Center the flexibility to adjust this rate upward or downward to reflect market conditions, seasonality or demand.

With the challenging economic conditions, the competitive nature of the convention center industry, and emerging opportunities with the completion of LA Live, there is an urgent need for a flexible pricing policy for the L.A. Convention Center, similar to the airline and hotel industries, to enable management to offer various pricing options to event planners in order to attract top quality events while maximizing City revenues.

Based on hospitality industry practices, and local market conditions, options for a rental rate ranging up to thirty percent above or below the current rate of \$0.32 per net square foot of space used or occupied (a range of \$0.22 - \$0.42/square foot) will allow the Convention Center to be more responsive to the current market conditions and stay competitive in a fiscally responsible manner, even during periods of traditionally low occupancy. This flexible demand-based pricing option would give the Convention Center the flexibility to react more effectively to the changing dynamics of many event requirements and market conditions, thereby improving last-minute response times and meeting clients' needs in a more efficient manner, providing clients with the greatest value for their money.


I THEREFORE, MOVE that the City Council instruct the City Attorney to prepare and present an ordinance within 30 days to amend Los Angeles Administrative Code Section 8.149.2 to implement a flexible demand-based pricing policy for the Los Angeles Convention and Exhibition Center and authorize the General Manager to offer pricing options up to 30 % above or below the current rate of \$0.32 per net square foot of space used or occupied (range of \$0.22 - \$0.42/square foot of space used or occupied) based on demand and seasonal requirements.

PRESENTED BY:



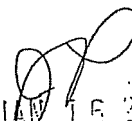
JAN PERRY
Councilmember, 9th District

SECONDED BY:



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JAN 16 2009

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