

**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 flexible demand based pricing for the Los Angeles Convention Center (LACC).

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

1. REQUEST the City Attorney to prepare and present an ordinance to create a flexible pricing structure for LACC usage, incorporating the following:
 - a. Criteria that will allow potential clients to qualify for the flexible pricing program, including:
 1. Cancellation of an event or significant reduction in the space previously contracted for an event.
 2. Vacancy in excess of historical average.
 3. Consideration of ancillary revenue generated by an event that will be in excess of revenues earned by a rate reduction.
 - b. Pricing flexibility of plus or minus 50% from the standard rate of 32 cents per square foot.
 - c. Quarterly reports to the Mayor, City Controller, and City Administrative Officer (CAO) regarding events that have been offered a flexible price, with reporting requirements determined jointly by the LACC and CAO.
 - d. A sunset on the flexible pricing program of three years from the date of implementation.
 - e. A financial and performance audit by the City Controller to be conducted at the conclusion of the flexible pricing program to evaluate the effectiveness of the program.
 - f. Continuation of this program beyond three years if approved by the City Council, provided that an audit is done and considered in conjunction with the action to continue the program.
2. INSTRUCT the LACC to prepare an implementation policy for the flexible pricing program for review by the City Council within 120 days.
3. NOTE and FILE the LACC and CAO reports.

Fiscal Impact Statement: None submitted by the LACC. Neither the CAO or the Chief Legislative Analyst have completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on November 18, 2009, the Trade, Commerce, and Tourism Committee considered Motion (Perry - Hahn) and CAO and LACC reports regarding flexible demand based pricing for the Los Angeles Convention Center. An opportunity for public comment was held. After a brief discussion, the Committee moved to approve Motion (Perry - Hahn) as amended. This matter is now forwarded to the Council for its consideration.

Respectfully submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| HAHN: | YES |
| ROSENDAHL: | YES |
| LABONGE: | ABSENT |

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