

Comments to Trade, Commerce and Tourism Committee Agenda No. 7 CF 12-0692 LA Convention Center

Joyce Dillard <dillardjoyce@yahoo.com> Mon, Aug 27, 2012 at 10:10 AM

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

To: Michael Espinosa <Michael.Espinosa@lacity.org>, "The Honorable Dennis P. Zine" <councilmember.zine@lacity.org>, "The Honorable Bernard C. Parks" <councilmember.parks@lacity.org>, The Honorable Bill Rosendahl <councilmember.rosendahl@lacity.org>, The Honorable Carmen Trutanich <CTrutanich@lacity.org>, The Honorable Ed Reyes <councilmember.reyes@lacity.org>, The Honorable Eric Garcetti <Councilmember.Garcetti@lacity.org>, "The Honorable Herb J. Wesson Jr." <councilmember.wesson@lacity.org>, The Honorable Jan Perry <councilmember.perry@lacity.org>, The Honorable Joe Buscaino <councilmember.buscaino@lacity.org>, The Honorable Jose Huizar <councilmember.huizar@lacity.org>, The Honorable Mitchell Englander <councilmember.englander@lacity.org>, The Honorable Paul Koretz <Paul.Koretz@lacity.org>, The Honorable Paul Krekorian <Councilmember.Krekorian@lacity.org>, The Honorable Richard Alarcón <councilmember.alarcon@lacity.org>, The Honorable Tom LaBonge <councilmember.labonge@lacity.org>, The Honorable Tony Cardenas <councilmember.cardenas@lacity.org>

This proposal is SO poorly done and will result in the OPPOSITE of fiscal stability.

In fact, you may have destroyed the tourism industry for the Convention Center already and scared off the reliability required and trust to execute delivery of convention services.

May we remind you of the existence of Administrative Code Section 8.149.1 Procedure for Reduction of Rates to be Charged to Certain Licensees. The City Controller has addressed this in the past with Audit Findings.

Your conclusion is based on one PKF Consulting report. You want to:

- (1) Enhance the governance structure of the LACC;
- (2) Adopt an alternative structure for operating management services; and
- (3) Expand the City's hotel room supply to 5,000 rooms within a 1/2 mile radius of the LACC.

Why. You have not even read the literature on Convention Centers and Economic Impact. The Brookings Institution and Universities have studied the field.

Use that information.

CITY CONTROLLER REVENUE REPORT 3/1/2007 states:

Transient Occupancy Tax. The strengthening leisure and hospitality sector is expected to continue in the current year. A 6% improvement over the prior year's receipts is anticipated. This estimate is aligned with the projections of Bruce Baltin, of Pannell Kerr Forrester (PKF) Consulting, who indicated that hotel occupancy in the City is in the upper 70% range and that the average daily rate continued to increase.

CITY CONTROLLER REVENUE REPORT 3/1/2008 states:

Transient Occupancy Tax. The leisure and hospitality sector continued strong in the current year. Receipts during the first half of the fiscal year were in line with the current budget estimate. It is expected that total receipts for the year will be at the budgeted amount. This trend is aligned with the projections of Bruce Baltin, of Pannell Kerr Forrester (PKF) Consulting, who indicated that hotel occupancy in the City is above the 70% range and that the average daily rate continues to grow.

CITY CONTROLLER REVENUE REPORT 3/1/2011 states:

Transient Occupancy Tax. Receipts during the first seven months were 6% above budget. It is anticipated that tourism and hotel occupancy will continue to improve in the second half of the year, and that transient

occupancy tax will total \$128 million or \$6 million higher than the budget. This trend is aligned with the projections of Bruce Baltin, of Pannell Kerr Forrester (PKF) Consulting, who indicated that hotel occupancy in the City and the average daily rate will continue to recover.

Transient Occupancy Tax. Hotel occupancy is expected to improve further in fiscal year 2011-12. It is projected that transient occupancy tax revenues will total \$139 million, an increase of \$10 million (8%) from fiscal year 2010-11. Bruce Baltin of PKF Consulting assisted with this estimate.

CITY CONTROLLER REVENUE REPORT 3/1/2012 states:

Transient Occupancy Tax. Receipts during the first seven months were 11% above budget. It is anticipated that tourism and hotel occupancy will continue to improve in the second half of the year, and that transient occupancy tax will total \$152 million or \$16 million higher than the budget. This trend is aligned with the projections of Pannell Kerr Forrester (PKF) Consulting, which indicated that hotel occupancy in the City and the average daily rate will continue to grow.

Why does the City Controller not see a problem, financially?

You have not prepared a Fiscal Analysis.

It is not the governance structure; it is the number of hotels, the conditions of the road, the number of police and the time to travel.

You have not created a First Class City to compete with other convention venues. Disneyland is in Anaheim, not in Los Angeles. The beaches are along the coast in Santa Monica, Manhattan Beach, and Newport Beach as tourist destinations.

In fact, bicycle lanes are more important than calming congestion.

Los Angeles is not competitive and will not be as long as you do not create a business and family friendly environment that is safe.

This report is no guidance. You cannot rely on construction jobs alone to create an economy.

At this point in time, you need to analyze individual industry needs (those who book the conventions). We have sat in the Los Angeles Convention and Exhibition Center Authority meetings and listened to the reporting.

They know their business. Listen.

Do not make the taxpayers liable for these foolish moves. Due your due diligence.

We repeat, you have damaged the tourism and booking to the Convention Center already.

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