



BOARD OF LOS ANGELES DEPARTMENT OF CONVENTION AND TOURISM DEVELOPMENT COMMISSIONERS

Commissioners: Jon F. Vein, President; Ray Bidenost, Vice President;
Jeremy Bernard; Stella T. Maloyan; Otto Padron

Members of the public who wish to speak during the meeting must submit a "Request to Speak" form to the Board Secretary prior to the commencement of the public comments for each agenda item of interest. Comments by the public on matters not identified on the agenda, but within the subject matter jurisdiction of the Commission, will be heard only during the item designated as "Public Comment." Public speaking will be limited to two minutes per speaker, unless the presiding officer grants some other amount of time before the commencement of the public comment.

Regular Meeting
Wednesday, March 2, 2016
9:00 a.m. – 10:30 a.m.
Los Angeles Convention Center
1201 S. Figueroa Street, L.A., CA 90015
Executive Board Room

1. CALL TO ORDER / ROLL CALL

2. PUBLIC COMMENT

3. ACTION ITEMS:

- a. Approval of the Special meeting minutes from February 24, 2016

4. PRESENTATIONS:

- a. AEG Monthly Update – January – Brad Gessner, AEG
- b. LATCB Monthly Update – January – Darren Green, LATCB
 - i. Post-Convention Survey – Wendy Kheel, LATCB

5. DISCUSSION ITEMS:

- a. Expansion & Futurization Update (Oral Report) – Bud Ovrom, CTD
- b. On-site Hotel Update – Bud Ovrom, CTD

6. ADJOURNMENT

AGENDA FORECAST / SPECIAL TOPICS:

- | | |
|----------------|--|
| March 16, 2016 | - CIP Update – CTD |
| | - Expansion & Futurization Update – CTD |
| | - On-site Hotel Update – CTD |
| | - LATCB FY 2016-17 Proposed Budget – CTD |
| | - CTD FY 2016-17 Budget update - CTD |

Materials related to an item on this agenda submitted to the Board of Los Angeles Convention and Tourism development after distribution of the agenda packet are available for public inspection in the Executive Office of the Los Angeles Convention Center, 1201 S. Figueroa Street, Los Angeles, CA 90015, during normal business hours.

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

DRAFT
**BOARD OF LOS ANGELES CONVENTION
AND TOURISM DEVELOPMENT COMMISSION**

Special Meeting Minutes
February 24, 2016
9:00 a.m.

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a special meeting on Wednesday, February 24, 2016 at 9:00 a.m. at the Los Angeles Convention Center (LACC), located at 1201 S. Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room.

PRESENT:

President Jon F. Vein
Commissioner Otto Padron
Commissioner Jeremy Bernard
Commissioner Stella T. Maloyan

ABSENT:

Vice President Ray Bidenost

PRESENTERS:

Bud Ovrom, CTD

Item 1. Call to Order / Roll Call

President Vein called the meeting to order at 9:05 am.

Item 2. Public Comment

None

Item 3a. Approval of Meeting Minutes from February 3, 2016

UNANIMOUSLY APPROVED

Item 4a. Expansion and Futurization Update

Mr. Bud Ovrom updated the Board on the expansion and futurization of the Los Angeles Convention Center, noting that the Economic Development Committee (EDC) approved a motion to research two paths of financing the project. The EIR and staffing required for the project were also approved and will be applicable to either path of the project. The motion has been waived by Personnel and Animal Welfare Committee and will be heard by the Budget and Finance Committee prior to going to full Council. The P3 conceptual design includes a large residential component, which EDC prohibited in the motion. The Board discussed the topic and will recommend researching all options available.

Item 4b. Hotel Strategy Update

Mr. Bud Ovrom provided a hotel strategy update, stating the lack of hotel rooms within walking distance as compared to competitors and the goal of 8,000 hotel rooms by 2020. Mr. Ovrom also gave an overview of local hotel projects.

Item 4c. Future Meetings

Meetings will continue to be held the first and third Wednesdays of each month.

ADJOURNMENT

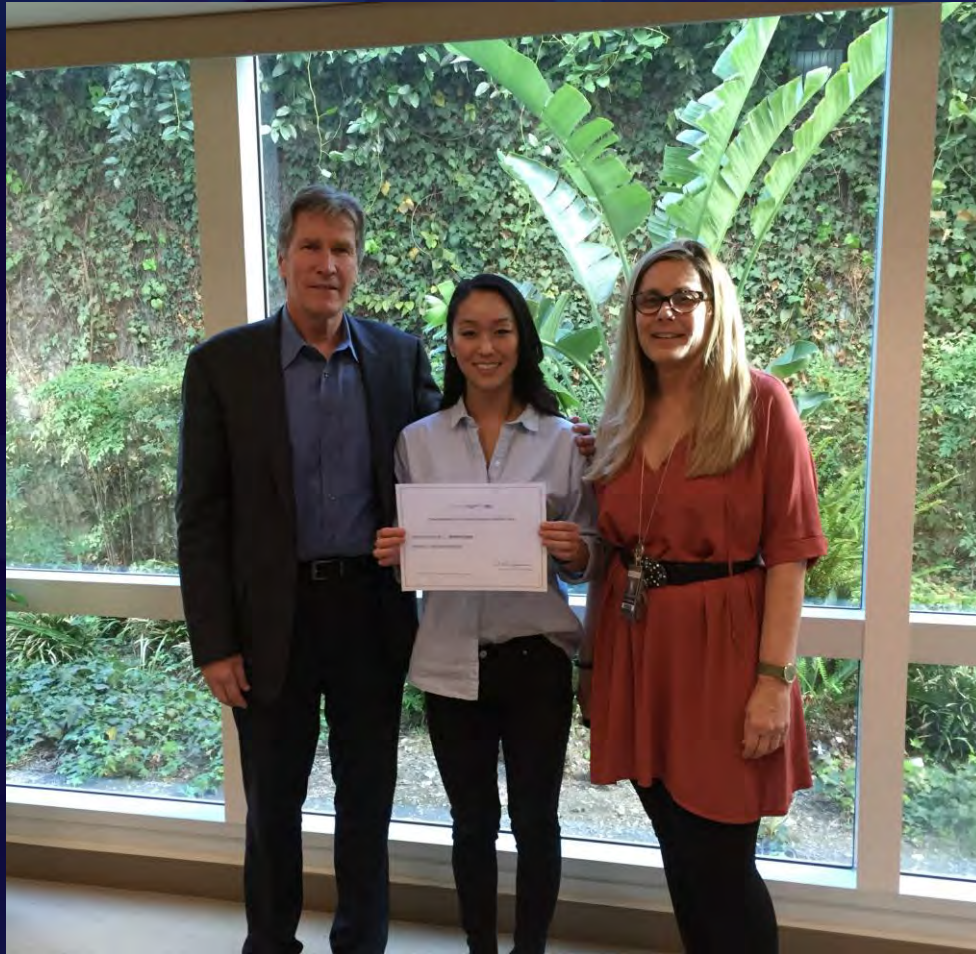
The meeting was adjourned at 10:06 a.m.

Los Angeles Convention Center Monthly Status Report January 2016

Brad Gessner



EMPLOYEE OF THE MONTH – JANUARY 2016



Michelle Chang
Coordinator, Sales & Marketing

LACC JANUARY 2016 EVENTS

| <u>DATE</u> | <u>EVENT</u> | <u>ATTENDANCE</u> |
|------------------|-----------------------------------|-------------------|
| Jan. 1 – 3 | Discover the Dinosaurs | 9,044 |
| Jan. 2 – 3 | L.A. Yoga Expo | 8,000 |
| Jan. 13 - 20 | Mary Kay Annual Conference* | 38,000 |
| Jan. 20 | Naturalization | 16,000 |
| Jan. 23 - 24 | FitExpo 2016 | 78,000 |
| Jan. 23 | VRLA (Virtual Reality Foundation) | 3,500 |
| Jan. 24 – Feb. 2 | L.A. County HR Testing | 3,000 |
| Jan. 26 - 27 | Int'l Council of Shopping Centers | 2,000 |
| Jan. 27 - 28 | City of Santa Monica HR Dept. | 2,000 |
| Jan. 28 – 31 | LA Art Show | 10,000 |
| Jan. 29 – 31 | Feria de la Salud | 30,000 |
| Jan. 30 – 31 | BrideWorld Expo | 3,500 |
| Jan. 30 – Feb. 2 | LA Gift Show | 8,000 |

TOTAL: 211,044

* Citywide Event

LACC JANUARY 2016 FILMING AND PHOTO EVENTS

| <u>Date</u> | <u>Name</u> | <u>Location</u> | <u>Amount</u> |
|-------------|---------------|--------------------------|---------------|
| Jan 12 | Angie Tribeca | Bond Lot | \$3,750 |
| Jan 25 – 26 | Brooklyn 99 | South Lobby/Garage | \$32,090 |
| Jan 27 - 28 | Capital One | Compass Terrace / Hall K | \$23,280 |

TOTAL FILMING: \$59,120

(December 2014 - \$92,623)

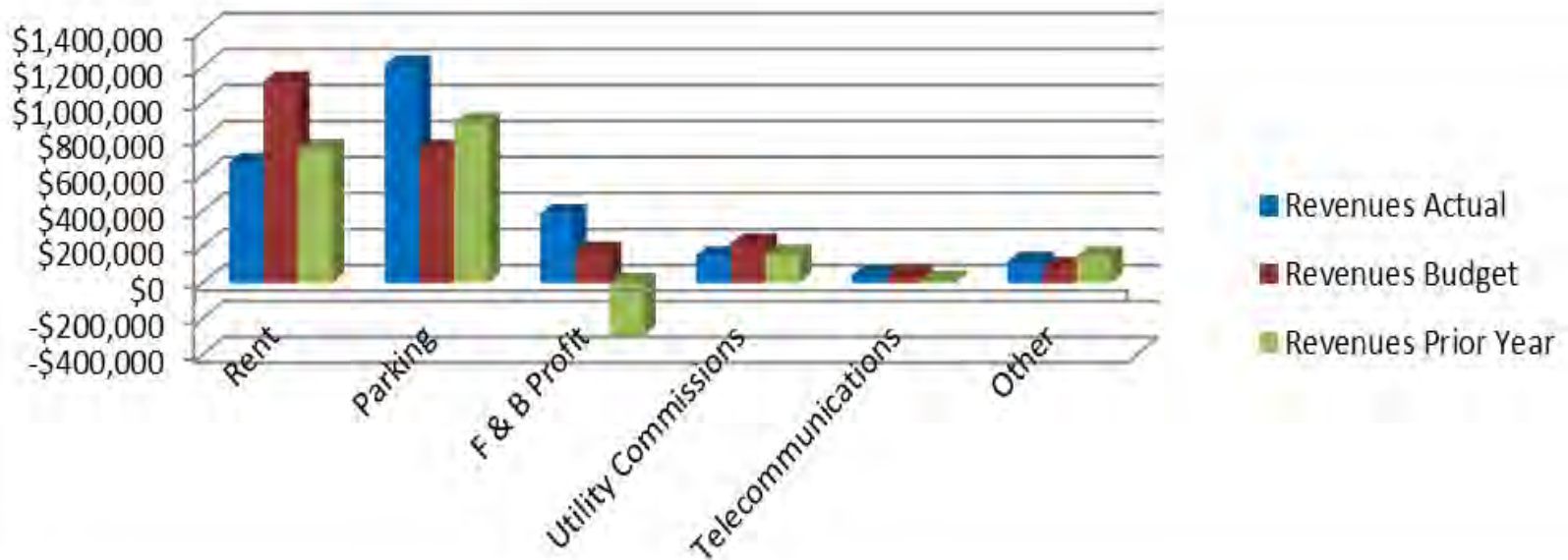
LACC January 2016 Financials

Operating Profit:

- \$829K (before approved A & I and Capital Projects)
- \$917K favorable to prior year and \$270K favorable to budget

Revenues:

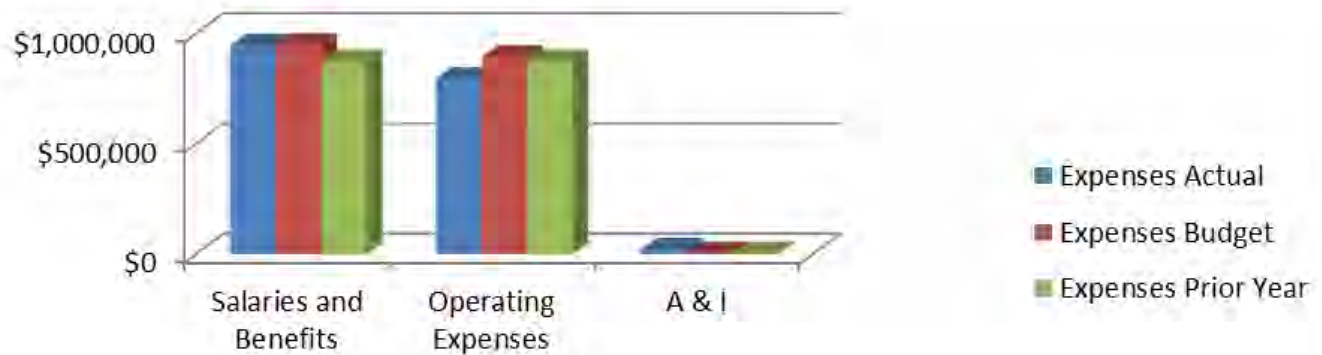
- \$2.5 Million
- \$187K favorable to budget year and \$909K favorable to prior year



LACC January 2016 Financials

Expenses:

- \$1.7 Million for January (excluding A & I projects)
- \$9K below prior year; \$84K below budget

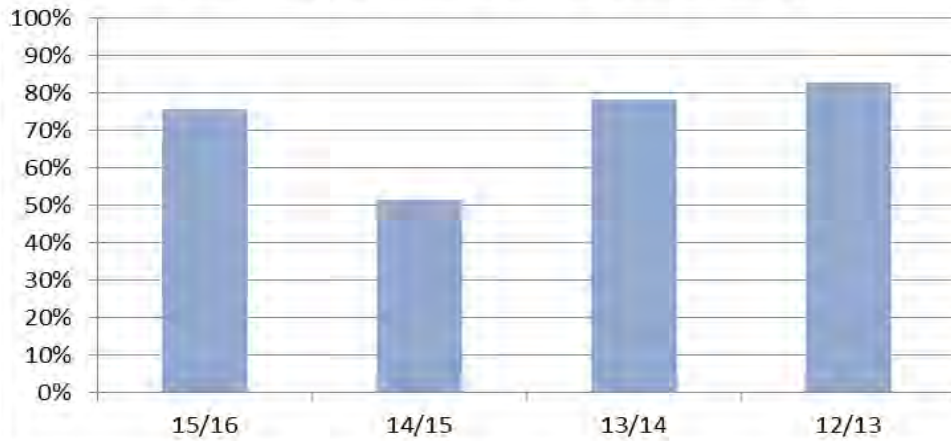


A & I projects and Capital:

Access Control (South Hall offices, Levy offices, and Command Center)
Waterless Urinal upgrade

January Occupancy

January Exhibit Hall Occupancy



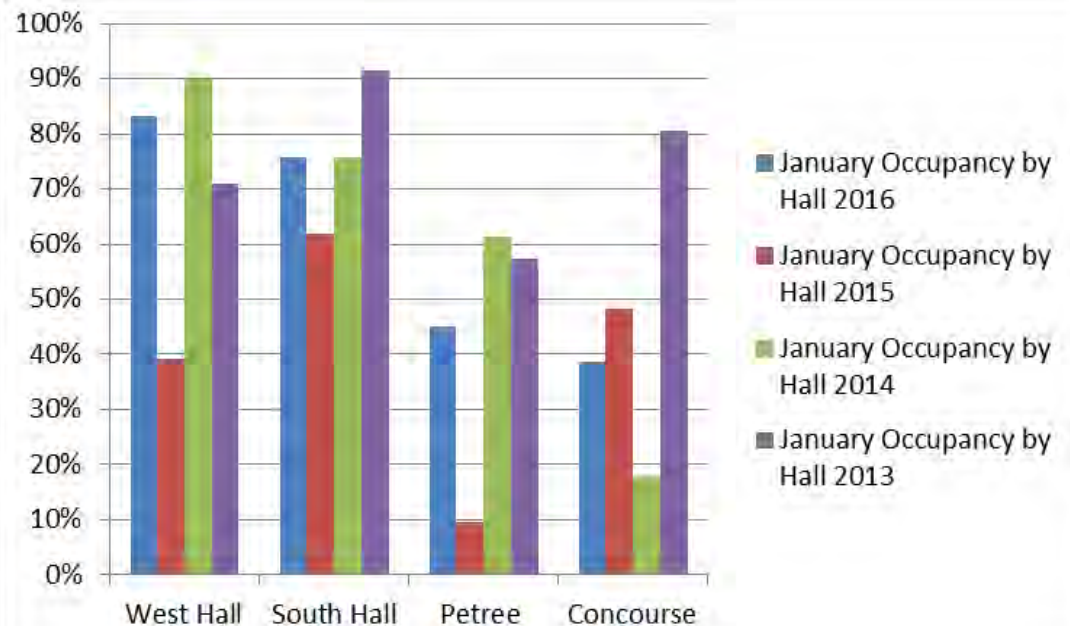
January Occupancy:

2016 - 76%

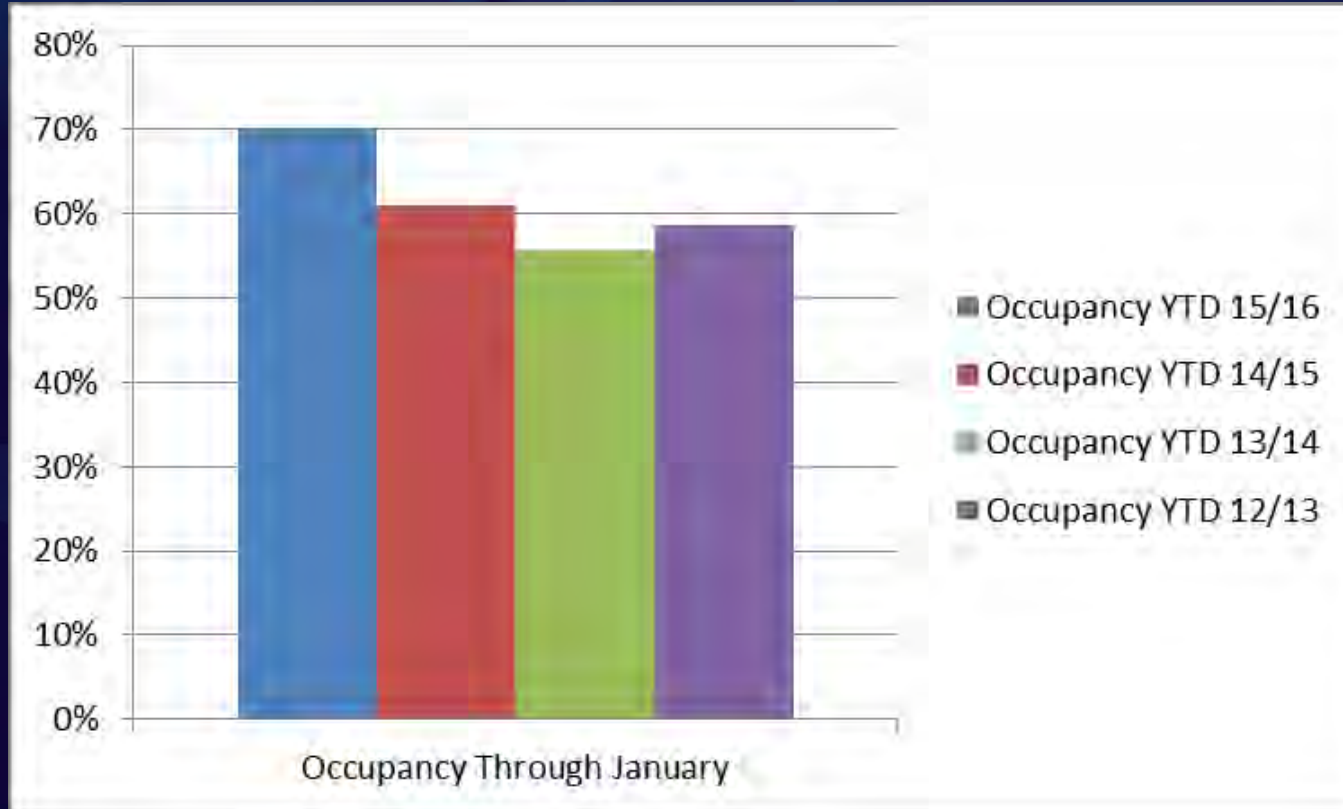
2015 - 52%

2014 - 78%

2013 - 83%



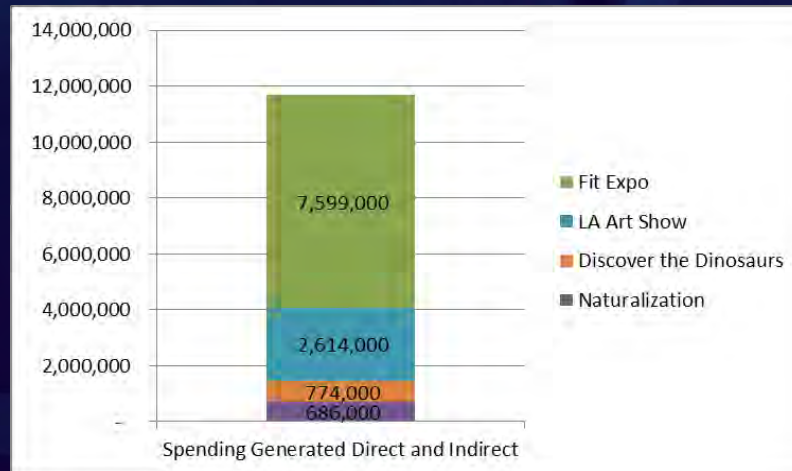
YTD Occupancy



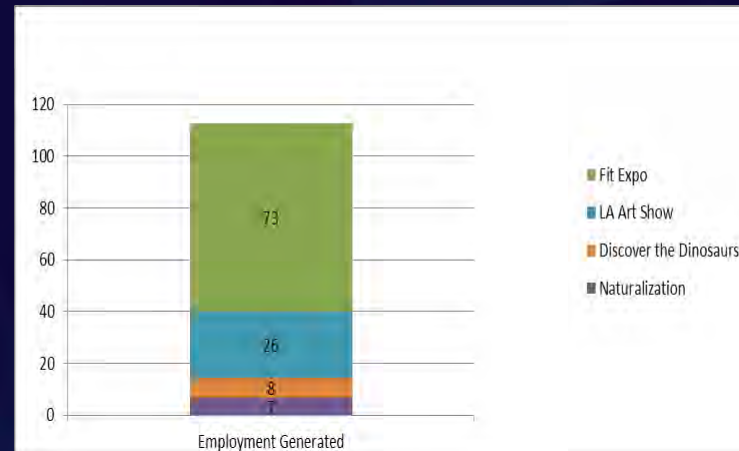
PricewaterhouseCoopers report on Convention Center occupancy states:

It has been recognized industry-wide that the “practical” maximum exhibit hall occupancy rate is approximately 70 percent and the “efficient” range is considered to be approximately 50 to 60 percent. Occupancy levels less than 50 percent generally suggest the existence of marketable opportunities or open dates, while an occupancy rate above 60 percent increases the potential for lost business or “turn-aways.”

PROJECTED January Economic Impact (Short-term booking)



Projected total spending for December events at LACC of \$11.6 Million



Calculations based on formulas provided by IAVM (International Association of Venue Management)



Sales Update

Darren K. Green
Senior Vice President,
Sales



Los Angeles
TOURISM & CONVENTION BOARD

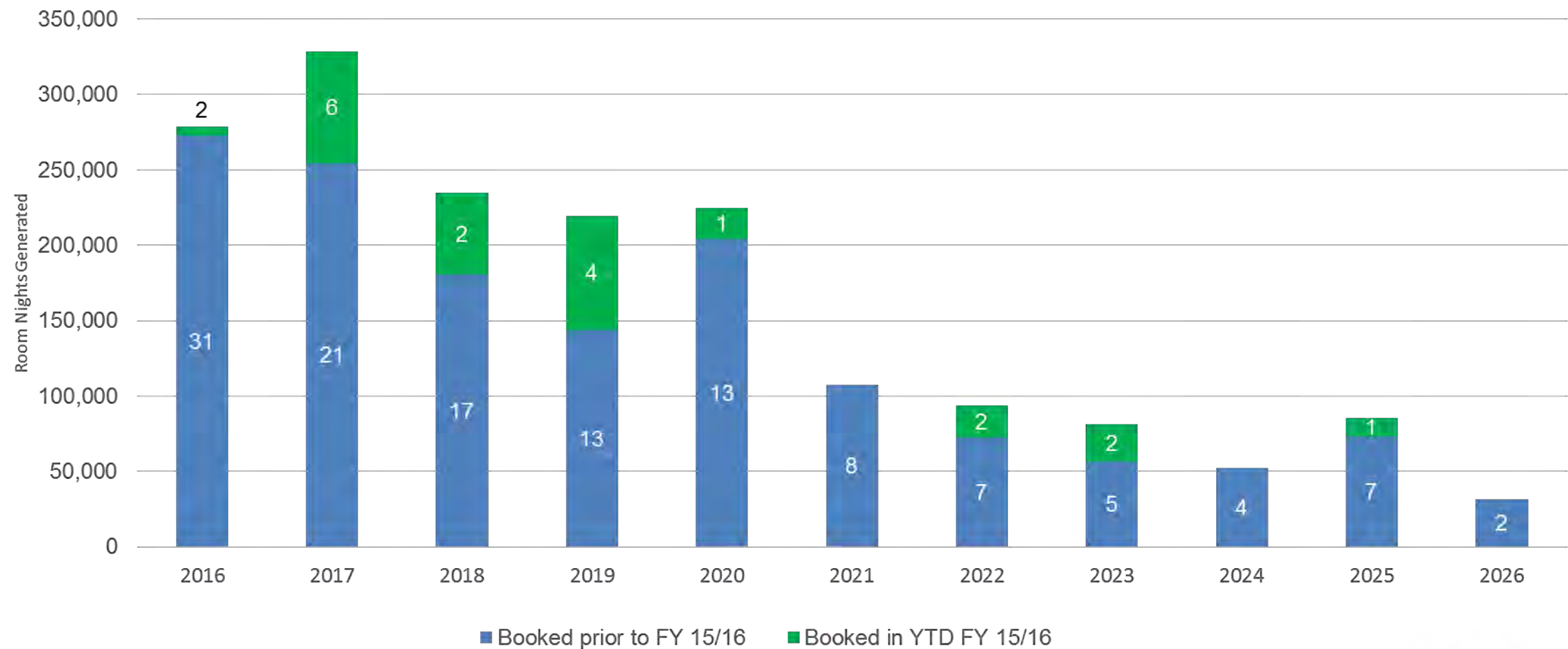
Citywide Convention Sales YTD FY 15/16 Production

| Lead Production | Leads Actual | Booked Room Nights Produced | RNs Actual |
|-----------------|--------------|-----------------------------|----------------|
| FY 15/16 Goal | 220 | FY 15/16 Goal | 351,000 |
| FY 15/16 YTD | 144 | FY 15/16 YTD | 290,159 |
| FY 14/15 STLY | 136 | FY 14/15 STLY | 207,161 |

Sales Pipeline- Future Years

- YTD 15/16 **125 Prospects**, representing **1,539,475 room nights**
- STLY 14/15 **141 Prospects**, representing **1,824,543 room nights**

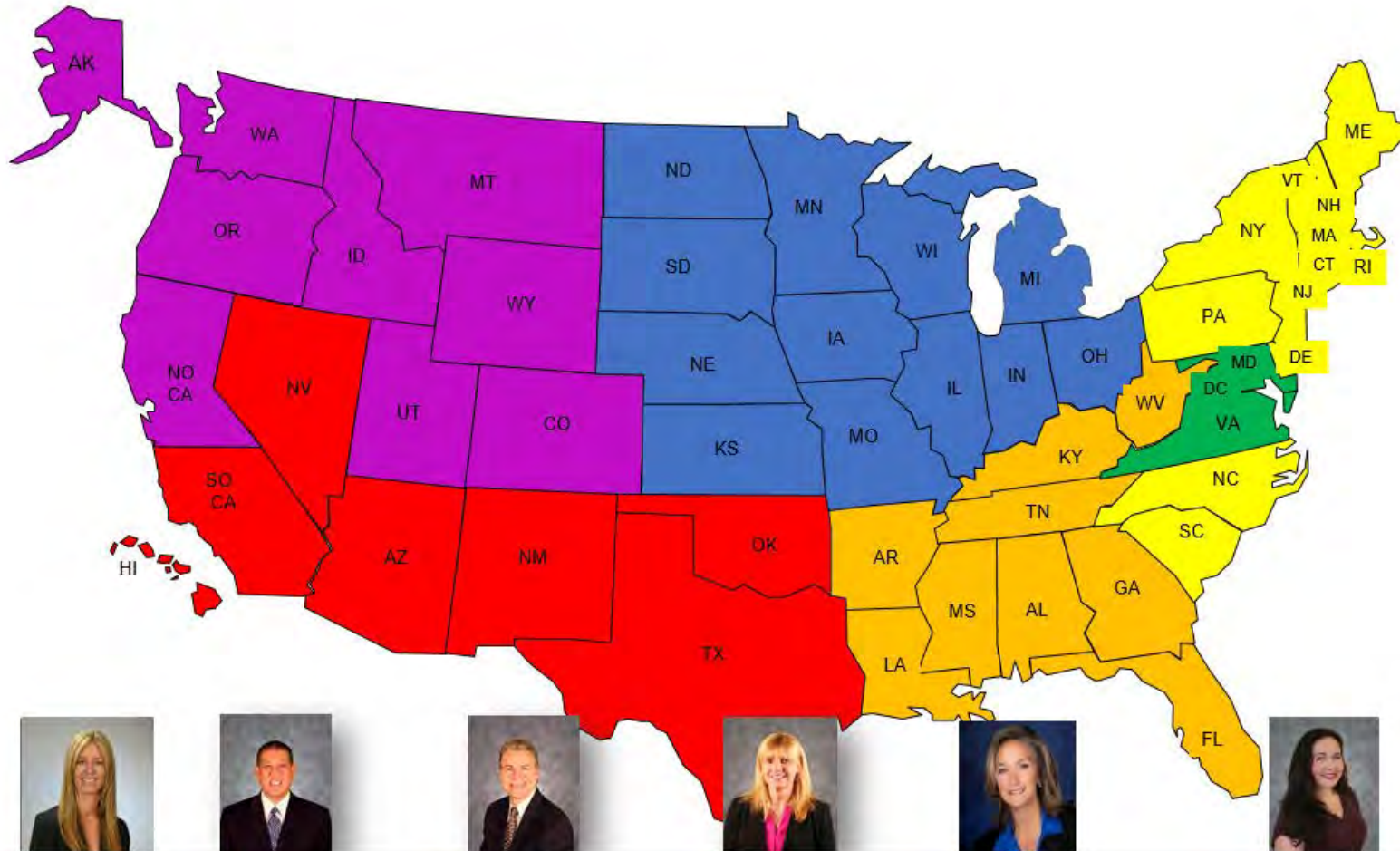
Citywide Convention Sales Booked Room Nights 2016 to 2026 Calendar Year Arrival Date



20 Events booked during YTD FY 15/16 (July 1, 2015 – February 25, 2016)



Citywide Convention Sales Team- Current Deployment



- Mary Gallagher hired Sept. 2014
- Lanie Dean Griffin hired Nov. 2014
- Marisa Blank hired July 2015



Griffin

No. CA, OR,
WA, ID, UT,
CO, WY,
MT, AK



Leung

So. CA, NV,
HI, AZ, NM,
TX, OK



Sites

IL, IN, OH,
MO, MI, WI,
IA, KS, NE,
ND, SD, MN



Glenn

FL, GA, AL, MS,
LA, AR, TN, KY,
WV



Gallagher

DC, MD, VA



Blank

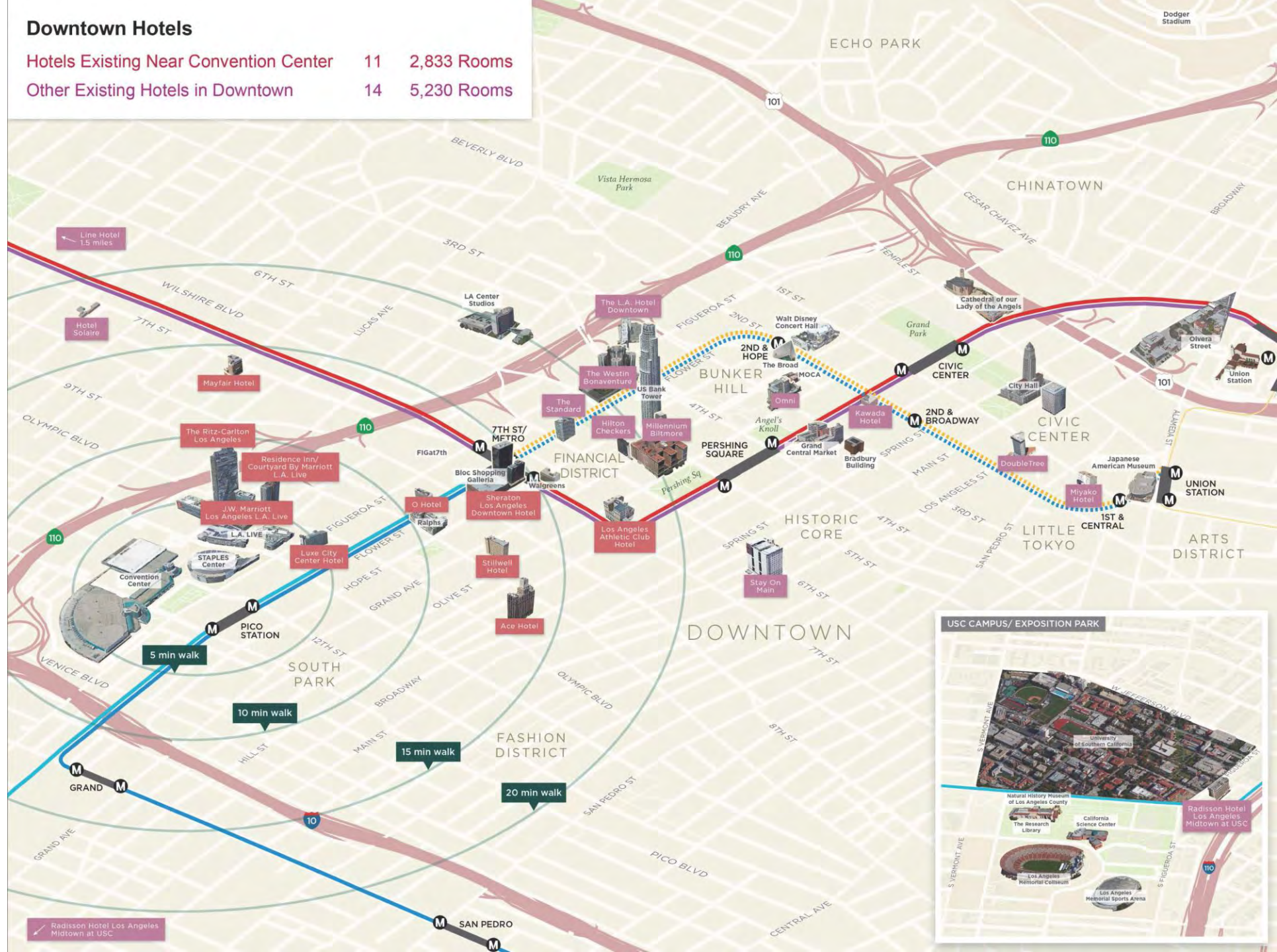
NY, PA, NJ, DE,
CT, RI, MA, NH,
VT, ME





Downtown Hotels

| | | |
|--|----|-------------|
| Hotels Existing Near Convention Center | 11 | 2,833 Rooms |
| Other Existing Hotels in Downtown | 14 | 5,230 Rooms |



Downtown Hotels

| | | |
|--|----|-------------|
| Hotels Existing Near Convention Center | 11 | 2,833 Rooms |
| Other Existing Hotels in Downtown | 14 | 5,230 Rooms |
| Hotels Under Construction | 9 | 2,759 Rooms |



Downtown Hotels

| | | |
|--|----|-------------|
| Hotels Existing Near Convention Center | 11 | 2,833 Rooms |
| Other Existing Hotels in Downtown | 14 | 5,230 Rooms |
| Hotels Under Construction | 9 | 2,759 Rooms |
| Future Sites | 12 | 3,086 Rooms |



Accommodations - Coming to Downtown Los Angeles - Hotel Indigo



Opening 2017

**18-Story Boutique
Hotel**

350 Rooms

**“Metropolis” Mixed-
use Project**



Accommodations - Coming to Downtown Los Angeles – Wilshire Grand



Opening 2017

**Intercontinental
900-room hotel**

4 Star Rating

**Gold Certified
Green Friendly**



Accommodations - Coming to Downtown Los Angeles - Oceanwide Plaza



183 Rooms – Opening 2018

\$1B Project

49-story tower

Mixed-use

Accommodations - Coming to Downtown Los Angeles

AEG to add 755 rooms to Marriott Complex at L.A. LIVE

\$500 million expansion

Additional 755 rooms will create the second-largest hotel in California with 1,756 total rooms

Existing J.W. Marriott (878 rooms) and Ritz Carlton (123 rooms) at L.A. Live

New 38-story tower to be connected to the existing hotel building by a bridge over Olympic Boulevard

Opening 2019





Metro

Downtown
Santa
Monica



Metro Rail





330

Metro





THE BROAD

\$140M Exhibit Building

**\$1B Collection of Contemporary Art,
Largest in the US**

Opened September 2015



Tourism Insights

Wendy Kheel
Vice President



Response Rate

- Post-convention surveys were sent to appropriate meeting planners for 23 citywide conventions held at LACC in January – December 2015. 17 surveys were completed, a 73.9% response rate.

| 2015 Respondents | |
|----------------------|--|
| Q1 | Morinda International Leadership Conference |
| Q1 | NeighborWorks America 2015 Training Institute |
| Q1 | Herbalife International Summit |
| Q1 | L.A. Marathon |
| Q1 | Optical Society of America, Optical Fiber & Communication Expo |
| Q2 | American Telemedicine Association 2015 Annual Meeting |
| Q2 | DrupalCon |
| Q2 | E3 |
| Q2 | Building Owners & Managers Association 2015 Annual Conference |
| Q3 | Anime Expo |
| Q3 | IDEA Health & Fitness Association World Fitness Convention |
| Q3 | Special Olympics World Summer Games |
| Q3 | KCON |
| Q3 | Organo Gold 2015 International Convention |
| Q4 | Adobe MAX |
| Q4 | National Association of Housing & Redevelopment Officials 2015 Annual Conference |
| Q4 | The Obesity Society |
| 2015 Non-Respondents | |
| Q1 | IHRSA-International Health, Racquet and Sportsclub Association International Convention & Trade Show |
| Q2 | SCVA-Southern California Volleyball Association, Junior National Qualifiers 1 |
| Q2 | SCVA-Southern California Volleyball Association, Junior National Qualifiers 2 |
| Q2 | Dwell Media Dwell on Design Conference & Expo |
| Q3 | Association for Computing Machinery, 2015 Annual ACM-SIGGRAPH Conference |
| Q4 | CoreNet Global, 2015 North American Summit |

Methodology

- The Post-Convention Survey has two very important objectives.
 1. Obtain data directly from meeting planners used to estimate the economic impact of the convention, i.e. total number of delegates, day vs. overnight delegates, origin of delegates, and percentage of air arrivals
 2. Satisfaction of the meeting planners with their experience in Los Angeles and at the LACC
- Respondents rate their experiences using a 5-point scale where “1” is considered “poor” and “5” is “excellent.”

The results are presented in averages.

| | |
|----------------------|-----------|
| “Excellent” | 5.0 - 4.6 |
| “Good” | 4.5 - 3.6 |
| “Average” | 3.5 – 2.6 |
| “Below Average/Poor” | Below 2.6 |

- Changes in 2015 include:
 - Rating of "Overall safety and security" at the Los Angeles Convention Center
 - 2015 incentive increased to a \$50 Amazon gift certificate for surveys completed within 20 days of the survey invitation and \$25 thereafter.



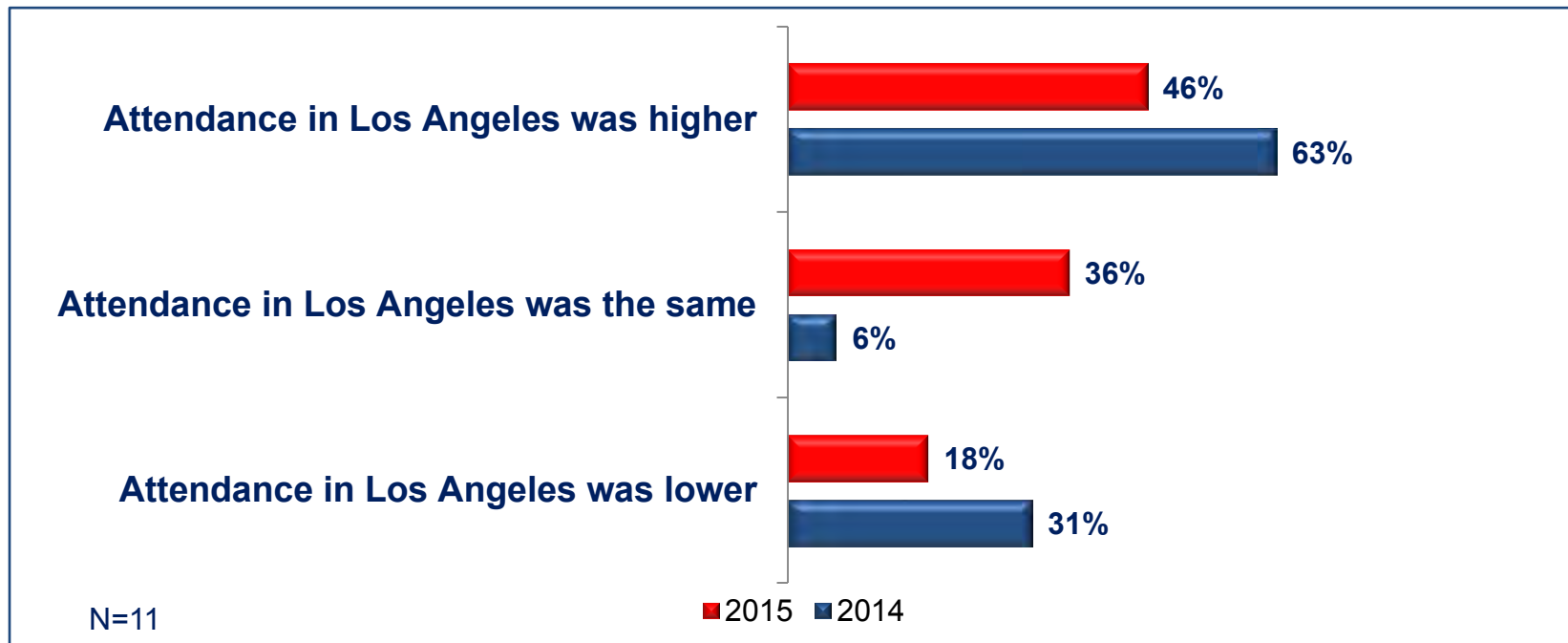
Attendance and Intent to Return



Attendance Compared to Other Cities

- Among the 2015 events held in other cities in the last three years (65%), 46% of these meeting planners said attendance in Los Angeles was higher compared to other cities but 18% said attendance was lower.

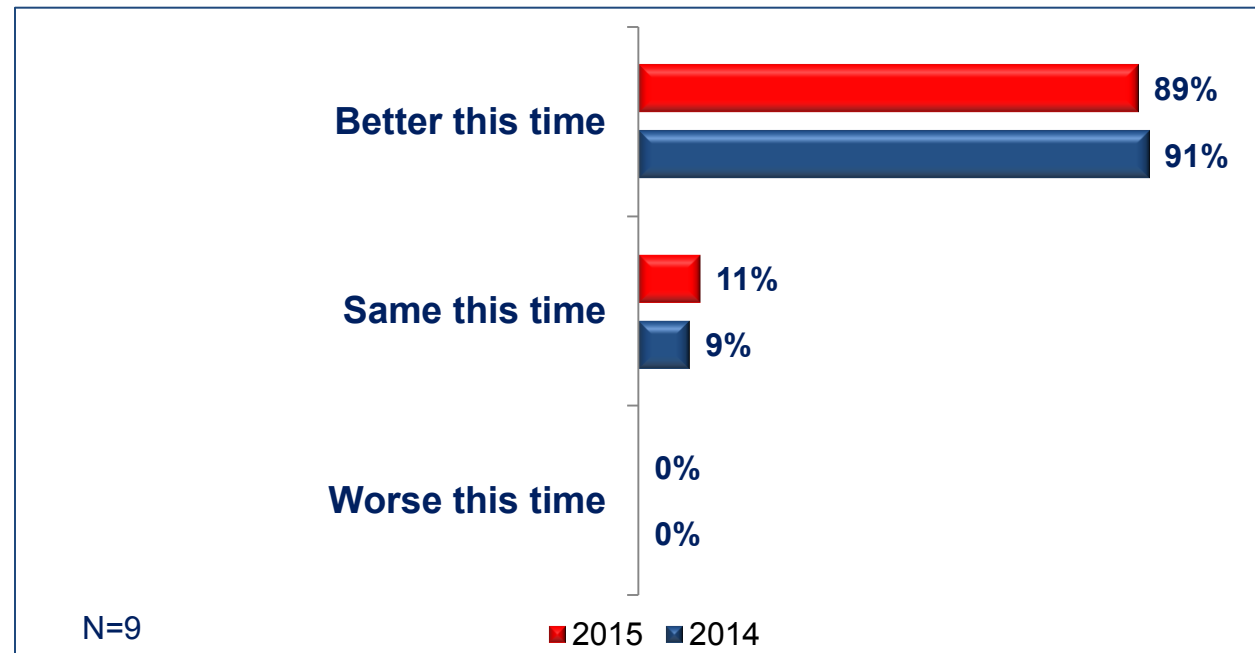
How did attendance in Los Angeles for this meeting/convention compare to the last time this meeting/convention was held in another city?



Los Angeles Experience Compared to Last L.A. Visit

- 71% of meeting planners indicated that they had held their meeting/convention in Los Angeles before.
- Eight out of nine (89%) said their experience in L.A. was better this time compared to the last time their convention was held in L.A.

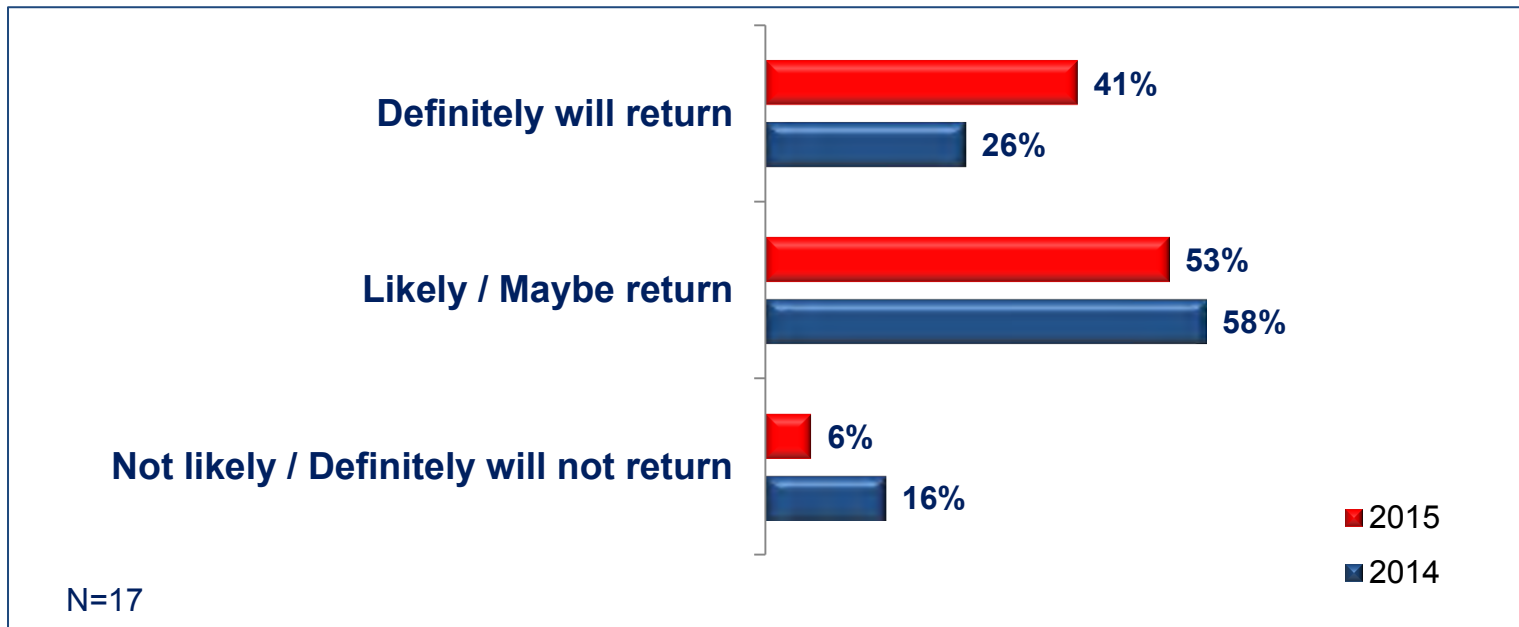
How did the experience in Los Angeles this time compare to the last time the meeting/convention was held in Los Angeles?



Intent to Return to Los Angeles

- 41% of meeting planners said they will “definitely return” to Los Angeles, an increase from 26% in 2014.

How likely are you to return to Los Angeles in the future for this meeting/convention?





Decision Influencers



Site Inspection

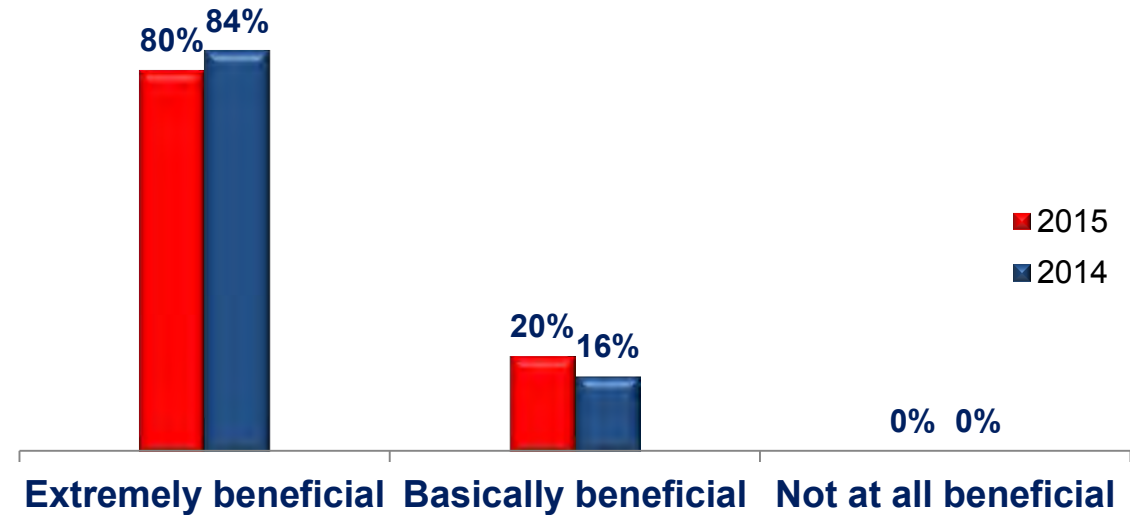
88%
**Visited Los Angeles
for a site inspection**

N=17

*How beneficial to your planning
was the site inspection?*

N=15

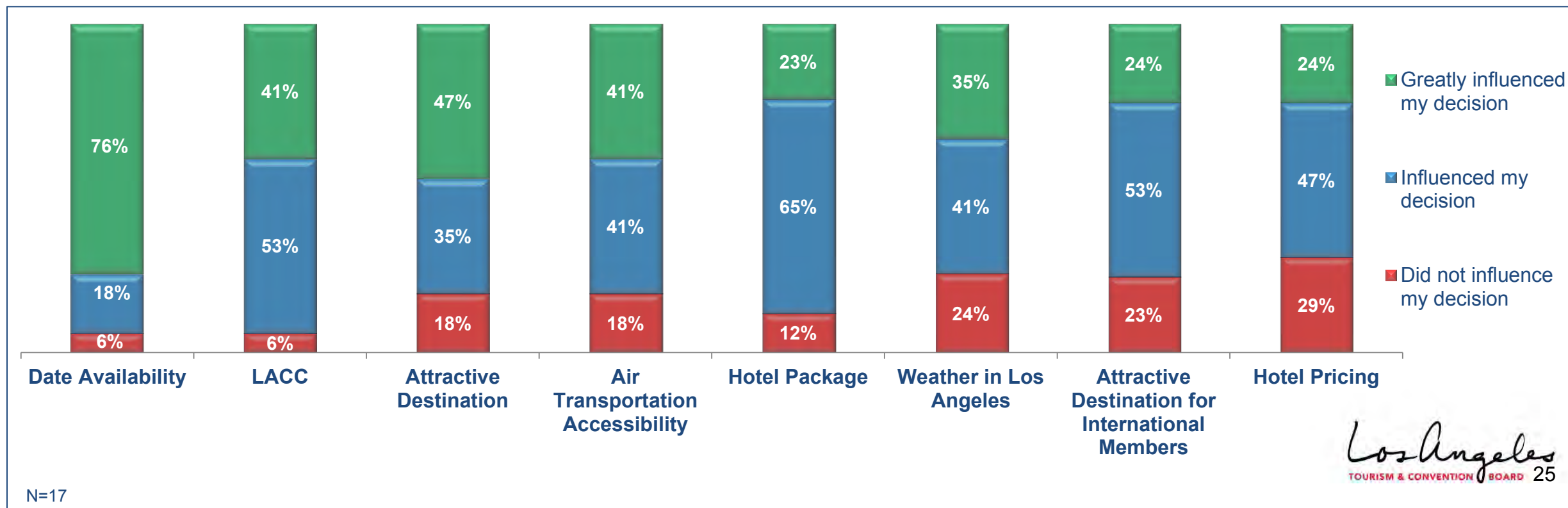
All meeting planners found the site inspection either
“extremely beneficial” (80%) or “basically beneficial” (20%)



Key Destination Selection Decision Influencers

- Meeting planners have a pragmatic approach to destination selection. **Date Availability, LACC, Destination Attractiveness, and Air Transportation Accessibility** have the most influence.

How much did each of the following influence your decision to hold this meeting/convention in Los Angeles?





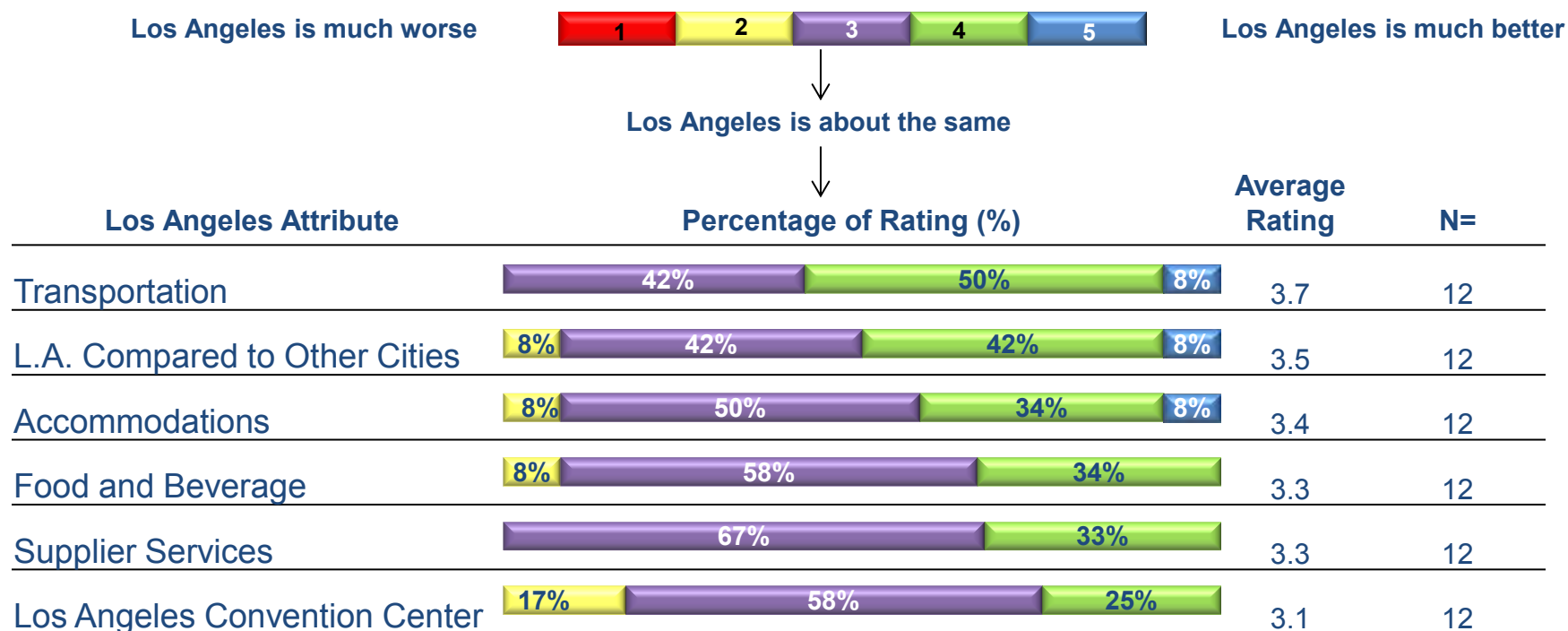
Satisfaction



Los Angeles Compared to Other Cities

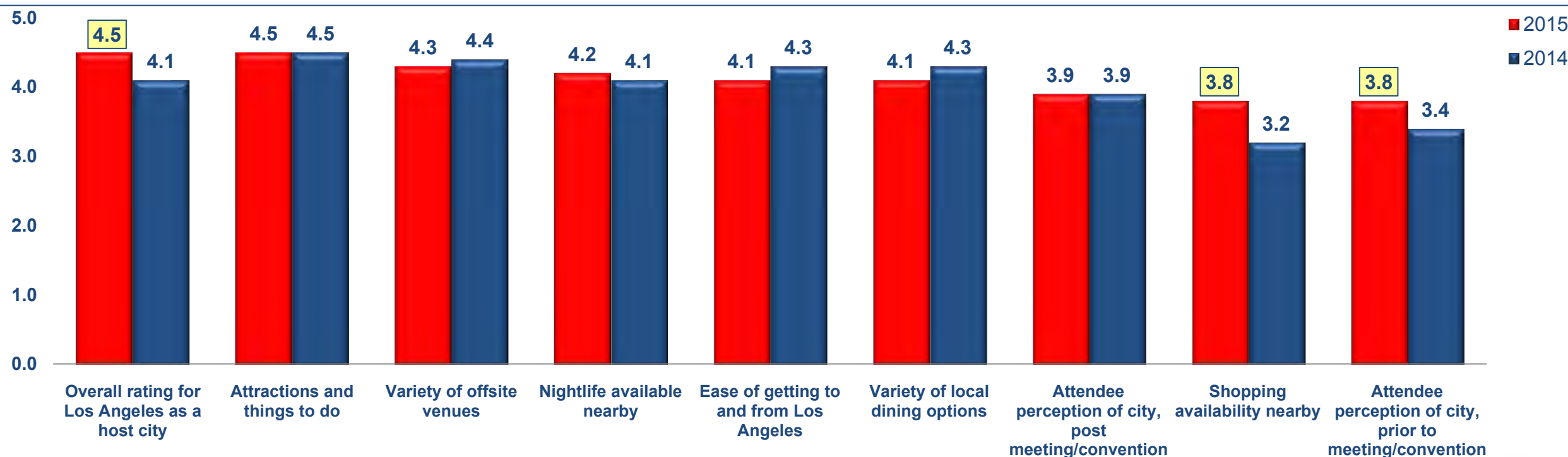
- Overall, meeting planners who have held their meeting/convention in other cities rated their 2015 experience in Los Angeles “about the same” or “somewhat better” compared to other cities’ key attributes.

How does the Los Angeles area compare to other cities where you have held this convention in the last three years?



Host City Ratings

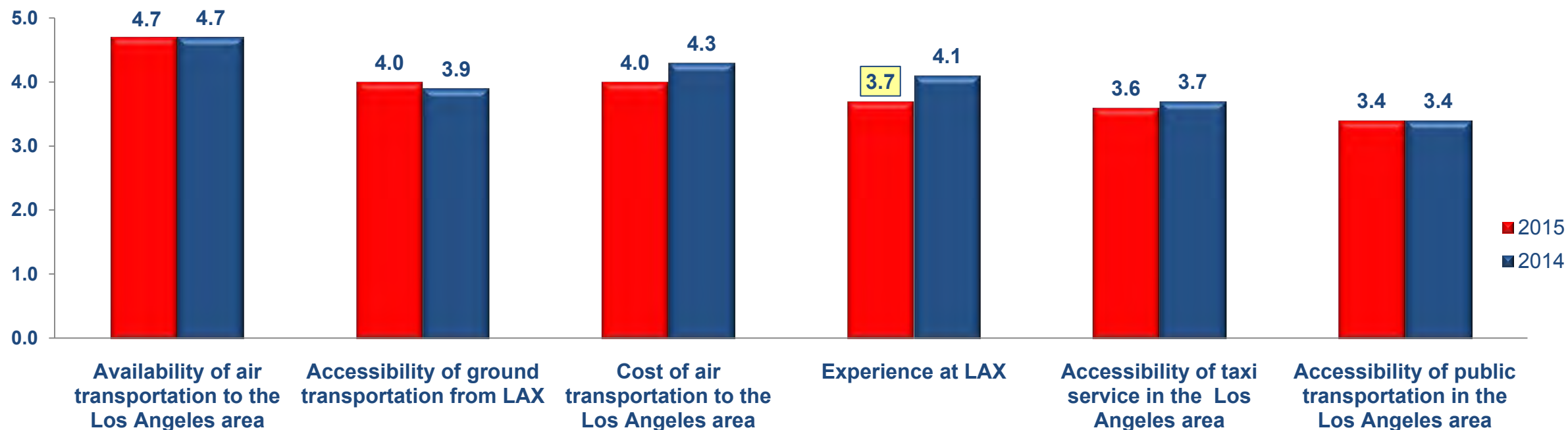
- As a Host City, Los Angeles averages 4.5, up from 4.1 in 2014, with the highest ratings for **Attractions and Things to Do**, **Variety of Offsite Venues**, and **Availability of Nearby Nightlife**.
- Shopping Availability Nearby** increased to an average 3.8 compared to 3.2 in 2014.



Below Average/Poor = Below 2.6 Average = 2.6 - 3.5 Good = 3.6 - 4.5 Excellent = 4.6 - 5

Transportation Ratings

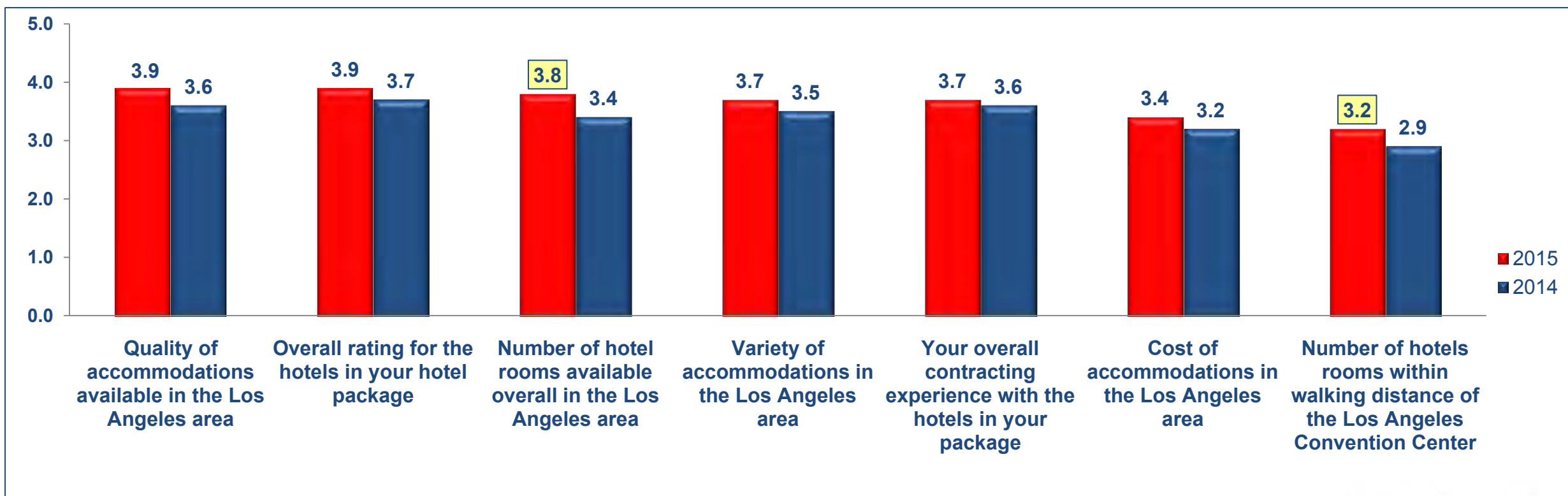
- **Availability of Air Transportation** is rated “excellent” by meeting planners for the second year in a row. However, the rating for **Experience at LAX** declined to 3.7 from 4.1 in 2014.



Below Average/Poor = Below 2.6 Average = 2.6 - 3.5 Good = 3.6 - 4.5 Excellent = 4.6 - 5

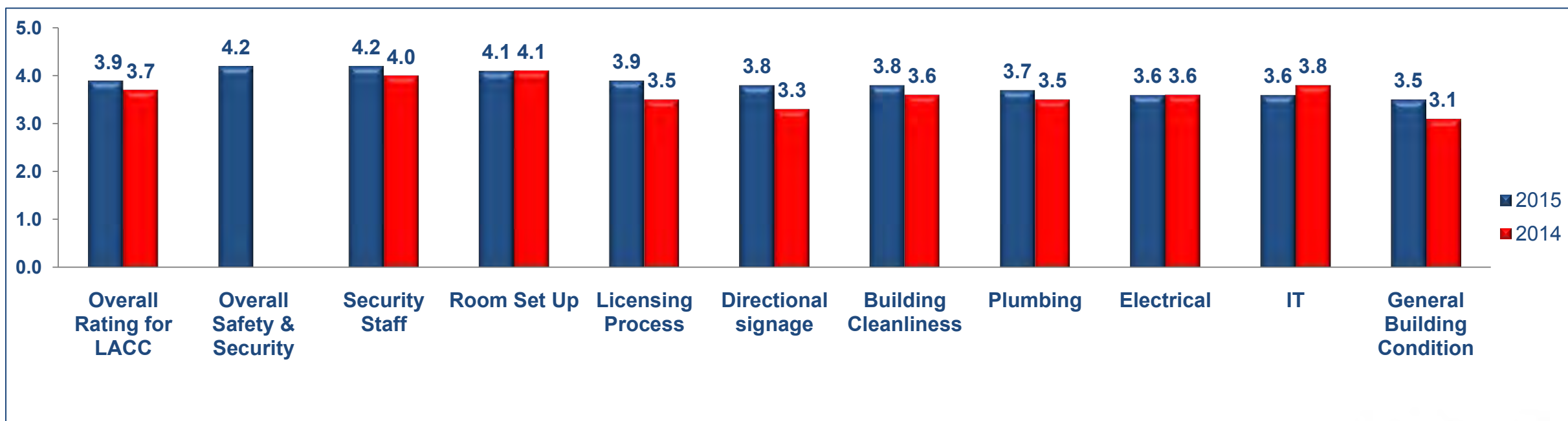
Accommodation Ratings

- All accommodation ratings increased from 2014, with **Number of Hotel Rooms Available Overall** increasing the most.
- **Number of Hotel Rooms within Walking Distance** is a weak spot compared to other accommodation ratings.



Los Angeles Convention Center Ratings

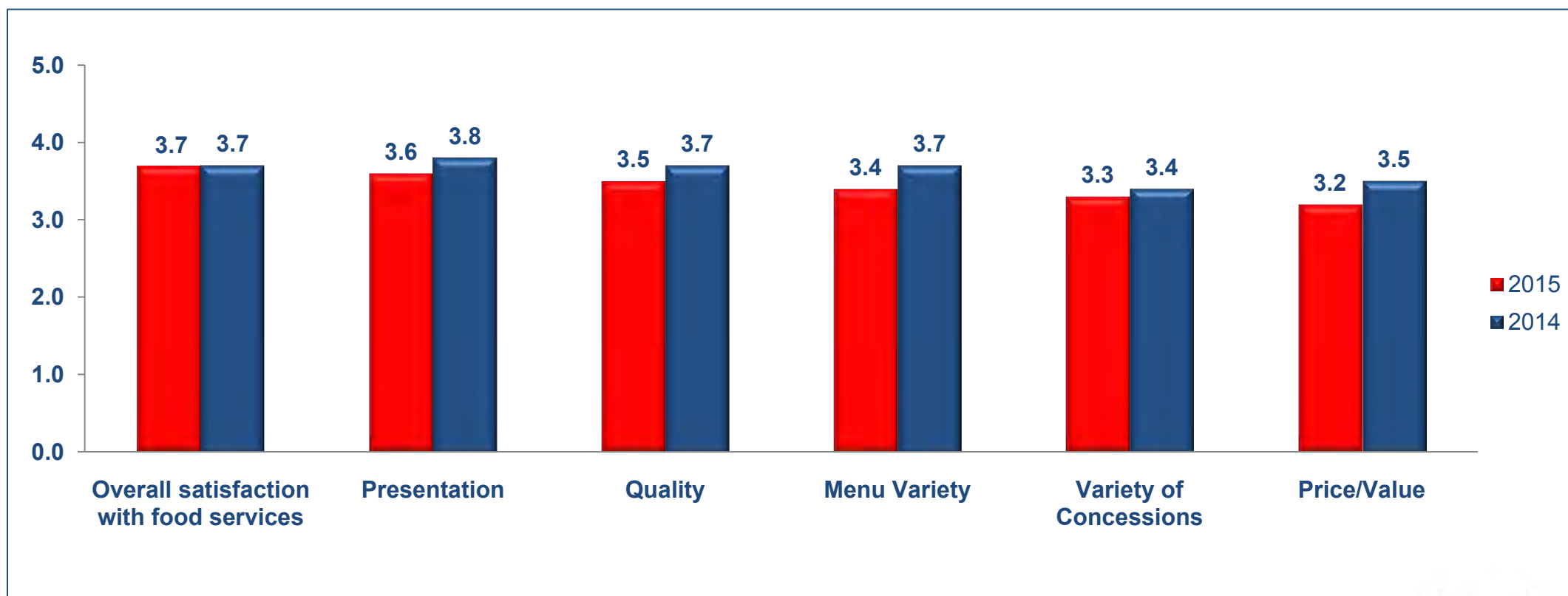
- Most of the LACC ratings increased compared to 2014 and, overall, the LACC was rated “good” by meeting planners in 2015 averaging 3.9.
- Specific services such as **Security Staff** and **Room Set Up** received the highest ratings while **General Building Condition**, **IT** and **Electrical** rated lowest.



Below Average/Poor = Below 2.6 Average = 2.6 - 3.5 Good = 3.6 - 4.5 Excellent = 4.6 - 5

Los Angeles Convention Center Food & Beverage Ratings

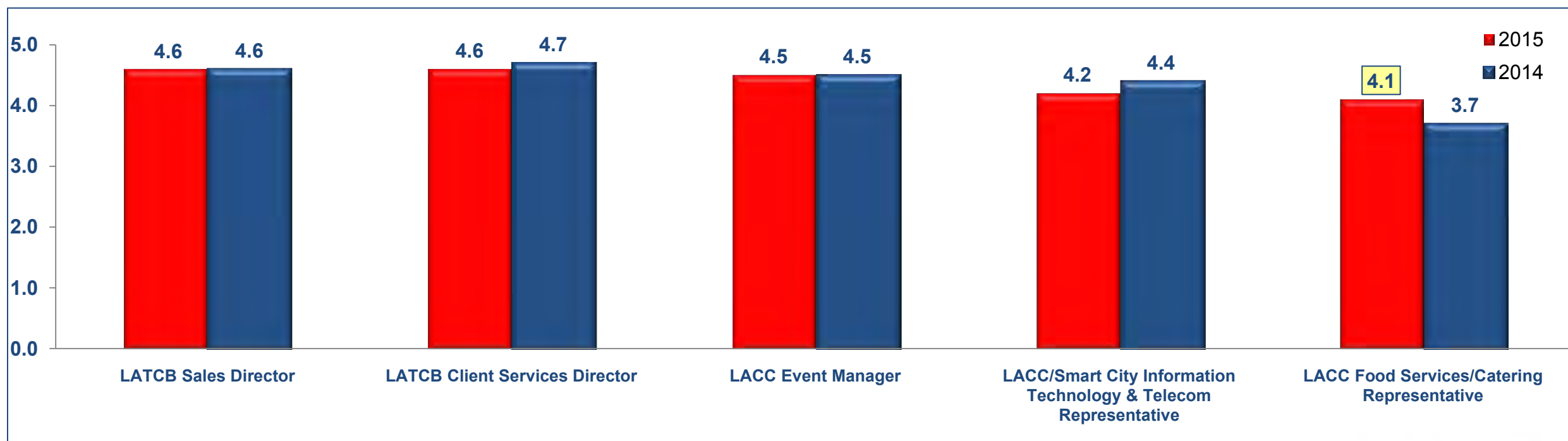
- LACC Food and Beverage continues to receive the lowest attribute ratings with all but the Overall Satisfaction rating decreasing compared to 2014.



Below Average/Poor = Below 2.6 Average = 2.6 - 3.5 Good = 3.6 - 4.5 Excellent = 4.6 - 5

Staff Ratings

- **LATCB Client Services Directors** and **LATCB Sales Directors** have maintained “excellent” ratings.
- The **LACC Food Services/Catering Representative** rated the lowest, but showed the largest improvement year over year.



Below Average/Poor = Below 2.6 Average = 2.6 - 3.5 Good = 3.6 - 4.5 Excellent = 4.6 - 5



2015 LACC Post-Convention Survey Results

Prepared March, 2016

Thank you

