



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.

Special Meeting
Tuesday, April 26, 2016
10:00 a.m. – 11:30 a.m.
Los Angeles Convention Center
1201 S. Figueroa Street, L.A., CA 90015
MR511C

1. CALL TO ORDER / ROLL CALL

2. PUBLIC COMMENT

3. ACTION ITEMS:

- a. Approval of the Special meeting minutes from March 22, 2016
- b. Approval of the meeting minutes from April 6, 2016
- c. Approval of the Special meeting minutes from April 8, 2016

4. DISCUSSION ITEMS:

- a. Expansion & Futurization Update – Bud Ovrom, CTD
 - i. Overview – Bud Ovrom, CTD
 - ii. Populous Design Options – Michael Lockwood, Populous
 - iii. DBFOM Update – Ben Ceja, CAO
 - iv. Hotel RFI Update – Bud Ovrom, CTD

5. ADJOURNMENT

AGENDA FORECAST / SPECIAL TOPICS:

- | | |
|-------------|--|
| May 4, 2016 | - AEG Monthly Update – March – Brad Gessner, AEG |
| | - LATCB Monthly Update – March – Darren Green, LATCB |

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.

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

Special Meeting Minutes
March 22, 2016
9:00 a.m.

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a special meeting on Wednesday, March 22, 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 Jeremy Bernard
Commissioner Stella T. Maloyan

ABSENT:

Vice President Ray Bidenost
Commissioner Otto Padron

PRESENTERS:

Ben Ceja, CAO
Diana Mangioglu, CTD
Bud Ovrom, CTD
Tony Peterman, JLL

Item 1. Call to Order / Roll Call

President Vein called the meeting to order at 9:08 am.

Item 2. Public Comment

None

Item 3a. Approval of Meeting Minutes from February 24, 2016

UNANIMOUSLY APPROVED

Item 3b. Approval of Meeting Minutes from March 2, 2016

UNANIMOUSLY APPROVED

Item 3c. LATCB FY 2016-17 Proposed Budget – Board Report #16-002 – CTD

Recommend that the Board of Commissioners for the Department of Convention and Tourism Development approve the proposed budget for the Los Angeles Tourism and Convention Board for inclusion in the Mayor's 2016-17 Budget Proposal to the City Council.

UNANIMOUSLY APPROVED

Item 3d. On-Site Hotel Update - Consideration and Potential Action Regarding Hotel RFI Response and Recommendation – Board Report #16-003 – CTD/JLL

That the Commission of the Convention Tourism Development Department instruct the Convention and Tourism Development Department, the Chief Legislative Analyst, the City Administrative Officer and request the City Attorney to work together in consultation with the Bureau of Engineering, the Economic and Workforce Development Department, and the Planning Department in identifying next steps for the Request for Proposal process and for Convention and Tourism Development Department to report back to Council on this matter within 30 days.

UNANIMOUSLY APPROVED

Item 3e. Expansion & Futurization Update – Consideration and Potential Action Regarding items contained in the report – Board Report #16-004 – Bud Ovrom, CTD

Bud Ovrom presented the Bi-Weekly Progress Report and reviewed the dual path approach, gave an overview of the conceptual design refinement phase, including workshops with Populous, and reviewed stakeholder/client feedback. CTD has 90 days to report back to the Commission and the Economic Development Committee (EDC). Mr. Ovrom reviewed the project schedule, distributed a parking map of AEG leased space and discussed the Gilbert Lindsay Plaza easement issues, and distributed a draft copy of the 2015 Annual Report.

President Vein discussed the motion (CF#14-1383) approved by City Council on March 2, 2016 and specifically Item 9, which prohibits residential uses in the Business Case document's project description. President Vein moved that the Board go on record to City Council saying that it's against our better judgement that we're moving forward without having enough information in this path to make a fully informed decision.

Paloma Perez gave clarification that Councilman Price is open to branded residential in the hotel.

The Board unanimously approved the motion and directed CTD staff to prepare a letter from the Board to EDC.

Item 4a. DBFOM Update – Ben Ceja, CAO

Ben Ceja provided an update of the DBFOM stating that there are three deliverable due by fiscal year end which include: market sounding; value for money; and independent cost estimator.

Item 5a. CTD FY 2016-17 Budget update –CTD

Diana Mangioglu provide an update of the CTD FY 2016-17 Budget, noting that to date there have been no reductions and a significant number of capital projects will be approved. Ms. Mangioglu also noted that the budget will be finalized by April 20 and CTD will report back to the Board when finalized.

ADJOURNMENT

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

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

Regular Meeting Minutes
April 6, 2016
9:00 a.m.

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a regular meeting on Wednesday, April 6, 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:

Vice President Ray Bidenost, Presiding
Commissioner Jeremy Bernard
Commissioner Stella T. Maloyan
Commissioner Otto Padron – arrived 9:19 am

ABSENT:

President Jon F. Vein

PRESENTERS:

Brad Gessner, AEG
Darren Green, LATCB
Keith Hilsen, AEG
Patti MacJennett, LATCB
Bud Ovrom, CTD

Item 1. Call to Order / Roll Call

Vice President Bidenost called the meeting to order at 9:06 am.

Item 2. Public Comment

None

Item 3a. Approval of Meeting Minutes from March 22, 2016

Tabled to next meeting.

Item 4a. AEG Monthly Update – February

Mr. Brad Gessner presented the update for February and noted that February occupancy was the highest month (excluding Auto and E3 event months) and the Economic Impact for February was \$10.7 million. Mr. Gessner introduced the employee of the month, Kadamia Hubbard and the new Assistant Building Superintendent Beverly Watson. Mr. Keith Hilsen presented the financial update, noting the new projected year-end reserve of \$6 million.

Item 4b. LATCB Monthly Update – February

Mr. Darren Green presented the update through February, noting that Room Nights are trending ahead of last year and are on pace to exceed the goal of 351,000. Mr. Green also

noted that medical and high tech bookings in the short term are increasing. Mr. Green announced upcoming sales events/meetings that will target key customers, provide training that will target international events, and provide meetings with stakeholders. Mr. Green presented a Meet L.A. Exchange video which highlighted the annual networking event.

Item 4bi. Importance of LAX Internationally – Patti MacJennett, LATCB

Ms. Patti MacJennett provided a presentation that focused on the importance of LAX, noting that total in and out traffic is 75 million passengers and that international growth is outpacing domestic growth. Ms. MacJennett also reported that LAX is number one in the nation in origin and destination traffic, with Asia, Europe, and Mexico with the largest sectors. Ms. MacJennett noted that 2015 was strong for new service and 2016 is scheduled to have four new markets and several new airlines added.

Item 4c. CIP Update – Tom Fields, CTD

Mr. Tom Fields present the FY 15-16 CIP update which included a summary of the projects, noting that the South Hall solar roof is the largest project of this year.

Mr. Bud Ovrom stated that CTD will provide the Commissioners with a list of the CIP's funded by the FY-16 Operational Surplus at the next meeting.

Item 5a. FY-16 Operational Surplus Plan – Tom Fields, CTD

Mr. Tom Fields provided an overview of the Plan and noted that all the CIP work is important to the clients. Mr. Darren Green noted that LATCB will market the upgrades and projects.

Item 5b. Expansion & Expansion & Futurization Update (Oral Report) – Bud Ovrom, CTD

Mr. Bud Ovrom provided an overview of the Populous Workshops and noted that CTD will provide the Commissioners the three alternatives at the next meeting. Mr. Ovrom provided an overview of the next round of workshops and meetings, including an ARUP Visioning Plan Meeting. Mr. Ovrom reported that October 2021 is the new scheduled completion date.

Item 5bi. DBFOM Update – CAO

There was no update.

Item 5c. On-Site Hotel Update – Bud Ovrom, CTD

Mr. Bud Ovrom reported that the Hotel RFP motion is on the Council Agenda this morning.

ADJOURNMENT

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

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

Special Meeting Minutes
April 8, 2016
10:00 a.m.

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a special meeting on Wednesday, April 8, 2016 at 10:00 a.m. at the Los Angeles Convention Center (LACC), located at 1201 S. Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room; 8950 Glenoaks Blvd., Sun Valley, CA 91352; and 11150 Santa Monica Blvd., 5th Floor, Los Angeles, CA 90025.

PRESENT:

President Jon F. Vein, Off-site in the City
Vice President Ray Bidenost, Off-site in the City
Commissioner Jeremy Bernard

ABSENT:

Commissioner Otto Padron
Commissioner Stella T. Maloyan

PRESENTERS:

None

Item 1. Call to Order / Roll Call

President Vein called the meeting to order at 10:02 am.

Item 3a. NFL Fan Fest 2020 – Board Report # 16-005

CTD recommended that the Board approve the proposed NFL Fan Fest 2020 discount request.

UNANIMOUSLY APPROVED

TAKEN OUT OF ORDER

Item 2. Public Comment

None


ADJOURNMENT

The meeting was adjourned at 10:07 a.m.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: April 15, 2016

TO: Board of Los Angeles Convention and Tourism Development
Commissioners

FROM: Robert R. "Bud" Ovrom, Executive Director 
Los Angeles Department of Convention and Tourism Development

**SUBJECT: BI-WEEKLY PROGRESS REPORT ON THE LOS ANGELES
CONVENTION CENTER EXPANSION AND FUTURIZATION PROJECT**

Most of the last two weeks have been gearing up for what is going to be a very intense next couple of months!

1. Populous Conceptual Design Refinement – Conventional Financing Path

As noted in the last report, Populous has been using the feedback we received regarding the original Design Competition submittal to prepare at least three (3) refined design alternatives. The big building blocks for the basic layout of the campus revolve around the placement of 1) the on-site headquarters hotel, 2) the contiguous Exhibit Hall, 3) the meeting rooms, and 4) the ballroom. How each of those big components is handled ripples through to dozens of other design/layout adjustments!

Populous will have the three alternative scenarios laid-out by the end of this week. We will then hit the road reviewing the alternatives and getting more feedback prior to coming up with one final design. Upcoming design review meetings include:

CTD Board	April 20	9:00AM
Hotel Developers/Operators	April 20	12:30PM
General Service Contractors	April 26	1:30PM
Show Owners/Managers	April 27	10:00AM
Community Stakeholders	April 27	1:30PM
CTD Board	May 4	9:00AM

Because so many of the hotel developer/operators and show owners/managers/contractors are located across the nation, these meetings will also be web-casted.

The City Council instructed staff to report back to the EDC every 30 days. The April 18 report back will be more about "next steps" while the May meeting should be an opportunity to review all the design alternatives.

The 90-day clock started ticking on March 21. The work on both the Populous Design with conventional financing Path and the CAO's DBFOM Path with Arup and HOK are required to be done by June 21, with the expectation to go to EDC on June 28.

2. DBFOM Path

As noted on the last report, the CAO's consultant, Arup, has retained the HOK architectural firm to assist with its work on preparing a Business Case for the Design, Build, Finance, Operate, and Maintain (DBFOM) Path.

After a tour of the LACC and kick-off meeting on March 30, they have the upcoming meetings planned:

Visioning Workshop	April 18	11:00AM - 4:00PM
CTD Board	April 20	9:00AM

According to the CAO's office, the goal of the Visioning Session will be a "dialogue about the future of the LACC and the surrounding area in the context of the DBFOM alternatives."

"Specific topics will include:

- Project Design Features: function, form, economy, time, etc.
- Project Context: opportunities and constraints
- Broader Urban Context Opportunities
- Peer Venue Comparisons in terms of Urban Context and other attributes

HOK will talk about the LACC campus design at a high level and will have case studies representing some of their initial thoughts. They won't have actual design alternatives until late April."

As noted above, the CAO/CLA will provide monthly progress reports to the EDC starting on April 18 and the work on both Paths must be done by June 21, with the expectation of going to the EDC on June 28.

3. Environmental Impact Report (EIR)

The critical path for most large development projects is the EIR. Because the LACC expansion and modernization is a City public works project, the Bureau of Engineering will be the lead agency on the preparation of the EIR.

Proposals by firms on the City's pre-approved list of EIR consultants were received on March 25 and interviews held on April 5. The firm selected should receive a Notice to Proceed on May 18. The EIR will be applicable to both of the Dual Paths. Real tangible work on the EIR must start with a Project Description, which we don't have yet for either Path. Hence, any environmental review being done now will only be very preliminary/preparatory work. The immediate goal was simply to get a firm engaged and started.

4. Hotels

It worked out well that the hotel developers/operators will be the first Workshop. Although most of the hotels - - and their architects - - will be participating by webcast, we are really anxious to get feedback on the preferred location for the hotel. We really need direct input from the hotels on that fundamental decision if we expect this on-site headquarters hotel to maximize its potential.

Hotel developers/operators who did not participate on the RFI are still eligible to take part in the RFP. As a reminder, these are the principals who responded to the RFI.

LEAD DEVELOPER	HOTEL BRAND(S)
1. The Drew Company, Inc.	Hilton, Hyatt MGM
2. Gatehouse Capital	Hilton, Hyatt, Omni, Starwood
3. JWM Ventures LLC	Dolce Hotel
4. Lowe Enterprises	Hyatt
5. MGM Resorts Intl.	MGM, Bellagio
6. Omni	Omni Hotels & Resorts
7. Portman Holdings	Hilton, Hyatt, MGM

RRO:cv

Exec. Ref. No. 16-038

cc: LACC Expansion Project routing

An aerial photograph of Los Angeles, California, showing the city skyline with numerous skyscrapers in the background. In the foreground, the Los Angeles Convention Center is visible, a large circular building with a distinctive roof. The city is surrounded by a complex network of highways and freeways. The overall image has a light blue tint.

Los Angeles Convention Center Business Case Work Stream

CTD Board Meeting

April 20, 2016

ARUP



Agenda

1. DBFOM Overview
2. Business Case Overview
3. Work Plan and Schedule
Q&A



1. DBFOM Overview

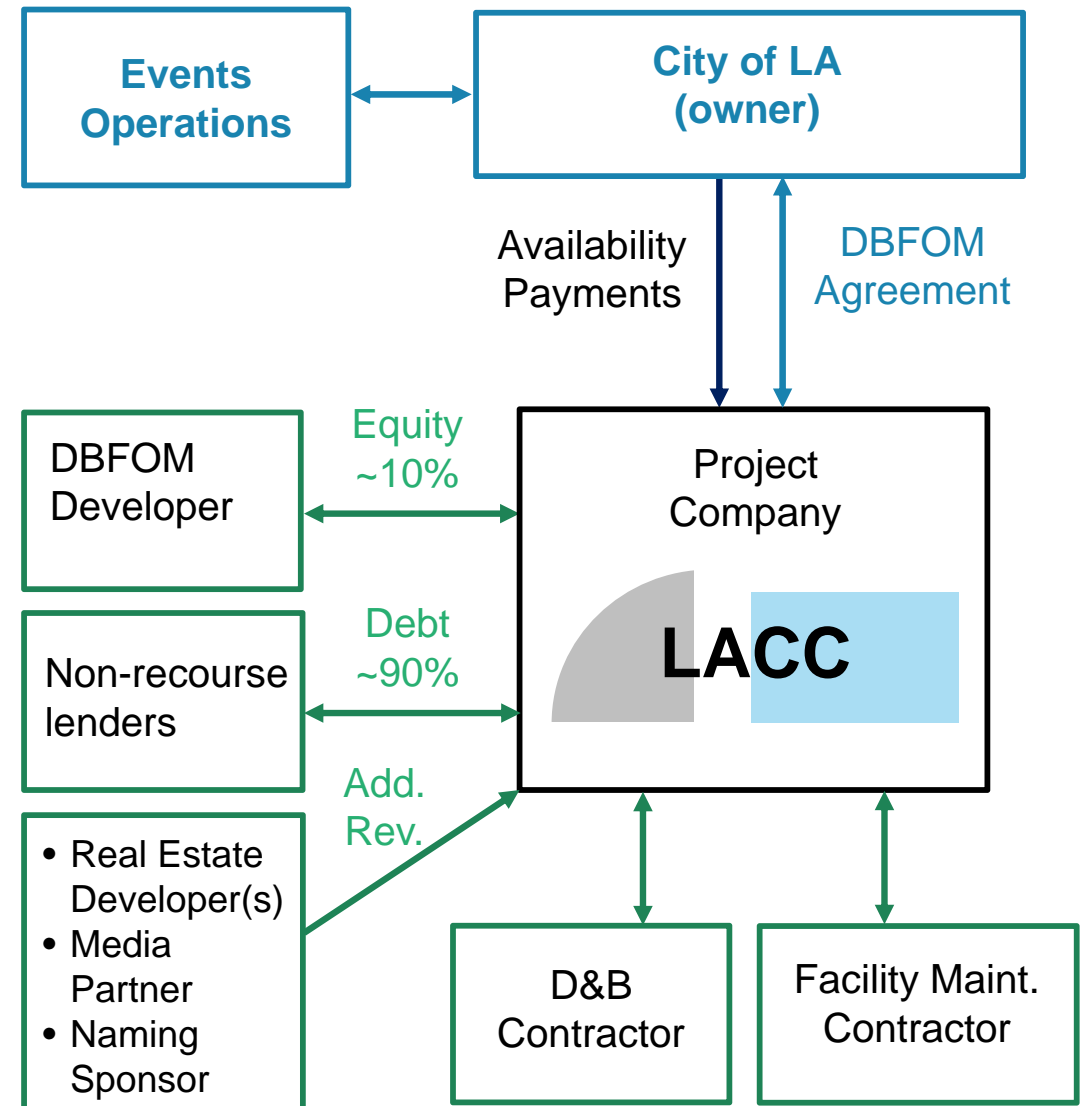
ARUP



1. DBFOM Overview

How would a LACC DBFOM work?

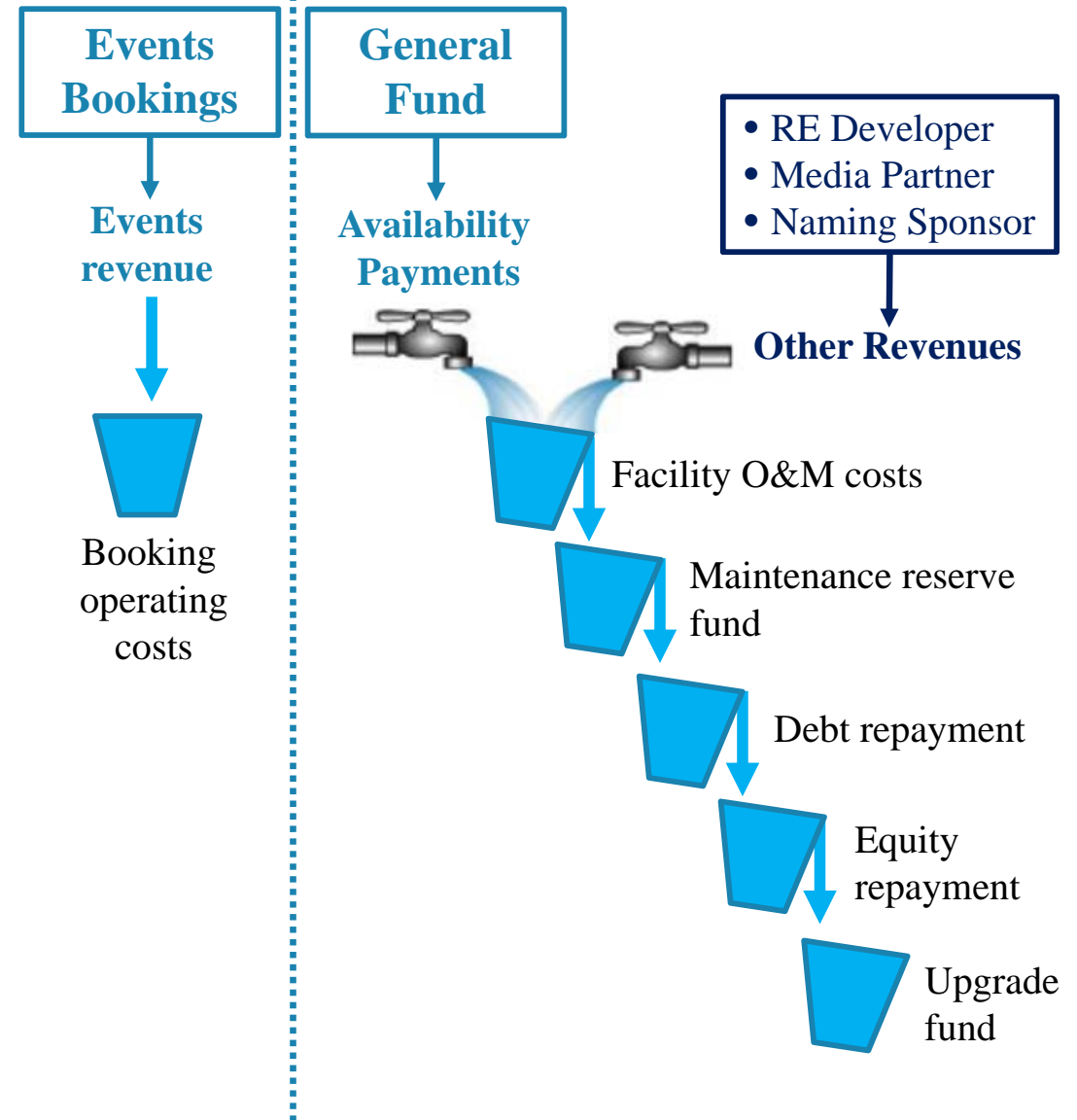
- Ownership of the LACC rests with City of LA at all times
- Events booking operations can be kept under current arrangement
- DBFOM Agreement sets forth the obligations of the parties
- City defines the requirements and performance standards that the P3 Developer must meet to receive 100% availability payment
- City retains rights to:
 - Enforce contract requirements & performance standards
 - Use the venue for events operations
 - Expand or upgrade the venue
 - Modify or terminate the DBFOM Agreement



1. DBFOM Overview

How do the Availability Payments work?

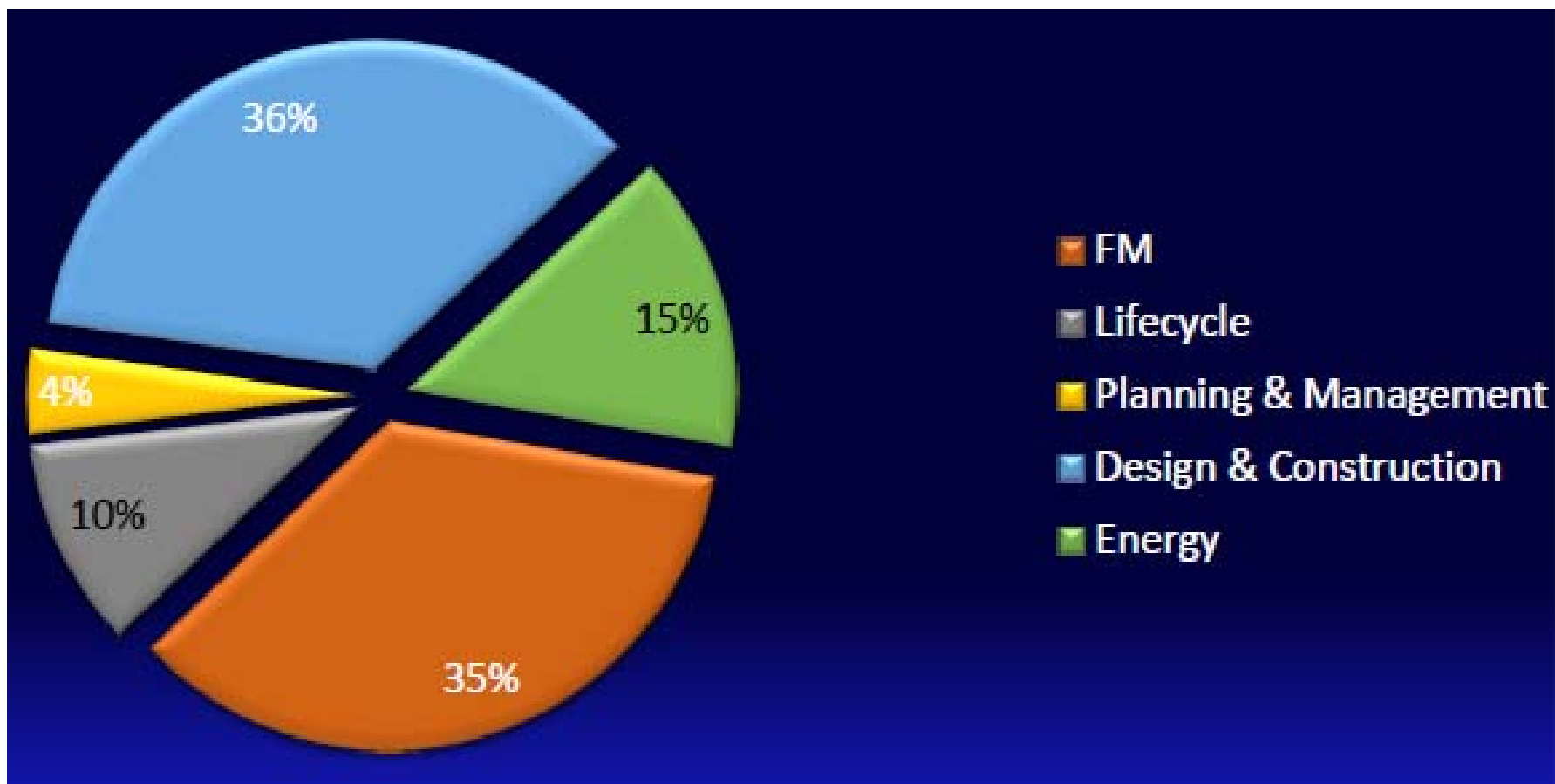
- AP's pay back initial investment and ongoing O&M needs
 - Capped annually with inflation adjustment
 - Subject to deductions for shortfalls in performance
- Sequence of payments prioritizes ensuring the facility is available for use and kept in good repair
- **Additional sources of revenue can reduce the annual Availability Payment the City would pay**
- A revenue upside sharing method can be structured to provide a fund for future upgrades



1. DBFOM Overview

Why is a funded Lifecycle O&M program important?

Example: 40 year Facility cost of ownership – Long Beach Civic Center

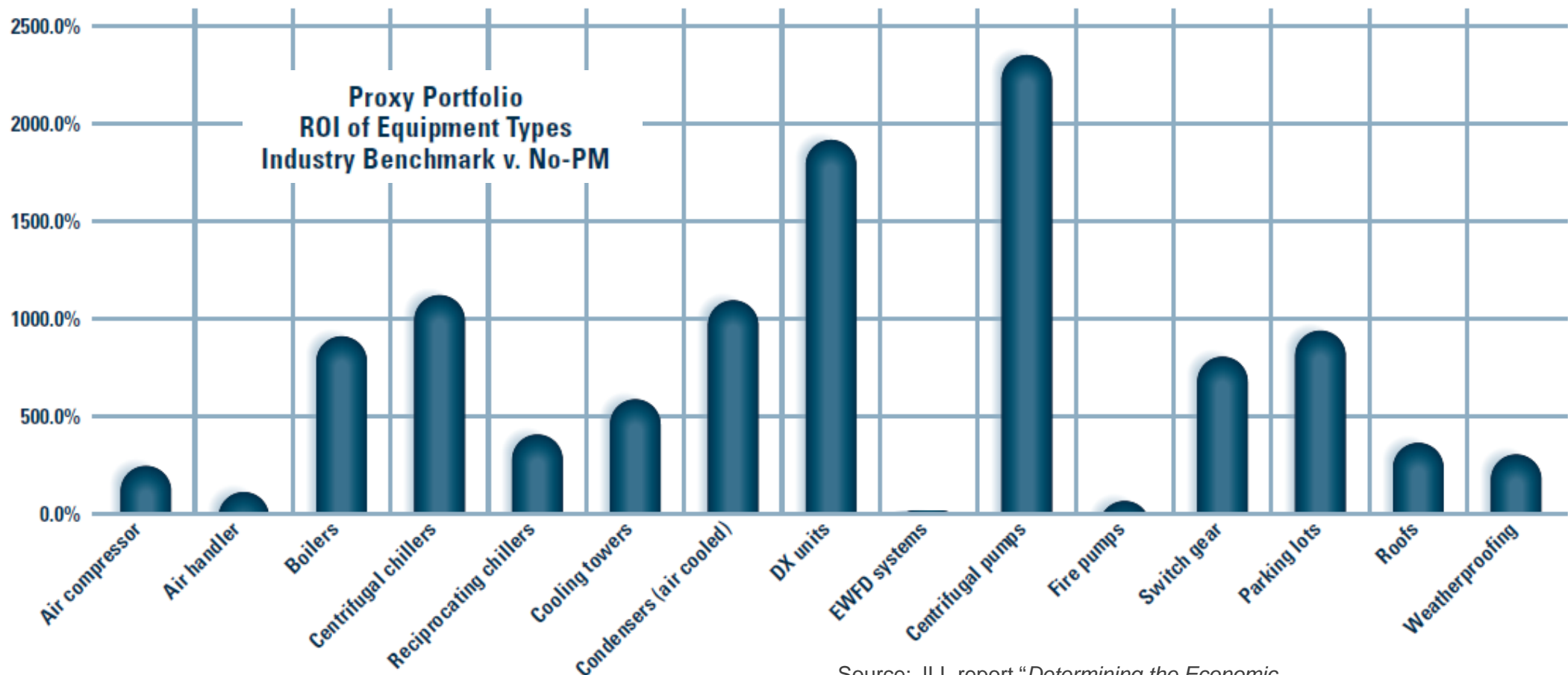


1. DBFOM Overview

Why is a funded Lifecycle O&M program important?

Value of Preventive Maintenance

- Preventative maintenance program for a prototypical building: ROI = 545%
- Bulk of ROI from increasing the useful life of equipment, and also from energy savings





2. Business Case

ARUP



2. Business Case

What is a Business Case?

Two project alternatives being considered for the LACC Expansion:



1. Expansion based on Conceptual Plan Refinement

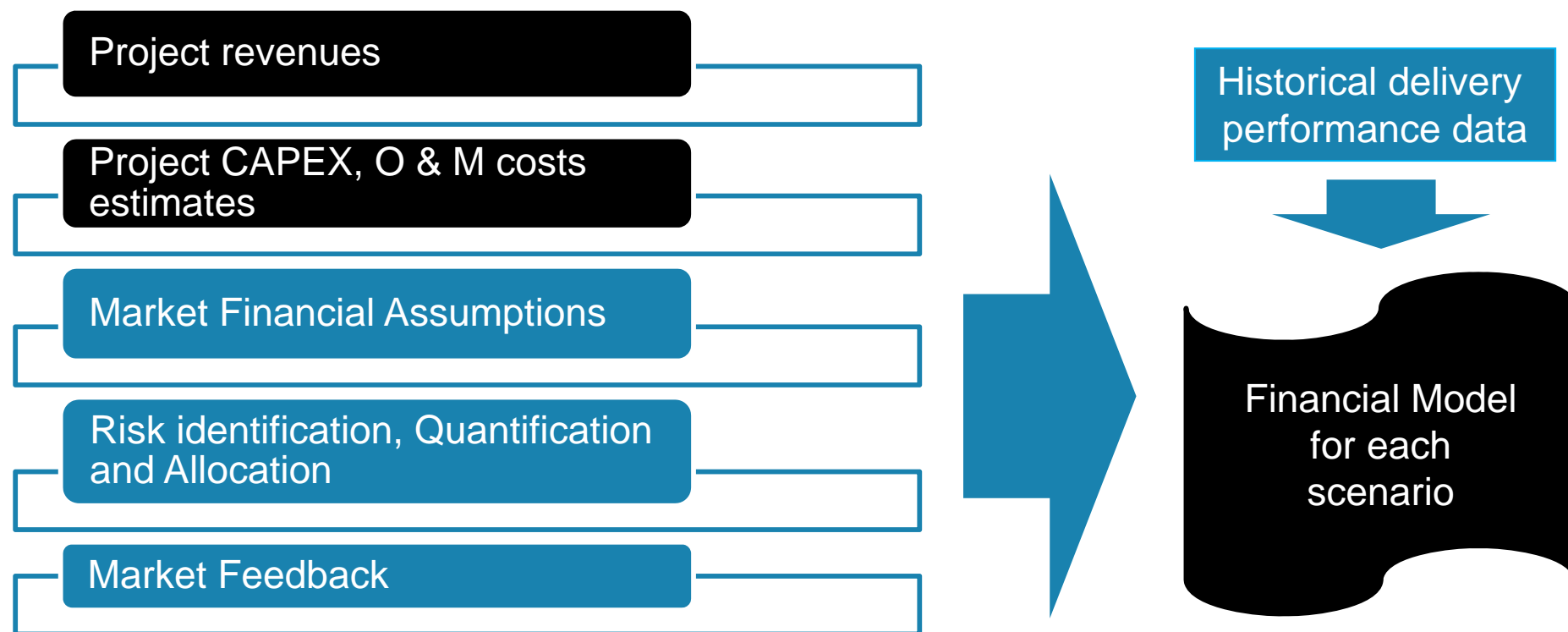
2. Expansion based on alternative approach with real estate development

2. Business Case

How is the Business Case Developed?

The P3 Business Case is developed by a combination of Quantitative and Qualitative analyses to inform a Project procurement decision and a deal structure.

- **(a) Quantitative Analysis:**



2. Business Case

How is the Business Case Developed?



- Real Estate Revenue Analysis, as appropriate for each alternative
- Value for Money Analysis (best use of taxpayer money)
- Fiscal Impact Analysis on the City's General Fund

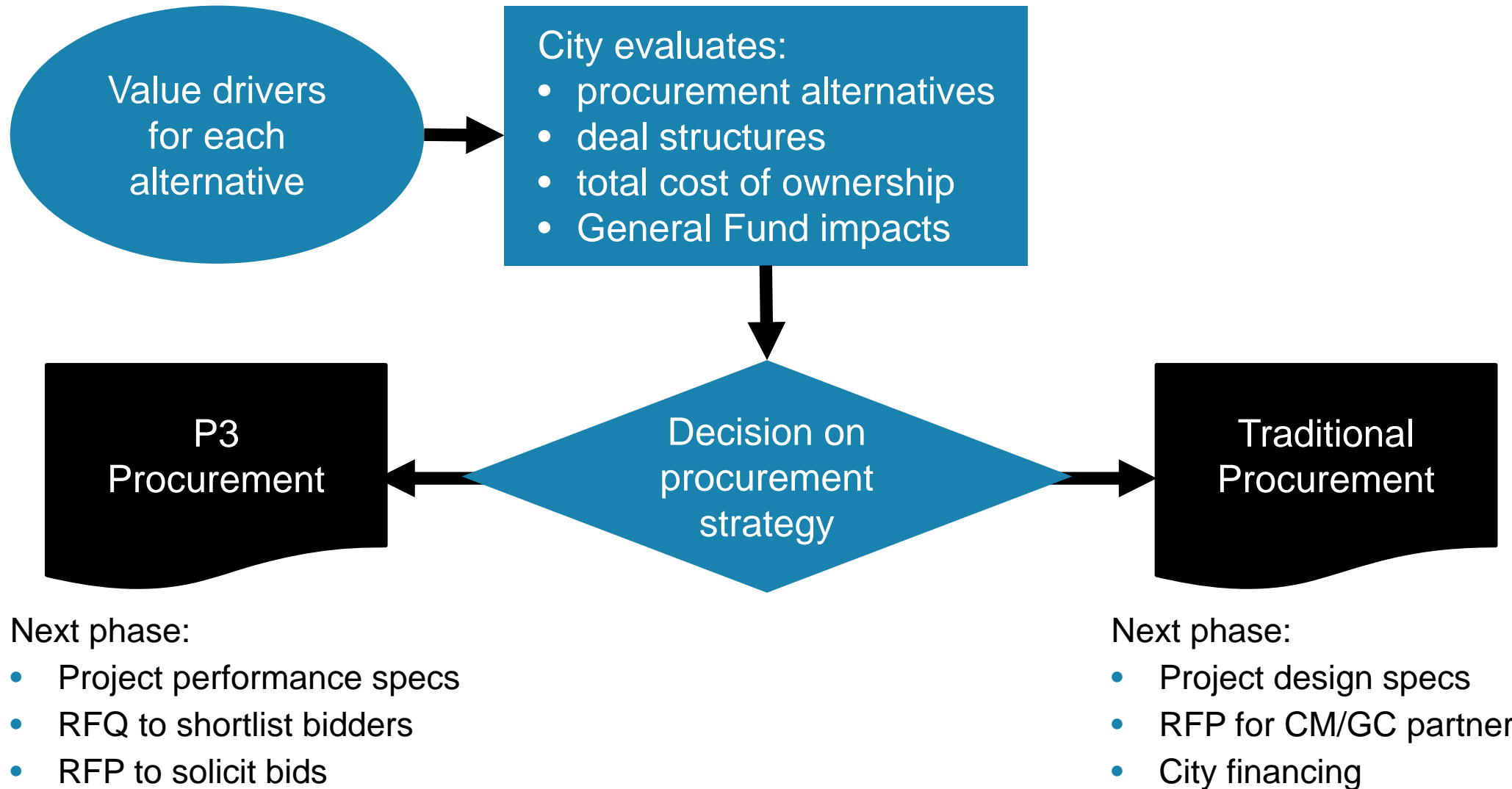
2. Business Case

How is the Business Case Developed?

- **(b) Qualitative Analysis:** Assessment of the cost implications and tangible and intangible benefits for each design alternative. Factors to consider include, among others:
 - Schedule for completion
 - Quality and innovation of the completed facility
 - Business continuity during construction
 - Urban impacts and other economic benefits
 - Operational performance standards

2. Business Case

What is the Outcome of the Business Case?





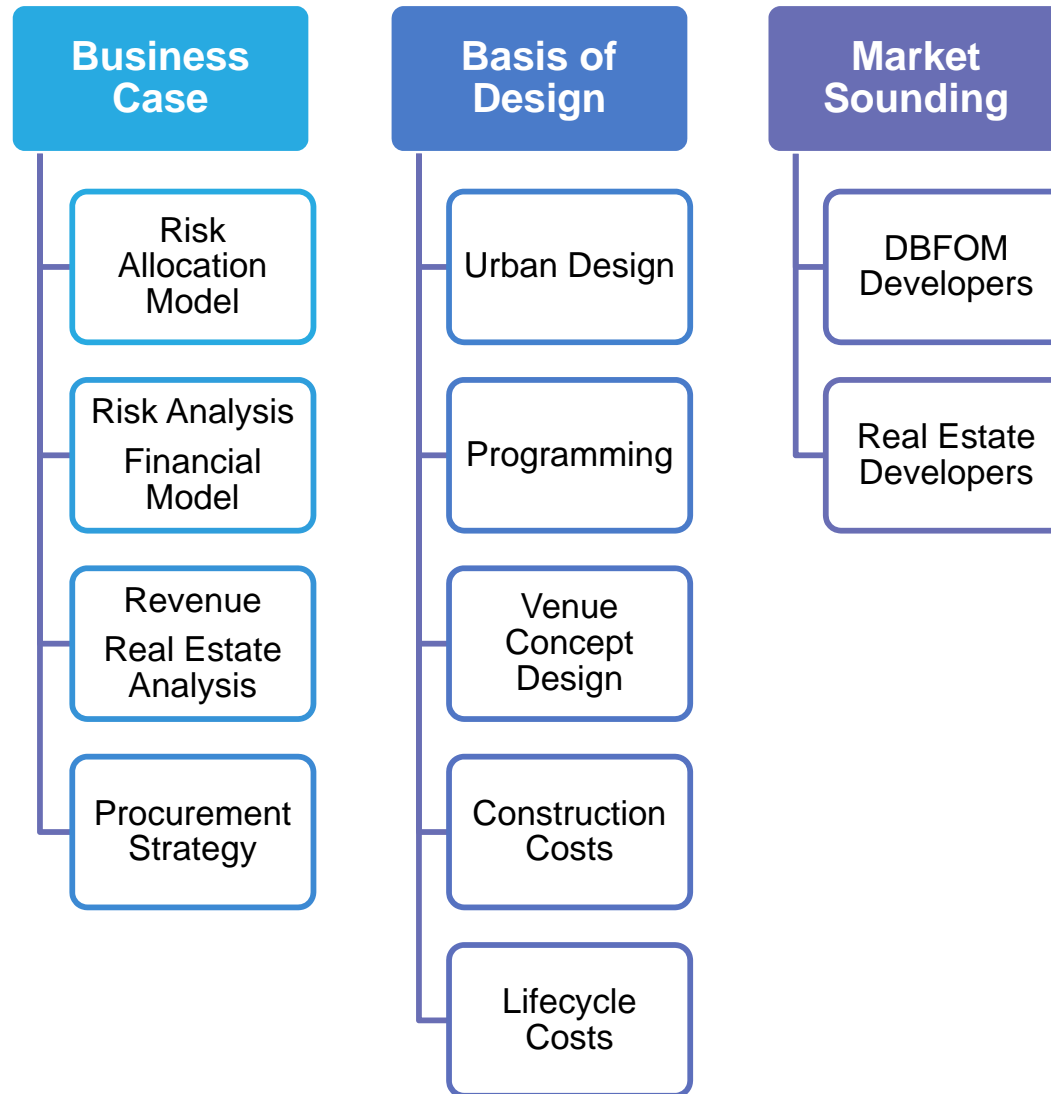
3. Work Plan and Schedule

ARUP



3. Work Plan and Schedule

Main Tasks for this Phase



3. Work Plan and Schedule





Q&A

ARUP

