



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, May 18, 2016
9:00 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 Regular meeting minutes from May 4, 2016
- b. Approval of the Special meeting minutes from May 4, 2016
- c. CTD Design Review Recommendation for Populous Designs – Board Report # 16-007

4. DISCUSSION ITEMS:

- a. Expansion & Futurization Update – Tom Fields, CTD
 - i. Overview – Tom Fields, CTD
 - ii. DBFOM Update – CAO
 - iii. Populous Design Review – Michael Lockwood, Populous
- b. Economic Impact Report – Johnson Consulting
- c. CIP Update – Tom Fields, CTD
 - i. FY16 Operating Surplus Use

5. ADJOURNMENT

AGENDA FORECAST / SPECIAL TOPICS:

- | | |
|--------------|--|
| June 1, 2016 | - AEG Monthly Update – April – AEG |
| | - LATCB Monthly Update – April – 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.

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**

Regular Meeting Minutes
May 4, 2016

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a regular meeting on Wednesday, May 4, 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 Otto Padron

ABSENT:

President Jon F. Vein
Commissioner Stella T. Maloyan

PRESENTERS:

Jamie Foley, LATCB
Darren Green, LATCB
Keith Hilsngen, AEG
Bud Ovrom, CTD
Ellen Schwartz, AEG

Item 1. Call to Order / Roll Call

Vice President Bidenost called the meeting to order at 9:07 a.m. Commissioner Padron arrived at 9:15 a.m.

TAKEN OUT OF ORDER

Item 4a. AEG Monthly Update – March

Mr. Keith Hilsngen introduced the employee of the month, Ricardo Guerrier and the leader of the quarter, Abe Reyes. Ms. Ellen Schwartz presented the update for March, noting that there were 10 events, 5 of which were citywide events, and a total of 215,917 attendees. Ms. Schwartz also noted that filming was down for March due to the high event count. Mr. Hilsngen presented the financial update, noting an operating profit of \$340,000 which is above budget. Parking was also above budget due to several of the citywide events. Mr. Hilsngen also noted a 78% occupancy rate for March and \$1.9 million in economic impact.

TAKEN OUT OF ORDER

Item 3a. Approval of the Special meeting minutes from April 20, 2016

UNANIMOUSLY APPROVED

Item 4b. LATCB Monthly Update –March

Mr. Darren Green presented the update through March, noting that LATCB is on target to meet the lead goal of 220, to exceed the room nights goal of 351,000 and that short term bookings continue to grow. Mr. Green reported that Los Angeles is bidding on the 2020 or 2021 NFL Super Bowl and a decision is expected during the NFL Spring meeting, May 23-25, 2016. The NFL FanFest will be held at the center. Mr. Green also reported that Los Angeles received Congressional support for the 2024 Olympic bid and a site visit is expected in 2017.

Item 4bi. Global Communications

Ms. Jamie Foley presented an overview of the LATCB Global Communication Division and reported that they have a 38:1 ROI, with 4.7 billion impressions, and \$60+ million in earned media value which is up year over year. The group has been focused on broadcast coverage while continuing with feature and mic coverage. Ms. Foley showed two marketing videos.

Item 5ai. Expansion and Futurization Update

Mr. Bud Ovrom distributed the 2015 Annual Report and summarized the May 3rd bi-weekly report. Mr. Ovrom presented an overview of the two preferred Populous design options.

Item 5aii. Hotel RFP Update

No report.

TAKEN OUT OF ORDER

Item 2. Public Comment

Ms. Joyce Dillard spoke to item 5a, expressing her concern about the Convention Center air rights and changes to Gilbert Lindsey Plaza due to construction.

ADJOURNMENT

The meeting was adjourned at 10:13 a.m.

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

Special Meeting Minutes
May 4, 2016

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a special meeting on Wednesday, May 4, 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.

PRESENT:

Vice President Ray Bidenost, Presiding
Commissioner Jeremy Bernard
Commissioner Otto Padron

ABSENT:

President Jon F. Vein
Commissioner Stella T. Maloyan

PRESENTERS:

Diana Mangioglu

Item 1. Call to Order / Roll Call

Vice President Bidenost called the meeting to order at 10:07 a.m.

Item 2. Public Comment

None

Item 3a. Approval of Rental Discount Requests for Electronic Entertainment Expo (E3) 2020 and 2021- Board Report #16-006

UNANIMOUSLY APPROVED

ADJOURNMENT

The meeting was adjourned at 10:13 a.m.

Los Angeles Convention Center Expansion

MARKET AND IMPACT ANALYSIS UPDATE

Presented to:

Los Angeles Convention and Tourism Development Department

Presented by:

C.H. Johnson Consulting, Inc.

Charles H. Johnson, President

May 2016

- Independently assess prior study projections, and if justified, make modifications to demand and attendance projections
- Prepare an economic and fiscal impact analysis for the project, reflecting:
 - Adjusted demand
 - All event types, especially those not considered by prior consultants
 - Repeating tradeshow
 - Consumer shows
 - Assembly events
 - Social events
 - Myriad of other event types
- Client's Guiding Principles:
 - Make every assumption defensible, supported by primary research or industry data
 - Be conservative and realistic
 - Look at analysis from City of Los Angeles' perspective only- do not increase numbers to reflect County and State level spending and taxes, even though those benefits may accrue

Consultant Qualifications



- Top firm analyzing convention center, headquarters hotels, sports complexes, associated real estate districts
- 35 years' experience
- Have worked in most major (and minor) markets throughout US and Canada
- Extensive experience in Asia and Latin America and in studying those markets, analyzed European markets
- Top market assignments
 - Orlando/ Orange County Convention center
 - Chicago's McCormick Place and Navy Pier
 - Jacob Javits Convention Center, New York City
 - Boston Convention and Exhibition Center
 - Nashville Convention Center, new Omni Hotel and Tourism Development Zone
- Current assignments
 - LACC (This assignment)
 - Moscone Center operational assessment
 - Redevelopment of the St. Louis Americas Center due to loss of Rams
 - Expansion of the Austin Convention Center
 - Expansion of the Washington State Convention Center
 - Management recruitment for the Lima, Peru Convention Center

Expansion Program & Market Observations



- Proposed expansion will be a complete redevelopment of the complex
- Size will make the LACC the second largest publicly-owned Center west of the Rockies
- Los Angeles has lagged top markets- has lost market share to all west coast competitors, most notably Las Vegas, San Francisco, San Diego and Anaheim
- The area around the LACC is becoming very attractive and downtown is improving substantially
- Demand will take time to rebuild; LA is most like New York City and Chicago; Annually repeating tradeshow are as important as city-wides. City-wides dominate event profiles in San Diego and Moscone Center. The expansion will allow both to occur in LA.

Los Angeles Convention Center Summary of Expansion Program (SF)			
	Existing Facility	Additions	Total After Expansion
Exhibit Space	720,000	220,000	940,000
Ballroom	0	70,000	70,000
Junior Ballroom	48,000	0	48,000
Meeting Rooms	102,000	78,000	180,000
Total	870,000	368,000	1,238,000

Source: LA Department of Convention and Tourism Development

Demand Reconciliation

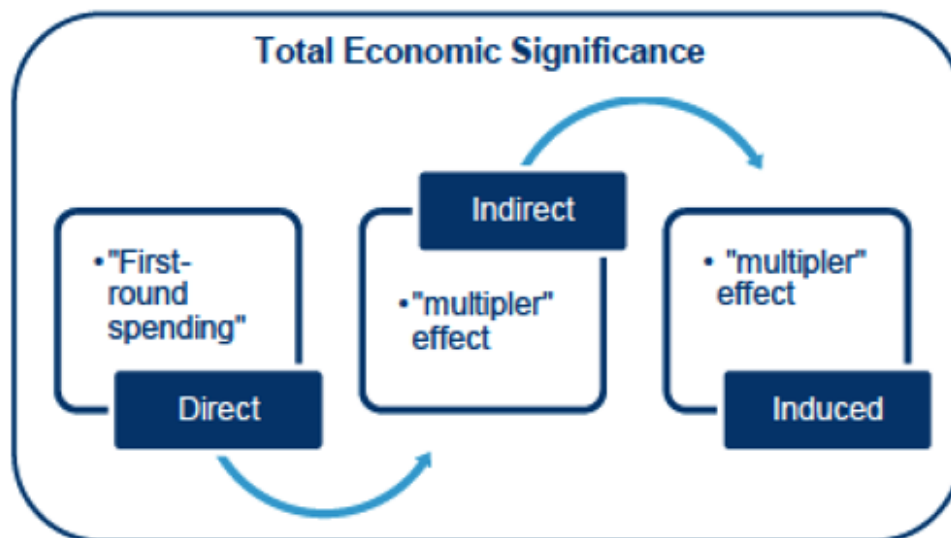
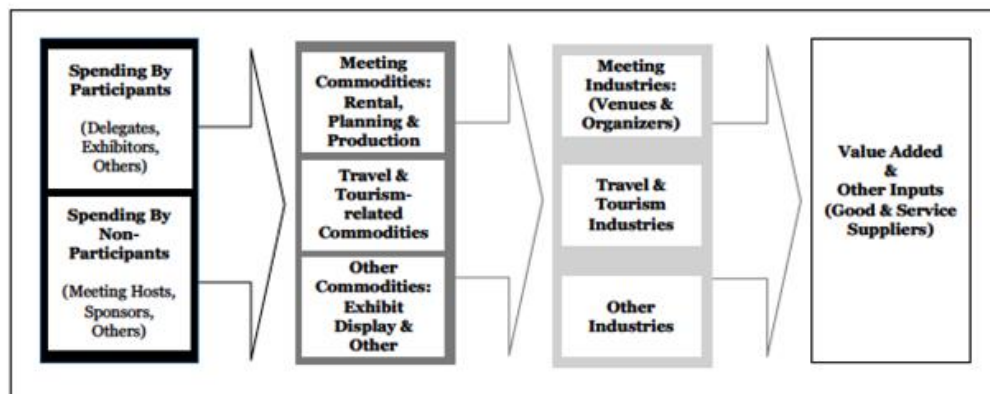
Los Angeles Convention Center Demand Projections for Expanded Facility		
	Prior Projections: "MAJOR EVENTS" Only (a)	Updated Projections: ALL Events
# of Events	Sixth Year Upon Expansion (b)	Sixth Year Upon Expansion
Citywide		
Total Citywide	34	40
Non-Citywide		
Trade Shows	-	25
Consumer/ Public Shows	-	48
Assemblies	-	60
Meetings	-	120
Filming	-	50
Parking/ Other	-	4
Total Non-Citywide	130	307
Total	164	347

In Johnson Consulting's opinion, CSL's projections were conservative: We expect:

- Expansion quality and district improvements will be received positively by the market
- More City-wide annual trade shows will be attracted
- Redevelopment of Las Vegas Convention Center will be chaotic and present opportunities for LA to attract demand back to LA
- Presence of an expanded Anaheim Convention Center will affect demand potential
- Absolute size and design will allow back to back and concurrent events to occur
- Capacity exists to allow more events to come, as the hotel supply and downtown continue to improve
- Other event types have value and should be considered in the value proposition for the complex

Concept

Spending Flow



What we typically do for economic impact analysis?

From VenueDataSource February 2015 poll of IAVM convention center members

Included in Attendee Spending:

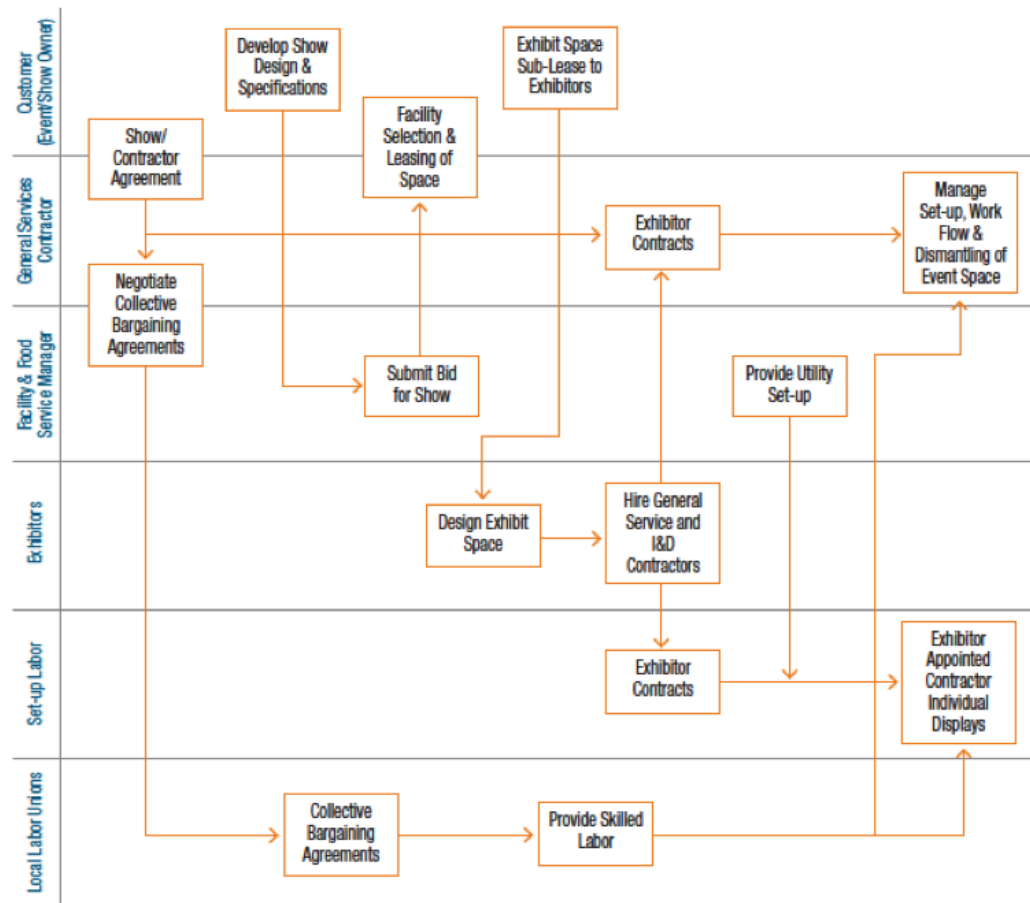
Lodging	99%
Food and Beverage	97%
Local Transportation	81%
Local Shopping	75%
Local Entertainment	72%
Other	16%

Other spending included in model:

Exhibitor Spending	51%
Client Spending	48%
Operating Expenses	27%
Service Contractor	26%
Capital Expenses	14%
Other	11%

How An Event Works – The Building

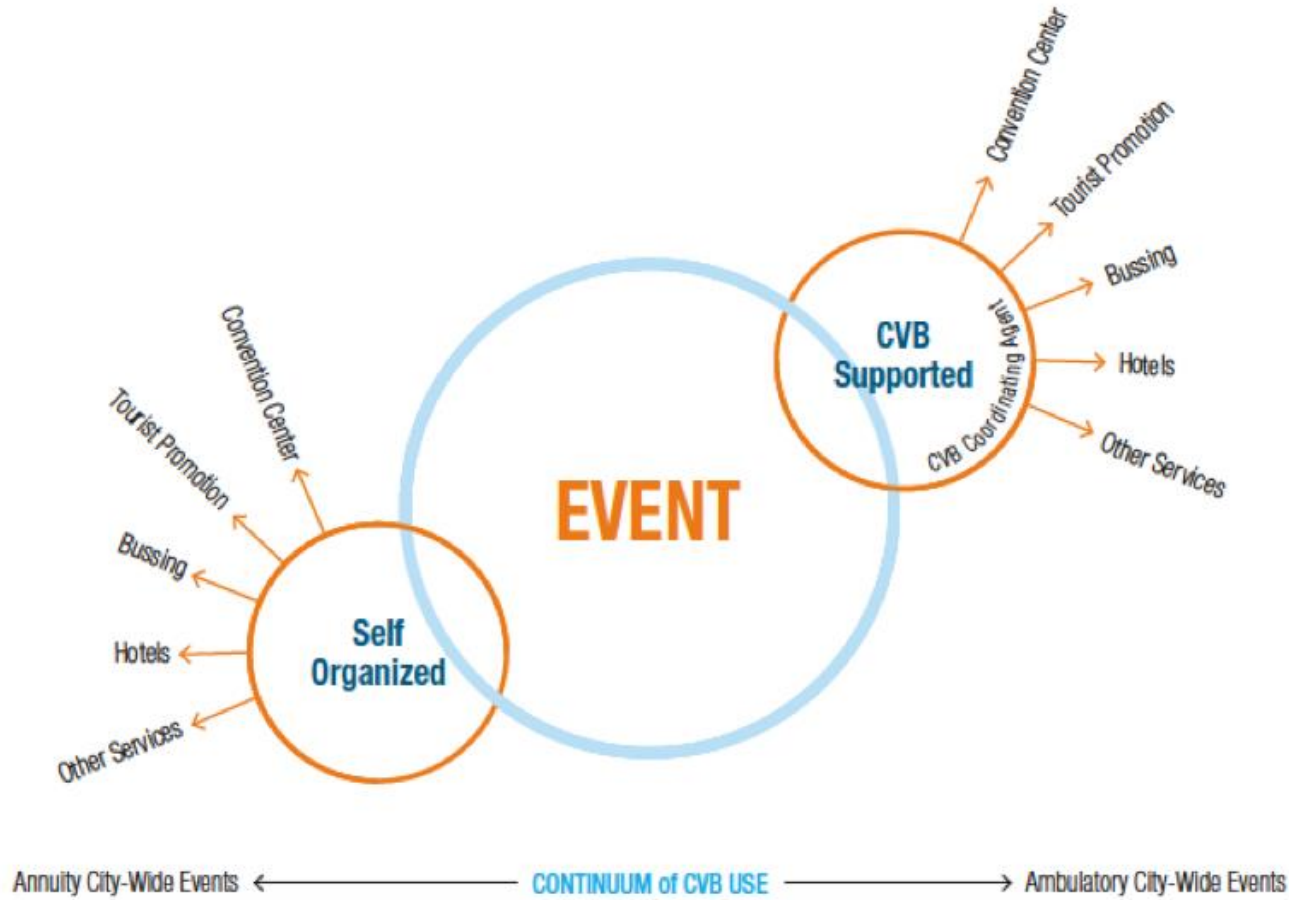
HOW AN EVENT WORKS—THE BUILDING®



Source: Johnson Consulting

How an Event Works – The City

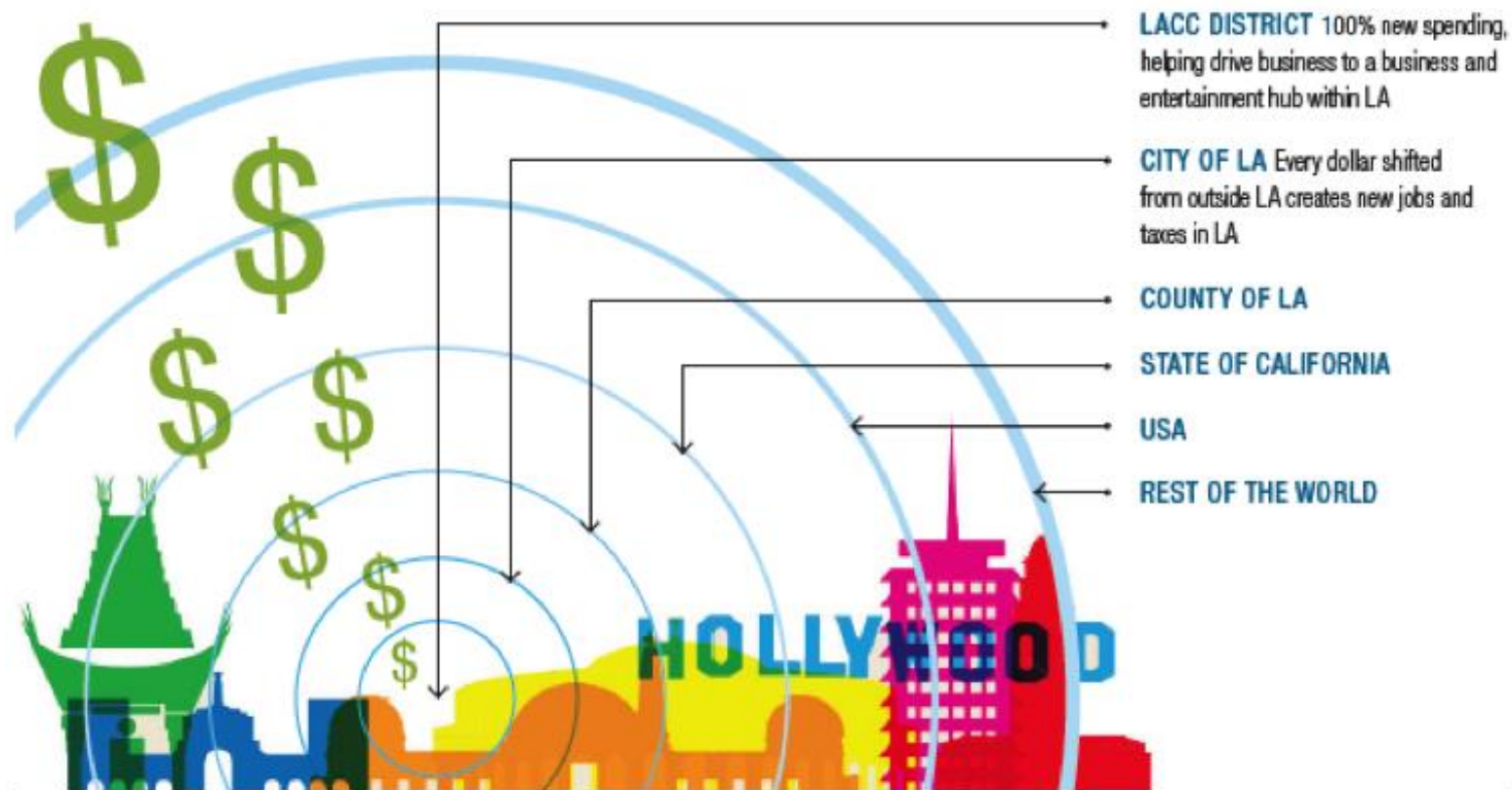
HOW AN EVENT WORKS—THE CITY®



Source: Johnson Consulting

Economic Impact

ECONOMIC IMPACT PERSPECTIVES



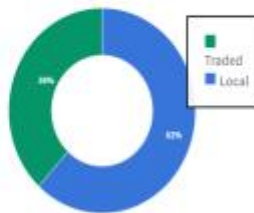
Sources: Johnson Consulting

The Real Reason for Convention Centers

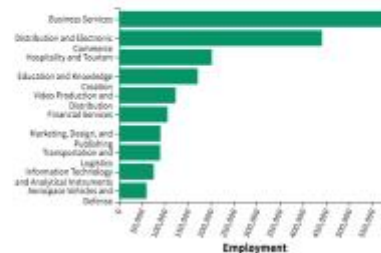
Cluster Portfolio



Traded vs. Local Clusters



Top Clusters by Employment



A COMPANY FULL OF ECONOMIC POTENTIAL

Strengthening Bavaria and Munich: Messe München International has been carrying out this mission with great success for five decades. Several leading trade fairs bring together the international "Who's

Who" of their respective industries and serve as a springboard that gives Bavarian companies access to growth markets around the world. At the same time, Messe München makes a significant contribution to the fact that Bavaria is able to compete as a business location at the international level and, despite a number of international uncertainties, set another foreign-trade record in 2014.

Impact of Expanded LACC

Los Angeles Convention Center Demand Projections for Expanded Facility

	Prior Projections: "MAJOR EVENTS" Only (a)	Updated Projections: ALL Events
# of Events	Sixth Year Upon Expansion (b)	Sixth Year Upon Expansion

Citywide

Total Citywide	34	40
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Non-Citywide

Trade Shows	-	25
Consumer/ Public Shows	-	48
Assemblies	-	60
Meetings	-	120
Filming	-	50
Parking/ Other	-	4

Total Non-Citywide	130	307
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Total	164	347
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	Sixth Year Upon Expansion (c)	Sixth Year Upon Expansion
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Citywide

Total Citywide	899,600	838,400
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Non-Citywide

Trade Shows	-	77,250
Consumer/ Public Shows	-	933,120
Assemblies	-	354,600
Meetings	-	58,800
Filming	-	-
Parking/ Other	-	-

Total Non-Citywide	1,200,300	1,423,770
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Total	2,099,900	2,262,170
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Los Angeles Convention Center Visitation and Impact Estimates of Expanded Facility

	Prior Estimates: "MAJOR EVENTS" Only (a)	Updated Estimates: ALL Events
Visitation	Sixth Year Upon Expansion (b)	Sixth Year Upon Expansion
Event Attendees	2,099,900	2,262,170
Exhibitors and Show Managers	not incl.	271,734
Total	2,099,900	2,533,904

Room Nights	Sixth Year Upon Expansion (c)	Sixth Year Upon Expansion
Citywide	408,100	548,320
Non-Citywide	128,600	107,870
Total	536,700	656,190

Direct Spending (\$Million)	Based on Recent Year Average (d)	Sixth Year Upon Expansion
Hotel	\$128	\$136
Restaurant	75	102
Entertainment	11	33
Retail	26	17
Auto Rental	9	10
Other Local Transit	15	17
Other Industries	38	40
Total Direct Spending	\$302	\$356

Earnings and Employment	Based on Recent Year Average (e)	Sixth Year Upon Expansion
Earnings (\$Million)	\$200	\$236
Employment (FTE Jobs) (FTE)	5,300	6,200

Fiscal Impact (\$Million)	Based on Recent Year Average (f)	Sixth Year Upon Expansion
LA Sales Tax	\$1.2	\$1.4
Hotel Motel Tax - LA	17.0	18.1
Sales Tax - Indirect Spending	0.4	0.4
LA Business Tax	0.02	0.02
LA Parking User Tax	0.4	0.4
Total	\$18.9	\$20.3

Reconciled & Complete Impact Estimates



Los Angeles Convention Center Reconciled Impact Estimates Current and Expanded Facility			
Situation	Updated Estimates: ALL Events		Comments
	FYE 2015	Sixth Year Upon Expansion	
Event Attendees	1,903,938	2,262,170	No changes from Table 4-5 and Table 4-10
Exhibitors and Show Managers	197,987	271,734	No changes from Table 4-5 and Table 4-10
Total Visitors	2,101,925	2,533,904	
Room Nights	Updated Estimates: ALL Events		Comments
	FYE 2015	Sixth Year Upon Expansion	
Citywide	365,040	548,320	No changes from Table 4-5 and Table 4-10
Non-Citywide	100,160	107,870	No changes from Table 4-5 and Table 4-10
Total	465,200	656,190	
Direct Spending (\$Million)	Updated Estimates: ALL Events		Comments
	FYE 2015	Sixth Year Upon Expansion	
Hotel	\$96	\$136	No changes from Table 4-5 and Table 4-10
Restaurant	76	102	No changes from Table 4-5 and Table 4-10
Entertainment	22	33	No changes from Table 4-5 and Table 4-10
Retail	14	17	No changes from Table 4-5 and Table 4-10
Auto Rental	7	10	No changes from Table 4-5 and Table 4-10
Other Local Transit	12	17	No changes from Table 4-5 and Table 4-10
Other Industries	25	40	No changes from Table 4-5 and Table 4-10
Total Direct Spending	\$252	\$356	
Multiplier	1.63	1.63	Added Reasonable Multiplier
TOTAL Spending (with Indirect and Induced Spending)*	\$410	\$581	(TOTAL Spending includes direct, indirect, and induced spending.)
Direct Earnings and Employment	Updated Estimates: ALL Events		Comments
	FYE 2015	Sixth Year Upon Expansion	
Earnings (\$Million)	\$167	\$236	Direct Only
Employment (FTE)	4,400	6,200	Direct Only
Earnings and Employment based on TOTAL Spending	Updated Estimates: ALL Events		Comments
	FYE 2015	Sixth Year Upon Expansion	
Earnings (\$Million)	\$272	\$385	1.63 Multiplier Applied
Employment (FTE Jobs) (FTE)	7,200	10,200	Based on CSL's proportion of FTE jobs to Earnings
Direct Fiscal Impact (\$Million)	Updated Estimates: ALL Events		Comments
	FYE 2015	Sixth Year Upon Expansion	
Hotel Sales Tax	\$1.0	\$1.4	Direct Only
Hotel Motel Tax - LA	12.7	18.1	Direct Only
Sales Tax - Indirect Spending	0.3	0.4	Direct Only
Business Tax	0.01	0.02	Direct Only
Parking User Tax	0.3	0.4	Direct Only
Total	\$14.3	\$20.3	
Fiscal Impact (\$Million) based on TOTAL Spending	Updated Estimates: ALL Events		Comments
	FYE 2015	Sixth Year Upon Expansion	
Hotel Sales Tax	\$1.6	\$2.2	1.63 Multiplier Applied
Hotel Motel Tax - LA	20.7	29.5	1.63 Multiplier Applied
Sales Tax - Indirect Spending	0.5	0.7	1.63 Multiplier Applied
Business Tax	0.02	0.03	1.63 Multiplier Applied
Parking User Tax	\$0.5	\$0.7	1.63 Multiplier Applied
Total	\$23.4	\$33.2	(based on direct, indirect, and induced spending)

*TOTAL Spending includes direct, indirect, and induced spending.
Source: Johnson Consulting

- Neither CSL nor Johnson Consulting included operating budgets
- LACC's operation, combined with Levy's food service operation is a \$34 million business enterprise
- The LACC employs 225 full time equivalent employees and Levy employs 142 full time equivalent employees
- If included, the impacts would be subjected to the multiplier effect and taxes

LACC Impacts Compared to Peers



Los Angeles Convention Center Convention Center Economic Impacts Comparison (\$Millions)			
Facility	Location	Multiplier Used	Total Reported Impact
Moscone Center	San Francisco, CA	na	\$1,881
Javits Center	New York, NY	na	\$1,733
San Diego Convention Center	San Diego, CA	1.69	\$1,015
Georgia World Congress Center	Atlanta, GA	1.87	\$893
Boston Convention & Exhibition Center	Boston, MA	1.64	\$570
Anaheim Convention Center	Anaheim, CA	1.65	\$559
America's Center	St. Louis, MO	1.80	\$398
Current LACC*	Los Angeles, CA	1.63	\$410
Expanded LACC*	Los Angeles, CA	1.63	\$581

Note: Impact amounts of comparable facilities are adjusted to 2014-dollars.

**CHJC Projections.*

Source: Johnson Consulting, respective venue studies

Approved Projects from FY 2015-16 Surplus

- Chiller plant repairs and upgrades
- Sustainability improvements
 - Light replacement in office, shops, and parking areas
 - New trash and recycling receptacles in parking area and building
- Concrete repairs in South Hall and under compactors
- Attendee experience improvements – carpet replacement & furniture
- Security enhancements – access control, CCTV & magnetometers/scanners
- Food and beverage purchases and enhancements – décor, smallwares, concession carts & Galaxy Café roll up shades



March 9, 2016

Mr. Robert R. "Bud" Ovrom
Executive Director
Los Angeles Department of Conventions and Tourism Development
1201 S. Figueroa Street
Los Angeles, California 90015

Dear Bud:

As previously reported, the LACC has experienced an exceptional year on many fronts. Based on reviewing actual results for the first eight months of the fiscal year and anticipated revenues and expenses for the remaining four months, we are now forecasting that we will finish FY16 with an operating surplus of \$8.0 million.

As you know, one million of the surplus was the result of not having to pay the Staples Bond payment, which is already allocated toward capital projects which are underway. These projects include access control, radio upgrades, compactor replacement, South Hall floor remediation, carpet replacement, graphic command control enhancements, and HVAC system for the IDF room.

From the remaining estimated \$7 million we are requesting approval to spend approximately \$3.2 million for needed CIP, equipment, alteration and improvement projects and for the remaining surplus to be added to the reserve account:

Below is a list of proposed CIP, equipment, alteration and improvement projects we are requesting approval to fund from this year's operational surplus. The list below is in order of priority.

Description	Estimated Cost
1 Cooling Tower repairs	\$345,000
2 Chiller repairs	\$275,000
3 Chemical Treatment of Central Plant equipment	\$58,000
4 Fire Door Repairs	\$65,000
5 Chilled Water condenser Pumps	\$123,000
6 Concrete repair to support West Hall compactors	\$10,000
7 Roof Repair over 500 Meeting Rooms	\$10,000
8 Mobile Concession Carts	\$189,000
9 Buffet Décor and Smallwares	\$148,000
10 Concession Roll up shades (Galaxy Café)	\$63,000
11 Staging and Table Equipment replacement	\$300,000
12 Replacement of Urinals and Urinal valves in Men's restrooms	\$77,000
13 Access Control in show offices/ meeting rooms	\$65,000
14 Show offices and meeting rooms CCTV coverage	\$50,500

15	Magnetometers and hand held scanners	\$77,500
16	Energy efficient lamps and bulbs in offices and shops	\$50,000
17	Radio upgrade (phase 2)	\$120,000
18	South Hall Carpet replacement	\$197,000
19	Carpet replacement in 400 level meeting rooms	\$210,000
20	Compactor for Concessions operations	\$16,500
21	Trash and Recycling receptacles for meeting rooms and exhibit halls	\$136,000
22	Continuing South Hall floor remediation	\$200,000
23	Special painting projects. Locations to be discussed	\$150,000
24	Carpet for boardroom, Conference Room A and reception area	\$25,000
25	Phase 2 of lobby furniture upgrade.	\$75,000
26	Parking Garage trash and recycling receptacles	\$20,000
27	LED parking rate signage	\$20,000
28	Parking entrance lights	\$35,000
29	Carpet for Petree Hall	\$75,000
Estimated Total		\$3,185,500

Below is an overview of each project.

1.) Cooling Tower repair

- a. Estimated Cost: \$345K
- b. Expense Category: Alteration and Improvement expense
- c. Justification: Cooling Towers in the South and West Hall are well past their useful life. All eight towers show signs of overflow issues due to a combination of the overflow valve not properly working or the fill media being heavily clogged. We are looking to replace the fill media and re-caulking of all the cold water basin streams.

2.) Chiller repairs and maintenance

- a. Estimated Cost: \$275K
- b. Expense Category: Alteration and Improvement expense
- c. Justification: The installer of the Trane Chillers recommends a complete overhaul on all Trane Centrifugal Chiller in operations every ten year. Several Chillers have refrigerant leaks. We are requesting a 10 year overhaul of the three Trane Chillers (Chillers 1-3). This overhaul will remove and restore refrigerant per EPA/AQMD regulations. Chillers 4 & 6 (York Chillers) are in need of installation of new purifier purges. Chiller 7(Carrier Chiller) is in need of a new OEM condenser hinge.

3.) Chemical Treatment – Central plant equipment

- a. Estimated Cost: \$58K
- b. Expense category: Alteration and Improvement expense
- c. Justification: We are requesting a new more efficient chemical treatment to provide a better understanding of our chemical needs in relation to the proper function of each piece of plant equipment. The first step in the process is for the new vendor to clean and inspecting the boiler system. During the inspection the plastic fills and intake tanks will be replaced.

- 4.) Fire Door Repairs
 - a. Estimated Cost: \$65K
 - b. Expense Category: Alteration and Improvement expense
 - c. Justification: The current fire door system is in need of multiple repairs. The Fire door system is a key element in customer and employee safety. Full detail of repairs needed by door is available upon request.
- 5.) Chilled Water Condenser Pumps
 - a. Estimated Cost: \$123K
 - b. Expense Category: Capital purchase
 - c. Justification: South Hall condenser and chiller water pumps have leaks and run inefficiently.
- 6.) Concrete repair area by West Hall compactors
 - a. Estimated Cost: \$10K
 - b. Expense Category: Alteration and Improvement expense
 - c. Justification: The platforms that support the compactors in West Hall are unstable. The concrete under the compactor has eroded. In order to safely install the new compactors the concrete must be repaired and new platforms and new electrical panels must be installed.
- 7.) Roof repair over 500 meeting rooms
 - a. Estimated Cost: \$10K
 - b. Expense category: Alteration and Improvement expense
 - c. Justification: Currently this area of the roof leaks and affects the meeting rooms where guest hold events. We are requesting to re-roof 2,500 square feet in three sections using a granulated modified torch-down membrane system.
- 8.) Mobile Concession Carts
 - a. Estimated Cost: \$189K
 - b. Expense category: Capital purchase
 - c. Justification: The purchase of up to eight mobile concession units will be deployed virtually anywhere throughout the convention center. The carts will be utilized in situations where the number of guest does not necessitate opening one of the brick and mortar stands.
- 9.) Buffet Décor and Smallwares
 - a. Estimated cost: \$148K
 - b. Expense category: Alteration and Improvement expense
 - c. Justification: Our current buffet décor is outdated and missing items that need to be rented from other facilities. By enhancing our décor we will improve our guest experience and eliminate the need to rent smallwares from other facilities.
- 10.) Concessions roll up shades
 - a. Estimated cost: \$63K
 - b. Expense category: Capital purchase
 - c. Justification: Roll up shades in the concession stands in West Hall will greatly improve the appearance to guest when the concession stands are not open.

- 11.) Staging and Table equipment replacement
 - a. Estimated cost: \$300K
 - b. Expense category: Alteration and Improvement expense
 - c. Justification: A majority of the changeover equipment is well past its useful life. We are requesting approval to purchase the following:
 - i. 4' x 8' decking (90 pieces)
 - ii. 8' x 8' decking (20 pieces)
 - iii. 6' x 8' decking (20 pieces)
 - iv. 66" Round tables (200)
 - v. 30" x 96" Tables 30" height (200)
- 12.) Replacement of Urinals and Urinal valves in Men's restrooms
 - a. Estimated Cost: \$77K
 - b. Expense category: Capital purchase
 - c. Justification: Throughout the Convention Center there are urinals with an obsolete flush valve that are running water constantly. We are requesting to replace all the leaking urinals with waterless urinals.
- 13.) Access Control for show offices/meeting rooms
 - a. Estimated Cost: \$65K
 - b. Expense Category: Alteration and Improvement expense
 - c. Justification: Access Control was added to South Hall and West Hall show offices in June of 2015. Our clients have been very satisfied with this added security measure. We have identified the following offices as the next step in providing a secured locations for show and meeting managers:
 - i. Show office 302
 - ii. Kentia
 - iii. Theatre 411
 - iv. Show offices 101, 102, 103, 104, 105
- 14.) CCTV Coverage for Show offices, meeting rooms, and Gilbert Lindsey Plaza
 - a. Estimated Cost \$50.5K
 - b. Expense category: Alteration and Improvement expense
 - c. Justification: Provide additional security monitoring to LACC exterior, meeting rooms, and show offices.
- 15.) Magnetometers and hand held scanners
 - a. Estimated Cost: \$77.5K
 - b. Expense Category: Alteration and Improvement equipment
 - c. Justification: Safety and security of our employees, clients, and guest is our top priority. Purchase and deployment of magnetometers will add an additional layer of security. They will be used based on show management request or LACC requirement. The magnetometers will be made available for rent by show managers.

16.) Energy efficient light bulb replacement

- a. Estimated cost: \$50K
- b. Expense category: Alteration and Improvement expense
- c. Justification: Replacement of non-energy efficient lamps at the following locations:
 - i. Electrical shop
 - ii. Mechanical shop
 - iii. Plumbing shop
 - iv. Paint Shop
 - v. Carpenters Show
 - vi. Stairwells

17.) Radio Upgrade

- a. Estimated Cost: \$120K
- b. Expense category: Alteration & Improvement equipment
- c. Justification: Radio communication and radio coverage are intermittent for communications between LACC departments. Our current radio communications system cannot communicate with Venice Garage, and is limited in Kentia Hall. In addition, the Command Center of LACC does not have a radio control console. As a result, multiple hand held devices are needed to monitor six channels of communication.

18.) South Hall Carpet replacement

- a. Estimated Cost: \$197K
- b. Expense Category: Capital purchase
- c. Justification: Carpet in South Hall GHJK, landings, stairwell, and escalator landing is well past its useful life. Replacement will improve the appearance for our clients and guests.

19.) Carpet in 400 level meeting rooms

- a. Estimated Cost: \$210K
- b. Expense Category: Capital purchase
- c. Justification: Carpet in the 400 level meeting rooms is well past its useful life. Replacement will improve the appearance for our clients and guests.

20.) Compactor for Concessions operations

- a. Estimated Cost: \$16.5K
- b. Expense Category: Capital purchase
- c. Justification: The current concession's compactor is past its useful life and in need of replacement. We have an opportunity to purchase a demonstration unit from Waste Management at a significant discount.

21.) Trash and Recycling receptacles for meeting rooms and exhibit halls

- a. Estimated Cost: \$136K
- b. Expense category: Alteration and Improvement equipment
- c. Justification: Trash and recycling receptacles are used daily. Our current inventory is in poor condition with scratches, discoloration, or broken tops. We are requesting replacement of 100 receptacles for the meeting rooms and 350 receptacles for the exhibit halls. This will provide a consistent look throughout the LACC.

- 22.) Continue floor remediation in South Hall
- a. Estimated cost: \$200K
 - b. Expense category: Alteration and Improvement expense
 - c. Justification: We are finalizing our contract agreement with Goss Construction for epoxy injection to repair cracks in South Hall. An additional \$200K in floor remediation will address cracks on an additional 11,000 L.F.
- 23.) Special Painting project
- a. Estimated Cost: \$150K
 - b. Expense category: Alteration and Improvement expense
 - c. Justification: Address a number of LACC locations that are in need of a refresh in paint. Specific areas will be addressed and discussed in detail after the project is approved.
- 24.) Carpet for boardroom and reception area
- a. Estimated Cost: \$25K
 - b. Expense category: Capital purchase
 - c. Justification: Carpet in the board rooms and reception area are past their useful life and are in need to replacement. The reception area is a point of first impression for LACC. The boardroom is where many important client and commission meetings take place.
- 25.) Furniture upgrade
- a. Estimated Cost: \$75K
 - b. Expense category: Alteration and Improvement equipment
 - c. Justification: Our first furniture upgrade is set for deliver at the end of March. The furniture will be installed in West Hall entrance, and concourse corridor. We are looking to add additional furniture upgrades to other sections of the building including the 400 level meeting rooms and outside of room 309.
- 26.) Parking Garage trash cans and receptacles
- a. Estimated Cost: \$20K
 - b. Expense category: Alteration and Improvement equipment
 - c. Justification: The parking garages have 100 trash cans and no recycling receptacles. The current inventory is in moderate to poor condition. We are requesting to purchase an additional 30 trash/recycling receptacles for the parking operation.
- 27.) LED Rate signage
- a. Estimated Cost: \$20K
 - b. Expense category: Alteration and Improvement expense
 - c. Justification: The LED rate signage will be visible from 300 yard away making potential customers aware of LACC parking options.
- 28.) Parking Entrance lights and signage
- a. Estimated Cost: \$35K
 - b. Expense category: Alteration and Improvement expense
 - c. Justification: Light at the entrance of the parking garage will improve the appearance and safety of our guests and customers. Entrance and Exit signage will improve LACC's appearance as customer enter and navigate through the garages.

29.) Carpet for Petree Hall

- a. Estimated Cost: \$75K
- b. Expense category: Capital purchase
- c. Justification: Carpet in Petree Hall is well past its useful life. Replacing the carpet will a more modern look will make the hall more marketable.

We are very anxious to get started on these important projects and purchases which will undoubtedly make the LACC an even better convention center.

Thank you for your continued support, Bud. I look forward to hearing from you.

Sincerely,



Brad Gessner
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