



BOARD OF LOS ANGELES DEPARTMENT OF CONVENTION AND TOURISM DEVELOPMENT COMMISSIONERS

Commissioners: Jon F. Vein, President; Otto Padron, Vice President;
Noel Hyun; David Stone; VACANT

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 20, 2019
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. COMMENTS FROM THE PUBLIC

- a) General Public Comments
- b) Neighborhood Council representatives on any Neighborhood Council Resolution or Community Impact Statement filed with the City Clerk which relate to any agenda item listed or being considered on this agenda for Board of Los Angeles Department of Convention and Tourism Development Commissioners

3. APPROVE MINUTES:

- a) Approval of the special meeting minutes from February 13, 2019

4. REPORTS:

- a) Executive Director Report
- b) AEG Monthly Report – January
- c) LATCB Monthly Report – January
- d) CIP Update – CTD

5. DISCUSSION:

NONE

6. ACTION ITEMS:

- a) LATCB FY 2019-20 Proposed Budget – Board Report # 19-001

7. ADJOURNMENT

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.

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

Special Meeting Minutes
February 13, 2019

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a special meeting on Wednesday, February 13, 2019 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
Vice President, Otto Padron
Commissioner David Stone

ABSENT:

Vacant Position
Vacant Position

PRESENTERS:

Ellen Schwartz, AEG
Ben Zarhoud, AEG
Doane Liu, CTD
Tom Fields, CTD
Darren Green, LATCB
John Boudouvas, LATCB

Item 1. Call to Order / Roll Call

President Vein called the meeting to order at 9:04 a.m.

Item 2a. Public Comment

None

Item 2b. Neighborhood Council

None

Item 3a. Approval of the special meeting minutes from January 16, 2019

UNANIMOUSLY APPROVED

Item 4a. Executive Director Report

Mr. Doane Liu provided an overview of his activities since the last Board meeting, which included: a briefing with Noel Hyun, newly appointed CTD Commissioner; attending the Central City Association, where Eric Rosen presented a summary of the Tourism master plan; met with LATCB staff to review their new branding plan; met with CD4 to discuss tourism; participated in several working groups and met with hotel stakeholders to discuss expansion and modernization; participated in client meetings with LATCB; and met with Resonance regarding the tourism master plan. Most importantly, became a new grandfather!

Item 4b. AEG Monthly Update – December

Ms. Ellen Schwartz recognized the leader of the quarter, Michelle Lee. Ms. Schwartz reported that LACC had hosted five local events resulting in over 972,500 attendees, 950,000 of which were attributed to Auto Show. In addition, LACC hosted two filmings. Mr. Ben Zarhoud presented the financial data for November, reporting \$10.5M in gross revenue, 48% of that is attributed to Auto Show utilities even though attendance was reportedly down 5% compared to last year. Mr. Zarhoud reported a 45% occupancy rate, which is the lowest occupancy in four years for the month of December. Mr. Zarhoud also reported \$29.8M economic impact, all from short term business.

Item 4c. LATCB Monthly Update- December

Mr. Darren Green reported that LATCB processed 134 leads YTD, resulting in 210,491 room nights with a year-end goal of 220 leads and projected 390,000 room nights. Mr. Green highlighted LATCB's recent site visits, sales calendar, and reported that LATCB recently participated in the PCMA Convention which resulted in reaching 2,000 potential customers. Mr. Green noted that 37 citywide events have been lost and that 717,704 Total Room Nights are at risk due to the Center's lack of expansion and modernization.

Mr. John Boudouvas presented the LATCB's new "one city/one brand" brand marketing, noting that the new website will be live soon with a color scheme that will change depending on the time of day.

Item 5a. Discussion: Status Update on Tourism Master Plan

Mr. Eric Rosen, FUSE Executive Fellow, presented an update of the Tourism Master Plan, noting the project's definition, progress, scope, and timeline. Mr. Rosen reported that CTD has completed the outside consultation RFP in which Resonance Consulting was awarded the contract and that stakeholder meetings have begun.

Item 5b. Discussion: Status Update on LACC Expansion

Mr. Doane Liu presented an update on the LACC expansion project, reporting that working groups consisting of 6-12 subject matter experts have been established and have begun meeting. The groups include: Design & Construction; Legal Documents; Finance; Planning & Land Use; and GLP. Mr. Liu noted that the project goal remains to break ground by January 2020 with project completion by 2022. Mr. Liu also reported that AEG will begin a separate hotel project that will include a bridge connecting the hotel to the Center.

Item 6. Action Items

None

ADJOURNMENT

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

LOS ANGELES CONVENTION CENTER MONTHLY UPDATE

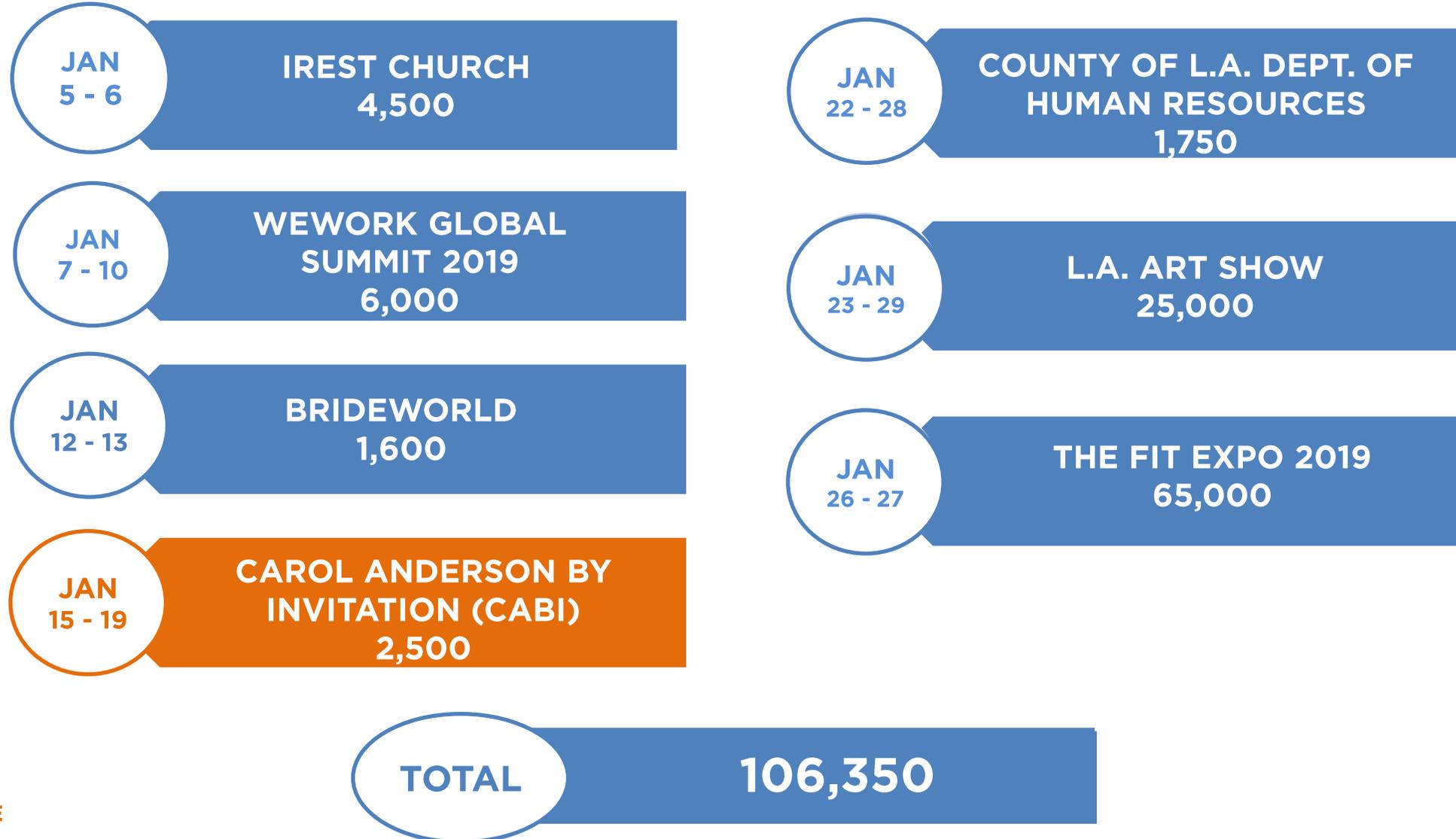
JANUARY 2019

ELLEN SCHWARTZ



Los Angeles
CONVENTION
CENTER
Managed By 

LACC JANUARY 2019 EVENTS



*CITYWIDE

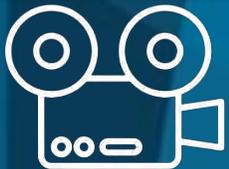


LACC JANUARY 2019 FILMING & PHOTO EVENTS

<u>DATE</u>	<u>Name</u>	<u>Location</u>	<u>Amount</u>
Jan. 11	Google	West Lobby	\$14,088
Jan. 11	Grey's Anatomy	Venice Garage	\$3,300
Jan. 14	Simplisafe	West Lobby	\$16,610
Jan. 15 - 17	Legion	Venice Garage	\$4,500
Jan. 23	Samsung	Figueroa Dr.	\$7,115
Jan. 30	Radical Media	Kentia Bathrooms	\$7,760
Jan. 31	Zach Crawford Production	Pico Drive	\$5,200

TOTAL: \$58,573

(Total Jan. 2018: \$31,030)



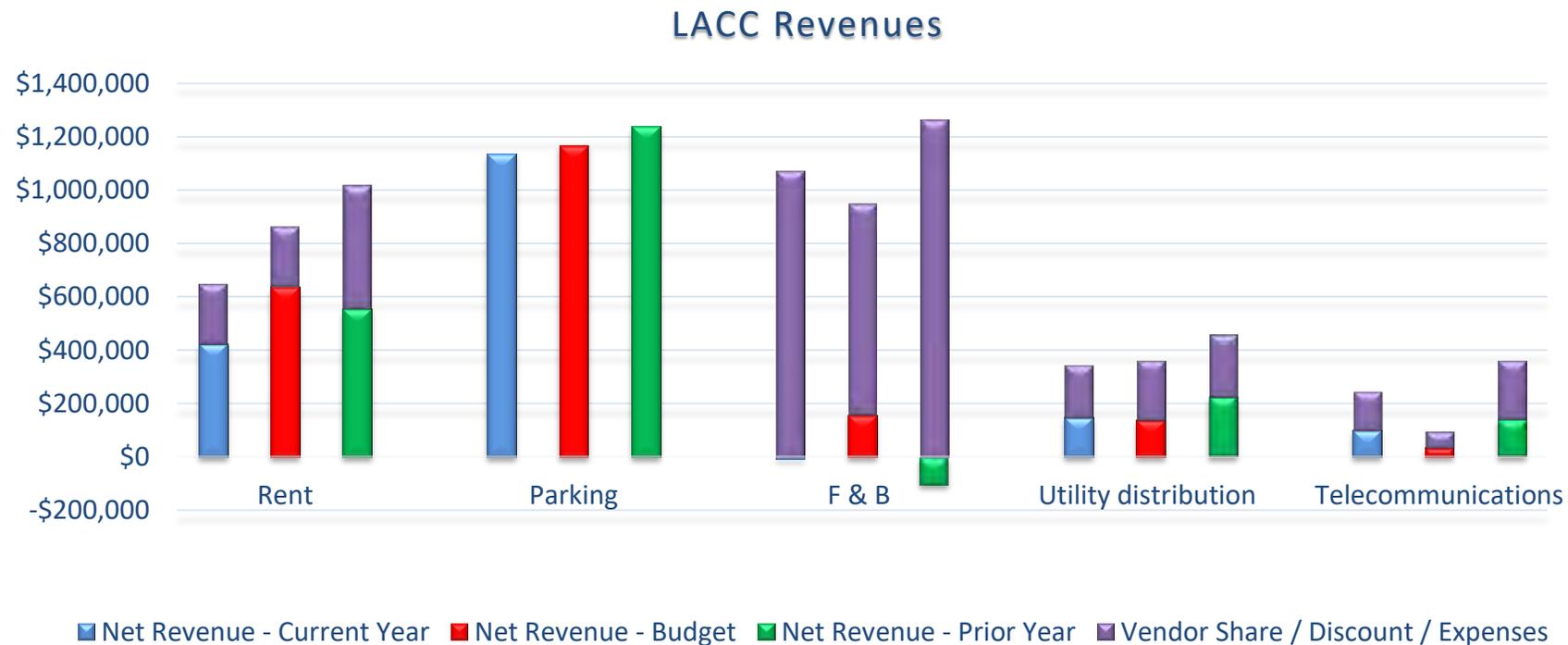
LACC January 2019 FINANCIALS

OPERATING SURPLUS (LOSS):

- (\$0.2) million (before approved City Reimbursements, A & I and Capital Projects)
- \$0.5 million below budget
- \$13K below prior year

REVENUES:

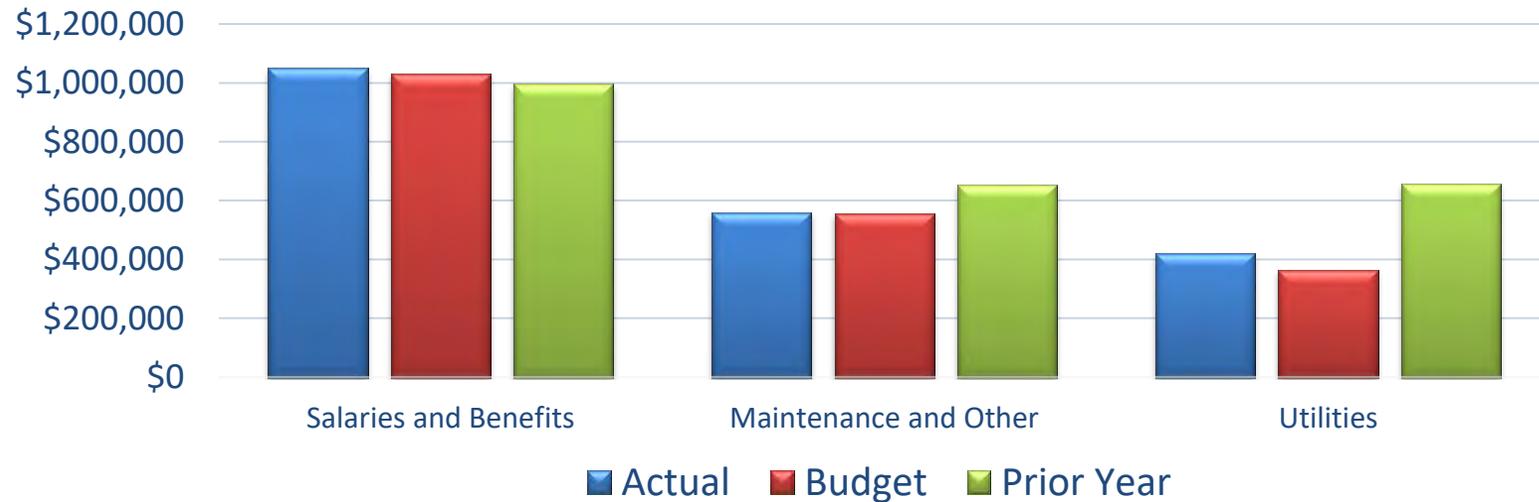
- \$3.7 million gross revenue (before discounts and service provider share)
- \$1.8 million net revenue
- \$0.4 million below budget and \$0.3 million below prior year



LACC January 2019 FINANCIALS

OPERATING EXPENSES:

- \$2.0 million (before approved A & I, Capital Projects, and City reimbursement)
- \$77K above budget and \$0.3 million below prior year
- Prior year utilities include a 7 month true up of \$0.3 million in utility user tax charges

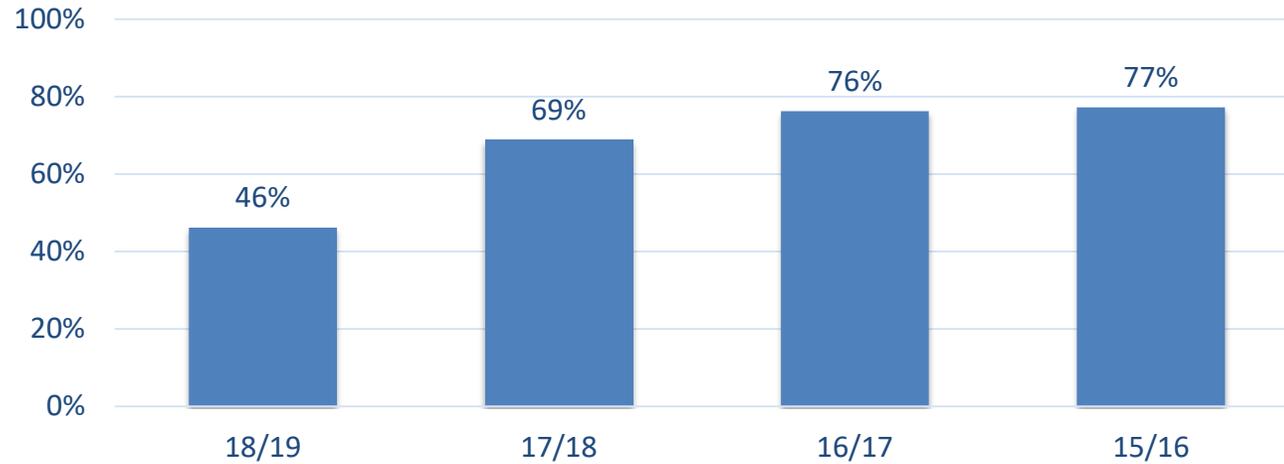


CITY REIMBURSEMENT - \$358K

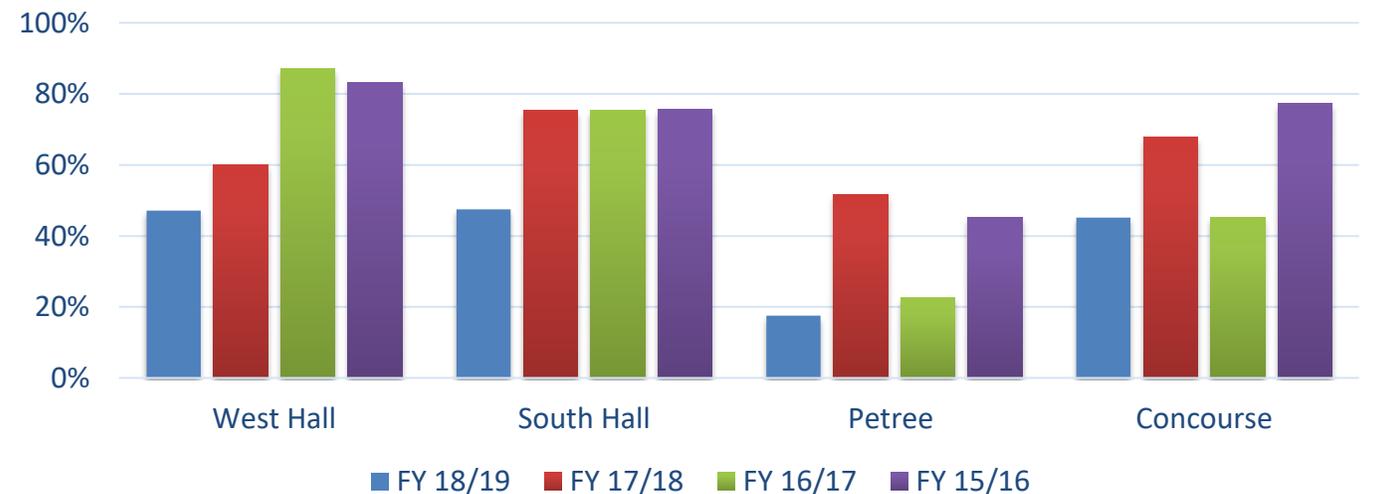
Capital and Alterations & Improvements

LACC January 2019 OCCUPANCY

Exhibit Hall Occupancy

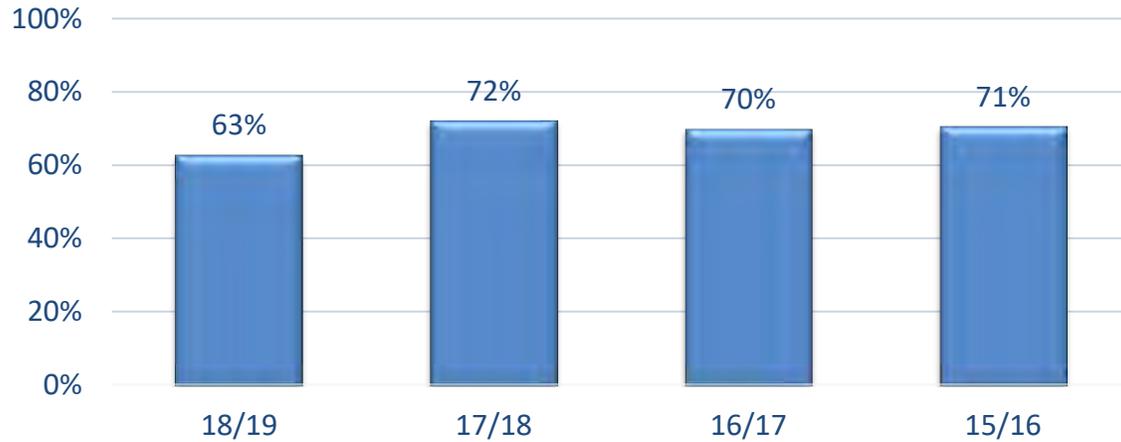


Occupancy by Exhibit Hall

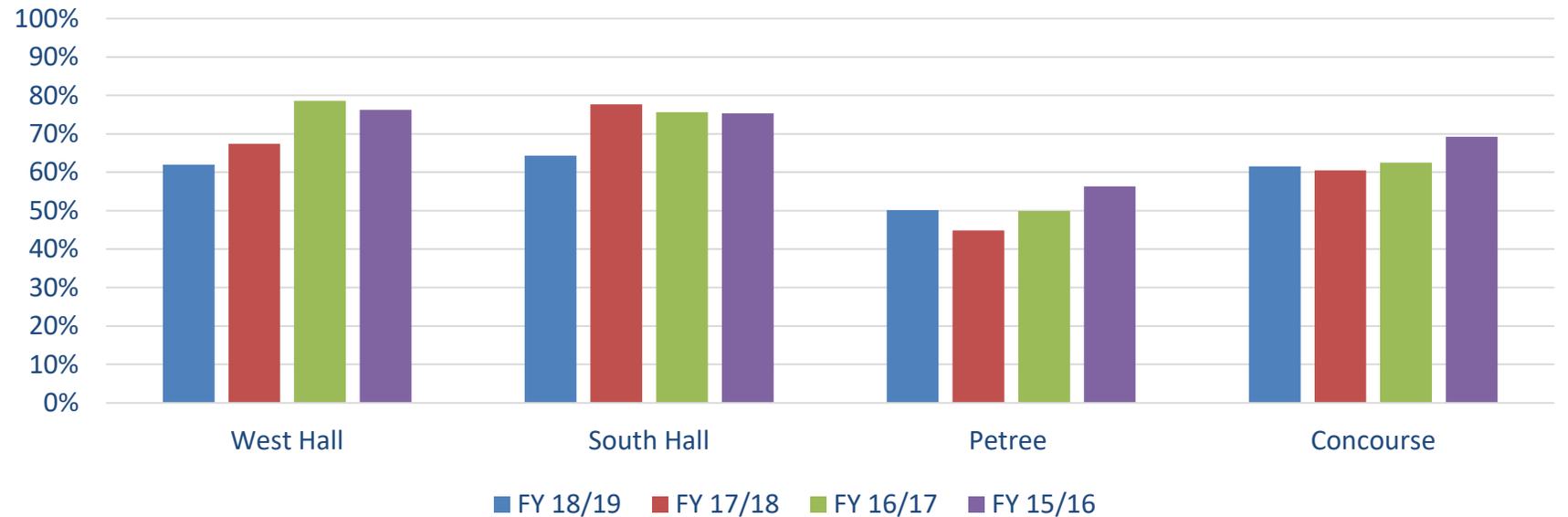


LACC YTD 2018/2019 OCCUPANCY

Exhibit Hall Occupancy - (July - January)

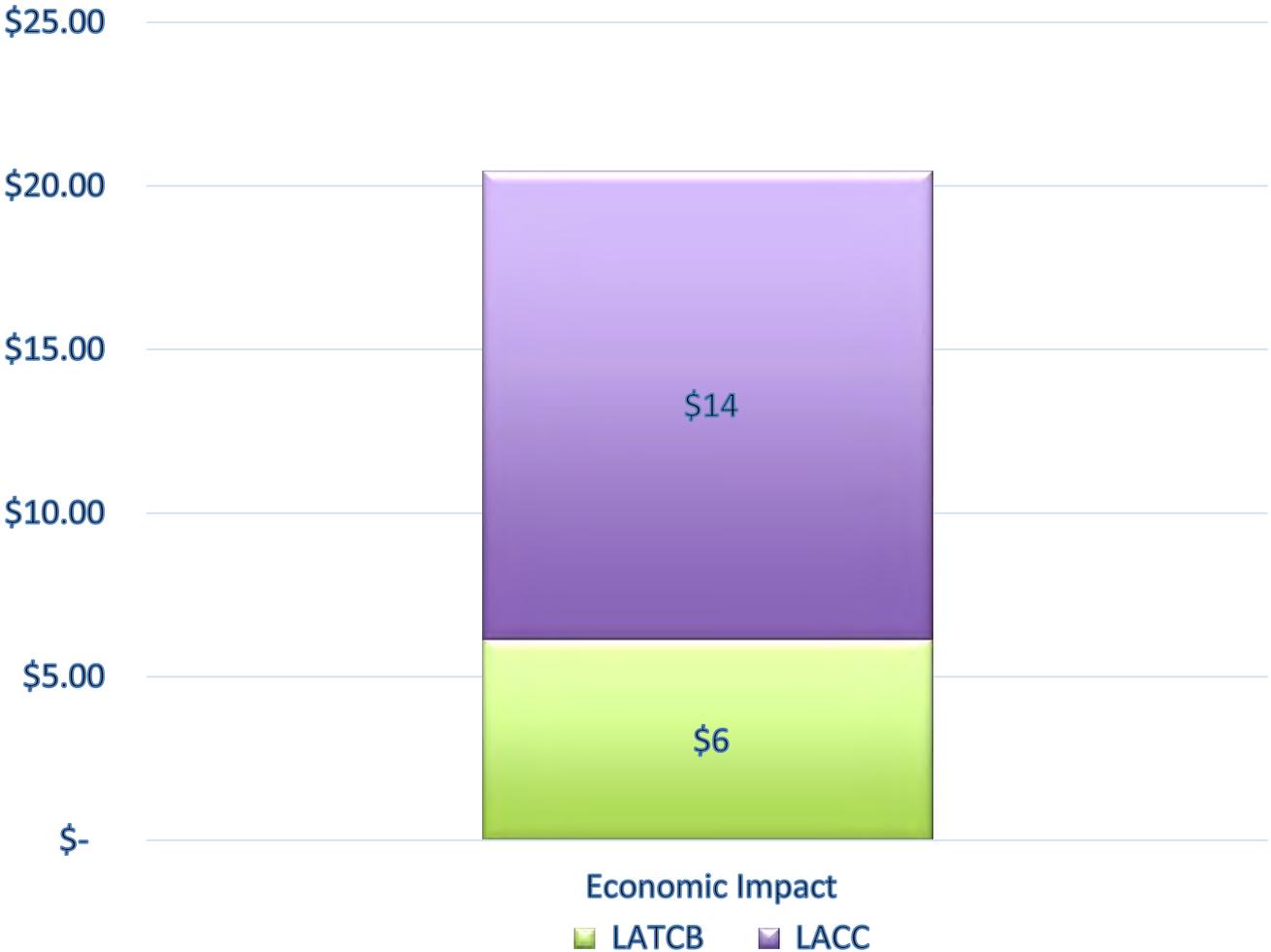


Occupancy by Exhibit Hall - (July - January)



LACC January 2019 ECONOMIC IMPACT

\$20 million in Projected Economic Impact



CTD Board of Commissioners Meeting

March 20, 2019

*Los Angeles*TM

Los Angeles Tourism & Convention Board

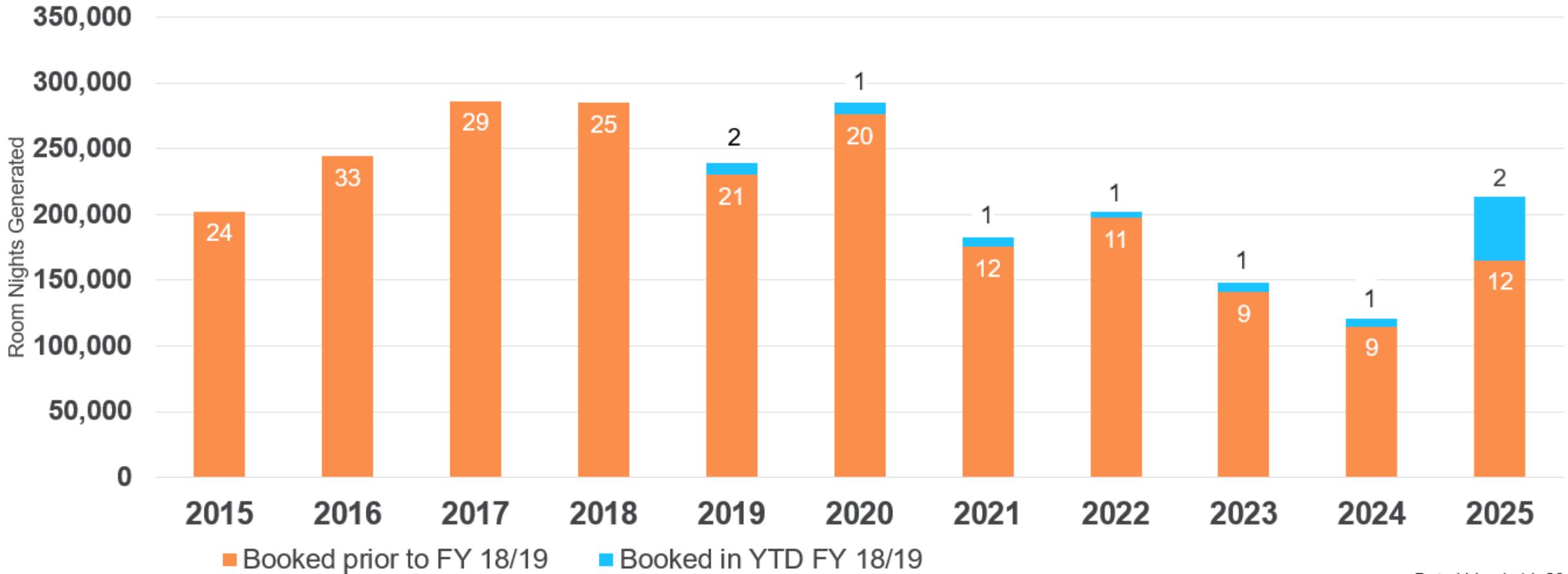
CITYWIDE CONVENTION SALES YTD FY 18/19 PRODUCTION RESULTS

Lead Production	Leads Actual
FY 18/19 Goal	220
FY 18/19 YTD	157
FY 17/18 STLY	142

Booked Room Nights Produced	RNs Actual
FY 18/19 Goal	390,000
FY 18/19 YTD	215,521
FY 17/18 STLY	237,241

Dated March 14, 2019

CITYWIDE CONVENTION BOOKED ROOM NIGHTS 2015-2025 CALENDAR YEAR ARRIVAL DATE



Dated March 14, 2019

RECENT BOOKING



US Environmental Protection Agency
2019 National Brownfields Training Conference
December 10 – 13, 2019
5,030 Room Nights

RECENT SITES



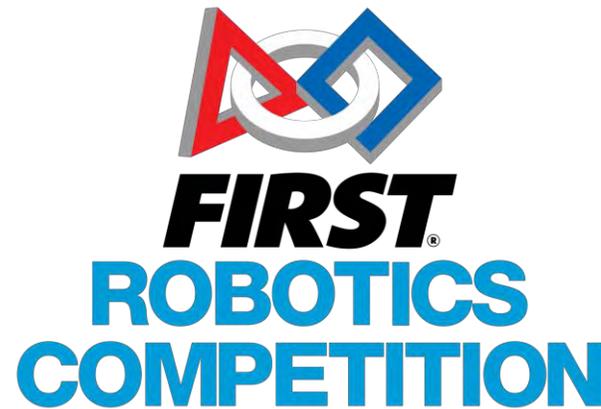
American Physical Therapy AssociationSM

American Physical Therapy Association
APTA CSM – Combined Sections Meeting
February 9-14, 2026
20,500 Room Nights



AMERICAN ASSOCIATION
of PHYSICISTS IN MEDICINE

American Association of Physicists in Medicine
AAPM 2024 Annual Conference
July 20 – 25, 2024
12,525 Room Nights



FIRST
FIRST Robotics Competition 2026
April 28 – May 2, 2026
24,900 Room Nights

Necessity of the LACC Expansion



Citywides at the LACC continue to decrease.

32%

of conventions **lost** compared to 2017 because the LACC was **"not suitable"**

It is clear that the facility needs updating.

717,704

VACANCY

booked room nights **at risk** for cancellation beginning 2022 if expansion doesn't take place

We have high exposure if renovation is not completed as planned.



Key west coast competitors have all renovated more recently than LA.

GSM A PREPROMOTION

Mobile World Congress 2019

Barcelona February



Los Angeles October



LA TOURISM SALES RETREAT

March 12-13, 2019

Agenda Items:

- LACC Communication Plan
- Strategic Sales Plan Review
- Team Deployment- Territories and Industry Verticals
- Speaker Bureau
- Sales Event Calendar 2019 & 2020
- Website and Branding Updates



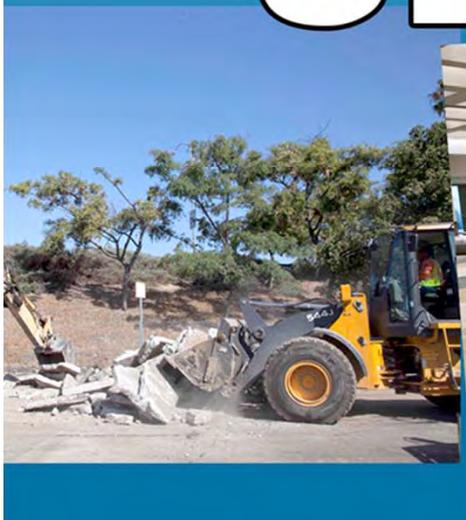
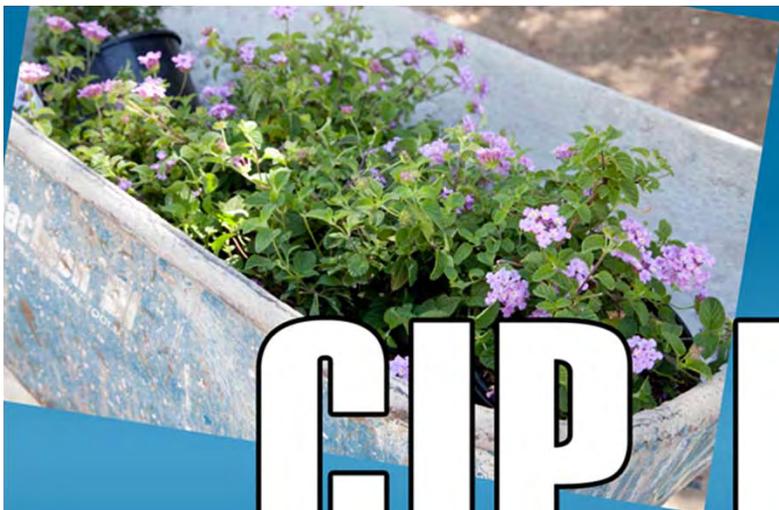
THANK YOU

Los Angeles™

HOLLYWOOD

Los Angeles Tourism & Convention Board

CIP UPDATE



CIP UPDATE - SUMMARY

PLANNING

West Hall Elevator

Escalator Replacement

Chiller Plant Modernization

Automatic Transfer Switch Replacement

Security Surveillance System – Phase IV

IN PROGRESS

Escalator and Elevator Repair/Modernization

Carbon Monoxide Sensors

LED Reader Boards for Parking

Fire Alarm System Peripheral Devices

Fire Alarm Panel Upgrade

Water Heater Replacement

VFD Installation

Roof Replacement – Lower West Hall*

LIGHTING UPGRADE PROJECTS

Venice Parking Garage

South Hall Parking Garage

Roof Replacement – Lower West Hall

IN PROGRESS



CIP UPDATE - SUMMARY

COMPLETED

Petree & 500 Series Meeting Room Lighting Upgrade

Meeting Room Divider Wall Repair/Reconditioning

Carpet Replacement

New Security Command Center A/C*

Painting of Exterior of West Hall*

Security Command Center A/C

COMPLETED



- Serves the security command center and employee gym
- Enables 24/7 efficient climate control, regardless of LACC event activity

COMPLETED

Painting of Exterior of West Hall



- Over 283,000 square feet of exterior painted
- Walls also cleaned, sanded and repaired as needed

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: March 20, 2019

To: Board of Los Angeles Convention and Tourism Development
Commissioners

From:  Doane Liu, Executive Director
Department of Convention and Tourism Development

Subject: **LOS ANGELES TOURISM AND CONVENTION BOARD 2019-20
BUDGET REQUEST – BOARD REPORT #19-001**

SUMMARY:

The primary goal of the City's engagement with the Los Angeles Tourism and Convention Board (LATCB) is to grow the local economy by promoting the City as a site for citywide conventions, business meetings and major tradeshow, and as a destination for leisure travel. As part of the annual budget process, and to satisfy the City's Charter-mandated budget deadlines, the Board of Los Angeles Convention and Tourism Development Commissioners (Board) will consider for approval LATCB's 2019-20 budget request for inclusion in the Mayor's Proposed Budget.

Destination Marketing Organizations (DMOs) such as LATCB are not unique to Los Angeles, and are engaged by cities for specific convention and travel promotional purposes. Most cities fund their DMOs through a hotel occupancy tax. LATCB receives one percentage point of the City's Transient Occupancy Tax (TOT), which is a tax levied on hotel or motel rooms, collected by the operator and remitted to the City monthly. The tax rate is 14 percent, of which 13 percentage points are remitted to the General Fund and the other one percentage point is remitted to the Los Angeles Convention and Visitors Bureau Trust Fund. The recommendation below requests the Board's approval for LATCB's proposed expenditure of TOT for the 2019 -20 Fiscal Year.

DISCUSSION:

The Department of Convention and Tourism Development (CTD) and LATCB executed an agreement for a five and one half year term, from January 1, 2015 through June 30, 2020. As part of the agreement, LATCB's proposed expenditure for TOT is reviewed and approved annually in consideration of the City's greater budget process.

LATCB is financed through several sources of funds. The TOT is the second largest source of funds, making up approximately 41 percent of LATCB's budget. Other sources include LATCB's agreement with the Los Angeles World Airports (LAWA), revenues received from annual dues paid by LATCB members and sponsorship partners, and assessments collected as part of the Tourism and Marketing District (TMD).

The following is a breakdown of LATCB's revenue budget for the 2019-20 Fiscal Year:

DESCRIPTION	AMOUNT
LAWA Contract	\$ 2,000,000
Members/Partners/Sponsors	\$ 6,628,000
TOT	\$25,418,000
Tourism Marketing District (1.5% Assessment)	\$27,665,000
TOTAL	\$61,711,000

The City anticipates TOT revenue to LATCB for 2019-20 will increase by approximately 5.0 percent from the current fiscal year.

1 Percentage Point Transient Occupancy Tax To LATCB (TOT collections less city services)	Actual 2017-18	Estimated 2018-19	Proposed 2019-20
	\$22,725,000	\$24,215,000	\$25,418,000

LATCB's budget has consistently been divided into three main issue areas: sales, marketing and operations.

The sales division is charged with booking citywide conventions and events at the Los Angeles Convention Center (LACC), booking and coordinating sales for self-contained hotel events, and providing client services.

The marketing division has a domestic and international focus for the purposes of generating tourism and leisure travel to the City. Marketing develops global public relations and media, creates and places television ads and billboards, develops online advertising, performs research and analysis on tourism and travel, and coordinates journalist site visits.

Operations oversees the finance, information technology (IT) and human resources divisions for LATCB.

The following is a breakdown of the TOT budget for sales, marketing and operations.

	Estimated 2018-19	Proposed 2019-20	Increase
Sales	\$ 8,814,219	\$ 9,731,714	\$ 917,495
Marketing	\$ 9,936,585	\$10,139,636	\$ 203,051
Operations	\$ 5,464,196	\$ 5,546,650	\$ 82,454
TOTAL	\$24,215,000	\$25,418,000	\$1,203,000

The \$917,000 increase to the sales budget represents 76% of the total \$1.2 million increase in LATCB's 2019-20 budget. As the City moves forward with the LACC modernization and expansion project, the additional resources will fund strategic new efforts to retain existing business and secure new bookings throughout the renovation process.

The marketing budget increase of \$203,000 will continue to be invested in high-growth overseas markets, e.g., China, India and South Korea. In addition, marketing will add long-haul domestic markets to expand leisure visitation, with an increased focus on digital and social advertising.

The \$82,000 increase to the operations/IT budget will focus on expanding visitor services and leveraging technology to improve administrative and financial processes in support of the sales and marketing divisions.

The City has identified \$100,000 within LATCB's proposed 2019-20 budget to be used for costs related to the promotion of the City – specifically, convention and tourism marketing, communications and sales efforts. Proposals for expenditure must be approved by CTD.

Upon approval, the Mayor will include LATCB's budget as part of the 2019-20 Proposed Budget. Per the City's Charter, the Mayor's Proposed Budget must be submitted to the City Council no later than April 20, 2019.

RECOMMENDATION:

That the Board of Los Angeles Convention and Tourism Development Commissioners approve the Los Angeles Tourism and Convention Board 2019-20 budget request for inclusion in the Mayor's 2019-20 Budget Proposal to the City Council.



CITY OF
Los Angeles
DEPARTMENT OF
CONVENTION & TOURISM DEVELOPMENT

Overview of Proposed LATCB TOT Budget

Board of Los Angeles Convention and Tourism
Development Commissioners Meeting

March 20, 2019

LATCB Background

Los Angeles Tourism & Convention Board (LATCB)

- First contracted with the City in 1976
- Administrative Code established in 1978
- CTD has provided oversight of the City's contract with LATCB since 2014
- Current contract term through June 30, 2020

Services Provided

- To drive tourism by promoting Los Angeles in Domestic and International markets
- To book and assist in licensing the Los Angeles Convention Center
- To book meetings and conventions in hotels

Constituents

- City of Los Angeles and Los Angeles Convention Center
- Hoteliers
- Hospitality and tourism industry partners
- Customers (visitors, meeting planners, travel industry)
- Consumer and travel trade media

LATCB Functional Overview



Record-Breaking 2018

- Eight consecutive years of growth in visitation
- Los Angeles county welcomed **50.0 million visitors**, hitting this goal two years ahead of schedule
 - A record **42.5 million domestic visitors**
 - A record **7.5 million international visitors**
- Top international markets
 - 1) Mexico (1.8M) 4) Australia (426K)
 - 2) China (1.2M) 5) U.K. (382K)
 - 3) Canada (780K) 6) Japan (349K)
- Los Angeles International Airport welcomed a record **87.5 million passengers**

Los Angeles Transient Occupancy Tax (TOT)

Contributions to General Fund per Fiscal Year (in \$M)



*Forecast based on 2018-19 Adopted Budget Revenue Outlook

TOT Funds for LATCB Contract

14% hotel occupancy tax collected by hotel and motel operators and remitted to the City

- 1% - LATCB
- 13% - City General Fund
 - 1% - Department of Cultural Affairs
 - 3.5% - Allocated to Los Angeles Convention Center Debt Service

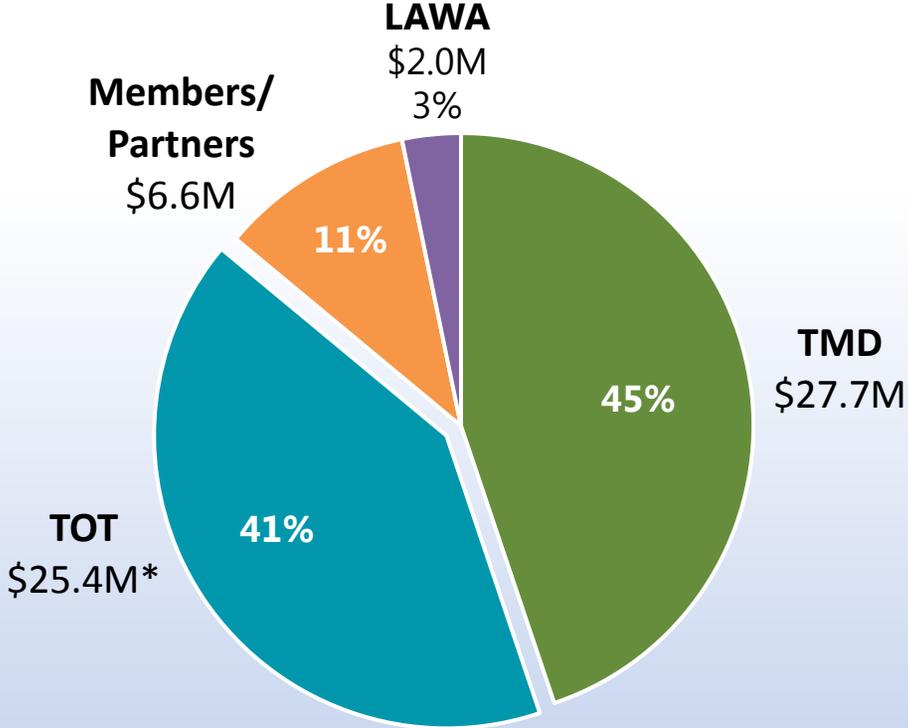
	Actual 2017-18	Estimate 2018-19	Proposed 2019-20
1% Gross TOT	\$23,011,000	\$24,782,000	\$26,021,000
City Services*	\$286,000	\$567,000**	\$603,000**
LATCB TOT Budget	\$22,725,000	\$24,215,000	\$25,418,000

*City services allocation includes CTD's cost of administering the LATCB contract.

**Includes appropriation of \$250,000 to pay for consulting services related to developing the City's first tourism master plan.

LATCB RESOURCES 2019 – 20

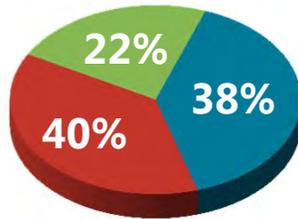
(Preliminary)



TOTAL BUDGET = \$61.7M

*Gross TOT collections less City services

OVERVIEW OF LATCB TOT PROPOSED BUDGET



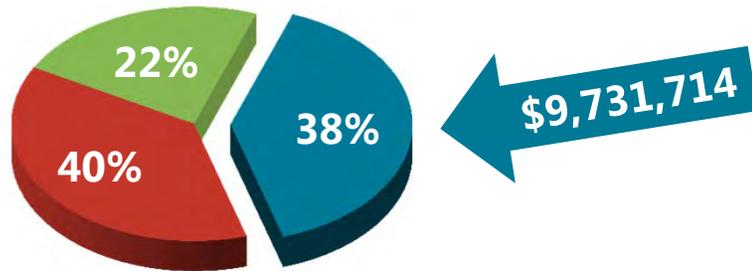
- Convention & Meeting Sales & Services
- Marketing, Public Relations & Media
- Finance, Technology, Human Resources & Visitor Centers

TOT Allocation				
Program	Actual 2017-18	Estimated 2018-19	Proposed 2019-20	YOY % Change
Convention & Meetings Sales & Services	\$7,118,997	\$8,814,219	\$9,731,714	10.4%
Domestic & International Marketing, Global Public Relations & Media	\$10,828,002	\$9,936,585	\$10,139,636	2.0%
Finance, Technology, Human Resources & Visitor Centers	\$4,778,001	\$5,464,196	\$5,546,650	1.5%
TOTAL	\$22,725,000	\$24,215,000	\$25,418,000	5.0%

CONVENTION & MEETINGS SALES & SERVICES

2018-19 DELIVERABLES

- Negotiated Los Angeles as **host city for PCMA Education Conference**, the largest association for event & meeting planners
- Developed marketing and promotion piece based on results from recent “Walk Audit”, with a focus on **how to best get around Downtown Los Angeles**
- **Continued to work with LASEC** on bringing signature sporting and entertainment events to Los Angeles, such as the 2026 World Cup
- Updated strategy in anticipation of **LACC Modernization** in order to **retain existing business** and **target new bookings**



CONVENTION & MEETINGS SALES & SERVICES

2019-20 FOCUS

- Work with all parties connected with **LACC renovation** to ensure **seamless and proactive communication** with key clients
- Target **mini-wides**, large group programs such as WeWork, LinkedIn, YouTube, that use **multiple hotels** and **do not require LACC**
- Continue to **host key partner and industry events**
- Enhance and upgrade **digital tools**
- Finalize and market **Client Service Relations (CSR)** and **Los Angeles speaker opportunities**

DOMESTIC & INTERNATIONAL MARKETING, GLOBAL PUBLIC RELATIONS & MEDIA

2018-19 DELIVERABLES

- Achieved **50 million visitors** by the close of 2018
 - An all-time high of **42.5 million domestic visitors**
 - An all-time high of **7.6 million international visitors**
- Executed **integrated activations** in six Tier 1 international markets
- Rolled out a new brand identity system and a **new “mobile first” website**
- **16.5 million unique visitors** to website, social and e-mail database
- **46%** of all earned media coverage was **feature stories**



DOMESTIC & INTERNATIONAL MARKETING, GLOBAL PUBLIC RELATIONS & MEDIA

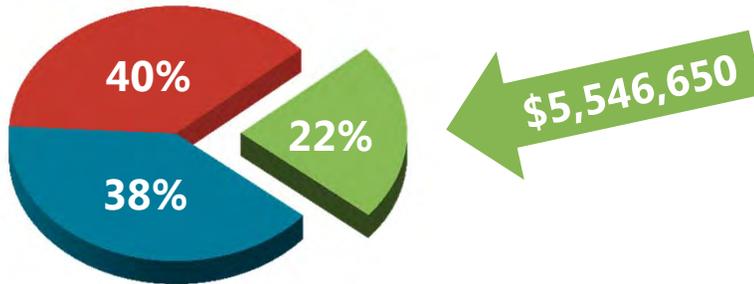
2019-20 FOCUS

- Continue the successful “**Everyone is Welcome**” campaign globally
- Continue to focus on **growth markets** of China, South Korea and India
- Add **Atlanta, Dallas** and **Denver** to long-haul domestic markets to grow leisure visitation; investigate the cost and viability of moving to a national media buy
- Rollout tactical executions for both “**Bleisure**” and “**Luxury**” channels
- Establish our new **2028 visitation goal**
- Execute a comprehensive **Visitor Profile Study**

FINANCE, TECHNOLOGY, HUMAN RESOURCES & VISITOR CENTERS

2018-19 DELIVERABLES

- Continued to **achieve clean audit results**, including independent audits by BDO
- Ramped up **new DTLA Visitor Information Center** and successfully negotiated for **new space at Hollywood & Highland** to maximize visitor impressions
- Developed a **Dynamic Forecasting Model**
- Achieved overall team member **satisfaction rating of 4.3** (5-point scale) with an 88% response rate in annual Staff Engagement Survey



FINANCE, TECHNOLOGY,
HUMAN RESOURCES &
VISITOR CENTERS

2019-20 FOCUS

- Continue to explore opportunities to **expand visitor services** through **co-branded Visitor Information Centers**
- Implement **global, centralized accounting** function
- Finalize and implement long-term **Enterprise Resource Planning (ERP) roadmap** to leverage technology as a strategic driver of the business
- Focus on organization-wide **Continuous Improvement Process (CIP)**
- Continue to implement enhanced professional development and staff engagement programming to **attract and retain best-in-class talent**

RECOMMENDATION

That the Board approve the LATCB budget request for inclusion in the Mayor's 2019-20 Proposed Budget.