



CITY TOURISM COMMISSION

Commissioners: Jon F. Vein, President; Otto Padron, Vice President;
Sandra Lee; David Stone; Germonique Ulmer



Members of the public who wish to speak during the meeting must join the meeting and follow the Item 2a instructions below. 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 one minute per speaker. Meeting packets may be found on the City Tourism Department website, tourism.lacity.org.

Regular Meeting
Wednesday, September 21, 2022
9:00 a.m.

Dial in number:
1-669-254-5252
Meeting ID: 160 661 2026

1. CALL TO ORDER / ROLL CALL

2. COMMENTS FROM THE PUBLIC

- a. General and Agenda Item Public Comments
To make a public comment, call the dial in number, enter the meeting ID#, then press *9. Limit is one minute per speaker, per item.
- 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 the City Tourism Commission.

3. APPROVE MINUTES

- a. Approval of the regular meeting minutes from August 3, 2022
- b. Approval of the special meeting minutes from August 31, 2022

4. REPORTS

- a. Executive Director Report
- b. ASM Update
- c. LATCB Update
 - i. Sales Update
 - ii. Convention Center Safety & Security
 - iii. New Marketing Campaign

5. ACTION ITEMS

- a. FY 2021-22 EIF and DIF Approval - Board Report #22-002
- b. FY2022-23 DIF Goals - Board Report #22-003
- c. Recommendation that CTD staff explore proposed piggyback agreement with IKE Smart City, LLC (IKE) and the City of Houston, Texas for the installation and maintenance of interactive kiosks – Board Report #22-004

Materials related to an item on this agenda submitted to the City Tourism Commission 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.



CITY TOURISM COMMISSION

Commissioners: Jon F. Vein, President; Otto Padron, Vice President;
Sandra Lee; David Stone; Germonique Ulmer



d. Findings to Continue Teleconference Meetings Pursuant to AB 361

Determination in accordance with AB 361 Section 3(e)(3) that, while the state of emergency due to the Covid-19 pandemic, as originally proclaimed by the Governor on March 4, 2020, remains active and/or state or local officials have imposed or recommended measures to promote social distancing, this legislative body has reconsidered the circumstances of the state of emergency and that the state of emergency continues to directly impact the ability of the members to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing.

6. ADJOURNMENT

NOTICE TO PAID REPRESENTATIVES

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code 48.01 et seq. More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 987-1960 or ethics.commission@lacity.org.

Materials related to an item on this agenda submitted to the City Tourism Commission 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.

Item 3a

Approval of the

August 3, 2022 Minutes



CITY TOURISM COMMISSION

Regular Meeting Minutes

August 3, 2022

The Board of City Tourism Commissioners (Board) convened a regular meeting on Wednesday, August 3, 2022 at 9:00 a.m. via Zoom.

PRESENT:

President Jon F. Vein

Vice President Otto Padron (joined meeting at 9:14 am)

Commissioner David Stone

ABSENT:

Commissioner Germonique Ulmer

Vacant

PRESENTERS:

Ben Zarhoud, ASM

Doane Liu, CTD

Darren Green, LATCB

Patti MacJennett, LATCB

Item 1. Call to Order / Roll Call

President Vein called the meeting to order at 9:03 a.m.

Item 2a. Public Comment

None

Item 2b. Neighborhood Council

None

TAKEN OUT OF ORDER

Item 4a. Executive Director Report

Mr. Doane Liu, Executive Director, provided an overview of his activities, which included: attending several MLB Playball Park events and meetings including a site visit from the Seattle Sports Commission, a LA28 reception where dates were announced and a IOC and LA28 site visit; meetings with Bob McClintock, ASM regarding the search for a LACC GM, Travie Kiota, East West Bank regarding the APEL event, hotel industry members regarding the new hotel room for homeless ordinance, and Council Member Rodriguez, CD 7 regarding a local drone show. Mr. Liu reported on the success of the Tourism Cabinet FAM tour providing details of the tour and the content presented.

TAKEN OUT OF ORDER

Item 4b. ASM Monthly Update

Mr. Ben Zarhoud reported 11 events, including three citywides and one filming, noting that the Summit of the Americas had 5,000 attendees representing over 31 countries. Mr. Zarhoud

presented the financial data for June, reporting an operating loss of \$0.2M, noting a slower month overall including less campus activity, and \$7.5M in gross revenue, noting 70% F&B, AV, and utilities. Mr. Zarhoud also reported \$3.5M in operating expenses due to deferred purchases and services. Mr. Zarhoud stated that the June Exhibit Hall occupancy was 58%, noting that the FY occupancy is down 27% due to cancellations and rescheduled events.

TAKEN OUT OF ORDER

Item 4c. LATCB Monthly Update

i. Citywide Updates

Mr. Darren Green reported that LATCB has processed 118 leads YTD and booked 196,791 room nights. Mr. Green provided an overview of the Summit of the America's preliminary data with \$18M in economic impact and 20 hotels occupied with 23,000 room nights booked. Mr. Green reported that while there are 14 citywide events in 2022 and 20 citywide events in 2023 with increasing total room nights, 2026 and 2027 could be impacted by any expansion or lack of expansion plans.

ii. Overview of FY22-23 Strategic Sales Plan

Mr. Green provided an Elements of the Business Review highlighting: the Strategic Sales Planning Process; the LATCB FY 22-23 Sales Budget Summary; and the Sales Disciplines, including citywide sales, hotel sales, client & destination services, sales operations, and sales marketing.

iii. Community Engagement

Ms. Patti MacJennett provided an overview of the activities of the Community Engagement Committee which focused on community push back on over tourism. Ms. MacJennett reported on a review of the issues and research and key focus priorities which are community service, workforce development, and to amplify the voice of the tourism industry.

Item 3a. Approval of the special meeting minutes from July 13, 2022

UNANIMOUSLY APPROVED

Item 5a: Findings to Continue Teleconference Meetings Pursuant to AB 361

Ms. Kimberly Miera informed the Board that the Brown Act included teleconference provisions and that Governor Newsom eased the requirements during the pandemic. Ms. Miera stated that AB 361 allows legislative bodies to consider circumstances that impact the ability of members to meet safely in person and that the item must be considered every 30 days.

THE BOARD UNANIMOUSLY APPROVED CONTINUING THE ABILITY TO HAVE VIRTUAL COMMISSION MEETINGS.

ADJOURNMENT

The meeting was adjourned at 9:48 a.m. without objection.

Item 3b

Approval of the August 31, 2022 Special Meeting Minutes



CITY TOURISM COMMISSION

Special Meeting Minutes August 31, 2022

The Board of City Tourism Commissioners (Board) convened a special meeting on Wednesday, August 31, 2022 at 9:00 a.m. via Zoom.

PRESENT:

President Jon F. Vein
Vice President Otto Padron
Commissioner Sandra Lee
Commissioner David Stone
Commissioner Germonique Ulmer

ABSENT:

None

PRESENTERS:

Kimberly Miera, Deputy City Attorney

Item 1. Call to Order / Roll Call

President Vein called the meeting to order at 9:01 a.m.

Item 2a. Public Comment

None

Item 2b. Neighborhood Council

None

Item 3a. Findings to Continue Teleconference Meetings Pursuant to AB 361

Ms. Kimberly Miera informed the Board that the Brown Act included teleconference provisions and that Governor Newsom eased the requirements during the pandemic. Ms. Miera stated that AB 361 allows legislative bodies to consider circumstances that impact the ability of members to meet safely in person and that the item must be considered every 30 days.

THE BOARD UNANIMOUSLY APPROVED CONTINUING THE ABILITY TO HAVE VIRTUAL COMMISSION MEETINGS.

ADJOURNMENT

The meeting was adjourned at 9:06 a.m. without objection.

Item 4a

Executive Director's Report



Item 4b

ASM Update



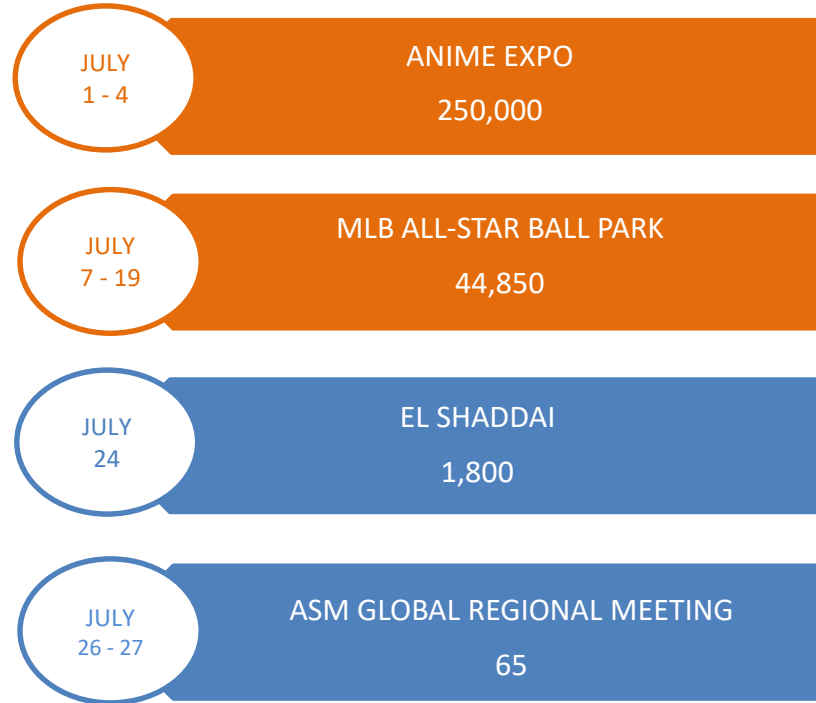
LOS ANGELES CONVENTION CENTER MONTHLY UPDATE FOR

JULY 2022

BEN ZARHOUD



LACC JULY 2022 EVENTS



*CITYWIDE

LACC JULY 2022 EVENTS

JULY EVENT RECAP

IN CASE YOU MISSED IT



Check out this highlight video from Day One created by the Anime Expo team.

ANIME EXPO



MLB ALL STAR WEEK IN DTLA



LACC JULY 2022 FILMING & PARKING

DATES	NAME	LOCATION	AMOUNT
July 30	Lexus Commercial	Kentia Hall, Dock, Bond Lot	\$13,560
TOTAL:			\$13,560

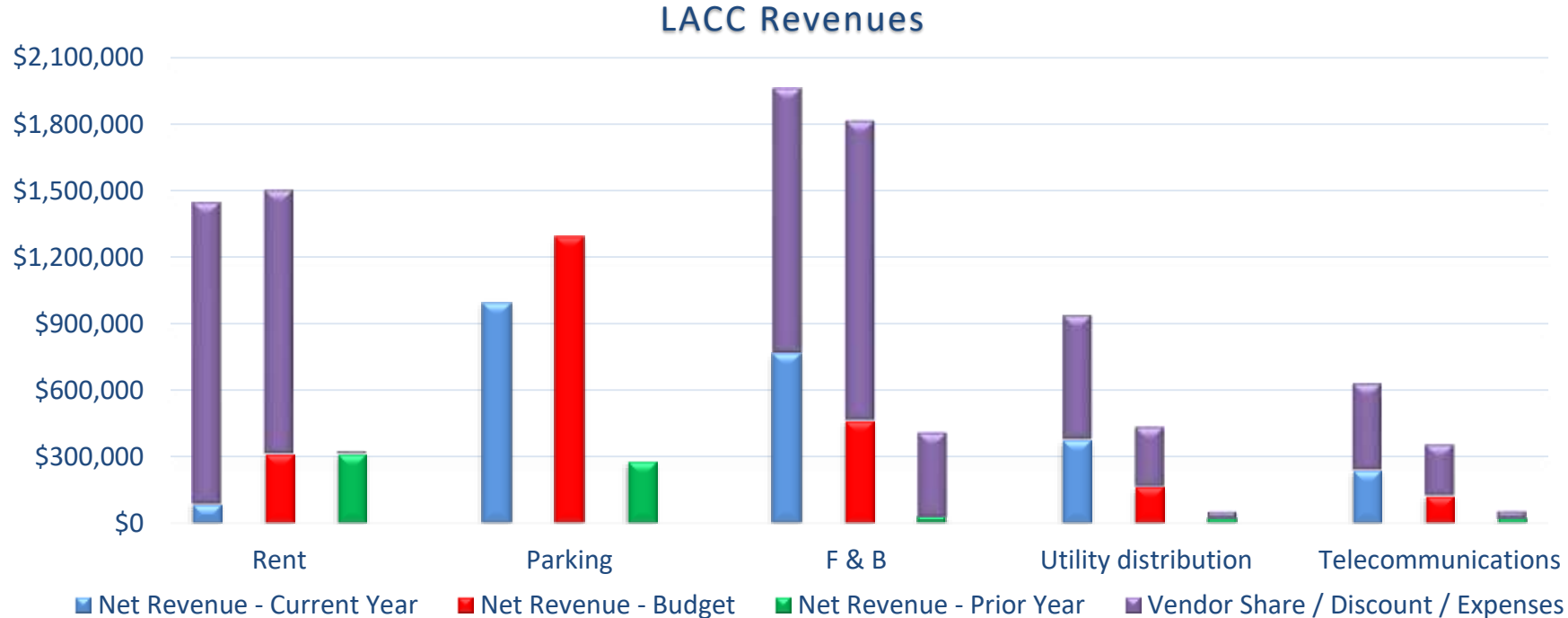
LACC JULY 2022 FINANCIALS

OPERATING SURPLUS (LOSS):

- \$0.9 million (before approved City Reimbursements, A & I and Capital Projects)
- \$1.1 million above budget
- \$1.1 million above prior year

REVENUES:

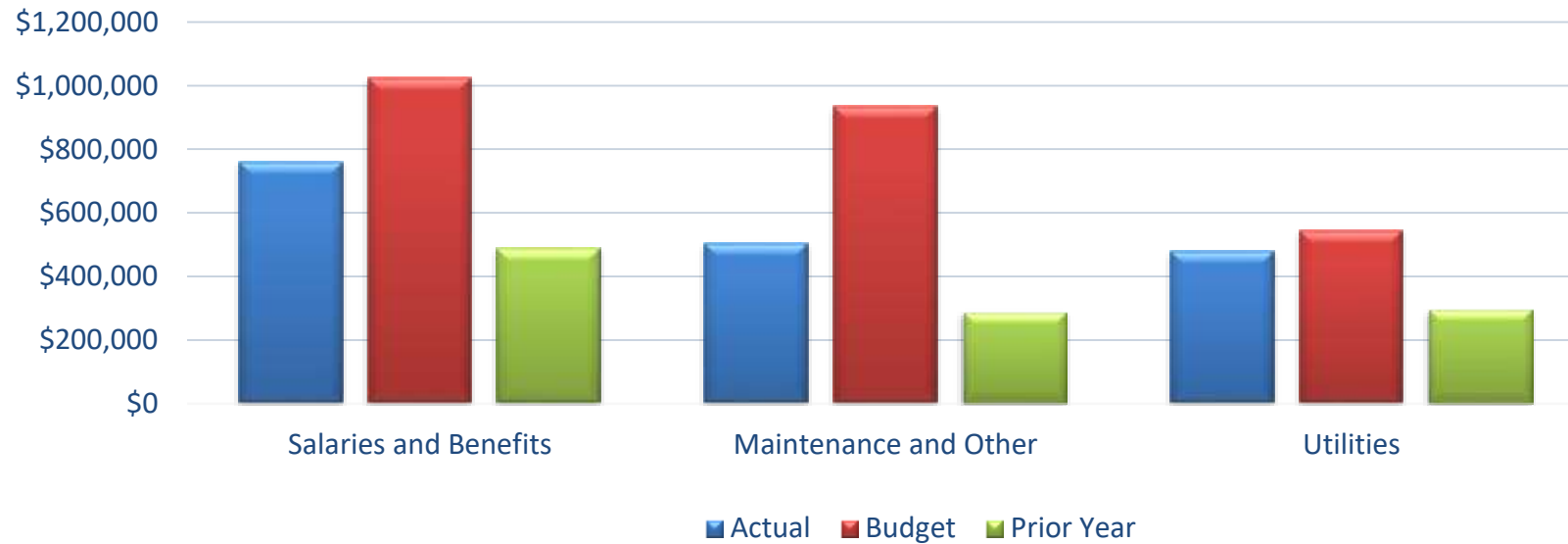
- \$6.6 million gross revenue (before discounts and service provider share)
- \$2.7 million net revenue
- \$0.3 million above budget and \$1.8 million above prior year



LACC JULY 2022 FINANCIALS

OPERATING EXPENSES:

- \$1.7 million (before approved A & I, Capital Projects, and City reimbursement)
- \$0.8 million below budget and \$0.7 million above prior year



CITY REIMBURSEMENT – \$0.1 million

Capital and Alterations & Improvements

Item 4.c.i

LATCB Sales Update



CTD Board of Commissioners

September 21, 2022



Los Angeles Tourism & Convention Board



SALES UPDATES

Kathy McAdams

Senior Vice President
Convention Sales



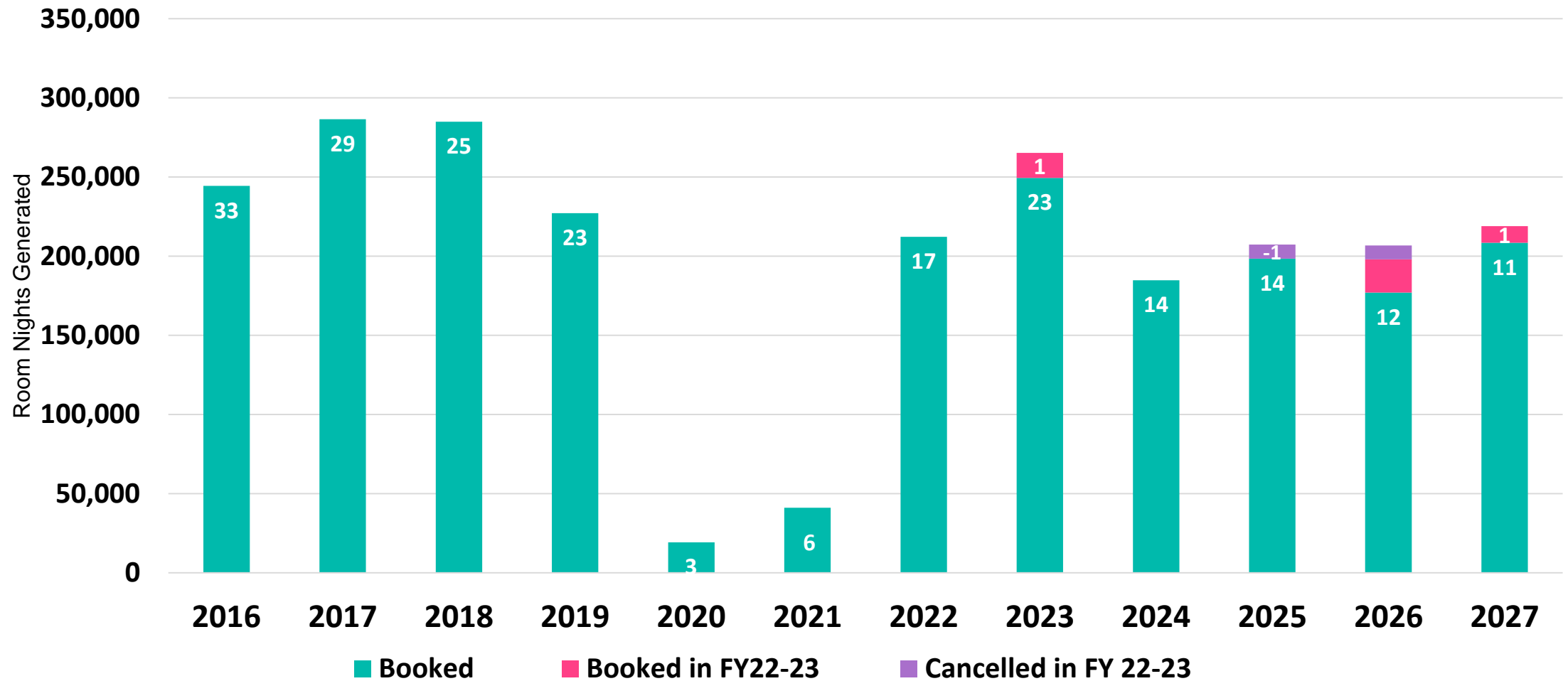
CITYWIDE CONVENTION SALES

YTD FY22/23 PRODUCTION RESULTS

Lead Production	Leads Actual
FY 22/23 Goal	160
FY 22/23 YTD	16
FY 21/22 STLY	9

Booked Room Nights Produced	RNs Actual
FY 22/23 Goal	221,801
FY 22/23 YTD	47,360
FY 21/22 STLY	8,013

CITYWIDE CONVENTION BOOKED ROOM NIGHTS 2016-2027 CALENDAR YEAR ARRIVAL DATE



CITYWIDE CONVENTION PIPELINE

YEAR	RNs	Last Update Variance
2023	69,976	12,181
2024	184,440	-51,322
2025	122,167	-76,961

YEAR	RNs	Last Update Variance
2026	81,111	3,717
2027	147,511	-4,550
2028	22,074	0

ASAE Annual Meeting, August 20-23, 2022

★ **asae**[®]
annual
meeting
& exposition

AUGUST 20-23, 2022
NASHVILLE, TN
MUSIC CITY CENTER

- Approximately 4900 total attendees
- Association professionals from across the country
- 104 clients stopped by our booth
- Citywide team confirmed (7) one-on-one appointments with citywide clients
- (6) new citywide leads to be processed with approximately 75,000 total room nights and \$2.4 Million economic impact
- Los Angeles will be hosting ASAE Annual Meeting in 2025



Item 4.c.ii

Convention Center Safety



Los Angeles Tourism Homelessness Fact Sheet

At Los Angeles Tourism we care deeply for the community we serve.

Homelessness is a humanitarian crisis – an urgent and very complex challenge that we’re facing across our city, state and country.

Here in Los Angeles, our city and county officials are working hand-in-hand, deploying a comprehensive strategy with unprecedented resources to end homelessness in Los Angeles.

At Los Angeles Tourism, we continue to stay in close touch with our partners on this important issue.

Los Angeles Tourism Homelessness Fact Sheet (continued)

Recovery in Action

State of California

- \$12 billion to tackle homelessness throughout the State acting in partnership with local authorities.
- \$1.1 billion sanitation and restoration plan to erase trash and graffiti from highways, roadways and State-owned public spaces throughout California.

Los Angeles Tourism Homelessness Fact Sheet (continued)

Recovery in Action *continued*

Los Angeles

- \$800 million to address homeless issues in Los Angeles, effective July 2021.
- Deployment of Los Angeles Homeless Services Authority Homeless Engagement Teams
- Deployment of Cleaning and Rapid Engagement Teams
- Support for a Committee for Greater LA, a new public/private organization to address long term solutions to homelessness involving both the County of LA and City of LA.
- Citywide measure to address homeless issues and encampments, which prohibits sitting or sleeping or storing personal property on sidewalks that obstruct access on sidewalks, streets or right of ways.

Item 4.c.iii

New Marketing Campaign



NEW BRAND CAMPAIGN

Bill Karz, Vice President, Brand & Digital Marketing



Los Angeles Tourism & Convention Board

BRAND TASKFORCE

Los Angeles Tourism



CAMPAIGN EVOLUTION

LOS ANGELES TOURISM



THE COMEBACK CAMPAIGN

- The Comeback campaign generated \$2+ billion in direct tourism spending
- Yielding \$349 : \$1 Return on Ad Spend
- One of the highest rated ads ever tested by LA Tourism
- The same creative and messaging was consistently used as international markets are recovering



THE EVOLUTION OF THE COMEBACK

Los Angeles is back and better.

LA is now rolling out the red carpet to some of the biggest events in the world.

This is an opportunity for LA to make an indelible impression on the world stage, and for visitors and meeting planners to experience a destination unlike any other.

We've crafted a campaign that is as much an invitation as a call to action.

An invitation to center stage where everyone is welcome, and anything is possible.



CAMPAIGN MESSAGE OBJECTIVES

- Increase interest in LA
- Be inclusive, imaginative, optimistic and audacious
- Have a strong call to action
- Be ownable and authentic to LA
- Be a natural progression from Comeback
- Convey the idea that everyone is welcome
- Work for our meetings audience
- Translate well for our international audiences



Global phenoms that start in a garage.

Culinary empires that begin with a food truck.

From music to sports to fashion and food – LA is on the vanguard of practically everything.

In pop-up galleries, busy kitchens and eclectic neighborhoods, the next generation of dreamers are emerging.

To find them, just let your curiosity guide you.

Go a few exits past your comfort zone, and be ready to lose yourself in the sights, sounds and tastes that provide inspiration to so many.

The next, “next big thing” is waiting for you.

You just have to know where to look.

Los Angeles. Now Playing.



CAMPAIGN EVOLUTION

Los Angeles Tourism Campaign Lockups





NOW PLAYING

2 commercials

10 locations

30 scenes

3 days



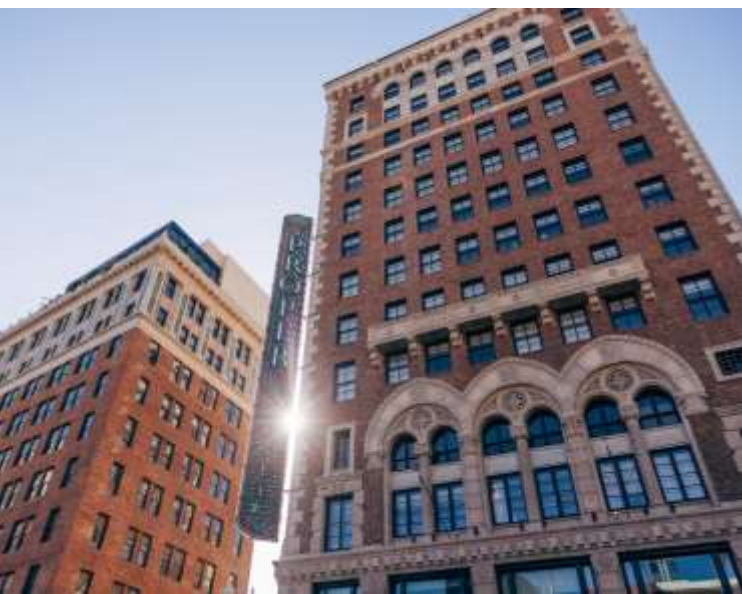


NOW PLAYING

- Starring Jenifer Lewis - VO Artist, Actress, Author & Singer
- Also featuring Steve Aoki, Paul George & Mister Cartoon
- Tested nationally and in focus groups in Canada
- Adjustments were made to pacing, cast demo and inclusion of more LA icons













NOW PLAYING

- The two :30 spots cover most of LA's major product
- Thanks to the Proper Hotel DTLA, LACMA, the Academy Museum, Hollywood Bowl, the Music Center, the Hollywood Chamber, the Broad and so many more
- Sales video series is in the works to highlight the breadth of LA's creative meetings spaces

CAMPAIGN CREATIVE

LOS ANGELES TOURISM

NOW PLAYING

EXT. LOS ANGELES

— MORNING



EXT. WALT DISNEY
CONCERT HALL,
LOS ANGELES.
— NIGHT



NOW PLAY- ING

Los Angeles

EXT. LACMA
- MORNING

NOW PLAYING

Urban Light at LACMA © Chris Burden Estate & ARS



EXT. VENICE BEACH, LOS ANGELES.

— SUNSET

(ACTION) The group rests a bit on the beach contemplating the sunset after walking through the city. It seems that the day was going to end quietly, but they did not imagine that...

Los Angeles

© 2019 Los Angeles Convention & Visitors Bureau. All rights reserved. All trademarks and service marks are the property of their respective owners. All other marks are the property of their respective owners.

discoverlosangeles.com

KEY: VENICE BEACH, LOS ANGELES.
- SUNSET

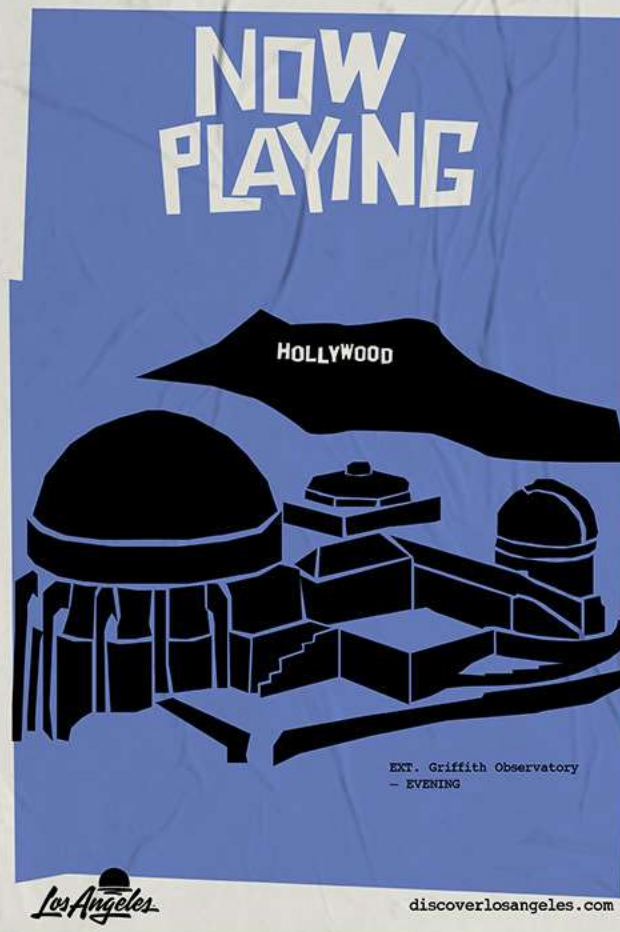
NOW PLAYING

[ACTION] The group rests a bit on the beach contemplating the sunset after walking through the city. It seems that the day was going to end quietly, but they did not imagine that...



Los Angeles

discoverlosangeles.com



Now

NOW PLAYING

SALES CONCEPT

Welcome to the capital of creativity.

Where planners become producers, and anything is possible.

From dazzling Hollywood parties to some of the largest tech shows in the world, one thing is certain, the next big thing is already in development.

So let us inspire you to unleash your imagination. LA is always show ready.

Los Angeles. Now Playing.



LA IS ALWAYS SHOW READY

- Video series highlighting “unconventional” venues that feature the breadth of LA’s creative spaces
- From concert venues to sports venues to screening rooms in hotels
- Behind the scenes at venues with a Los Angeles Tourism client



WHERE PLANNERS BECOME PRODUCERS

- Tony Scurry is our host
- Meeting Planner with 15 years experiences
- Oversees the creative & strategic direction of *7 Pointe Planning* based out of DC
- Frequents the LA area for meetings

NOW PLAYING



LA Airport Marriott



Warner Bros. Studios



L.A. LIVE



Exposition Park



The Shrine



The Garland

THANK YOU



Los Angeles Tourism & Convention Board

Item 5a

FY 2021-22 EIF and DIF Approval

Board Report #22-002



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: September 21, 2022

To: Board of City Tourism Commissioners

From: Doane Liu, Executive Director 
Los Angeles City Tourism Department

Subject: **APPROVAL OF FY 2021-22 DISCRETIONARY INCENTIVE FEE (DIF)
AND EARNED INCENTIVE FEE (EIF) PAYMENTS – BOARD REPORT
#22-002**

RECOMMENDATION:

That the Board of City Tourism Commissioners (Board) approves the payment of the Discretionary Incentive Fee (DIF) and Earned Incentive Fee (EIF) for Fiscal Year 2021-22, as referenced in Sections 5.3 and 5.4 of the Management and Operation Agreement, also referred to as [Management Agreement](#) between the City of Los Angeles (City) and AEG Management LACC, LLC (AEG-LACC) in the amount of \$191,903.74.

DISCUSSION:

In accordance with the Management Agreement, the City pays AEG-LACC a fee for the management and operation of the Los Angeles Convention Center (LACC). This payment consists of the Base Management Fee and the Earned and Discretionary Incentive Fees. The total potential fee amount for the work performed during Fiscal Year 2021-22 is \$399,799.46. The fee is adjusted annually in accordance with the Consumer Price Index (CPI), and the adjustment is capped at 2 percent. The following is a breakdown of the total potential annual payment for Fiscal Year 2021-22.

Base Management Fee	\$ 199,889.73
Earned Incentive Fee	99,949.87
Discretionary Incentive Fee	99,949.86
TOTAL	\$ 399,799.46

The following is a description of the fees:

1. **Base Management Fee** – An annual fixed fee in the amount of \$199,889.73 for all services provided pursuant to the Management Agreement. The Base

Management Fee is paid on a monthly basis upon written authorization from the Executive Director of the Los Angeles City Tourism Department (CTD).

2. **Earned and Discretionary Incentive Fees** – The total potential incentive fees (Earned Incentive Fee + Discretionary Incentive Fee) are not to exceed the Base Management Fee. The Earned Incentive Fee is paid when total actual operating revenues exceed the approved annual operating budget for an agreement year.

- a. Earned Incentive Fee – The Earned Incentive Fee is calculated as 75 percent of the amount by which the actual total Operating Revenues exceed budgeted Operating Revenues, capped at 50 percent of the Base Management Fee.

Budgeted Operating Revenues (Revised)	Actual Operating Revenues	Variance	75% of Variance	Base Management Fee - FY 22	Maximum Earned Incentive Fee
\$19,525,413	\$22,471,341	\$2,945,928	\$2,209,446	\$199,889.73	\$99,949.87

- b. Discretionary Incentive Fee – If AEG-LACC qualifies to receive the EIF above, and if CTD favorably evaluates AEG-LACC's performance based upon the agreed categories and metrics, AEG-LACC shall be paid a Discretionary Incentive Fee, subject to the approval of the Board. The Discretionary Incentive Fee is capped at 50 percent of the Base Management Fee. The maximum potential Discretionary Incentive Fee for Fiscal Year 2021-22 is \$99,949.86.

2021-22 Discretionary Incentive Fee Evaluation Results

In October 2021, the Board approved the performance goals outlined below for determining payment of the Discretionary Incentive Fee. The following categories were considered in evaluating AEG-LACC's performance:

- Category 1. Implementation of enhanced customer satisfaction – 40%
- Category 2. Implementation of enhanced facility maintenance – 40%
- Category 3. RE-opening and fiscal responsibility – 20%

Categories 1 and 2 are permanent categories established by the Management Agreement. Category 3 shall be evaluated annually and may be modified or replaced by mutual agreement to reflect the current circumstances and needs at the LACC. Additionally, CTD and AEG-LACC shall annually agree upon the allocation of weight of the three categories to determine the amount to be paid for the satisfactory performance in each category.

CTD recommends that the Board approve the 2021-22 Discretionary Incentive Fee payment in the amount of \$91,953.87. CTD believes that AEG-LACC has demonstrated satisfactory performance in all categories, except 2a and 2b. CTD recommends reducing the DIF amount to account for a missed goal for 2a only. Even though AEG-LACC missed the goal for 2b as well, there is evidence of progress in this category.

Category 1. - Implementation of enhanced customer satisfaction:

CATEGORY 1		Goals	Result
1a.	Overall client satisfaction (AEG surveys)	4.7	4.7
1b.	Overall client satisfaction (LATCB surveys)	4.0	4.2
1c.	Overall satisfaction with Facility Security (AEG surveys)	4.6	4.6
1d.	Operational improvements that enhanced customer service	Meet Expectations	Expectations Met
1e.	Overall satisfaction with food and beverage (AEG surveys)	4.4	4.7
1f.	Overall satisfaction with food and beverage (LATCB surveys)	4.0	3.9
1g.	Food and beverage profit margin	20% to 25%	19.9%
1h.	Overall satisfaction with health and safety environment in response to the pandemic (AEG surveys)	4.5	4.8

The operational improvements implemented to enhance customer service for 1d included the following highlights:

- Re-designed que lines in concession spaces resulting in shorter wait times and increased through-put.
- Implemented digital signage across LACC concession outlets, allowing for customizable food and beverage offerings based on event demographics.
- Implemented monitoring alarms within Milestone camera system for more effective coverage and identification of unwanted activity through CCTV analytics.
- Increased hand sanitizer stations in the entire facility from 35 to 319.
- Developed the ability to create commonly used diagramming format to improve on time spent in creating floor plans. Standard stage set-ups and max seating designs can now be accomplished much quicker due to this automation.
- LACC's ongoing partnership with Los Angeles County Department of Public Health (LACDPH) ensured the safe and successful return of major events in FY2021-22, including mega events such as LA Auto Show, LA Comic-Con, and the LVI Super Bowl Experience (SBX). In all three cases, pre-planning and onsite strategy with event organizers resulted in stellar inspection reports from LACDPH, with SBX getting its stamp of approval directly from LACDPH Director, Dr. Barbara Ferrer.

Category 2. Implementation of enhanced facility maintenance:

There are five performance measures in Category 2. CTD believes AEG-LACC demonstrated satisfactory performance in all categories, except 2a and 2b. CTD recommends reducing the DIF amount to account for a missed goal for 2a only. Even though AEG-LACC missed the goal for 2b as well, there is evidence of progress in this category.

CATEGORY 2		Goal	Result
2a	Recycling diversion rate*	65%	36%
2b	Zero waste diversion rate*	70%	56%
2c	Sustainability Initiatives Completed	Meet Expectations	Expectations Met
2d	Completion of Preventative Maintenance work and quarterly reporting	Pass	Passed
2e	Operational improvements and efficiencies implemented	Meet Expectations	Expectations Met

Recycling diversion rate - The following factors contributed significantly to the recycling diversion rate percentages in Fiscal Year 2021-22:

- The re-education of waste streams and proper diversion for decorators and cleaning contractors, who had new staff, was difficult due to concerns of health and safety and extreme staff shortages. The buy-in to continue recycling and diverting in proper waste streams from clients, decorators and cleaning contractors was rare.
- Due to pandemic related concerns, LACC's food partner had to revert from bulk service ware and bulk condiments, to individually wrapped packaging. Exhibitors also reverted to single use products, which increased landfill.

Zero waste diversion rate - The zero waste approach strives to reduce the amount of waste generated in the first place by implementing strategies and initiatives to reduce the overall waste stream. AEG-LACC began implementing zero waste practices several years ago, which include adjusted methods of purchasing and disposal, and additional sustainable practices.

Note that the zero waste diversion rate factors in performance at reducing waste generation, while the recycling diversion rate focuses on performance at diverting the waste that is generated. The Total Facility Zero Waste Diversion rate, encompassing total diverted waste plus total waste reduction, was 56%.

Sustainability Initiatives Completed – AEG-LACC replaced about 1,500 Rain Bird high flow irrigation nozzles used for the exterior campus landscape with low flow Hunter MPR nozzles. The estimated annualized water savings is 3.26 million gallons of water.

Completion of Preventative Maintenance work and quarterly reporting - CTD believes AEG-LACC demonstrated satisfactory performance for sub-category 2d. AEG-LACC continued to utilize Micromain in tracking and recording preventative maintenance, and submitted quarterly reports to CTD.

Highlights of operational improvements and efficiencies - AEG-LACC completed the following operational improvements and efficiencies which CTD believes demonstrate satisfactory performance for this sub-category:

- Created internal work order ticketing system for departments and on-site partners to report corrective repairs, general building services (i.e., hanging pictures, desk moves, cleaning/shampooing carpet, etc.), emergencies, and inquiries.
- Converted Compactors 2 and 4 (west dock, south dock) from cardboard to mixed recycling accounting for all paper, bottles, cans, glass, cardboard, and plastics. This eliminated the hand-sorting function for better efficiency.
- Additional training and configuration of security systems which maximized the use of automated alerts to enhance response times and security/safety for employees, clients, guests.
- Integrated handheld parking devices that allowed payments to be contactless by utilizing “tap to pay” payments and QR scannable receipts.

Category 3. Re-opening and fiscal responsibility:

AEG-LACC was tasked with developing and executing marketing strategies and cost containment measures to prevent reliance on the City’s General Fund and the LACC Reserve Fund. This goal was developed in light of the continued impacts of the pandemic on the meetings and conventions industry.

The operational and marketing strategies put in place allowed AEG-LACC to generate \$22.5 million in operating revenues vs budget of \$19.5 million. AEG-LACC generated \$1.7 million in profit vs. a budgeted loss of \$3 million.

FISCAL IMPACT:

The EIF and DIF will be paid from the Convention Center Operating Account and have no impact on the General Fund.

ATTACHMENTS:

A. Letter from AEG-LACC dated August 8, 2022

DL:ta

Earned and Discretionary Incentives

- Actuals for Fiscal Year 2021-22
- Goals for Fiscal Year 2022-23

Recommendations for the Board's Consideration

- Approve payment of the Earned and Discretionary Incentive Fees for Fiscal Year 2021-22
- Approve the Discretionary Incentive goals and metrics proposed for Fiscal Year 2022-23

Three Types of Annual Fees

- Base Management Fee – annual fixed fee paid in monthly increments, paid for performance in the amount of \$175,000.00 subject to the annual CPI adjustment (capped at 2%).
- Earned Incentive Fee (EIF) – annual fee that is earned when actual revenues exceed budget. Maximum potential EIF is 50% of the Base Management Fee.
- Discretionary Incentive Fee (DIF) – annual fee eligible for consideration upon satisfying the requirements of the Earned Incentive Fee AND the DIF annual goals. Maximum potential DIF is 50% of the Base Management Fee.

Base Management Fee

(subject to the annual CPI adjustment)

<u>Fiscal Year</u>	<u>Base Management Fee</u>
FY 2013-14	\$118,078.00
FY 2014-15	\$177,616.90
FY 2015-16	\$179,025.28
FY 2016-17	\$182,298.60
FY 2017-18	\$185,827.03
FY 2018-19	\$189,543.60
FY 2019-20	\$193,334.40
FY 2020-21	\$195,970.32
FY 2021-22	\$199,889.73

Earned Incentive Fee

The Earned Incentive Fee is calculated as 75 % of the amount by which the actual total Operating Revenues exceed budgeted Operating Revenues, capped at 50 % of the Base Management Fee

Budgeted Operating Revenues (Revised)	Actual Operating Revenues	Variance	75% of Variance	Base Management Fee - FY 21	Maximum Earned Incentive Fee
\$19,525,413	\$22,471,341	\$2,945,928	\$2,209,446	\$199,889.73	\$99,949.87

Discretionary Incentive Fee – FY 2021-22

The maximum potential Discretionary Incentive Fee for Fiscal Year 2021-22 is \$99,949.86.

Discretionary Incentive Fee – FY 2021-22

- In October 2021, the Board approved the performance goals outlined below.
- Goals and metrics mutually agreed upon by CTD and AEG-LACC.

Category 1 – 40%	Implementation of Enhanced Customer Service	Permanent
Category 2 – 40%	Implementation of Enhanced Facility Maintenance	Permanent
Category 3 – 20%	Alternative Uses of Facility	Flexible

Category 1

Implementation of Enhanced Customer Service

CATEGORY 1		Goals	Result
1a.	Overall client satisfaction (AEG surveys)	4.7	4.7
1b.	Overall client satisfaction (LATCB surveys)	4.0	4.2
1c.	Overall satisfaction with Facility Security (AEG surveys)	4.6	4.6
1d.	Operational improvements that enhanced customer service	Meet Expectations	Expectations Met
1e.	Overall satisfaction with food and beverage (AEG surveys)	4.4	4.7
1f.	Overall satisfaction with food and beverage (LATCB surveys)	4.0	3.9
1g.	Food and beverage profit margin	20% to 25%	19.9%
1h.	Overall satisfaction with health and safety environment in response to the pandemic (AEG surveys)	4.5	4.8

Category 1

Implementation of Enhanced Customer Service

The results for Category 1 were based on customer surveys conducted by both AEG-LACC and the Los Angeles Tourism & Convention Board (LATCB). Although the results are 0.1 points shy of reaching the goals for 1f and 0.1% for 1g, CTD believes these results demonstrate satisfactory performance.

Category 2

Implementation of Enhanced Facility Maintenance

CATEGORY 2		Goal	Result
2a.	Recycling diversion rate	65%	36%
2b.	Zero waste diversion rate	70%	56%
2c.	Sustainability Initiatives Completed	Meet Expectations	Expectations Met
2d.	Completion of Preventative Maintenance work and quarterly reporting	Pass	Passed
2e.	Operational improvements and efficiencies implemented	Meet Expectations	Expectations Met

Category 2

Implementation of Enhanced Facility Maintenance

CTD believes AEG-LACC demonstrated satisfactory performance in all categories, except 2a and 2b. CTD recommends reducing the DIF amount to account for a missed goal for 2a only. Even though AEG-LACC missed the goal for 2b as well, there is evidence of progress in this category.

Category 2

Implementation of Enhanced Facility Maintenance

- **Sustainability Initiatives Completed** – AEG-LACC replaced about 1,500 Rain Bird high flow irrigation nozzles used for the exterior campus landscape with low flow Hunter MPR nozzles. The estimated annualized water savings is 3.26 million gallons of water.
- **Completion of Preventative Maintenance work and quarterly reporting** - CTD believes AEG-LACC demonstrated satisfactory performance for sub-category 2c.
- **Highlights of operational improvements and efficiencies** - AEG-LACC completed the following operational improvements and efficiencies which CTD believes demonstrate satisfactory performance for this sub-category:
 - Created internal work order ticketing system for departments and on-site partners to report corrective repairs, general building services (i.e., hanging pictures, desk moves, cleaning/shampooing carpet, etc.), emergencies, and inquiries.
 - Additional training and configuration of security systems which maximized the use of automated alerts to enhance response times and security/safety for employees, clients, guests.

Category 3

Re-opening and fiscal responsibility

The operational and marketing strategies put in place allowed AEG-LACC to generate \$22.5 million in operating revenues vs budget of \$19.5 million. AEG-LACC generated \$1.7 million in profit vs. a budgeted loss of \$3 million.

Recommendation

That the Board approve the payment of the Discretionary Incentive Fee (DIF) and Earned Incentive Fee (EIF) for Fiscal Year 2021-22, in the amount of \$191,903.74.

Item 5b

FY 2021-22 DIF Goals


Board Report #22-003



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: September 21, 2022

To: Board of City Tourism Commissioners

From: Doane Liu, Executive Director 
Los Angeles City Tourism Department

Subject: **FY 2022-23 INCENTIVE FEE GOALS – BOARD REPORT #22-003**

SUMMARY

As part of the Management Agreement between the City of Los Angeles (City) and the private operator of the Los Angeles Convention Center (LACC), AEG Management LACC, LLC (AEG-LACC), the Board of City Tourism Commissioners (Board) shall annually set goals for the Discretionary Incentive Fee and a revenue budget goal for the Earned Incentive Fee. The Los Angeles City Tourism Department (CTD) recommends that the General Fund not be used to pay for either Earned or Discretionary Incentive Fees.

The following discussion outlines the Fiscal Year 2022-23 metrics mutually agreed upon by CTD and AEG-LACC, in accordance with the Management Agreement for operation of the LACC, for your consideration and approval.

DESCRIPTION

There are three categories with defined goals that help assess the performance of AEG-LACC, including: Category 1, Implementation of Enhanced Customer Service, a permanent category; Category 2, Implementation of Enhanced Facility Maintenance, a permanent category; and Category 3, Recovery and Fiscal Responsibility. Last year Category 3 was Re-opening and Fiscal Responsibility, however this category is evaluated annually and may be modified or replaced by mutual agreement to reflect the current circumstances and needs at the LACC.

Additionally, CTD and AEG-LACC shall annually agree upon the allocation of weight of the three categories to determine the amount to be paid for the satisfactory performance in each category. The following category weights are considered for Fiscal Year 2022-23 goals:

Category 1. Implementation of enhanced customer satisfaction – 40%

Category 2. Implementation of enhanced facility maintenance – 40%

Category 3. Recovery and fiscal responsibility – 20%

The following summarizes the Fiscal Year 2022-23 Discretionary Incentive Fee goals:

Category 1 – Implementation of Enhanced Customer Service

		Goals FY22	Results FY22	Goals FY23
1a	Overall client satisfaction (AEG surveys)	4.7	4.7	4.7
1b	Overall client satisfaction (LATCB surveys)	4.0	4.2	4.1
1c	Overall satisfaction with Facility Security (AEG surveys)	4.6	4.6	4.6
1d	Operational improvements that enhanced customer service	Meet Expectations	Expectations Met	Meet Expectations
1e	Overall satisfaction with food and beverage (AEG surveys)	4.4	4.7	4.5
1f	Overall satisfaction with food and beverage (LATCB surveys)	4.0	3.9	4.0
1g	Food and beverage profit margin	20% to 25%	19.9%	20% to 25%
1h	Overall satisfaction with health and safety environment in response to the pandemic (AEG surveys)	4.5	4.8	4.5

CTD utilizes annual customer survey results in developing the quantitative goals in Category 1. In addition to the surveys administered by LATCB to citywide clients, AEG-LACC issues performance satisfaction surveys to a majority of its clients after hosting an event. Those clients not surveyed include smaller repeat clients that frequently utilize the building but generate minimal revenue. Other non-surveyed events may include smaller events associated with a single larger event. For example, the Los Angeles Auto Show (Auto Show), one of the LACC's largest clients, has exhibitors that independently manage and sponsor a variety of sub-events throughout the duration of Auto Show. However the client that licenses the space, such as the Auto Show, that has the direct contractual relationship with AEG-LACC, is the client that is surveyed.

CTD and AEG-LACC have agreed that the goal for the rate of return for issued surveys for the purposes of assessing the Discretionary Incentive Fee should be 30 percent. During Fiscal Year 2021-22, the rate of return was 37 percent.

Category 2 – Implementation of Enhanced Facility Maintenance

The following summarizes the Fiscal Year 2022-23 Discretionary Incentive Fee goals:

		Goals FY22	Results FY22	Goals FY23
2a	Recycling diversion rate	65%	36%	65%
2b	Total facility zero waste diversion rate	70%	56%	75%
2c	Sustainability initiatives related to waste management completed	Meet Expectations	Expectations Met	Meet Expectations
2d	Completion of preventative maintenance, corrective maintenance and quarterly reporting	Pass	Passed	Pass
2e	Operational improvements and efficiencies implemented	Meet Expectations	Expectations Met	Meet Expectations

Recycling diversion rate - The recycling diversion rate is based on a methodology that accounts for the amount of waste diverted from landfills compared to overall waste generated.

Total facility zero waste diversion rate - The zero waste approach strives to reduce the amount of waste generated in the first place by implementing strategies and initiatives to reduce the overall waste stream. AEG-LACC began implementing zero waste practices several years ago, which include adjusted methods of purchasing and disposal, and additional sustainable practices.

The following are goals mutually agreed upon for the remaining sub-categories:

- Sustainability initiative related to waste management: implement a sustainability initiative related to waste management to help increase the recycling diversion and the total facility zero waste diversion rates.
- Completion of preventative maintenance, corrective maintenance and quarterly reporting.
 - Perform comprehensive preventative maintenance and execute all tasks as outlined and scheduled in the Convention Center Preventative Maintenance Plan (PMP).
 - Submit quarterly summary reports in October, January, April, and July outlining preventative maintenance completed as well as corrective maintenance and highlighting accomplishments for the quarterly reporting period. Reports should be generated from MicroMain CMMS Software and present a summary of all preventative maintenance and corrective maintenance activity performed, followed by a detailed report upon request.
- Facility maintenance, operational improvements, and efficiencies.

- Develop/refine operational methods and procedures to increase service quality and operational efficiencies. Report on the benefits achieved by the creation or refinement of methods and procedures.
- Conduct strategic inspections for each area of the building on a quarterly and annual basis. Provide results of these inspections to CTD in order to collectively evaluate areas needing future focus.
- Enforce policies and procedures to ensure contractors, guests and employees support and participate with sustainable efforts.
- Follow the procedures according to VenueShield, which is the culmination of extensive and ongoing work by ASM's Global Task Force to develop an industry-leading set of protocols that will ensure the highest levels of health and safety for our employees, entertainers, athletes and guests.

Category 3 – Recovery and fiscal responsibility

Develop and execute sales and marketing strategies and cost containment measures to prevent reliance on the City's General Fund and the LACC Reserve Fund. This goal was developed in light of the continued impacts of the pandemic on the meetings and conventions industry.

As stated earlier, Category 3 is a non-permanent category and may be subject to change as mutually agreed upon by both parties. The following lists the historical subject areas for Category 3 since the execution of the Management Agreement.

Fiscal Year	Category 3 Subject Area
2013-14	Implementation of Enhanced Public Safety
2014-15	Implementation of Enhanced Public Safety
2015-16	Capital Improvement Projects, Alterations & Improvements, Capital Equipment Purchases
2016-17	Capital Improvement Projects, Alterations & Improvements, Capital Equipment Purchases
2017-18	Implementation of Food Services
2018-19	Implementation of Food Services
2019-20	Implementation of Food Services
2020-21	Alternative Uses of Facility
2021-22	Re-opening and Fiscal Responsibility
2022-23	Recovery and Fiscal responsibility

BACKGROUND

The AEG-LACC's compensation consists of three different fees. The following is a short description of each fee:

- (1) Annual Base Management Fee – The annual base management fee compensates AEG-LACC for all the services provided pursuant to the Management Agreement, including but not limited to operations and management and food and beverage services;
- (2) Earned Incentive Fee – The earned incentive fee is paid when total operating revenues exceed the approved annual operating budget for an agreement year; and,
- (3) Discretionary Incentive Fee – If AEG-LACC qualifies to receive an Earned Incentive Fee, and if CTD favorably evaluates AEG-LACC's performance based upon the agreed categories and metrics, AEG-LACC shall be paid a Discretionary Incentive Fee determined by the Board.

CTD and AEG-LACC shall annually agree upon the allocation of weight of the three categories to determine the amount to be paid for the satisfactory performance of one or more of the categories. The Management Agreement requires that, to the extent reasonable, the goals should be more quantitative based rather than qualitative. There are certain metrics in which a quantitative based goal would not be feasible as it would be difficult to measure or accurately track. As such, qualitative goals were incorporated in the fee proposal as well.

If AEG-LACC qualifies to receive the Earned Incentive Fee for Fiscal Year 2022-23, CTD will evaluate AEG-LACC's performance based upon the agreed metrics and goals of the Discretionary Incentive Fee. Staff will provide feedback to the CTD Executive Director, who will provide a final recommendation on the Discretionary Incentive Fee payment amount.

RECOMMENDATION

That the Board adopt the proposed Discretionary Incentive Fee goals for the Fiscal Year 2022-23 as described above and with an understanding that the City's General Fund cannot be used to pay for either Earned or Discretionary Incentive Fees.

DL:ta

Goals For FY 2022-23

- The Board shall annually set the goals for the Discretionary Incentive Fee.
- Categories defined by both the Management Agreement & staff.
- Goals and metrics mutually agreed upon by CTD and AEG-LACC.
- Quantitative vs. Qualitative.

Category 1 – 40%	Implementation of enhanced customer service	Permanent
Category 2 – 40%	Implementation of enhanced facility maintenance	Permanent
Category 3 – 20%	Recovery and fiscal responsibility	Flexible

Category 1

Implementation of Enhanced Customer Service

		Goals FY22	Results FY22	Goals FY23
1a	Overall client satisfaction (AEG surveys)	4.7	4.7	4.7
1b	Overall client satisfaction (LATCB surveys)	4.0	4.2	4.1
1c	Overall satisfaction with Facility Security (AEG surveys)	4.6	4.6	4.6
1d	Operational improvements that enhanced customer service	Meet Expectations	Expectations Met	Meet Expectations
1e	Overall satisfaction with food and beverage (AEG surveys)	4.4	4.7	4.5
1f	Overall satisfaction with food and beverage (LATCB surveys)	4.0	3.9	4.0
1g	Food and beverage profit margin	20% to 25%	19.9%	20% to 25%
1h	Overall satisfaction with health and safety environment in response to the pandemic (AEG surveys)	4.5	4.8	4.5

Category 2

Implementation of Enhanced Facility Maintenance

		Goals FY22	Results FY22	Goals FY23
2a	Recycling diversion rate	65%	36%	65%
2b	Total facility zero waste diversion rate	70%	56%	75%
2c	Sustainability initiatives related to waste management completed	Meet Expectations	Expectations Met	Meet Expectations
2d	Completion of preventative maintenance, corrective maintenance and quarterly reporting	Pass	Passed	Pass
2e	Operational improvements and efficiencies implemented	Meet Expectations	Expectations Met	Meet Expectations

Category 3

Re-opening and fiscal responsibility

Develop and execute sales and marketing strategies and cost containment measures to prevent reliance on the City's General Fund and the LACC Reserve Fund. This goal was developed in light of the continued impacts of the pandemic on the meetings and conventions industry.

Category 3

Historical Subject Areas

Fiscal Year	Category 3 Subject Area
2013-14	Implementation of Enhanced Public Safety
2014-15	Implementation of Enhanced Public Safety
2015-16	Capital Improvement Projects, Alterations & Improvements, Capital Equipment Purchases
2016-17	Capital Improvement Projects, Alterations & Improvements, Capital Equipment Purchases
2017-18	Implementation of Food Services
2018-19	Implementation of Food Services
2019-20	Implementation of Food Services
2020-21	Alternative Use of Facility
2021-22	Re-opening and Fiscal Responsibility
2022-23	Recovery and Fiscal Responsibility

Recommendation

That the Board adopt the proposed Discretionary Incentive Fee goals for the 2022-23 Fiscal Year.

Item 5c

Board Report # 22-004



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

DATE: September 15, 2022

TO: Board of City Tourism Commissioners

FROM: Doane Liu, Executive Director
City Tourism Department



SUBJECT: **RECOMMENDATION THAT CTD STAFF EXPLORE PROPOSED PIGGYBACK AGREEMENT WITH IKE SMART CITY, LLC (IKE) AND THE CITY OF HOUSTON, TEXAS FOR THE INSTALLATION AND MAINTENANCE OF INTERACTIVE KIOSKS - BOARD REPORT #22-004**

RECOMMENDATION

That the Board of City Tourism Commissioners (Board) approves and recommends to the City Tourism Department (CTD) Executive Director that CTD staff proceed with exploring the proposed piggyback agreement with IKE Smart City, LLC (IKE) and the City of Houston, Texas for the installation and maintenance of interactive kiosks in the City of Los Angeles (City).

BACKGROUND

Under the City's agreement with the Los Angeles Tourism & Convention Board (LATCB), the non-profit organization tasked with promoting the City as a destination for business and leisure travelers, the City has tasked LATCB with enhancing the visitor experience in order to encourage repeat visitation and longer stays; this would be accomplished through a variety of methods, including the dissemination of information and resources via interactive digital wayfinding and visitor service kiosks (Agreements C-124986 and C-136003). As a result, LATCB has been exploring cost-effective ways in which this deliverable could be accomplished.

On November 26, 2019, Council instructed CTD to work with the Bureau of Street Services (StreetsLA) on expanding public information associated with conventions and tourism (CF 00-1073-S1); following that instruction, CTD and StreetsLA began to explore how a tourism kiosk program could be realized in the public right-of-way alongside the new Sidewalk and Transit Amenities Program (STAP), the latter of which could potentially replace the City's existing Coordinated Street Furniture Program.

Los Angeles Mayor Eric Garcetti, under Executive Directive 33 issued on March 9, 2022, called for support for the City's first Tourism Master Plan under the leadership of the Chief Tourism Officer, CTD's Executive Director. The Tourism Master Plan includes recommendations that, when implemented, would enhance the visitor experience and improve the quality of life for Angelenos. In addition to calling for an increase in neighborhood tourism and development, the Plan also identified the need to communicate and inform visitors and to modernize and improve wayfinding.

DISCUSSION

As there are a number of mega sporting events on the horizon for Los Angeles (including the 2026 FIFA World Cup and the 2028 Olympic and Paralympic Games), the City needs to prepare for the significant increase of visitors while improving the distribution of information to both residents in the community as well as travelers. Given the relatively short timeline and the amount of resources available, CTD staff is recommending that the City explore entering into an agreement with IKE using the City of Houston's competitive purchasing agreement, to realize a tourism kiosk program in the City. Competitively bid, multi-user cooperative purchasing agreements by government agencies are authorized pursuant to Administrative Code Section 10.15(a)(8) and Charter Section 371 (e)(8). However, other factors have to be examined, including whether any City ordinances may have to be amended or drafted to accommodate a digital kiosk program.

Scope of Services

If basis for a contract using Houston's competitively bid process is found to be an appropriate contracting vehicle, contract provisions shall include:

- Term - initial term of 12 years, with two (2) automatic five (5)-year renewals if IKE meets certain performance criteria, for a maximum 22-year contract term;
- Capital expenditure, installation and operating costs - IKE is responsible at its own expense for the installation, operation and maintenance of all kiosks;
- Content - the kiosks shall serve the following public purposes, at a minimum: wayfinding, transit information, public information, emergency messaging, enhancing the visitor experience and brand perception of the City, and acting as a backbone for the City's public-facing, smart city infrastructure;
- Display - the kiosks shall have two modes of operation:
 - Engaged Mode - when a pedestrian has engaged with the kiosk, the application dashboard displays on the bottom two-thirds ($\frac{2}{3}$) of the kiosk screen and the passive mode loop is resized at the top of the screen;
 - Passive Mode - when not in Engaged Mode, the screen is occupied with a loop of City, community, arts and commercial messaging;
- Other functionality - the kiosks shall include other options, such as two-way emergency calling; free public Wi-Fi; content in up to 100 languages with high quality translations; and anonymized/aggregated data and analytics collection;
- Revenue share - each year, IKE will share a percentage of revenues generated by the kiosks with the City;
- Equity - one (1) out of every 10 kiosks installed within the City shall be installed in communities of opportunity (with area median income of 80% or less of the City's average income); and

- Maintenance - IKE shall, at no cost to the City, deploy updates to the software to ensure it remains up to date and functional and perform regular upkeep such as cleaning and repairs.

Approval Process

In addition to requiring review by the Office of the City Administrative Officer and Mayor, Council Committee(s) and full Council approval, as required by ordinance, it will also require other approvals and clearances because the program will be deployed in the public right-of-way:

- Municipal Code amendment - an amendment to Section 67.02(b) of the Los Angeles Municipal Code is required in order to allow the Board of Public Works to advertising structures associated with an outdoor advertising program in the public right-of-way other than the City's existing Coordinated Street Furniture program. The Public Works Committee approved this draft ordinance on August 24, 2022.
- Coordinated Street Furniture Program exclusivity clause - the existing contract for the Coordinated Street Furniture Program currently contains an exclusivity clause prohibiting other programs with advertising in the public right-of-way. This contract's current extension is set to terminate at the end of this calendar year.
- CEQA – this project will be required to comply with statutes and provisions under the California Environmental Quality Act (CEQA).
- Other City department approvals - in addition to permitting through the Board of Public Works, construction permits will need to be obtained through the Bureau of Engineering. Other departments that may require coordination include the Los Angeles Department of Transportation, Department of City Planning, and the Information Technology Agency.
- Contract administration collaboration - as the Department of Public Works and the Board of Public Works are responsible for the oversight of and administration of the public right-of-way in the City, the administration of this contract will require a collaborative effort between CTD (as it relates to visitor and resident-facing content) and Public Works (as it relates to the units physically installed in the public right-of-way).

**RECOMMENDATION THAT CTD STAFF EXPLORE
PROPOSED PIGGYBACK AGREEMENT WITH IKE
SMART CITY, LLC (IKE) AND THE CITY OF
HOUSTON, TEXAS FOR THE INSTALLATION AND
MAINTENANCE OF INTERACTIVE KIOSKS**

BOARD OF CITY TOURISM COMMISSIONERS MEETING
SEPTEMBER 21, 2022

BACKGROUND

- **LATCB's Responsibilities**– the Los Angeles Tourism & Convention Board has been tasked by the City of LA to enhance the visitor experience by disseminating information and resources
- **Council Direction** - City Council directed the City Tourism Department (CTD) to work with the Bureau of Street Services (StreetsLA) to expand public information associated with conventions and tourism
- **Mayoral Direction** - Executive Directive 33 issued by Mayor Garcetti supports the Tourism Master Plan, which recommends to modernize and improve wayfinding and to increase neighborhood tourism

PROPOSED AGREEMENT

- **Contract Structure** – the City's Administrative Code and Charter allow for competitively bid, multi-user cooperative purchasing agreements by government agencies
- **Houston Contract** – following a competitive bid process, IKE Smart City, LLC (IKE) and the City of Houston negotiated and entered into a contract

SCOPE OF SERVICES

- **Term** – 12 years, with two five-year renewals
- **Capital expenditure, installation and operating costs** – IKE is responsible, with no capital expenditure from the City
- **Content** – includes wayfinding, transit information, emergency messaging, etc.
- **Revenue share** – IKE will share a percentage of revenues generated by commercial messaging



APPROVAL PROCESS

- **Reviews/approvals** – Office of the City Administrative Officer (CAO), Mayor, Council Committee(s), City Council
- **Interdepartmental Collaboration** – StreetsLA, Department of Public Works, Bureau of Engineering, Los Angeles Department of Transportation, Department of City Planning, Information Technology Agency, etc.
- **Other Considerations** – LA Municipal Code/required City ordinances, California Environmental Quality Act (CEQA), coordination with other programs in the public right-of-way

RECOMMENDATION

That the Board of City Tourism Commissioners approves and recommends to the City Tourism Department (CTD) Executive Director that CTD staff proceed with exploring the proposed piggyback agreement with IKE Smart City, LLC (IKE) and the City of Houston, Texas for the installation and maintenance of interactive kiosks in the City of Los Angeles.

Item 5d

Findings to Continue Teleconference Meetings Pursuant to AB361

