



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

Regular Meeting  
Wednesday  
July 16, 2014  
9:00 a.m. – 10:30 a.m.  
Los Angeles Convention Center  
1201 S. Figueroa Street, L.A. CA 90015  
**Executive Board Room**

1. Call to Order / Roll Call
2. Public Comment
3. Approval of Meeting Minutes from June 18, 2014
4. Monthly (May 2014) and Preliminary Year-End Reports
  - a. AEG – Brad Gessner
  - b. LATCB – Darren Green
5. Executive Director's Report
  - a. Plan B – Bud Ovrom
  - b. CIP – Tom Fields
6. Agenda Forecast / Special Topics:

August 6, 2014	-	Monthly Status Reports for June 2014 LATCB Contract FY 14-15 Work Program
August 20, 2014	-	LATCB Contract Mayor's Sustainable pLAn Hotel Strategy

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

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**DRAFT**

**Board of Los Angeles Convention and Tourism Development**

**Regular Meeting Minutes**

**June 18, 2014**

**9:00 a.m.**

The Board of Los Angeles Convention and Tourism Development (Board) convened a regular meeting on Wednesday, June 18, 2014 at 9:05 a.m., at the Los Angeles Convention Center (LACC), located at 1201 South Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room.

**ITEM NO. 1 CALL TO ORDER / ROLL CALL**

The meeting was called to order by President Jon Vein.

**Present:**

President Jon F. Vein  
Commissioner Nicole Duckett Fricke  
Commissioner Otto Padron  
Commissioner Gillian Zucker

Robert R. "Bud" Ovrom, Executive Director  
Tom Fields, Assistant General Manager & Chief Operations Officer  
Marla Bleavins, Assistant General Manager of Finance & Administration  
Glyn Milburn, Business Team Representative – Office of the Mayor  
Terry Martin Brown, Assistant City Attorney – Office of the City Attorney  
Brad Gessner, Sr. Vice President & General Manager of the LACC – AEG  
Diana Mangioglou, Sr. Administrative Analyst II – Office of the City Administrative Officer  
Barbara Kirklighter, Vice President of Revenue Strategy –  
Los Angeles Tourism & Convention Board (LATCB)  
Cristine Villorante, Recording Secretary

**Absent:**

Vice President Ray Bidenost

**ITEM NO. 2 PUBLIC COMMENT**

There was no public comment.

### **ITEM NO. 3 APPROVAL OF THE MARCH 5, 2014 MINUTES**

The June 4, 2014 Commission Minutes were unanimously approved.

### **ITEM NO. 4 EXECUTIVE DIRECTOR'S REPORT**

#### **a. Plan B Update**

Mr. Ovrom updated the Board on the status of Plan B and highlighted the following:

- Plan A consists of building on to existing structure, tearing down the West Hall to build the stadium. Plan A expires in mid-October of 2014. The City is committed to Plan A, but if an NFL team does not come to Los Angeles, the City has contemplated alternative plans (Plan B) as a fiduciary obligation to the citizens of the City.
- Make LACC larger with more contiguous space and modernize the West Hall.
- Currently, the LACC has 870K sq. ft. exhibit space. With Plan A, there would be 1.121M sq. ft., to include Farmer's Field. With Plan B, there would be 1.278M sq. ft., increase meeting rooms from 55 to 85, taking LACC 5<sup>th</sup> in the nation.
- Plan B will spend three years in design work (most conservative estimate), completion in 2017.
- Integration of a hotel.
- Come up with a better name for Plan B.
- Working on a White Paper and Communications plan.

Commissioner Duckett Fricke asked how Plan B will be financed. Mr. Ovrom will incorporate the finances into the White Paper. To summarize, the West Hall is paid off, the South Hall has 10 years to go on the original 30-year bonds. There will be some form of refinancing done. To be politically sound, the goal is to keep the TOT at 14% and stay within the 3.5% of TOT (estimated to be \$52M, to pay for the debt service).

#### **b. Task Order Solicitation (TOS)**

Mr. Fields updated the Board on the TOS and highlighted the following:

- The TOS was announced last week Wednesday, June 11, 2014 and the Bidders Conference is scheduled on Monday, June 23, 2014.
- The City has a list of pre-approved architects which will be invited to take part in the TOS process. The Bureau of Engineering has an established list of on-call architects (City authorized contractors).
- Stage 1 – identify three firms to move forward
- Stage 2 – three firms will be given a stipend of \$200K for a conceptual design
- Construction cost estimated at \$350M.
- Hotel estimated to open in December of 2019.

Commissioner Zucker asked if there is an opportunity through AEG to get design ideas from someone who is not pre-approved. Mr. Fields stated that there are several entities through which design ideas can be gathered; through operator perspective, a client advisory committee, and a consulting group. Mr. Fields also added, as part of the TOS process, the architectural design team needs to consist of a firm that specializes in big convention center design.

President Vein asked if it will be possible to take the best concepts from the various submittals and incorporate it into the final design, to which Mr. Fields confirmed it possible.

Commissioner Duckett Fricke asked who will be in the selection committee. Mr. Fields stated that the Office of the Chief Legislative Analyst is the political leader and the Bureau of Engineering is the lead office for the TOS. The selection committee participants are yet to be determined.

**c. Capital Improvement Projects (CIP)**

Mr. Fields reported on the CIP to the Board and highlighted the following:

- There is \$4M that is being carried over from FY 13-14 and \$5.4M budgeted for FY 14-15 to use for CIP projects. Almost \$10M allocated for LACC improvements. The LACC hasn't had this kind of money invested since the 1993 expansion.
- 15 projects are scheduled to be done within FY 14-15 which will require a lot of coordination to complete. Our Department, the Los Angeles Convention and Tourism Development (CTD), will be working with the Department of General Services (GSD) on these projects. There may be a possibility of incorporating some of the CIP projects into existing Citywide projects.
- The CTD planned for sidewalk repairs next fiscal year, but was able to incorporate the repairs into the City's Sidewalk Replacement Project this fiscal year.
- The CTD is working with the Department of Water and Power on the installation of Automatic Transfer Switches in the South Hall in the month of December.

Commissioner Zucker asked if the AEG management contract can be amended. Ms. Martin Brown responded that the management contract can be amended, with the City Council's approval. Ms. Bleavins added that Ms. Noreen Vincent, Senior Assistant City Attorney, was consulted during the management agreement process. Ms. Vincent was involved in drafting the management agreement. Ms. Vincent made two points during consult; 1) the original RFP did not contemplate the private operator to be involved in executing Capital Projects and 2) the City cannot delegate its contracting authority to a private entity for public work projects.

President Vein asked questions relative to taking advantage of AEG's purchasing process rather than going through the City's process, which is sometimes more costly

and takes more time. Ms. Martin Brown stated that the CIP projects were not incorporated into the management contract between the City and AEG. This topic has been discussed and reviewed, but Ms. Martin Brown was not involved in the initial discussion. Ms. Martin Brown will be involved in future discussions. Mr. Fields added that at this time, the CTD is looking at the City's existing contracts, meeting with the City Attorney's Office and GSD to see what options are available.

There was further discussion on cost efficiencies for the CIP projects. Mr. Gessner stated that AEG stands ready to assist the City if called upon. Mr. Gessner also suggested the development of a hybrid process whereby AEG and the City administer the contract with strict oversight from the City.

#### **d. LATCB Contract**

Ms. Bleavins reported on the LATCB contract and highlighted the following:

- The current contract expires June 30, 2014.
- The CTD has received approval and have executed a six month contract extension, which runs through December 30, 2014.
- The CTD is in the process of drafting a new contract. There are currently 20 proposed changes (list was provided to the Board).

The points of disagreement between CTD and LATCB are:

- Discount approval process – Currently LATCB is offering discounts to clients prior to CTD knowledge. CTD would like to approve the discounts prior to LATCB offering it to the client. LATCB is concerned that this process will create a bottleneck. Part of the proposed changes is for CTD, AEG, and LATCB to meet on a regular basis to discuss discounts and sales leads (currently a standing meeting).
- Regularly apprise CTD Board of major destination advertising and tourism media campaigns – LATCB states that TMD funds pay for advertising and therefore don't feel that CTD should have a veto power over this subject matter.
- The Board's involvement in the contract negotiation process is prohibited, but can be discussed during public meetings.

#### **e. Hotel Strategy Status**

Mr. Ovrom reported that there is a shift in strategy with an emphasis on an on-site hotel verses off-site hotels. The surrounding developers are not interested in constructing 1,000-room hotels; they are more interested in building 300-room hotels.

**f. E3 Results**

Mr. Gessner reported a successful E3 event and highlighted the following:

- There were 700 more registered attendees this year in comparison to last year. There is a 45,000 cap which was exceeded.
- Parking revenues were \$25K, less than last year, due to more use of public transportation and patrons walking over from neighboring hotels.
- Food and beverage was up, at \$64K.
- During the Post Convention meeting, E3 show management had nothing but good things to say. Parking operations were better, noticed cleanliness, and patrons felt more comfortable to walk from their hotels.

**ITEM NO. 5 AGENDA FORECAST / SPECIAL TOPICS:**

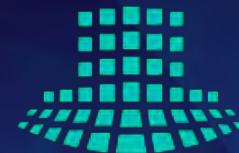
The LATCB contract will be an agenda item until such time it is approved by the City Council.

**ITEM NO. 6 ADJOURNMENT**

The meeting was adjourned at 10:31 p.m.

# Los Angeles Convention Center Monthly Status Report May 2014

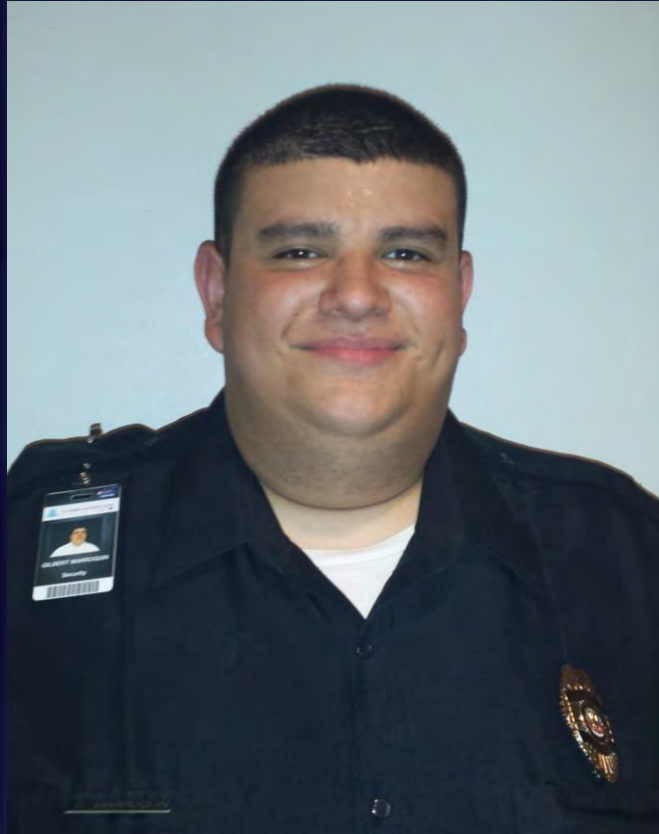
Brad Gessner



Los Angeles Convention Center<sup>®</sup>

Managed By 

## LACC Team Member of the Month - April



Gilbert Marroquin  
*Security Coordinator*



## LACC Team Member of the Month - May



Sharon Taylor  
*Administrative Assistant*

# LACC May Events

Event		Registered	Attendance
5/2-5/4	Icon Union Job Fair	2,500	2,500
	Frontier Training	1,100	1,100
	West Coast Gaming Events	1,200	1,200
California Congress of Parents, Teachers		4,000	4,000
5/16-5/18	The Big Photo Show	9,000	9,000
	Vintage Expositions, Inc.	1,800	1,800
County of Los Angeles, Dept. of Human Resources		250	3,300
Naturalization (2)		7,400	7,400
Alexander Hamilton High School Class of 2014		6,500	6,500

Total Events: 18

Total Attendance: 38,670

# LACC May Filming and Photo Events

DATE	NAME	AMOUNT GENERATED
May 1	Walgreen's Commercial	\$ 4,945
May 5-6	Matador	\$ 32,145
TOTAL		\$ 37,090

# LACC May 2014 Financials - \$29K below forecast for May; \$1.1 million favorable YTD

REVENUES - \$41K below forecast for May and \$757K above YTD forecast

- Rental Income
  - \$99K above May forecast and \$411K above YTD forecast
- Food & Beverage
  - 183K below May forecast and \$291K below YTD forecast
- Utilities Revenue
  - \$10K below May forecast and \$54K below YTD forecast
- Parking Revenue
  - \$75K above May forecast and \$563K above YTD forecast
- Other (Event Billing, Communications, Audio/Visual, Cell Towers, and Sponsorship)
  - \$22K below May forecast and \$128K above YTD forecast

EXPENSES – \$13K better than forecast for May and \$348K better than YTD forecast

- Wages Salaries and Benefits
  - \$61K better than forecast for May and \$275K better than forecast YTD
- Other Expenses
  - \$48K higher than forecast for May and \$73K better than forecast YTD



AEG-LACC  
Revenue Expense by Category - Revenue Expense  
From 5/1/2014 Through 5/31/2014

(In Whole Numbers)

	Period Actual	Period Budget	Period Budget Variance	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original	Total Budget
Revenue							
Rent							
Gross Rent	955,173	924,898	30,275	4,447,069	4,235,576	211,493	5,843,521
Discounts	(645,549)	(714,489)	68,940	(1,519,220)	(1,718,845)	199,625	(2,977,636)
Total Rent	309,624	210,409	99,215	2,927,849	2,516,731	411,118	2,865,885
Net Food and Beverage Revenue							
Food and Beverage Sales	684,448	1,220,800	(536,352)	3,836,149	3,780,305	55,844	4,966,305
Food and Beverage	(673,005)	(1,025,472)	352,467	(3,527,063)	(3,179,905)	(347,158)	(4,176,145)
Total Net Food and Beverage Revenue	11,443	195,328	(183,885)	309,087	600,400	(291,314)	790,160
Utility Services							
Utility Sales	874,262	772,000	102,262	2,232,575	2,127,359	105,216	5,046,859
Service Provider Share	(567,504)	(455,480)	(112,024)	(1,410,891)	(1,251,431)	(159,460)	(2,973,936)
Total Utility Services	306,758	316,520	(9,762)	821,684	875,928	(54,245)	2,072,923
Parking							
Parking, Net of Tax	492,654	417,915	74,739	3,827,767	3,264,572	563,195	4,044,893
Bond Obligation	(83,333)	(83,333)	0	(416,667)	(416,667)	0	(500,000)
Total Parking	409,321	334,582	74,739	3,411,100	2,847,906	563,195	3,544,893
Telecommunications							
Telecommunication sales	424,761	132,263	292,497	915,683	263,968	651,715	546,782
Service Provider Share	(249,427)	0	(249,427)	(547,139)	0	(547,139)	0
Total Telecommunications	175,334	132,263	43,070	368,544	263,968	104,576	546,782
Audio/Visual							
Audio Visual Sales	10,011	55,000	(44,989)	190,750	87,183	103,567	116,667
Service Provider Share	(6,078)	0	(6,078)	(152,568)	0	(152,568)	0
Total Audio/Visual	3,934	55,000	(51,066)	38,182	87,183	(49,001)	116,667
Event Billing							
All Event Services	56,531	110,500	(53,969)	254,830	223,460	31,370	283,460
Total Event Billing	56,531	110,500	(53,969)	254,830	223,460	31,370	283,460
Cell Towers	35,905	30,167	5,737	158,068	180,709	(22,640)	210,869
Advertising & Sponsorship	36,150	6,250	29,900	80,966	45,938	35,029	242,188
Other Income	5,116	1,850	3,266	38,007	9,250	28,757	11,100
Total Revenue	1,350,115	1,392,870	(42,755)	8,408,317	7,651,473	756,844	10,684,927
Expenses							
Personnel							
Salaries & Wages - Full Time	391,531	425,444	33,913	2,432,919	2,523,565	90,646	3,154,507
Salaries & Wages Part Time	69,217	90,804	21,587	371,250	473,553	102,302	564,357
Event Expenses	61,019	28,000	(33,019)	236,390	140,000	(96,390)	168,000
Parking Labor	53,185	52,239	(945)	387,601	409,658	22,057	507,198
Overtime	19,715	26,105	6,390	97,461	141,993	44,532	168,098
Payroll Taxes	38,864	53,863	15,000	272,600	323,678	51,078	392,747
Fringe Benefits	62,952	82,019	19,066	357,884	422,955	65,071	513,189
Workers Comp	5,383	5,383	0	36,464	32,300	(4,164)	37,683
Total Personnel	701,865	763,858	61,993	4,192,570	4,467,702	275,132	5,505,779
Other Expenses							
Printing & Binding	2,198	2,050	(148)	29,536	14,057	(15,479)	16,107
Contracted Services	256,865	245,285	(11,580)	1,490,023	1,461,060	(28,963)	1,726,345
Field Equipment	3,738	6,083	2,345	9,467	31,542	22,075	37,625
Maintenance Supplies	11,092	10,350	(742)	61,424	59,438	(1,986)	69,788
Transportation Reimbursement	468	1,250	782	1,788	5,000	3,212	6,250
Parking Expenses	35,629	40,316	4,687	260,831	273,664	12,834	313,983
Utilities	366,073	311,495	(54,577)	1,680,649	1,585,431	(95,218)	1,965,830
Office and Administration	5,506	417	(5,090)	20,664	2,396	(18,268)	2,813
Operating Supplies	22,854	25,000	2,146	144,626	143,750	(876)	168,750
Modification & Repairs	15,475	5,000	(10,475)	42,187	41,096	(1,091)	41,096
Advertising and Promotions	4,518	36,200	31,682	38,131	52,749	14,618	53,949
Uniforms	2,309	500	(1,809)	26,121	38,500	12,379	39,775
Recruiting	707	0	(707)	48,342	59,605	11,263	59,605
Employee Welfare	25	300	275	3,824	2,000	(1,824)	3,500
Insurance	29,375	29,667	292	59,583	55,000	(4,583)	61,333
Start-up Expenses	1,120	0	(1,120)	422,633	597,741	175,108	597,741
Depreciation	4,178	0	(4,178)	8,355	0	(8,355)	0
Management Fee	14,583	14,583	0	103,495	102,083	(1,411)	167,708
Total Other Expenses	776,713	728,496	(48,216)	4,451,677	4,525,111	73,434	5,332,197
Total Expenses	1,478,578	1,492,354	13,776	8,644,247	8,992,814	348,566	10,837,976
Total Expenses and Appropriations	1,478,578	1,492,354	13,776	8,644,247	8,992,814	348,566	10,837,976
Net Income (Loss)	(128,463)	(99,484)	(28,979)	(235,931)	(1,341,341)	1,105,410	(153,049)



July 10, 2014

Mr. Robert R. "Bud" Ovrom  
Executive Director  
Los Angeles Convention Center  
1201 S. Figueroa Street  
Los Angeles, California 90015

Dear Mr. Ovrom:

As you know, AEG Facilities assumed overall management of the Los Angeles Convention Center slightly over seven months ago, and I am very pleased with what our team has accomplished and the progress we have made operationally and financially thus far. Below is a list of our major accomplishments I wanted to share with you.

**LACC Accounting Fiscal '14 Year:**

Forecast received from City department last fall anticipated a deficit of \$2.0 million for this past fiscal year. We are tracking to finish FY 2014 with a small profit, with the major areas of improvement listed below:

- Increased revenues \$600K and reduced expenditures \$192K from AEG Forecast provided to the City in February 2014.
- Parking revenue projected to finish over \$1.0 million better in revenue than the prior fiscal year.
- Wages and salaries projected to finish \$1.5 million lower than prior fiscal year and \$300K lower than forecast.
- Reduced overtime expenses from City historical expense of \$800K annually to approximately \$120K, a reduction of \$650K year-over-year.
- Reduced Utilities Usage: Implemented an energy conservation program to include maintaining room temperature at 72 degrees, monitoring lighting and HVAC program times more closely, etc..., which resulted in the reduction in electrical usage for January – April of 1.93% year-over-year.
- Established new bank accounts, payroll system, accounts payable and receivable systems, secured proper insurance, secured Corporate Tax ID, etc...
- Reconfigured Accounting Office for improved functionality.

### **Human Resources:**

- Conducted a Job Fair- October, 2013 -Total number of people interviewed were 151 (total of 167 interviews) and hired 82 fulltime and 75 part time.
- Conducted New Hire Orientations (on-going) – Implemented New Hire Orientation for all new employees. Facilitated 16 orientation sessions in the last seven months. As of June 30<sup>th</sup>, 2014 we have a total of 87 full-time employees and 88 part-time employees.
- Reconfigured the HR Office – New HR office has been completed to include a Director's office and two HR associate stations.
- Implemented New Employee Badging Process - Over 500 Photo ID badges have been processed, this included City of Los Angeles employees and AV and electrical contractor staff.
- Implemented a "Team Member of the Month" & "Leader of the Quarter" employee recognition program January, 2014.
- Implemented Monthly Employee Birthday celebration.
- New Supervisor Training - New Supervisor training includes information on the Human Truths and how and when to give feedback to the line team members.
- Installed and Implemented a New Time Keeping System - March, 2014 - ABMS time keeping system is being used by all hourly employees. Three time clocks have been installed throughout the facility.
- Conducted an "All Employee Meeting"- March, 2014 - All manager meeting and all employee meeting (including Levy).
- Employee Committees Created - (Fun Team, Safety Team and Green Team)  
Green Team – Goal is sustainability and to promote a zero waste environment.  
Safety Team – Creating a safe and effective work environment.  
Fun Team – Inclusive fun work environment that promotes group activities and team work between departments.
- Earth Day Planting Project – LACC teamed up to plant 10 trees and 40 plants at LACC on earth day. These planters have added beautiful greenery to the LACC. Also, the LACC participated in chalk art and a pot luck BBQ that helped bring Earth Day to life and build comrade.
- Implemented Safety Orientation and Training - April, 2014 For all new employees.
- Created the LACC Quarterly Newsletter - April, 2014 Newsletter is distributed to all of LACC via email.
- Implemented Monthly Social Hour - This provides employees a networking opportunity.
- Implemented Safety Zones - A committee member walks through the entire building once a week to ensure safety of LACC.
- Implemented Fun Friday treats - Giving employees an opportunity to take a break and enjoy an affordable snack in break rooms, both West and South Halls.
- Started a Summer Boot camp work out group - for those employees that wish to participate in an exercise program on-site for a minimal fee.

- Union Card Check - The trades (Plumbers, painters, Electricians and Carpenters) elected to be covered by the Collective Bargaining agreement and we will start negotiations on July 23<sup>rd</sup>.
- New Leader Guide Program - A booklet provided to new Supervisors and Managers during their first week of employment during a one on one on-boarding with the HR Director that provides a walk around guide for gathering information and meeting all department heads.
- Employee Annual Reviews and Merit Increases - A 90 day review policy was implemented. All annual reviews have been completed and merit increases have been completed.
- Encore Guest Service Training Program planning completed - Encore Guest Service Training is the AEG Service Culture training and will be rolled out July 15<sup>th</sup> July 2014.
- Added eight new positions - July, 2014 New positions include Sr. Sales Manager, Marketing Specialist, PT Receptionist, Assistant Superintendent, Security Manager, three Security Supervisors.
- AEG Job Shadow Day - Partnering with the other AEG venues to host 25 local high school students for a day of job shadowing and information sharing about employment opportunities within AEG and Convention Centers.

#### **Building Security:**

- Security Staffing – New Security staff hired and trained and security program improved for the LACC. Staffing numbers have increased allowing more coverage over longer hours. Total Staffing: 1 Director, 1 Manager, 1 Coordinator, 6 Supervisors, 14 full-time officers, 24 part-time officers (adding 5-10 more before August 11<sup>th</sup>).
- AEG S.A.F.E. – Working with Homeland Security to meet and exceed their standards for a safe facility.
- Established strong working relationship with LA Live Campus Security has been successful and continues to grow as campus (LACC, Staples, Nokia and LA Live) wide events are conducted.
- Developed monthly security meetings which are held to ensure clear understanding of roles. Partnered with South Park BID to assist with transient, illegal vendors and skater issues.
- Implemented AVADE Training – Workplace violence prevention training program.
- Emergency Preparedness – Developed an Emergency Preparedness pamphlet for clients and guest.
- CCTV / Radio System Planned upgrades – Worked closely with City and security vendors to ensure CCTV system is cost effect and efficient. We are in the progress of mapping out the facility for a digital radio upgrade.
- Contract Security – We have developed minimum standards and refined the Approved Security Vendor Program to maintain and uphold the security standards and integrity of LACC.



### **Sales and Marketing:**

- Developed New Marketing Plan.
- Developed sales initiative to increase LACC usage for feature films, TV and advertising film shoots resulting in an increase of filming revenue by 140% year over year.
- Increased quality short term bookings.
- Restructured Auto Show rental rate and license agreement through 2018.
- Established excellent working relationship with LATCB.
- New staff hires – Marketing Specialist and Senior Sales Manager – mid-July start dates.
- Developing a new web site for LACC with expected completion in September 2014.

### **Event Services:**

- Formation of a world-class Event Management team (Four new Event Managers and three seasoned LACC Event Managers) that has consistently delivered excellence in service.
- Hosted and event managed a total of 167 events, and 298 event days since Dec 2013.
- Developed an online post event client survey that will allow us to track and quantify client feedback.
- Created communication mechanism that gives us the ability to have reciprocal, effective communication on campus-wide event impact by actively participating weekly in the LA Live Events Group.
- Revamped the LACC Event Planning Guide to be a useful primary resource tool for event/meeting planners, contractors and exhibitors.
- Implemented an Estimate of Expenses process that ensures client's awareness of potential ancillary charges to avoid disputes.
- Improved overall relationship with LATCB Client Services and Sales teams.
- Created successful partnerships with some of the industry's best service providers, including Edlen Electric, Levy Restaurants, Smart City, Encore Event Technologies and Image Quest and Business Service Center.
- Established a culture of consistency and transparency with General Service Contractors with all-inclusive quarterly meetings.

### **Levy Restaurants/Taste of LA:**

- Groundwork Coffee replaced Starbuck's as the specialty coffee provider for the LACC. Groundwork is a local coffee company that serves exclusively USDA-Organic certified coffees and teas, has an extensive sustainability program and active social responsibility program.
- Installed and enhanced "Taste of LA" Signage - New signage has been incorporated in our concession stands that display our representation moving forward.
- Menu Development - Menus have been developed and improved as well as being tailored to fit the needs of the customer.
- Improved Food Sourcing to include utilizing local vendors and purveyors.
- Developed "Taste of LA" bottled water reducing the cost to .47 cents a bottle versus the .80 cents a bottle for Dasani.

- Developed Logo Cups, Logo Napkins, etc..., Advertising the Local Image in every outlet and catering service provided at LACC.
- Incorporated “Angel City Brewery” into our Taste of LA theme. They are small local brewery that represents LA downtown in the industrial area.
- Enhanced the Local LA Food Trucks Program.
- Improved Concession Menu - Prior to E3, we updated and enhanced all of our Concession Menus with iconic flavors unique to the LA scene.

### **Contract Services**

- Solicited, negotiated and completed over 30 new contracts with service providers and suppliers.
- Implemented and improved MBE/WBE/SBE/DBE/EBE participation completing 10 contracts worth over \$1 million in annual spend for 30% participation, well above City’s requirement.
- Transitioned from an Exclusive, in-house Utility Provider Program to an Approved Vendor Program completing three contracts with Approved Vendors.
- Solicited bids and awarded contract for Preferred AV services, eliminating the need for an AV department in-house.
- On boarded Business Service Center in time for E3 – ImageQuest – another MWBE;
- Completed RFP’s for solar and South Hall roof replacement. Results showed a \$1M savings from previous bids City solicited. Provided RFP’s and responses to City to take ownership as of June 2014.
- Bid and awarded a contract to Waste Management as new provider for waste hauling, recycling, compactors, etc... Will save \$50K in operating expenses. A \$5K sponsorship was received as well.
- Installed new multi-functional copier machines across LACC.
- Updated Statement of Work with ABM/Uniserve (housekeeping provider) in order to resolve scheduling and labor conflicts.

### **IT Services**

- Transitioned ownership and operations of City IS System including all user stations, servers, network infrastructure, BAS, EBMS and other programs.
- Negotiated an increase in one of the cell site contracts.
- Negotiated with Smart City Networks to waive their claim the City owed them \$400K for previously installed infrastructure improvements.

### **Building Engineering & Maintenance Department:**

- Repaired Heating Hot Water Boiler System (Concourse MER) flex coupling and isolation valve replacement.
- Replaced a significant portion of fire system pipe in the Kentia Hall dock area that represented a significant potential problem just in time to be completed before E-3.
- Provided new upgraded circuits for the new print and copy machines for all areas (office work areas).

- Conducted major main switch gear maintenance for over 60% of the facility, and all floor boxes for South Hall, along with the majority of floor boxes and all shorts repaired for the West Hall.
- Conducted Infrared inspection under heavy load for all of the West Hall switchgear, and all major switchgear for the South Hall, plus all central plant equipment.
- Multiple painting projects have been completed with a minimum staff that has made a significant contribution to a much improved overall appearance to the facility. Continuous and sustained graffiti removal and prevention has been key to keeping ahead of the vandalism.
- Repaired long broken restriping machine that is being used to repair our safety demarcation lines in multiple areas.
- Worked hand in hand with the City core group to meet all requirements for vehicle, lift equipment, fuel services, inventories, etc... Transitioned to AEG control and management.
- Reinstated the use of the fallen away AMMS building maintenance management system.
- Repair of the critical water softening system, which provides hot water for the main food services area, and make-up water for the low-pressure boiler system.

#### **Facilities Department:**

- Awarded cleaning contract to ABM resulting in a cleaner facility and enhanced cleaning standards.
- Created checks and balances for all outside event cleaning contractors.
- Replace all water valves for better efficiency/ water irrigation- reduced water usage by 10% and cost savings.
- Replaced all dispensers in bathrooms (i.e. towel, paper, and soap) to increase efficiency and cost savings by 10%.
- Trimmed all trees on Gilbert Lindsey Plaza.
- Improved overall landscape maintenance and plantings surrounding the convention center.
- Upgraded Kentia Atrium.
- Added upgraded planters in compass café.
- Upgraded entry areas by elevators.
- Created mandatory quarterly safety training.
- Implemented new and improved pre/post event inspection procedure.
- Began the process for 2015 LEED EB O&M recertification (GOLD).

#### **Parking Department:**

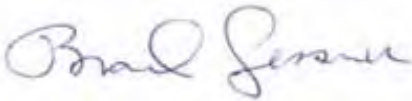
- Implemented new operations policies and rates that increased revenue 7 % year-over-year.
- Implemented an Energy conservation program in the garage.
- Implemented better controls of ticket inventory.

**Administrative Department:**

- Developed forms for tracking the sizes for uniforms for the entire trades and facilities staff members all while deflecting challenges from the existing vendor currently in place which resulted in finding new resources to use in the future resulting in a higher level of service and an average savings of approximately 35% overall.
- Resolved the long term hazardous waste problem AEG inherited when assuming management, and scheduled pick-up of over 25,000+ light bulbs for recycling, resulting in a direct savings of \$4,000.00+.
- Researched and replaced the obsolete HP sign maker with a new EPSON sign maker that will enable us to provide high quality signs to meet facility and client needs and generate revenue.
- Implemented the new sustainability tracking system, (Resource Advisor) and completing the data entry of all of our recycling programs.

It's important to note that you and your staff at the LADCTD have played a key role in our early success here at the LACC, and we appreciate your support and partnership.

Sincerely,



Brad Gessner

Sr. Vice President & General Manager

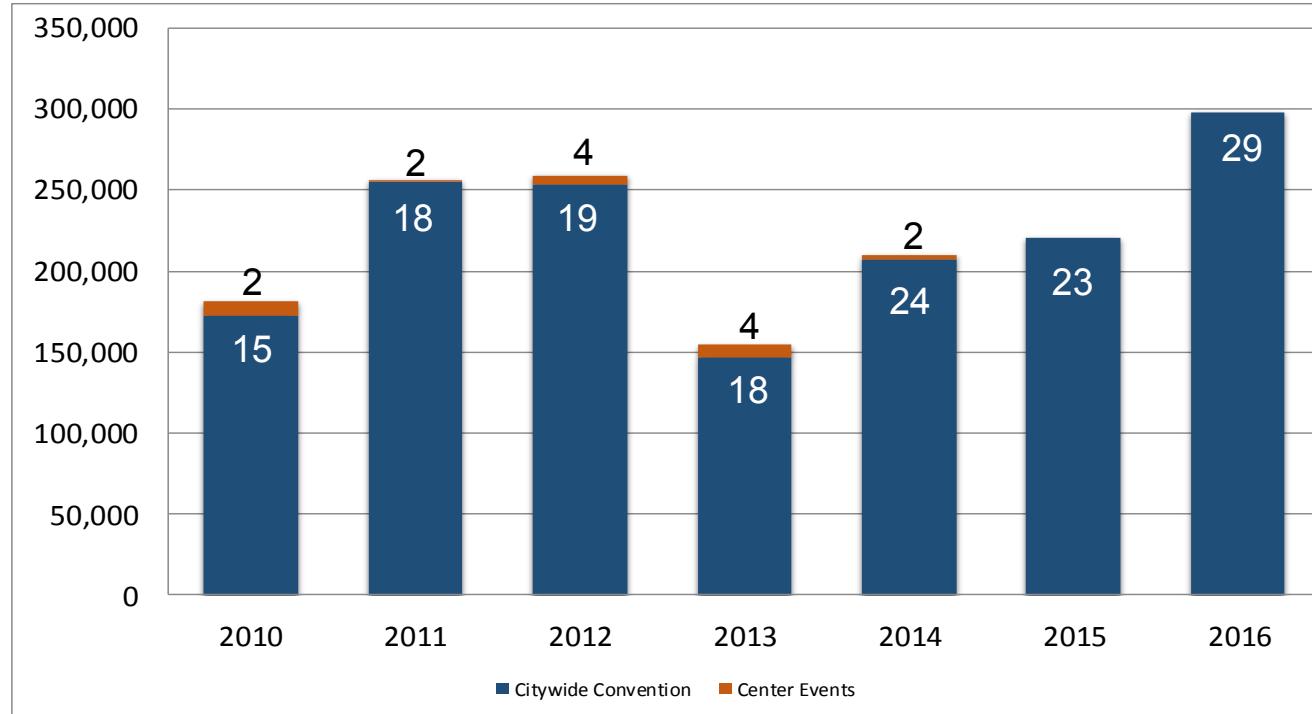
CC: Bob Newman

# Los Angeles Tourism & Convention Board LACC Board of Commissioners

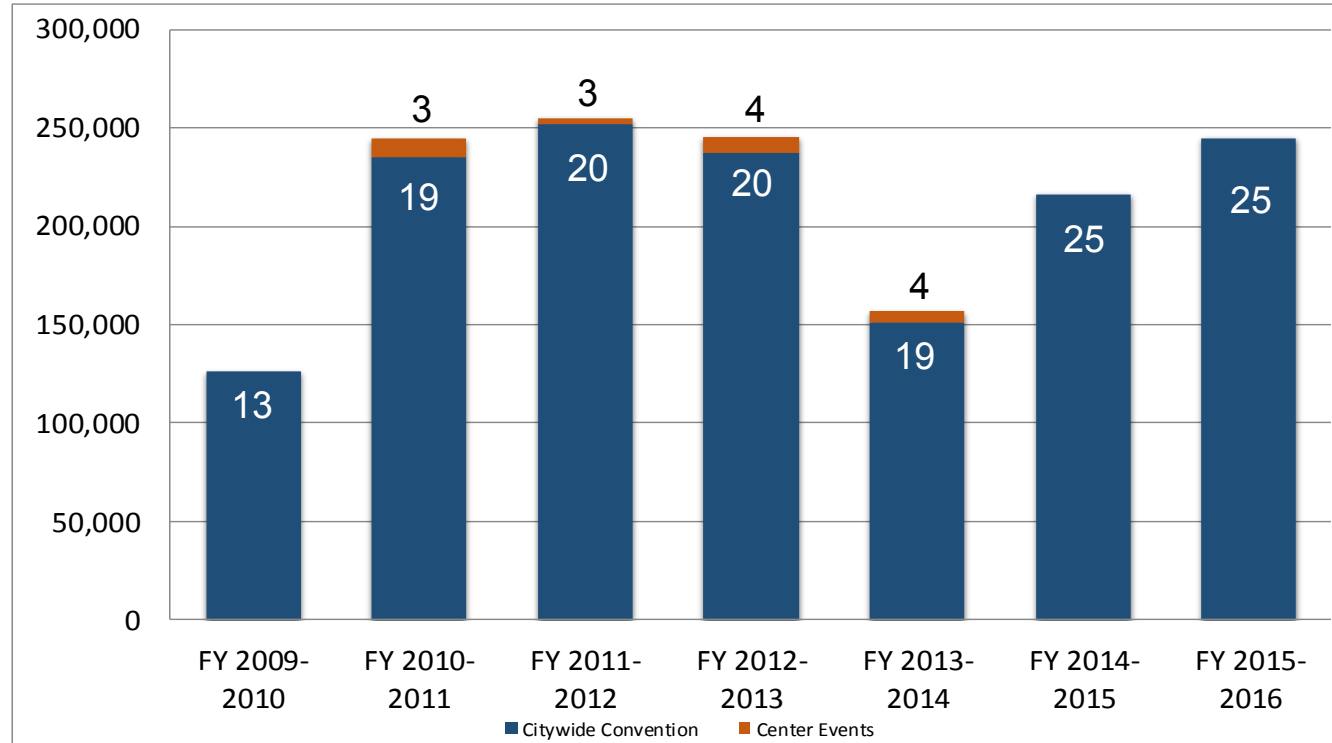
July 16, 2014



# Citywide Conventions & Center Events Room Nights 2010 – 2016 Arrival Date



# Citywide Conventions & Center Events Room Nights FY 9-10 – FY 15-16 Arrival Date



## Upcoming 2014 Citywide Conventions

Citywide Conventions Upcoming	Month	Dates	Total Room Nights
National Council of La Raza	July	19-22	4,395
Global Business Travel Association	July	26-30	18,991
League of California Cities	Sept	3-5	2,599
Adobe Systems	Oct	1-9	11,649
Audio Engineering Society	Oct	5-14	5,079
Society for Advancement of Chicanos and Native Americans in Science	Oct	12-20	5,668
Society of Women Engineers	Oct	22-25	6,052
UBM- Game Developers	Nov	31-6	4,924



## APPENDIX E

### (a) Citywide Convention Sales Production

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Lead Production	Leads Actual
FY 13/14 Plan	200
FY 13/14	210

Booked Room Nights Produced	RNs Actual
FY 13/14 Plan	440,000
FY 13/14 YTD	205,445

#### Sales Pipeline- Future Years

- STLY 12/13 **132 Prospects**, representing **1,780,338 room nights**
- YTD 13/14 **141 Prospects**, representing **1,703,819 room nights**

# June 2014 Citywide Convention Bookings

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2015  
5,139 TRNs



2016  
5,133 TRNs



2017  
28,000 TRNs



2025  
11,520 TRNs

# Q1 FY 2014-2015 Forecasted Citywide Convention Bookings

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2018  
10,560 TRNs



2016, 2017, 2018  
60,550 TRNs



2020  
6,617 TRNs



2020  
14,575 TRNs

Clinical Chemistry

2025  
25,230 TRNs



# New Hot Prospects

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**J.P.Morgan**

National Sales Conference  
2017  
4,801 TRNs



Communications  
Workers of America

Annual Convention  
2017  
6,540 TRNs



**HEXAGON**

HXGN Live  
2018  
12,564 TRNs



Annual Convention  
2020  
9,250 TRNs



Annual Meeting  
2020  
14,060 TRNs

*Los Angeles*  
TOURISM & CONVENTION BOARD

# APPENDIX E

## (b) Assist Conventions, Business Meetings & Trade Shows

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Assist	Actual
FY 13/14 Plan	350
FY 13/14 YTD	447

Provide assistance including administrative advice and other services to 350 conventions, business meetings and trade shows to be held in Los Angeles.

# APPENDIX E

## (c.d) Pre-Promote Los Angeles

Conventions and Tradeshows attended prior to the Citywide Convention event held in Los Angeles.

Promotional Trips	Actual
FY 13/14 Plan	9
FY 13/14 Forecast	9
FY 13/14 YTD	8

- Global Business Travel Association – GBTA Aug 2013
- International Association of Exhibitions and Events – IAEE December 2013
- Forecasting over 60 Displays and Exhibits promoting Los Angeles at tradeshows and events



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# APPENDIX E

## (e-o) Marketing Services

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### All Marketing Objectives met or exceeded by 6/30/14

- **Deliverable E:** Operate two Visitor Information Centers
- **Deliverable F:** Publish & distribute 17 different maps, brochures, & other city information
- **Deliverable G:** Host 350 domestic and international writers, editors, travel agents & wholesalers
- **Deliverable H:** Develop and execute promotions & advertising to create interest in Los Angeles
- **Deliverable I:** Generate \$36,000,000 in publication & broadcast circulation value
- **Deliverable J:** Drive 6 million visits to [discoverlosangeles.com](http://discoverlosangeles.com), the website presenting tourism for the city of Los Angeles
- **Deliverable K:** Produce guides
- **Deliverable L:** Gather the data for and publish a calendar of events for distribution to major news sources, publicity outlets, visitors to the City of Los Angeles, and travel and other organizations
- **Deliverable M:** Provide creative for promoting Los Angeles
- **Deliverable N:** Perform research and obtain data on travel-related expenditures in Los Angeles as well as demographic and volume of visitor and convention spending in Los Angeles
- **Deliverable O:** Generate a minimum of \$3,000,000 in private industry support from members and cooperative income

# LACC Free Sell Date Calendar

LACC Free Sell Dates

Report Date: July 11, 2014

2015

SEPTEMBER

	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER

			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER

						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

DECEMBER

	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September 1-7 South Hall H, J, K Open

October 19 - 30 High Demand

RED= Do not book or confirm without discussing with LATCB

November 1-7 West Hall A & B Open

December 1 - 31 All Main Halls Open

LACC Free Sell Dates

Report Date: July 11, 2014

2016

Details - Information

JANUARY

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29						

January 1- 6 All Main Halls Open

February No Space Available

- Collaboration between Sales Teams to maximize revenue for the Convention Center by determining available “Free Sell” dates for Consumer & Event Show opportunities.
- Beyond the 12 month LACC booking window, “Free Sell” dates are open opportunities within an 18 month booking window.
- Free sell dates are less likely to receive short-term opportunity bookings from Citywide Convention Clients based on historic trends and current prospects.



# LACC Capital Improvement Plan (CIP)

## Industry Media Buzz



July 2014

### L.A. Convention Center Embarks on Makeover

LOS ANGELES

The Los Angeles Convention Center (LACC) is embarking on a \$10 million project to provide a new look and feel to the facility in the heart of Downtown Los Angeles. Designed to enhance the customer experience and help attract new shows, the year-long transformation begins next month, with work to occur around shows and events in the building.

The numerous interior aesthetic and facility systems enhancements include:

- Installing a new, energy efficient solar-ready "cool roof" on the South Hall and Concourse Hall.
- Rolling out new carpet throughout the Center, including the Concourse Hall, Concourse Walkway, and hall lobby areas.
- Overhauling parking systems to provide more automated options and speedier entrance and exit times.
- Completely remodeling the 299-seat Theater and upgrading AV capabilities to accommodate a wide variety of current and next-generation technology options.
- Installing the latest in energy-efficient and noise-reducing air handling units.
- Upgrading air walls, IT infrastructure, lighting systems and numerous operating systems.

"The planned changes inside the Convention Center complement the changes taking place outside the Center, including new hotels, restaurants, shopping and cultural offerings throughout Downtown L.A.," said Ernest Wooden Jr., President and CEO of the Los Angeles Tourism & Convention Board (L.A. Tourism). "Every aspect of Downtown Los Angeles is on the move and it's fueling L.A.'s surging popularity as a meetings and conventions destination."

The makeover builds upon the new services, amenities and policies instituted late last year by AEG Facilities after becoming the private operator of the LACC, including: the "Taste of L.A." signature food and beverage experience in partnership with Levy Restaurants; the introduction of Southern California organic coffee brewer Groundwork Coffee Company to operate the stand-alone coffee shop locations; partnering with Encore Event Technologies to provide expert AV support; and opening up options for electrical services.

"All of the exciting changes at the LACC demonstrate the commitment this City has to its convention center," said Brad Gessner, General Manager of the LACC and Senior Vice President of Convention Centers for AEG Facilities, the new operator of the LACC. "We're elevating the systems and services we offer across the board and enhancing our position as a competitive meetings and conventions destination."

The LACC is also preparing for its first expansion in more than 20 years. This expansion will either occur as part of the development of a new stadium or as a stand-alone development project, pending a decision later this year on whether or not Los Angeles will be awarded a professional football team.

Smart meetings

meetings **FOCUS**  
THE DESTINATION EXPERTS

**ITCM**  
Incentive Travel & Corporate Meetings

**SUCCESSFUL**  
MEETINGS

**TSNN** Trade Show News Network

Los Angeles  
TOURISM & CONVENTION BOARD

# Critical Dates

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- Global Business Travel Association (GBTA)  
July 27-30  
6,000 Show Attendees
- LATCB Market Outlook Forum  
August 20  
(Report out to Local Hospitality Community)
- LATCB Customer Advisory Board  
September 7-9  
(Top Association and Corporate Clients, Third Party Companies)
- International Association of Exhibitions and Events(IAEE)  
December 9-11  
2,750 Show Attendees





## Los Angeles Tourism & Convention Board FY 2013/14 Sales Accomplishments

### Citywide Sales

Citywide Convention Sales Team generated 207 Qualified Leads for future conventions bearing the goal set at 200

### Key Citywide Conventions booked

- Two large city wide conventions (2016 and 2017, 48,000 TRN) that we were able to pull from San Diego and San Francisco.
- 4 city wide groups booked for the year 2015, representing 26,000 TRN, and illustrates the improved communication between LATCB and LACC to find space for short term city wide groups
- 4 national medical associations representing 56,000 TRN. This is a market where we continue to gain share, and a market that has historically booked San Diego and San Francisco.

### The Hotel Self- Contained Team produced the following

- 1435 Qualified Leads generated beating the goal set at 1400
- 230,000 room nights booked beating the goal set at 190,000

### Key Industry Events Hosted

- United Motor Coach / National Tour Association Convention in February 2014
- GBTA upcoming for July 2014
- IAEE upcoming for December 2014

Client Serves Team accomplishing a 4.69 Customer Satisfaction Rating on a scale from 1-5.

### Sales Activities

**Sales Mission, Washington, D.C. & New York. June 2-5**

The LATCB Sales Team, General Managers from L.A. area hotels, AEG/L.A. LIVE and Universal Studios participated in a sales mission to Washington, D.C. and New York City. The Sales Team hosted signature events in each city targeting citywide convention and self-contained group customers. This was an ideal opportunity for hotels to and venues to showcase their product and engage directly with group, corporate and convention travel decision makers. This marks our commitment to re-focus on the New York market to increase higher rated NY business. Over 200 customers were engaged between the 2 cities.

To continue to strengthen hospitality community, we rolled out these new programs to strengthen the local market and build business

### **The first annual LATCB Market Outlook Forum was introduced**

It is a strategic forecasting conference for all businesses capitalizing on L.A.'s record tourism growth. Los Angeles welcomed a record 42.2 million visitors from around the globe in 2013, making it one of the most-visited destinations in the U.S., and forecasts call for continued growth with 50 million visitors by 2020. This valuable event was a forum to help prepare to welcome them and benefit from the tremendous anticipated growth in visitation. We shared the latest trends from industry experts nationwide, shared the latest L.A. visitation forecasts and industry perspectives, communicated what other successful businesses are doing and held a focused panel discussion. Attendee's received the first look at LATCB's sales and marketing plans for the year ahead, received the Marketing and Planning Resource Book filled with L.A. market analysis, visitor profiles, spending habits and learn how to leverage LATCB activities to maximize their membership and build business.

### **LA Tourism launches the first Meet L.A. Exchange**

The LATCB Sales Team held the first-ever meet L.A. Exchange on April 15 at the Loews Hollywood Hotel. This unique event, billed as a "reverse trade show," brought together 74 of Directors of Sales, Directors of Revenue and General Managers of LATCB lead hotels to meet with the LATCB Sales Team from Los Angeles and across the country. They conducted a series of scheduled one-on-one meetings with individual LATCB Sales & Services Team members to discuss LATCB strategies to sell the destination as well as their respective properties, and to learn more about the individual properties and their specialties, unique features and niches. During the one day event, 277 meetings were conducted.

