

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

Regular Meeting Minutes

**October 1, 2014
9:00 a.m.**

The Board of Los Angeles Convention and Tourism Development (Board) convened a regular meeting on Wednesday, October 1, 2014 at 9:06 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:

Jon F. Vein

Commissioner Nicole Duckett Fricke

Commissioner Gillian Zucker

Bud Ovrom, Executive Director

Tom Fields, Assistant General Manager & COO

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

Natalie Brill, Finance Specialist – Office of the City Administrative Officer

Ted Tanner, Executive Vice President – AEG Real Estate Development Services, Inc.

Keith Hilsgen, VP of Finance – AEG Facilities

Ellen Schwartz, VP of Sales & Marketing – AEG Facilities

Ernest Wooden, President & CEO –

Los Angeles Tourism and Convention Board (LATCB)

Darren Green, Sr. VP of Sales – LATCB

Patti MacJennett, Sr. VP of Business Affairs – LATCB

Cristine Villorante, Executive Administrative Assistant

Absent:

Vice President Ray Bidenost

Commissioner Otto Padron

ITEM NO. 2 PUBLIC COMMENT

There was no public comment.

ITEM NO. 3 MEETING MINUTES

The Meeting Minutes of September 3, 2014 and the amendment to the Meeting Minutes of August 6, 2014 were unanimously approved.

ITEM NO. 4 MONTHLY REPORT FOR AUGUST 2014

A. LATCB

Mr. Green presented LATCB's report and highlighted the following:

1. Citywide Conventions & Center Room Nights through 2020
 - 2013 – 2016 trending up, 2017 – 2019 trending down, and peaking again in 2020
 - Trend illustrates short term opportunities in 2019, but challenging based on the uncertainty of LACC's development.
2. Upcoming Citywide Conventions
 - Adobe Systems is corporate business, licensed for 2015, with the largest total room nights for the quarter. LATCB is looking into getting a multi-year license with Adobe.
3. Citywide Convention Sales Production FY 2014/15
 - Lead production goal of 210
 - Year-to-date at 48 leads, compared to 31 leads same time last year
 - Overall room night booking goal of 351K
 - Forecasted 22K room night bookings, compared to 32K room night bookings same time last year
 - Prospects are even from last fiscal year, but the number is higher, which reflects that groups are getting smaller in size
4. FY 2014-2015, First Quarter Forecasted Citywide Bookings
 - NeighborWorks signed their License of Intent in 2017, here last year
 - DC Association, great group for L.A. and what they do for region
 - BET signed for 2017 and 2018
 - Points of Light in 2016
5. New Hot Prospects
 - Hewlett Packard in 2016
 - Buffalo Wild Wings in 2017
 - World Congress of Endoscopic Surgery in 2018
 - American Farm Bureau Federation in 2020

6. Citywide Convention Site Inspections

- Had 4 inspections in July and 8 inspections in August, less inspections compared to previous years
- Tells us how many people are interested in L.A.

7. LATCB Sales Consumer Advisory Board

- Annual meeting scheduled for Oct. 26 – 28, 2014
- The group is a good mix of association planners, corporate planners, 3rd party/meeting planner companies, and industry experts.
- It's an opportunity to brainstorm on trends, what's compelling for meeting planners, how they're dealing with millennials in the market place, and how to boost attendance.
- Agenda consists of meetings, reception, and tours of key parts of the city.

8. Coming Soon B2B Website Improvements

- LATCB is improving their website, working closely with the marketing team to make the website more compelling and robust.

Mr. Wooden presented a lost business analysis and highlighted the following:

1. LATCB Research Department was tasked to research leads that were lost in the last five years, with particular interest in how many left as a result of the size or condition of the Convention Center itself or due to the lack of hotel rooms within a half of a mile radius.

A. Research consisted of 803 records which spanned from 2010 up to August 30, 2014.

- 143 (18%) LACC size not suitable
- 271 canceled due to lack of space, a loss of 3.3M room nights (\$750M), a loss of \$105 in Transient Occupancy Tax (TOT), an economic impact of \$4.9B
- Total economic impact for all 803 records was \$12.5B

2. San Diego's Marketing Plan

A. Comparison to Los Angeles

- Hotel Rooms: San Diego – 9,091; Los Angeles – 3,368
- Sellable Space (sq. ft.): San Diego – 806,100; Los Angeles – 870,000
- Largest Contiguous Exhibit Space (sq. ft.): San Diego – 525,701; Los Angeles – 346,890
- San Diego also has three large hotels within walking distance that have significant space as well.

- Los Angeles and San Diego have similar size convention centers, but San Diego has 34% more contiguous exhibit space. San Diego also has 5,723 more hotel rooms within a half mile of its convention center.
- Once Los Angeles increases its contiguous space and hotel rooms, it will be more competitive.

B. AEG

Mr. Hilsen and Ms. Schwartz presented AEG's report.

1. 26 events were held in August. Highlighted were:
 - Total attendance of 118,700
 - Victory Outreach International was the most significant event
 - Primetime Emmy Awards Governors Ball
 - Naturalization with 22,000 total attendance
2. Filming & Photo Shoots
 - This is the most significant month for filming revenue since AEG took over which totaled \$77,455.
3. Financials
 - \$187K below budget for the month, due to the loss of the Firefighters convention; \$412K above year-to-date
 - Revenues: \$863K; \$129K below budget; \$3.172M year-to-date; \$474K above budget
 - Expenses: \$1.913M in August; \$3.887M year-to-date
4. Press Releases
 - The goal is to release one positive press release per month about the Convention Center.
 - Last month's press release regarding AEG's accomplishments was picked up by industry publications.
 - Upcoming press releases will feature the new website, social media, and alternative use of space.

ITEM NO. 5 EXECUTIVE DIRECTOR'S REPORT

A. Design Competition Update

Due to AEG's recent request for an extension on their contract with the City relative to pursuing an Event Center and an NFL team, the Design Competition has been placed on hold.

B. Capital Improvement Projects (CIP)

CIP is moving forward with the LACC's modernization projects. An update will be provided at a future meeting.

C. CTD Financial Status Report

There are no significant issues to report at this time. An update will be provided at a future meeting.

D. LATCB Contract Update

There are no significant issues to report at this time. An update will be provided at a future meeting.

ITEM NO. 6 AGENDA FORECAST / SPECIAL TOPICS

The next meeting, scheduled for 9:00 a.m., Wednesday, October 15, 2014, will be a Joint Meeting between the Board and the Los Angeles Convention and Exhibition Center Authority. Metro and Los Angeles World Airports were invited to present on their transportation projects.

ADJOURNMENT

The meeting was adjourned at 9:54 a.m.

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

Special Meeting Minutes

**October 1, 2014
9:55 a.m.**

The Board of Los Angeles Convention and Tourism Development (Board) convened a special meeting on Wednesday, October 1, 2014 at 9:55 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:

Jon F. Vein

Commissioner Nicole Duckett Fricke

Commissioner Gillian Zucker

Bud Ovrom, Executive Director

Tom Fields, Assistant General Manager & COO

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

Natalie Brill, Finance Specialist – Office of the City Administrative Officer

Diana Mangioglu, Sr. Administrative Analyst – Office of the City Administrative Officer

Ted Tanner, Executive Vice President – AEG Real Estate Development Services, Inc.

Keith Hilsen, VP of Finance – AEG Facilities

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Los Angeles Tourism and Convention Board (LATCB)

Darren Green, Sr. VP of Sales – LATCB

Patti MacJennett, Sr. VP of Business Affairs – LATCB

Cristine Villorante, Executive Administrative Assistant

Absent:

Vice President Ray Bidenost

Commissioner Otto Padron

ITEM NO. 2 PUBLIC COMMENT

Ms. Dillard made comments with regards to floor area of the LACC, emergency aspect of the LACC, and the City debt.

ITEM NO. 3 LETTER FROM ANSCHUTZ ENTERTAINMENT GROUP (AEG) TO CITY OFFICIALS DATED SEPTEMBER 29, 2014 RELATIVE TO THE LOS ANGELES CONVENTION CENTER MODERNIZATION

Mr. Ted Tanner was invited to the meeting to brief the Board on AEG's recent request for a six month extension. In the last two weeks, AEG has made significant progress with the NFL to the point where they felt prudent to request an extension of the current contract which expires on October 18, 2014.

AEG has a good relationship with the City and has worked closely with the LACC and the Bureau of Engineering in the development of Farmer's Field (Plan A). AEG has spent a significant amount of time in designing the New Hall (through with 100% design drawings, 50% construction drawings) so in a very short time, AEG can be ready to submit plans for permits and begin construction. AEG has also suggested their willingness to provide funding to advance the Plan B scenario, which would involve development without a stadium. Lastly, AEG has proposed a site for a hotel directly across from the JW Marriott and create a hospitality core in the center of LA Live and north of Olympic Boulevard. AEG is a major stakeholder and wants to be a part of the success of the LACC.

President Vein expressed his concern for the process and hoped that moving forward can be viewed as a partner rather than an afterthought, since the Board is charged with the oversight of the facility. President Vein opened the floor for discussion to determine what the Board is solving for.

Mr. Ovrom suggested that the Board go over the proposal and address their comments in a letter to the Mayor. Mr. Ovrom and Mr. Fields drafted a letter for the Board review which incorporates three proposals: for the Board to have a role in the process, to equally consider both hotel scenarios (on-site hotel and off-site), and to equally consider the different development scenarios (adding 270 sq. ft. and the work that has been initiated through the Task Order Solicitation process).

Ms. Martin Brown, as the Board's legal advisor, asked the Board to keep in mind the Los Angeles Administrative Code which specifically defines the powers and duties of this Commission; to advise the Mayor and the Council on all policies related to tourism, marketing the City and convention business; and the authoritative role of managing the AEG and LATCB contracts. Ms. Martin Brown strongly urged the Board to keep within the parameters of the guidelines.

Ms. Diana Mangioglu, representing Mr. Miguel Santana, the City Administrative Officer (CAO), wanted to present the Board with Mr. Santana's thoughts on the AEG proposal and background for the Board to consider.

In the next couple of weeks, before October 18, the City Council will be considering what to do with the Task Order Solicitation process (the existing process for Plan B) and will also be considering AEG request for an extension.

The CAO wanted to share the important key principals that the City developed as part of Plan A which provided comfort for the City Council and Mayor to support the project. Several years ago, when the plan was first proposed, the City's financial state was dire and if nothing was done, there would've have been an significant structural deficit due to a variety of factors. The City and AEG came together and there were three key issues to consider: 1) protect the City's General Fund, 2) payments would be lease payment, and 3) AEG was offering to build a stadium without a subsidy.

In conclusion, the CAO would be in support of the six month extension, with City Council account for existing principals. By the end of the six month process, the CAO wants to present to the City Council two plans; what would this cost for the City under AEG's proposal and what would this cost if the City moved forward with Plan B.

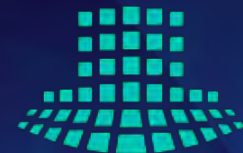
President Vein moved to have CTD staff finalize the Board's recommendation to the Mayor and City Council with agreement from Commissioners Duckett Fricke and Zucker.

ADJOURNMENT

The meeting was adjourned at 10:32 a.m.

Los Angeles Convention Center Monthly Status Report September 2014

Brad Gessner



Los Angeles Convention Center[®]

Managed By 

LACC September Events

EVENT	Daily Registered	Attendance
League of California Cities	2,046	6,130
Hombre Nuevo	5,500	5,550
Green Festival LA!	2,200	6,000
US China Film & TV Industry Expo	920	1,840
West Coast Ultrasound Institute	1,000	1,000
The LED Show	3,500	5,550
Naturalization	5,000	10,000
LA Masters Grand Slam	2,000	6,000
Seniors Celebrating Life	1,500	1,500
West Coast Gaming Event	1,300	1,300
LA County Sheriff's Department	500	1,700
Equipo Vision	3,750	3,750
Total Events: 14	Total Attendance:	50,320

AES Convention - October 10 -12, had over 15,000 in attendance

LACC September Filming and Photo Events

DATE	NAME	AMOUNT GENERATED
September 3 - 11	Picrow Cocked - Amazon TV	\$ 47,155
September 9 - 10	Stalker	\$ 11,705
TOTAL		\$ 58,860

LACC September 2014 Financials - \$26K above budget for September; \$439K above YTD

REVENUES – September \$1.059 million; YTD \$4.2 million
\$37K above September budget; \$511K above YTD budget

- Rental Income - September \$597K (\$51K in rental discounts); YTD \$1.5 million
 - \$97K above September Budget ; \$112K above YTD Budget
- Food & Beverage – September \$(70)K; YTD \$450K
 - \$70K below September Budget; \$333K above YTD budget
- Utilities Revenue – September \$75K; YTD \$450K
 - \$32K below September budget; \$21K below budget YTD
- Parking Revenue – September \$281K; YTD \$1.1 million
 - \$2K below September budget; \$69K below YTD
- Other (Event Billing, Communications, A/V, Cell Towers, and Sponsorship) – September \$175K; \$665K YTD
 - \$44K above budget September; \$157K above YTD

EXPENSES – \$1.779 million in September ; \$5.666 million YTD
\$11K above September budget; \$72K above YTD

- Wages Salaries and Benefits - \$900K in September; \$2,695 YTD
 - \$41K below September budget; \$52K below YTD Budget
- Other Expenses - \$878K in September; \$2.970 million YTD
 - \$52K above September budget; \$125K above YTD

Looking Forward

- November 24 - Turkey Giveaway
- November 26 – Salvation Army Thanksgiving Dinner
 - 1st dinner 5:30pm
 - 2nd dinner 6:30pm
- Union Negotiations
 - Building & Construction Trades Council
 - Painters, plumbers, electricians and carpenters
 - HERE Local 11



Los Angeles Tourism & Convention Board

LACC Board of Commissioners

November 5, 2014



Citywide Convention Sales Production

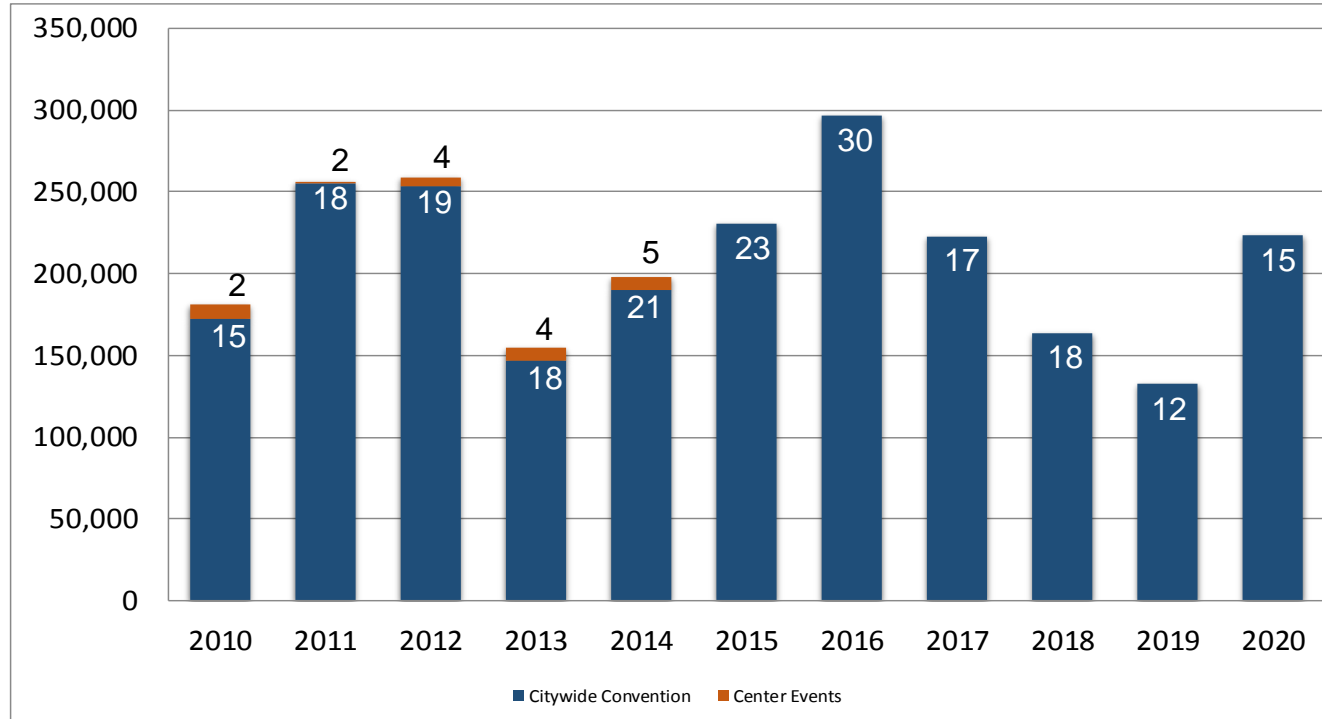


Darren K. Green

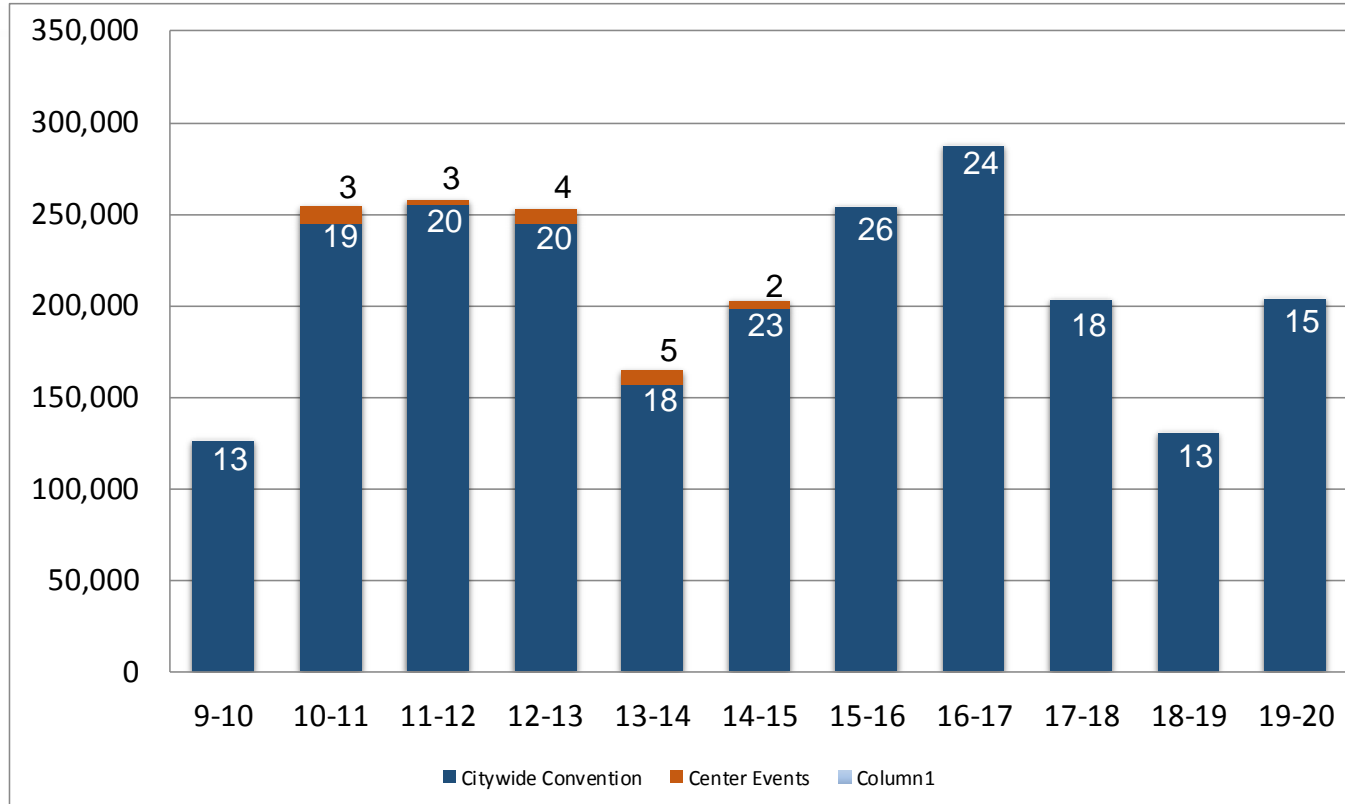
Senior Vice President, Sales

Los Angeles Tourism & Convention Board

Citywide Conventions & Center Events Room Nights 2010 to 2020 Calendar Year Arrival Date



Citywide Conventions & Center Events Room Nights FY 9-10 to FY 19-20 Fiscal Year Arrival Date



Citywide Convention Sales Production

Lead Production	Leads Actual	Booked Room Nights Produced	RNs Actual
FY 14/15 Goal	210	FY 14/15 Goal	351,000
FY 14/15 YTD	74	FY 14/15 YTD	72,373
FY 13/14 STLY	59	FY 13/14 STLY	43,227

Sales Pipeline- Future Years

- YTD 14/15 **128 Prospects**, representing **1,621,147 room nights**
- STLY 13/14 **143 Prospects**, representing **2,016,381 room nights**

Dated October 29, 2014

October 2014 Citywide Bookings- 54,998 TRNs



2020, 2022, 2024
27,350 TRNs



2015
4,800 TRNs



**HEWLETT®
PACKARD**

Global Partner Conference
2016, 2017
22,848 TRNs

Dated October 29, 2014

Los Angeles
TRADING & CONVENTION ORGANIZATION

New Hot Prospects



National Sales Meeting
2015
4,275 TRNs



National Meeting
2015
17,600 TRNs



Automation Fair
2017
12,195 TRNs



CLUB
MANAGERS
ASSOCIATION
OF AMERICA

World Conference
2018
6,567 TRNs

Dated October 29, 2014

Los Angeles
TRAVEL & CONVENTION BUREAU

October Citywide Prospect Site Inspections- 34,663 TRNs



2016
4,300 TRNs

**National Association of
Insurance Commissioners**



Annual Franchise Meeting
2017
4,533 TRNs

**BUFFALO
WILD
WINGS**
WINGS. BEER. SPORTS.™



Convention & IDEAg Trade Show
2020
9,740 TRNs



American Academy of
PHYSICIAN ASSISTANTS

2021
16,090 TRNs

LATCB Sales Customer Advisory Board - October 26-28, 2014

The LATCB -CAB Consists of 20 Board Members

The Board is comprised of business or potential business bringing large meetings/conventions to Los Angeles. This balanced board includes representation from the following:

- Medical Societies
- National/International Associations
- Corporations
- 3rd party/ Meeting Management Companies
- Industry Authorities

LATCB Sales Customer Advisory Board - October 26-28, 2014

Objective Feedback from clients on the following:

- Industry Trends
- State of the L.A. Meetings Industry
- Previewed proposed “Meet L.A.” Ad Campaign (Print & Video)
- B2B Website development update
- Value Assessment of Client Services



THANK YOU



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 31, 2014

To: Board of Los Angeles Convention & Tourism Development Commissioners

From: Robert R. "Bud" Ovrom, Executive Director *Mark Bear for*
Department of Convention and Tourism Development

Subject: **PROPOSED CONTRACT WITH THE LOS ANGELES TOURISM AND CONVENTION BOARD FOR MARKETING AND TOURISM SERVICES FOR THE CITY AND SALES AND BOOKING SERVICES FOR THE CONVENTION CENTER**

RECOMMENDATIONS:

Staff recommends that the Board of Los Angeles Convention and Tourism Development Commissioners:

1. Approve a contract with the Los Angeles Tourism and Convention Board for services related to promoting Los Angeles as site for conventions and as a site for leisure travel through June 30, 2020, subject to the approval of the City Attorney as to form and legality.

BACKGROUND

The LATCB is a non-profit organization that promotes and sells Los Angeles as a destination for conventions, meetings and leisure travel from the U.S. and key international markets. The City has contracted with LATCB since 1976 to generate economic benefit from direct visitor spending and Transient Occupancy Tax (TOT) revenues. LATCB has a multi-lingual staff with information centers in downtown Los Angeles and Hollywood, and maintains sales representation in Washington D.C., New York, Chicago, Boston, Texas, Northern California, and Southern California. Its overseas offices are located in London, Tokyo, Beijing, Shanghai, and Sydney with representative offices in Germany, France, South Korea and Sao Paulo.

LATCB solicits and books conventions into LACC; generates leads and bookings for meetings and conferences in hotel venues; markets destination Los Angeles through an integrated strategy of paid advertising, on-line promotions, earned media and social media channels domestically and select international markets; and targets travel buyers globally through trade shows, sales missions, and digital communications. LATCB also provides policy advice to the Mayor and Council with regard to conventions and professional meetings, tourism, and economic data related to the industry.

PROPOSED CONTRACT

The current contract between the City of Los Angeles (City) and the Los Angeles Tourism and Convention Board (LATCB) was originally due to expire on June 30, 2014. The Mayor and Council approved a contract amendment that extended the contract through December 31, 2014 (C.F. 14-0642). The proposed new contract addresses the areas discussed below.

Term

The term of the new contract would be for five and one-half years. Prior contracts between the City and LATCB have ranged between three and five years. Staff is requesting a five and one-half year term so that the contract can be co-terminus with City's fiscal year in 2020. Doing so will align LATCB's work program, funding from the City's budget and the term of the contract with the City's fiscal year.

Services to be Provided

The services to be provided by LATCB are delineated in "Appendix E" of the contract. It essentially serves as a work program and will change from year to year subject to the mutual agreement of both parties.

The primary goal of the City's engagement with LATCB is to grow the local economy by promoting the City as a site for citywide conventions, business meetings, and major tradeshows and as a destination for leisure travel. LATCB will endeavor to achieve this goal by executing the services and deliverables that align with four core objectives identified in Section 3(a) of the Agreement:

1. **Greater Visitation** - Increase the number of people visiting Los Angeles as both a convention and tourist destination in order to increase the economic benefits derived from out-of-town visitors to the City
2. **Economic Impact** - Measure the economic impact from citywide conventions and the tourism and hospitality sector
3. **Visitor Engagement** - Facilitate and track engagement with those visiting Los Angeles for both conventions and leisure travel to enhance the visitor experience with the intent of encouraging repeat visitation and longer stays
4. **Best Use of City Funding** - Effectively leverage TOT funds with other sources of funding to promote conventions and tourism to maximize the yield from the City's investment

Performance metrics that align with each core objective will help the City to evaluate how well these objectives are being met. Building on previous efforts to increase the accountability in this contract, staff has sought to only include results-oriented metrics in the work program for LATCB as opposed to metrics that measure inputs or process. This is consistent with the Mayor's performance based budgeting and use of results oriented metrics. Many of the metrics that are part of the contract are or will be published on the City's Open Data web site.

Compensation

The City annually appropriates in the budget, an amount equivalent to one percent of the TOT to the Los Angeles Convention and Visitors Bureau Trust Fund to provide funding for this contract. Over the course of the past five years, the City has paid LATCB following amounts:

Fiscal Year	Amount Paid
2009 – 2010	\$9,024,369
2010 – 2011	\$10,101,305
2011 – 2012	\$11,579,936
2012 – 2013	\$12,818,525
2013 – 2014	\$14,078,829

Subsequent appropriations will be determined during the budget process and based on estimates of TOT for the upcoming fiscal year. In the event that TOT exceeds budget projections, LATCB obtains the actual one percent of the TOT the City receives.

Contract Administration

The proposed contract also reflects the new governance structure for the Convention Center that entails an authoritative board, a private sector manager for the day-to-day operations and a reconstituted City department serving as the hub for the City's convention and tourism development strategy. Historically, the City Administrative Officer (CAO) has administered the contract with LATCB. The ordinance that effectuated the new governance structure for the Convention Center became effective on June 9, 2014 and calls for the CTD Board to "oversee and direct the contractual performance of the tourism and convention bureau as applicable." As such, this contract effectively transfers the administrative responsibility and accordingly the signature authority of the contract from the CAO to the CTD.

The contract also provides for funding from LATCB to cover CTD's cost of administering the contract. This is consistent with previous practice as the Convention and Visitor's Trust Fund has been a source of funding for the contract administrator position (C.F. 89-1496). The exact amount will be determined during each budget process.

Attachments:

- Attachment A Proposed Contract
- Attachment B Proposed Work Program (Appendix E)
- Attachment C Current Contract C-119053
- Attachment D Current Work Program (Appendix E)

cc: Kelli Bernard, Deputy Mayor of Economic Development
Rick Cole, Deputy Mayor of Budget and Innovation
Glyn Milburn, Mayor's Office of Economic Development
Terry Martin Brown, Assistant City Attorney
Diana Manglioglu, Senior Administrative Analyst
John Wickham, Legislative Analyst
Patti MacJennett, Sr. Vice-President, Business Affairs, LATCB

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

TRANSMITTAL

Date: November 5, 2014

To: Los Angeles Department of Convention & Tourism Development

From: Board of Los Angeles Department of Convention &
Tourism Development Commissioners

Subject: LATCB Contract - Report No. 14-002

**Proposed Contract With The Los Angeles Tourism And Convention Board For
Marketing And Tourism Services For The City And Sales And Booking
Services For The Convention Center**

Contract is approved and transmitted for further processing.

Jon Vein, President
Board of Los Angeles Department of Convention &
Tourism Development Commissioners

Attachment A

Proposed LATCB Contract

**AGREEMENT TO PARTIALLY FUND ACTIVITIES
BETWEEN THE CITY OF LOS ANGELES
AND
LOS ANGELES TOURISM AND CONVENTION BOARD**

THIS AGREEMENT ("Agreement") is made and entered into as of January 1, 2015 , by and between the City of Los Angeles, a municipal corporation ("City") and Los Angeles Tourism and Convention Board , a nonprofit California corporation ("Contractor").

RECITALS

A. City desires to increase the competitiveness of the City of Los Angeles as a convention and tourist destination in the national and international market place so that the City can derive greater economic benefit from out-of-town visitors in the form of job creation, tax revenue and spending at local businesses.

B. City desires to have the Los Angeles Convention Center (LACC) serve as an even stronger economic engine for the City by enhancing the number and quality of citywide conventions that utilize a significant number of hotel rooms.

C. City desires to spread the economic benefits of tourism through the City by leveraging the cultural and geographic diversity of the City.

D. City desires to engage out-of-town visitors to enhance the visitor experience and encourage extended and repeat overnight stays.

E. To accomplish this purpose, it is necessary to develop and execute sales, marketing, advertising and public relations programs designed to apprise individuals, groups and organizations of the commercial, climatic, educational, recreational, and cultural advantages of Los Angeles, as well as its modern and extensive convention facilities.

F. Contractor is a California nonprofit mutual benefit corporation whose members are individuals and businesses engaged in the tourism and convention business, including hotels, restaurants, transportation providers, theme parks and museums. As a Destination Marketing Organization (DMO), contractor engages in activities to promote Los Angeles as an attractive destination for visitors and has assembled comprehensive information relating to housing, recreational, entertainment, transportation and other facilities which are of interest to visitors. Contractor also maintains extensive files and programs relating to groups, organizations and societies which regularly hold meetings and conventions.

G. Contractor is uniquely qualified by virtue of its possession of the foregoing information, its offices in other cities in the United States and around the world, and its relationships with local hotels and carriers, to undertake the promotion and advertisement of Los Angeles as a premier convention or meeting host, and as a destination for tourists and tour groups.

H. **Contractor's activities can support and foster the creation and growth of additional employment in Los Angeles through the monies spent by visitors in Los Angeles. The City will also directly benefit from increased Transient Occupancy Tax ("TOT") revenues generated by visitors' stays in hotels and other accommodations in Los Angeles.**

I. City has created and established within its Treasury a special trust fund, known as the "The Greater Los Angeles Convention and Visitors Bureau Trust Fund" (the "Trust Fund"). A fraction (as determined in Section 4(a), below) of all amounts of Transient Occupancy Taxes received by the City under the tax imposed by Los Angeles Municipal Code Section 21.7.3 shall be placed in the Trust Fund. Expenditures from the Trust Fund shall be made solely to finance the promotion and advertising of Los Angeles as a destination for the purpose of attracting conventions, trade shows, and tourism to Los Angeles in keeping with the terms of this Agreement.

J. Contractor's activities serve a public purpose from which the City will benefit. Accordingly, the City desires to provide financial assistance to the Contractor.

K. City desires to have the funding it provides in support of promoting the City as a convention and tourist destination spent in such a way that maximizes the return on its investment.

IN CONSIDERATION of the mutual promises, covenants, representations and agreements set forth below, the City and Contractor hereby agree as follows:

1. Definitions

The following terms used in this Agreement shall have the defined meanings set forth below:

Booked Room Nights - (1) Hotel room nights for attendees of a meeting and/or event held at LACC that has confirmed attendance by an executed Letter of Intent with the Contractor for a specific future event, or (2) room nights for self-contained meetings or events, in City hotels, which have been confirmed by an executed contract between the hotel and event sponsor.

Center Events - Events booked by the LATCB that do not meet the definition of a citywide convention.

City - The City of Los Angeles, a municipal corporation.

City Council - The City Council of the City of Los Angeles.

Citywide Convention - An event held at the Los Angeles Convention Center that generates at least 3,000 room nights with 1,500 room nights on peak and utilizes no fewer than 3 hotels.

Council Committee - The City Council policy committee appointed to oversee the functions of the CTD, or such other committee of the City Council as the Council may designate.

Contractor - Los Angeles Tourism and Convention Board also known as LA Tourism.

Controller - The Controller of the City of Los Angeles.

CTD - Convention and Tourism Development Department, City of Los Angeles.

CTD Board - Board of Convention and Tourism Development Commissioners.

LACC - Los Angeles Convention Center, owned by the City of Los Angeles.

LACC Operator - Private company contracted by the City to manage and operate the LACC.

Letter of Intent - Letter signed by the client confirming Los Angeles as the host city for their Citywide Convention and outlining the financial commitments of the Los Angeles Tourism & Convention Board and total room night commitments of the client.

Sales Lead - Citywide Lead also referred to as Prospect is defined as a potential future meeting/convention (event requiring sleeping rooms, meeting space, exhibit space and/or food and beverage, etc.) that could be held in Los Angeles utilizing the Los Angeles Convention Center ("LACC") and a minimum of three Los Angeles hotels and/or 3,000 total room nights.

TOT - Transient Occupancy Tax imposed by Los Angeles Municipal Code Section 21.7.3.

Trust Fund – Greater Los Angeles Visitors and Convention Bureau Trust Fund established in the Administrative Code Chapter 15 Section 5.315.

2. Term

The term of this Agreement shall be from January 1, 2015 to and including June 30, 2020.

3. Services to be Provided by Contractor and other Related Responsibilities

- a. The services and deliverables to be provided by the Contractor as well as the related goals and performance metrics under this Agreement are substantially set forth in Appendix E, "Services to be Provided by Contractor for Contract Year 2014-15". Prior to the start of each fiscal year, CTD and Contractor will establish mutually agreeable goals, objectives and deliverables for the upcoming fiscal year thereby executing a new Appendix E each year. The services and deliverables shall align with the following core objectives:
 - i. Increase the number of people visiting Los Angeles as both a convention and tourist destination in order to increase the economic benefits derived from out-of-town visitors to the City;
 - ii. Measure the economic impact from citywide conventions and the tourism and hospitality sector;
 - iii. Facilitate and track visitor engagement with those visiting Los Angeles for both conventions and leisure travel to enhance the visitor experience with the intent of encouraging repeat visitation and longer stays; and
 - iv. Effectively leverage TOT funds with other sources of funding to promote conventions and tourism to maximize the yield from the City's investment.
- b. To achieve these objectives optimally, the City recognizes and encourages LATCB to leverage these contract funds with other non-TOT funds to drive hotel stays yielding increased TOT revenues and visitor spending that benefits the City's General Fund and the Los Angeles economy. As such, Contractor shall use best efforts to develop other sources of revenue, such as memberships and sponsorships to support the promotion of tourism in Los Angeles.

- c. Contractor shall use its best efforts to promote and utilize hotels and other accommodations in the City of Los Angeles to offer and secure room blocks for conventions and/or events at the LACC.
- d. Contractor shall report to the CTD on the implementation and status of room block agreements that are operational.
- e. Contractor shall use TOT funds to promote the City for the purpose of attracting conventions, tradeshow and tourism to the City and for no other purpose.
- f. Contractor shall conduct a post audit of room nights consumed following convention and/or events at the LACC and report the results of such audits to the CTD quarterly. Contractor shall use best efforts to produce these audits within 120 days after the events conclude.
- g. Contractor shall report to CTD board on a monthly basis regarding progress towards meeting goals and performance metrics set forth in Appendix E and on any other topic related to the convention center industry or tourism as reasonably requested by the Board or by the CTD.
- h. Contractor shall apprise the CTD Board of major destination advertising and tourism media campaigns prior to launch and collaborate with the City to ensure that such media campaigns compliment the City's efforts to brand itself.
- i. Contractor shall collaborate with the City to ensure that its web site compliments the City's effort to brand itself.
- j. Contractor shall report to City officials on its plan to market Los Angeles to visitors.
- k. Contractor shall use best efforts to leverage the geographic and cultural diversity of the City to drive hotel stays and promote tourism with additional focus on areas of the City that may have been overlooked by traditional tourism efforts.
- l. Contractor shall provide CTD with comprehensive convention and tourism industry data and analysis to inform the City as to the performance of tourism as a key economic driver and assist CTD with developing special reports for its stakeholders.
- m. Contractor shall meet with CTD staff and the LACC Operator on a regular basis to discuss operational, policy and business issues related to booking events at the Convention Center.

- n. Contractor shall book events into the Convention Center in accordance with the booking and discount policies in the Los Angeles Administrative Code Section 8.149.
- o. Contractor shall use its best efforts in booking the City's convention facilities in a manner that uses rental discounts judiciously and maximizes revenue for the LACC facility while prioritizing the booking of citywide conventions to drive hotel roomnights.
- p. Contractor shall provide other mutually agreed upon services to carry out the core objectives of this Agreement as identified in Section 3.a.i-iv.

4. Payments by City

- a. City will credit to the Fund an amount equivalent to a fraction of all TOT received by the City during the term of this Agreement. Said fraction shall have as its numerator the number "1" and as its denominator the number which coincides with the current percentage of TOT imposed by the Los Angeles Municipal Code. By way of example, the current TOT is 14 percent. Therefore, City will credit to the Fund an amount equivalent to one fourteenth (1/14) of all TOT received by the City during the term of this Agreement so long as the 14 percent TOT remains in effect. Five (5) percent of the actual receipts deposited in the Fund shall be held by the City in said Fund for the purpose of offsetting any possible decline in Fund receipts. It is understood and agreed that any and all sums paid to Contractor by City will be used by Contractor only for allowable costs incurred in performing one or more of the services set forth in Section 3 of this Agreement.
- b. The City anticipates appropriating for the purposes of this Agreement, a total of 95 percent of the projected receipts of the Fund during each fiscal year during the term of this Agreement. City shall advance to Contractor on each July 1, October 1, January 1 and April 1, during the term of this Agreement 23.75% of the projected receipts of the fund for each fiscal year.
- c. Approximately thirty (30) days in advance of July 1, October 1, January 1 and April 1 (individually referred to as a "Quarterly Payment Date"), during the term of this Agreement, Contractor shall submit an advance billing ("Advance Billing") in the manner prescribed by the City (substantially as contained in Appendix B, attached hereto), requesting payment by City of allowable costs incurred or to be incurred during the calendar quarter ending on the next Quarterly Payment Date, in an amount not to exceed one fourth (1/4) of the amount appropriated by

City for purposes of this Agreement for the applicable fiscal year. After receipt and audit, to the extent deemed necessary by City, and approval of each such Advance Billing, City shall pay Contractor the amount of the Advance Billing ("Advance Billing Payment").

- d. Prior to the payment of the April 1 Advance Billing, if the City's projected receipts to the Fund through the end of the fiscal year will be less than originally anticipated, the amount paid to the Contractor in the April 1 Advance Billing Payment shall be adjusted so that total payments for that fiscal year shall not exceed the amount of receipts projected to be deposited into the Fund.
- e. If, at any time prior to June 30th of each year, the City projects receipts to the Fund through the end of the fiscal year will be greater than originally anticipated, due to actual collections in excess of projections or revised forecasts, the Contractor shall have the right to invoice the City for the increased amount and such excess shall be paid, prior to June 30th of such year.
- f. June of each fiscal year, the Contractor may request payment of any balance of the 5% holdback account remaining on June 30th. Payment of said funds shall be made in a lump sum to the Contractor as soon after July 1 as practicable. If Contractor fails to request payment of said funds, the remaining balance of the 5% holdback account shall be appropriated to the Contractor in accordance with Section 4(b) and paid to the Contractor as soon after July 1 as practicable.
- g. In the event that Contractor requires funds in addition to the budget amount for a legitimate promotional purpose, to perform special studies or to offset a decline in Fund Receipts and to the extent that additional monies may be available in the Fund, Contractor may request such funds from the City Council through the CTD.
- h. Within 30 days after the end of each Quarterly Payment Date, Contractor shall submit to the City Council, by providing copies to the CTD, an interim progress statement of cumulative costs incurred during the fiscal year of the Agreement to that date, prepared in a manner substantially in the form set out in Appendix C, attached hereto ("Interim Progress Statement"). City shall review or audit the Interim Progress Statement and the supporting books and records to the extent deemed necessary by the City. A final determination of allowability shall be made only after Contractor's submission to the City of a copy of its audited financial statements and completion of the City's audit, as described below in Section 4(i). City shall also informally review Contractor's monthly financial statements, as

described in Section 5(a), to ensure general compliance with the provisions of this Agreement.

- i. Contractor shall maintain records as provided in Section 5(d). Within one hundred twenty (120) days following the end of each fiscal year, after Contractor's books have been audited by a certified public accountant and such accountant's independent report has been issued, and after Contractor's books for such period have been closed, Contractor shall submit a copy of its audited financial statements to City. City shall conduct its final year-end audit and issue its final report to Contractor on allowability of costs ("Allowability Report") within 60 days after receipt of Contractor's audited financial statements. Any costs incurred by Contractor using TOT funds which are not specifically incurred for purposes of services to be provided by Contractor under Section 3 of this Agreement shall be unallowable costs for purposes of this Agreement. In the event funds paid to Contractor under Section 4 of this Agreement exceed total expenditures by Contractor for services described in Section 3 for the fiscal year in question, such amount shall be refunded by Contractor to the Fund within 30 days after Contractor's receipt of the Allowability Report. Such Fund reimbursements shall be available for future disbursement to Contractor for allowable costs. If the Contractor does not have sufficient funds to repay such amounts to the Fund, the amount owed shall be deducted from the next quarterly payment from the Fund due to Contractor.
- j. Any cost determined by the City to have been incurred by the Contractor for activities or services not authorized by this Agreement shall be deemed to be unallowable costs and shall be reimbursed by Contractor as provided in Section 4(i). Any disputes which are not resolved by negotiation between Contractor and City's designee for contract administration shall be presented by the CTD to the City Council with recommendations for action by the Council which shall finally determine the matter. Contractor shall be included in the resolution of any such disputes.
- k. All Billings and Statements shall be submitted to the CTD for review and approval. Should the CTD find that any Billings, Statements or Year-End Claims of the Contractor are not in compliance with the provisions of this Agreement, and should efforts to obtain compliance by the Contractor prove unsuccessful, the CTD shall report thereon to the City Council with recommendations for action by the Council. Contractor shall be included in the resolution of any such disputes.
- l. Should any of the payments provided for under Section 4(c) be less than one fourth (1/4) of the amount appropriated by the City for

purposes of this Contract in the applicable fiscal year, any of the subsequent invoices for that year by the Contractor may request payment of the amount for that period plus the difference between the amount paid by City on such prior invoice and one fourth (1/4) of the amount appropriated by the City for purposes of this Agreement in that fiscal year.

- m. Although the term of this Agreement is for five and one-half years funding to the Contractor in each fiscal year is conditioned upon the City Council appropriating funds to the budget for the Agreement and the availability of sufficient monies in the Fund to reimburse the City's general fund for Advance Billings of the Contractor. The failure of the City Council to appropriate funds for this Agreement shall be deemed a termination by the City subject to the provisions of Section 11.
- n. Notwithstanding anything contained in this Agreement to the contrary, the City shall not be obligated to appropriate any particular amount of monies or any monies for funding of this Contract for any fiscal year.
- o. In incurring travel and related expenses, Contractor shall, when practicable, make reasonable efforts to abide by Los Angeles Administrative Code sections 4.242.1-4.242.9 (Policy for Travel Expenses, Non-Travel Expenses and Elected Officials' Contingency Account Expenditures). Notwithstanding the foregoing, Contractor shall not use funds provided under this Agreement for tickets to sporting events or concerts, limousine service, site inspections via helicopter, welcome gifts, alcoholic beverages or memberships in dining or social clubs.
- p. The Contractor may designate monies as part of its annual funding to be used as a reserve fund ("Reserve Fund") and include such monies as part of its Advance Billings. These monies may be held by Contractor and carried over for use in subsequent fiscal years and may be used at the discretion of the Contractor for any purposes permitted under this Agreement. The maximum which may be set aside by the Contractor and held in the Reserve Fund and carried over to subsequent fiscal years may not exceed fifteen (15) percent of the annual budget appropriation for the succeeding year. Any amounts held by Contractor in the Reserve Fund exceeding fifteen (15) percent cannot be carried over by the Contractor, but must be reimbursed to the Fund.
- q. Any funds paid to Contractor under this Agreement not expended at the end of each fiscal year shall augment the Reserve Fund and be carried over for use in subsequent fiscal years in accordance with the provisions of Section 4(p).

- r. Contractor shall use its best efforts to procure goods and services from local businesses in the City of Los Angeles.

5. Financial Reporting Requirements

- a. Contractor shall submit to the CTD copies of its monthly financial statements. Said statements shall include specific information as to all sources of funds and in-kind contributions, amounts received from each such source, and the programs and services for which City and other funds have been expended. With each of its monthly financial statements, Contractor shall provide copies of its computerized check register and general ledger for the period covered by the statement. The Interim Progress Statements, referred to in Section 4(h), shall be accompanied by copies of Contractor's financial statement for the period covered.
- b. Within 120 days following the end of its fiscal year, Contractor shall provide to the CTD a copy of its audited financial statement for such fiscal year.
- c. The Advance Billings shall be prepared in a form substantially as show in Appendix B attached to this Agreement and signed by an authorized official of the Contractor. Interim Progress Statements submitted by the Contractor shall be certified by an authorized official or agent of the Contractor that the costs and expenses, incurred or to be incurred, for which payment is requested are reasonably related to Contractor's performance of services under this Agreement and are true and correct, in the form provided for in California Code of Civil Procedure Section 2015.5.
- d. Contractor shall maintain and preserve books of account and other financial records during the term of this Agreement. Said books and records shall accurately record monies received by source, date and amount; and monies expended by name of vendor, description of goods or services purchased, the nature and purpose of the expenditure and the date of purchase and the amount. The record of amounts paid to vendors shall distinctly separate City Fund expenditures from private transactions of the Contractor. Contractor shall retain such books and records for at least three years following the final payment by City hereunder for the fiscal year in question. At any time during the term of this Agreement or within three years following the final payment under this Agreement, the City and its authorized representatives shall have the right, on reasonable notice and during regular business hours, to review, inspect and audit the Contractor's books and records. Such information shall be maintained

as confidential by the City to the extent permitted under the California Government Code, section 6250 et seq. (California Public Records Act).

- e. Following the end of each fiscal year during the term of this Agreement, Contractor shall submit a report to CTD and the Council Committee describing the services provided and the accomplishments attained from Fund expenditures during such fiscal year.

6. Competitive Bidding

In the interest of economy and to assure the effective use of City funds, for all matters involving the expenditure of City funds over \$25,000, Contractor shall solicit bids by advertising or by request to three or more qualified potential providers of applicable goods or services. Contractor shall make reasonable efforts to obtain bids from at least three different qualified parties and shall select the lowest and best responsible contractor on the basis of such bids as are received; provided that Contractor may reserve the right to reject all such bids. Contractor shall document and maintain all such bids or proposals to enable the City to audit the same. Notwithstanding the foregoing, in instances where Contractor determines that it is not feasible to solicit three bids, Contractor shall, at least ten days before incurring such expense, report to the CTD the basis for said determination.

7. Budget Requirements

Contractor shall provide to the CTD, in a form prescribed by the CTD, information for use in the Mayor's annual budget submission to the City Council. This shall include the Contractor's annual proposed budget, details such as actual expenditures and revenues, estimates on source of funds, revenues, expenditures, major areas of work emphasis, and productivity goals. Contractor and CTD shall develop a schedule each year for the delivery of this information. Contractor shall notify CTD of any major changes in the portion of its budget that is funded by the CVB Trust Fund.

Budget shall include funding to cover the cost of contract administration by the City. The amount of the funding for this purpose shall be determined during the budget process and subject to the agreement of both parties.

Budget shall also include funding to be spent on initiatives specified by the CTD for purposes that are consistent with the goals and objectives of this Agreement, the specifics of which shall be determined during the budget process.

8. Compensation Payment of Sales Staff

Contractor may provide incentive compensation payments to staff in the Director and Manager positions or classifications that are directly involved in the function of selling the City of Los Angeles as a site for business meetings, conventions, trade shows, and other group activities involving the overnight stay in City of Los Angeles hotels. Procedures and criteria utilized for these incentive compensation payments must be approved by the Sales Committee of the Board of Directors of the Los Angeles Tourism and Convention Board and reviewed by the CTD. Except as provided in this paragraph, Contractor shall make no incentive compensation payments from funds provided under this Agreement to executive staff, senior management, or non-sales staff members.

9. Insurance and Indemnity

Contractor agrees to maintain the insurance coverages and limits listed on the Insurance Requirements Sheet, attached to this Agreement as Appendix 'D,' and to comply with the applicable insurance conditions set forth in PSC-10 and PSC-17 of Appendix A to this Agreement.

10. City Designee for Contract Administration

- a. This Agreement shall be administered on behalf of the City by the CTD. The CTD shall be responsible for receiving and forwarding all Advanced Bills, statements, Year End Claims and other similar documents for approval. Upon approval for payment by the CTD, the CTD will process payments as required under this Agreement. The CTD shall be responsible for reviewing, approving and making recommendations to the City Council as necessary or appropriate as to matters such as requests for additional funds, disputes regarding Advance Billing Payment, or significant changes in the services to be provided by Contractor. The Office of Finance shall conduct the final year-end financial audit of the Contractor, as described in Section 4(i). The Contractor shall reimburse City for the salary expense, including indirect costs, of a City auditor assigned to assist the Office of Finance in administering the Agreement; provided, that in no event shall the total of such reimbursement exceed \$25,000 per year.
- b. City auditor shall, for purposes of auditing any Advance Billing Payment submitted by Contractor, have access to all books and records of the Contractors for both allowable and unallowable costs incurred under this Agreement and for all Contractor sources of revenue as provided in Section 5.
- c. The Contractor shall give notice of the time and place of meetings of its

Board of Directors to the CTD. The CTD shall be entitled to attend all meetings of the Contractor's Board.

11. Termination

Notwithstanding any other provision contained in this Agreement to the contrary, City, on appropriate action by the City Council, or Contractor may terminate this Agreement upon not less than 180 days prior written notice, subject to all provisions for statements, audits, payments or refunds contained in this Agreement. In the event of early termination of this Agreement by City, Contractor shall be entitled to (a) payment under this Agreement up to and including the date of termination and (b) reimbursement for all unavoidable costs associated with such termination.

12. Notices

A notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given (1) on personal delivery, (2) 24 hours after deposit with Federal Express or a comparable express courier, addressed to a party at the address set forth below, or (3) 48 hours after deposit in the United States mail, by certified mail, postage prepaid, addressed to such party. A party may designate another address for notice purposes by giving written notice to the other in the manner provided in the Section.

If to Contractor: Los Angeles Tourism and Convention Board
333 S. Hope Street
18th Floor
Los Angeles, CA 90071

If to City: Los Angeles Department of Convention and
Tourism Development
1201 South Figueroa Street
Los Angeles, CA 90015

13. Incorporation of Standard Provisions, Precedence of Documents

- a. The Standard Provisions for City Personal Services Contracts, attached to this Agreement as Appendix "A" and the appendices referred to in subparagraph (b) below are incorporated into this Agreement.
- b. In the event of an inconsistency between any of the provisions of this Agreement and the appendices to this Agreement, the inconsistency shall be resolved by giving precedence in the following order:

- i. Provisions of this Agreement.
- ii. Appendix A, Standard Provisions for City Personal Services Contracts (Rev. 10/03).
- iii. Appendix B, Advance Billing.
- iv. Appendix C, Interim Progress Statement.
- v. Appendix D, Insurance Requirements.
- vi. Appendix E, Services to be Provided by Contractor, and subsequent annual reports under Appendix E.

14. Miscellaneous Provisions

- a. The subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and will not affect the construction or interpretation of any of its provisions.
- b. Unless the context clearly requires otherwise:
 - i. Plural and singular numbers will each be considered to include the other;
 - ii. The masculine, feminine, and neuter genders will each be considered to include the others;
 - iii. "Shall," "will," "must," "agree," and "covenants" are each mandatory;
 - iv. "May" is permissive;
 - v. "Or" is not exclusive; and
 - vi. "Includes" and "including" are not limiting.
- c. All references to sections, paragraphs and subparagraphs are to those in this Agreement, unless the context otherwise requires. Documents attached to this Agreement as exhibits or appendices are incorporated in this Agreement as though set forth in full.

15. Processing of License and Discount Requests

The Contractor is required to submit the license request packets to the LACC Operator within two weeks of executing a Letter of Intent with sales leads for such conventions, meetings and trade shows to be held in the City of Los Angeles. The license request packet shall include a cover memorandum from the Contractor, a request form for a LACC License with three years of history, a cost analysis form, a pricing discount approval form, the transmittal Convention Center Reservation Form and the signed Letter of Intent.

Contractor shall cooperate with requests by the LACC Operator to expedite the submittal of such license packets if circumstances warrant the submittal within less than the two week time frame referenced above, i.e. competition with another convention center for the business.

Contractor shall submit to the CTD through the LACC operator for prior review and approval all rental discounts to be offered to LACC licensees. Rental discount request requiring CTD Board approval should be submitted at least two weeks prior to the Board meeting date.

16. Personnel

At the written request of the Executive Director of the Convention and Tourism Development Department, delivered by messenger, Contractor shall change or remove Contractor's personnel assigned to perform services on the City's account relating to the Convention Center. Contractor shall take the requested action in the time indicated by the Executive Director, which shall not be less than one business day after delivery of written notice. Contractor's President and Chief Executive Officer ("CEO") shall have the right to meet at a mutually acceptable time to discuss the basis for the requested change or removal and any alternative course of action. If the meeting between the Executive Director and the Contractor's CEO does not resolve the matter, the Contractor's CEO may request a meeting with the Mayor or his representative to discuss the action and any possible alternative course of action. After such a meeting, the decision of the General Manager, after consultation with the Mayor, shall be final.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

THE CITY OF LOS ANGELES
a municipal corporation

LOS ANGELES TOURISM AND
CONVENTION BOARD a California
nonprofit corporation

By: _____
ROBERT "BUD" OVROM
Executive Director

By: _____
ERNEST WOODEN JR. ,
President

Dated: _____

Dated: _____

APPROVED AS TO FORM AND
LEGALITY

ATTEST: HOLLY WOLCOTT , City
Clerk

MICHAEL N. FEUER
City Attorney

By: _____
TERRY MARTIN-BROWN
Assistant City Attorney

By: _____

Dated: _____

Dated: _____

Attachment B

Proposed LATCB Work Program (Appendix E)

APPENDIX E

Services to be Provided by Contractor in Contract Year 2014 – 2015

The primary goal of the City of Los Angeles' engagement with the Los Angeles Tourism and Convention Board (LATCB) is to grow the local economy by promoting the City as a site for citywide conventions, business meetings, major tradeshow and as a destination for leisure travel. LATCB will endeavor to achieve this goal by executing the services and deliverables described below that align with four core objectives identified in Section 3(a) of the Agreement. Performance metrics that align with each core objective will help the City to evaluate how well these objectives are being met.

To achieve these objectives optimally the City recognizes and encourages LATCB to leverage these contract funds with other sources of funding to drive hotel stays yielding increased TOT revenues and visitor spending that benefits the City's General Fund and the Los Angeles economy.

OBJECTIVE 1

Increase the number of people visiting Los Angeles as both a convention and tourist destination in order to increase the economic benefits derived from out-of-town visitors to the City

Services and Deliverables Related to Objective 1:

- a. Promote the City of Los Angeles and its facilities and attractions as a desirable location for association and corporate meetings, conventions and major trade shows. Efforts shall include but not be limited to, representing the City in domestic and international convention and tourism industry associations; attending industry trade shows, customer events, and sales missions; and advertising in key industry trade publications.
- b. Solicit sales leads for such conventions, meetings and trade shows to be held in the City of Los Angeles with an emphasis on using the LACC and City of Los Angeles hotels
- c. Book citywide conventions and assisted convention center events at LACC for future years that will produce room nights at hotels within the City of Los Angeles
- d. Provide customary client services to citywide conventions at the LACC
- e. Develop and execute a sales and marketing plan for booking events at the LACC that focuses on leveraging the LACC's strengths and opportunities, mitigating the LACC's weakness and challenges, and provides specific strategies and tactics for addressing them

- f. Use best efforts to promote the geographic and cultural diversity of the City to drive overnight stays with additional focus on areas of the City that may have been overlooked by traditional tourism efforts with the intent of spreading the economic benefits of tourism throughout the City
- g. Promote Los Angeles in the media. Apprise the CTD Board of major destination advertising and tourism media campaigns, funded by non-TOT funds, in advance of launch. Collaborate with City to ensure that media campaigns compliment City's effort to brand itself.
- h. Assist the City as requested with efforts related to the expansion and modernization of the Convention Center. Assistance may include, but is not limited to, providing design input and attending design meetings, providing data as requested, which may involve the use of third party consultants, and visiting other convention centers to evaluate competitive designs
- i. Report to City officials on plans to market Los Angeles to visitors
- j. Maintain close communications and collaboration with CTD and AEG staff regarding proprietary customer information, proprietary sales strategies, conversion rates and other data
- k. Provide the City with comprehensive collection of convention and tourism industry data that will inform policymakers on the performance of tourism as an economic driver. Data may include research compiled or acquired with non-TOT funds. Research includes, but is not limited to, drivers of decision making for meeting planners and data on competitive centers.

I. Performance Metrics for Objective 1:

Objective 1 Performance Metrics	Frequency of Reporting	FY 2014 Actual	FY 2015 Goal	FY 2015 Actual	Variance
CITYWIDE / CENTER EVENTS					
i. Number of Citywide/Center Events Sales Leads (track separately)	Monthly	210	225		
ii. Number of Citywide/Center Events Booked for future years (track separately)	Monthly	26	41		

iii. Number of Citywide/Center Events Hosted (track separately)	Monthly	23	25		
iv. Reported Number of Citywide/Center Event Delegates (track separately)	Quarterly	290,418	353,350		
v. Total Number of Citywide/Center Events Room Nights	Quarterly	157,458	202,626		
VISITOR DATA TO LOS ANGELES COUNTY Source: Tourism Economics					
vi. Total Visitors to Los Angeles County	Annual	42.6 million	43.6 million		
vii. Total Overnight Domestic Visitors	Annual	22.5 million	23 million		
viii. Total International Visitors	Annual	6.3 million	6.6 million		
ix. Total Day Visitors	Annual	13.8 million	14 million		

OBJECTIVE 2

Measure the economic impact from citywide conventions and the tourism and hospitality sector

Services and Deliverables Related to Objective 2:

- a. Report on economic impact of citywide conventions and provide detail on methodology for calculating economic impact
- b. Produce audits on hotel room nights consumed by conventions
- c. Provide data on economic impact of tourism and hospitality industry
- d. Performance Metrics for Objective 2:

Objective 2 Performance Metrics	Frequency of Reporting	FY 2014 Actual	FY 2015 Goal	FY 2015 Actual	Variance
ECONOMIC IMPACT OF CITYWIDE / CENTER EVENTS Source: Tourism Economics					
i. Estimated TOT from Citywide/Center Events (track separately)	Quarterly	\$4.7 million	\$6.3 million		
ii. Estimated Local Business Sales from Citywide/Center Events (track separately)	Annually	\$132.1 million			
iii. Estimated Local Tax Revenue from Citywide/Center Events (track separately)	Annually	\$12.1 million			
iv. Fulltime Equivalent (FTE) Jobs from Citywide/Center Events (track separately)	Annually	1,420			
v. TOT revenue for the City	Monthly				
Source: City of Los Angeles					

LA COUNTY LODGING PERFORMANCE

Source: STR

vi. Hotel Room Night Demand	Monthly	27.6 million	28.4 million		
vii. Hotel Occupancy Rates	Monthly	78.2%	79.3%		
viii. Average Daily Rates	Monthly	\$141.26	\$149.49		
ix. Revenue Per Available Room	Monthly				

ECONOMIC IMPACT – LA COUNTY

Source: Tourism Economics Calendar Year 2013

x. Visitor Direct Spending	Annual	\$18.36 billion			
xi. Visitor Indirect/Induced Spending	Annual	\$9.95 billion			
xii. Estimated Tax Revenue from Leisure and hospitality sector	Annual	\$1,274 billion			
xiii. Estimated Visitor Trip Spends in LA County	Annual	\$614			
xiv. Fulltime Equivalent (FTE) Jobs from Leisure and Hospitality Sector Source: CA EDD	Annual	436,700			

OBJECTIVE 3

Facilitate and track engagement with those visiting Los Angeles for both conventions and leisure travel to enhance the visitor experience with the intent of encouraging repeat visitation and longer stays

Services and Deliverables Related to Objective 3:

- a. Survey citywide clients to obtain feedback on specific aspects of the client experience at the LACC (e.g., event services, security, facility condition, food and beverage service, LAX, participating hotels, and other related venues and service providers)
- b. Host and facilitate Customer Advisory Boards as requested by the CTD to obtain feedback from current and potential clients on long-term strategic issues such as designs for the expansion and modernization of the facility, industry trends and client needs
- c. Enhance the visitor experience through an integrated network of visitor centers, digital kiosks, visitor guides, visitors maps (digital or print) providing convenient and relevant destination information and resources
- d. Maintain web site and social media platforms to engage potential visitors to Los Angeles in a manner that compliments the City's efforts to brand itself (non-TOT funding)
- e. Leverage emerging technology in providing compelling information to LA's visitors
- f. Collaborate with the City to find new options and venues that would expand outreach to LA's visitors
- g. Report on visitor perceptions/satisfaction levels (conducted with non-TOT funding) to inform the City as to how it may improve the visitor experience in the City with the goal of getting visitors to stay longer and return
- h. Maintain and publish L.A. Tourism Calendar of Events
- i. Performance metrics for Objective 3:

Objective 3 Performance Metrics	Frequency of Reporting	FY 2014 Actual	FY 2015 Goal	FY 2015 Actual	Variance
i. Reported Citywide Client Satisfaction Ratings	Quarterly (if available)				
ii. Number of Visitors Intercept Impression at Visitor Centers and Kiosks	Annual	1.1 million	1.15 million		

iii. Visitor Satisfaction Ratings from Visitor Profile Study (Funded by non-TOT resources) Source: Destination Analysts 2013	Every 3 years or when conducted	49.2 very satisfied 46.8 satisfied			
iv. Number of Visits to Discover Los Angeles web site	Quarterly	9 million	8.2 million		
v. Social Media Activity (Facebook, Twitter and Instagram followers)	Quarterly	3 million	3.3 million		
vi. Average Length of Stay of Overnight Visitors	Annually				
vii. Percent of Repeat Visitors from Visitor Profile Study (Funding by non-TOT resources) Source: Destination Analyst 2013	Every 3 years or when conducted				

OBJECTIVE 4

Effectively leverage TOT funds, with other sources of funds, to promote conventions and tourism to maximize the yield from the City's investment

Services and Deliverables Related to Objective 4:

- a. Use best efforts to develop other sources of revenue, such as memberships and sponsorships, to support the promotion of tourism in Los Angeles
- b. Use best efforts in booking the City's convention facilities to maximize total revenues for the LACC facility with the priority of booking quality business that drives hotel room nights and spending from out-of-town visitors that stimulates the local economy and generates TOT to the City of Los Angeles
- c. Generate earned media to create awareness and excitement among potential visitors
- d. Submit TOT-funded budget for review by CTD Board and inclusion in the Mayor's proposed budget
- e. Deliver audited financial statements within 120 days after close of fiscal year
- f. Regularly update CTD Board on metrics and sales activity
- g. Submit monthly financial reports to CTD on use of all sources of funds
- h. Performance metrics for Objective 4:

Objective 4 Performance Metrics	Frequency of Reporting	FY 2014 Actual	FY 2015 Goal	FY 2015 Actual	Variance
i. Rental Income from Citywides Source: LACC Operator	Quarterly	\$1,022,422			
ii. Percent of Citywide Rental Income Retained by LACC Operations Source: LACC Operator	Quarterly	21%			

iii. Non-TOT Funds	Quarterly	\$21.8 million	\$28 million		
iv. Total Paid Advertising Value from multiple funding sources	Annual	\$5.9 million	\$6.4 million		
v. Total Earned Media Value from multiple funding sources	Annual	\$36 million	\$40 million		

Attachment C

Current LATCB Contract C-119053

**AGREEMENT TO PARTIALLY FUND ACTIVITIES
BETWEEN THE CITY OF LOS ANGELES
AND
LA INC. THE CONVENTION AND VISITORS BUREAU**

THIS AGREEMENT ("Agreement") is made and entered into as of July 1, 2011, by and between the City of Los Angeles, a municipal corporation ("City") and LA Inc. The Convention and Visitors Bureau, a nonprofit California corporation ("Contractor").

RECITALS

A. City desires to attract and encourage persons and groups from outside the corporate boundaries of the City of Los Angeles ("Los Angeles"), and more particularly from outside Southern California, to visit and stay overnight in Los Angeles.

B. To accomplish this purpose, it is necessary to apprise individuals, groups and organizations of the commercial, climatic, educational, recreational, cultural and other resources and advantages of Los Angeles, as well as its modern and extensive convention facilities.

C. Contractor is a California nonprofit mutual benefit corporation whose members are comprised of individuals and businesses engaged in the tourism and convention business, including hotels, restaurants, transportation providers, theme parks and museums. Contractor engages in activities to promote Los Angeles as an attractive destination for visitors and has assembled comprehensive information relating to housing, recreational, entertainment, transportation and other facilities which are of interest to visitors. Contractor also maintains extensive files and programs relating to groups, organizations and societies which regularly hold meetings and conventions.

D. Contractor is qualified by virtue of its possession of the foregoing information and its work in advertising and publicizing the advantages of Los Angeles and attracting organizations, groups, and societies to Los Angeles for their conventions and meetings, its offices in other cities in the United States and around the world, its relationships with local hotels and carriers, and is willing to undertake the promotion and advertisement of the advantages, facilities and capabilities of Los Angeles as a convention or meeting host and as a destination for tourists and tour groups.

E. Contractor's activities can support and foster the creation and perpetuation of

additional employment in Los Angeles by reason of the monies spent by visitors in Los Angeles. City will benefit from the wide exposure given to it as an attractive destination for visitors from throughout the United States and the world. The City will also benefit from increased Transient Occupancy Tax ("TOT") revenues generated by visitors' stays in hotels and other accommodations in Los Angeles.

F. Contractor seeks funding from the City to augment its receipts from its members and others for the fiscal years 2011-12 through 2013-14 to help finance its activities promoting Los Angeles as an attractive destination for visitors.

G. City has created and established within its Treasury a special trust fund, known as the "The Greater Los Angeles Convention and Visitors Bureau Trust Fund" (the "Fund"). A fraction (as determined in Section 4(a), below) of all amounts of Transient Occupancy Taxes received by the City under the tax imposed by Los Angeles Municipal Code Section 21.7.3 shall be placed in the Fund. Expenditures from the Fund shall be made solely to finance the promotion and advertising of Los Angeles as a destination for the purpose of attracting conventions, trade shows, and tourism to Los Angeles in keeping with the terms of this Agreement.

H. Contractor's activities serve a public purpose from which the City will benefit. Accordingly, the City wishes to provide financial assistance to the Contractor.

IN CONSIDERATION of the mutual promises, covenants, representations and agreements set forth below, the City and Contractor hereby agree as follows:

1. **Definitions.**

The following terms used in this Agreement shall have the defined meanings set forth below:

Booked Room Nights – (1) Room nights for attendees of a meeting and/or event held at LACC that has confirmed attendance by an executed letter of agreement with the Contractor for specific future event, or (2) room nights for self contained meetings or events, in City hotels, which have been confirmed by an executed contract between the hotel and event sponsor.

CAO – City Administrative Officer of the City of Los Angeles.

City – The City of Los Angeles, a municipal corporation.

City Council – The City Council of the City of Los Angeles.

Council Committee – The Trade, Commerce and Tourism Committee of the City Council of the City of Los Angeles, or such other committee of the City Council as the Council may designate.

Contractor – LA Inc. The Convention and Visitors Bureau.

Controller – The Controller of the City of Los Angeles.

LACC – Los Angeles Convention Center.

TOT – Transient Occupancy Tax imposed by Los Angeles Municipal Code Section 21.7.3.

2. **Term.**

The term of this Agreement shall be from July 1, 2011 to and including June 30, 2014.

3. **Services to be Provided by Contractor.**

(a) Services to be Provided by Contractor. Contractor and CAO have developed and agreed on measurable, quantifiable goals for the services and functions to be provided under this Agreement substantially as set forth in Appendix "E", "Services to be Provided by Contractor for Contract Year 2011-12", and those agreed upon goals shall constitute a new Appendix "E", which shall be substituted for the previous Appendix "E" applicable to contract year 2010-11. In addition, Contractor shall produce and submit an annual Sales and Marketing Plan which supports the agreed upon measurable, quantifiable goals. Contractor shall also make available to the City its long term Sales and Marketing Plan. Contractor shall provide a written

report quarterly to the CAO on progress toward the achievement of these goals. Within 60 days of the fiscal year end, Contractor shall provide a written report summarizing any accomplishments relating to the obligations set forth in Appendix "E" and any other accomplishments, to the CAO and Council Committee. Contractor shall include in these reports to the extent possible, a summary of the economic impact of its sales and marketing efforts to promote tourism in the City of Los Angeles. Contractor shall also provide additional reports to the CAO as may be reasonably requested.

(b) Contractor shall use its best efforts to promote and utilize hotels and other accommodations in the City of Los Angeles to offer and secure room blocks for conventions and/or events at the LACC.

(c) Contractor shall use TOT funds solely to market and promote tourist destinations in the City of Los Angeles, and for no other purpose, except such funds may be expended as part of joint marketing and promotion efforts that benefit the City of Los Angeles.

(d) Contractor shall use its best efforts to use TOT funds to provide "sales leads" to City of Los Angeles hotels and accommodations.

(e) Contractor shall conduct a post audit of room nights consumed following convention and/or events at the LACC and report the results of such audits to the CAO quarterly.

4. Payments by City.

(a) City will credit to the Fund an amount equivalent to a fraction of all TOT received by the City during the term of this Agreement. Said fraction shall have as its numerator the number "1" and as its denominator the number which coincides with the current percentage of TOT imposed by the Los Angeles Municipal Code. By way of example, the current TOT is 14 percent. Therefore, City will credit to the Fund an amount equivalent to one fourteenth (1/14) of all TOT received by the City during the term of this Agreement so long as the 14 percent TOT remains in effect. Five (5) percent of the actual receipts deposited in the Fund shall be held by the City in said Fund for the purpose of offsetting any possible decline in Fund receipts. It is understood and agreed that any and all sums paid to Contractor by City will be used by Contractor only for allowable costs incurred in performing one or more of the

services set forth in Section 3 of this Agreement.

(b) The City anticipates appropriating for the purposes of this Agreement, a total of 95 percent of the projected receipts of the Fund during each fiscal year during the term of this Agreement. City shall advance to Contractor on each July 1, October 1, January 1 and April 1, during the term of this Agreement 23.75% of the projected receipts of the fund for each fiscal year.

(c) Approximately thirty (30) days in advance of July 1, October 1, January 1 and April 1 (individually referred to as a "Quarterly Payment Date"), during the term of this Agreement, Contractor shall submit an advance billing ("Advance Billing") in the manner prescribed by the City (substantially as contained in Appendix B, attached hereto), requesting payment by City of allowable costs incurred or to be incurred during the calendar quarter ending on the next Quarterly Payment Date, in an amount not to exceed one fourth (1/4) of the amount appropriated by City for purposes of this Agreement for the applicable fiscal year. After receipt and audit, to the extent deemed necessary by City, and approval of each such Advance Billing, City shall pay Contractor the amount of the Advance Billing ("Advance Billing Payment").

(d) Prior to the payment of the April 1 Advance Billing, if the City's projected receipts to the Fund through the end of the fiscal year will be less than originally anticipated, the amount paid to the Contractor in the April 1 Advance Billing Payment shall be adjusted so that total payments for that fiscal year shall not exceed the amount of receipts projected to be deposited into the Fund.

(e) If, at any time prior to June 30th of each year, the City projects receipts to the Fund through the end of the fiscal year will be greater than originally anticipated, due to actual collections in excess of projections or revised forecasts, the Contractor shall have the right to invoice the City for the increased amount and such excess shall be paid, prior to June 30th of such year.

(f) In June of each fiscal year, the Contractor may request payment of any balance of the 5% holdback account remaining on June 30th. Payment of said funds shall be made in a lump sum to the Contractor as soon after July 1 as practicable. If Contractor fails to request payment of said funds, the remaining balance of the 5% holdback account shall be appropriated to the Contractor in accordance with Section 4(b) and paid to the Contractor as soon after July 1 as practicable.

(g) In the event that Contractor requires funds in addition to the budget amount for a legitimate promotional purpose, to perform special studies or to offset a decline in Fund Receipts and to the extent that additional monies may be available in the Fund, Contractor may request such funds from the City Council through the CAO.

(h) Within 30 days after the end of each Quarterly Payment Date, Contractor shall submit to the City Council, by providing copies to the CAO, an interim progress statement of cumulative costs incurred during the fiscal year of the Agreement to that date, prepared in a manner substantially in the form set out in Appendix C, attached hereto ("Interim Progress Statement"). City shall review or audit the Interim Progress Statement and the supporting books and records to the extent deemed necessary by the City. A final determination of allowability shall be made only after Contractor's submission to the City of a copy of its audited financial statements and completion of the City's audit, as described below in Section 4(i). City shall also informally review Contractor's monthly financial statements, as described in Section 5(a), to ensure general compliance with the provisions of this Agreement.

(i) Contractor shall maintain records as provided in Section 5(d). Within one hundred twenty (120) days following the end of each fiscal year, after Contractor's books have been audited by a certified public accountant and such accountant's independent report has been issued, and after Contractor's books for such period have been closed, Contractor shall submit a copy of its audited financial statements to City. City shall conduct its final year-end audit and issue its final report to Contractor on allowability of costs ("Allowability Report") within 60 days after receipt of Contractor's audited financial statements. Any costs incurred by Contractor using TOT funds which are not specifically incurred for purposes of services to be provided by Contractor under Section 3 of this Agreement shall be unallowable costs for purposes of this Agreement. In the event funds paid to Contractor under Section 4 of this Agreement exceed total expenditures by Contractor for services described in Section 3 for the fiscal year in question, such amount shall be refunded by Contractor to the Fund within 30 days after Contractor's receipt of the Allowability Report. Such Fund reimbursements shall be available for future disbursement to Contractor for allowable costs. If the Contractor does not have sufficient funds to repay such amounts to the Fund, the amount owed shall be deducted from the next quarterly payment from the Fund due to Contractor.

(j) Any cost determined by the City to have been incurred by the Contractor for activities or services not authorized by this Agreement shall be deemed to be unallowable costs and shall be reimbursed by Contractor as provided in Section 4(i). Any disputes which are not resolved by negotiation between Contractor and City's representatives shall be presented by the CAO to the City Council with

recommendations for action by the Council which shall finally determine the matter. Contractor shall be included in the resolution of any such disputes.

(k) All Billings and Statements shall be submitted to the CAO for review and approval. Should the CAO find that any Billings, Statements or Year-End Claims of the Contractor are not in compliance with the provisions of this Agreement, and should efforts to obtain compliance by the Contractor prove unsuccessful, the CAO shall report thereon to the City Council with recommendations for action by the Council. Contractor shall be included in the resolution of any such disputes.

(l) Should any of the payments provided for under Section 4(c) be less than one fourth (1/4) of the amount appropriated by the City for purposes of this Contract in the applicable fiscal year, any of the subsequent invoices for that year by the Contractor may request payment of the amount for that period plus the difference between the amount paid by City on such prior invoice and one fourth (1/4) of the amount appropriated by the City for purposes of this Agreement in that fiscal year.

(m) Although the term of this Agreement is for three consecutive years (2011-12 through 2013-14) funding to the Contractor in each fiscal year is conditioned upon the City Council appropriating funds to the budget for the Agreement and the availability of sufficient monies in the Fund to reimburse the City's General Fund for Advance Billings of the Contractor. The failure of the City Council to appropriate funds for this Agreement shall be deemed a termination by the City subject to the provisions of Section 9.

(n) Notwithstanding anything contained in this Agreement to the contrary, the City shall not be obligated to appropriate any particular amount of monies or any monies for funding of this Contract for any fiscal year.

(o) In incurring travel and related expenses, Contractor shall, when practicable, make reasonable efforts to abide by Los Angeles Administrative Code sections 4.242.1-4.242.9 (Policy for Travel Expenses, Non-Travel Expenses and Elected Officials' Contingency Account Expenditures). Notwithstanding the foregoing, Contractor shall not use funds provided under this Agreement for tickets to sporting events or concerts, limousine service, site inspections via helicopter, welcome gifts, alcoholic beverages or memberships in dining or social clubs.

(p) The Contractor may designate monies as part of its annual funding to be used

as a reserve fund ("Reserve Fund") and include such monies as part of its Advance Billings. These monies may be held by Contractor and carried over for use in subsequent fiscal years and may be used at the discretion of the Contractor for any purposes permitted under this Agreement. The maximum which may be set aside by the Contractor and held in the Reserve Fund and carried over to subsequent fiscal years may not exceed fifteen (15) percent of the annual budget appropriation for the succeeding year. Any amounts held by Contractor in the Reserve Fund exceeding fifteen (15) percent cannot be carried over by the Contractor, but must be reimbursed to the Fund.

(q) Any funds paid to Contractor under this Agreement not expended at the end of each fiscal year shall augment the Reserve Fund and be carried over for use in subsequent fiscal years in accordance with the provisions of Section 4(p).

(r) Contractor shall use its best efforts to procure goods and services from local businesses in the City of Los Angeles.

5. Statements and Records

(a) Contractor shall submit to the CAO copies of its monthly financial statements. Said statements shall include specific information as to all sources of funds and in-kind contributions, amounts received from each such source, and the programs and services for which City and other funds have been expended. With each of its monthly financial statements, Contractor shall provide copies of its computerized check register and general ledger for the period covered by the statement. The Interim Progress Statements, referred to in Section 4(h), shall be accompanied by copies of Contractor's financial statement for the period covered.

(b) Within 120 days following the end of its fiscal year, Contractor shall provide to the City a copy of its audited financial statement for such fiscal year.

(c) The Advance Billings shall be prepared in a form substantially as shown in Appendix B attached to this Agreement and signed by an authorized official of the Contractor. Interim Progress Statements submitted by the Contractor shall be certified by an authorized official or agent of the Contractor that the costs and expenses, incurred or to be incurred, for which payment is requested are reasonably related to Contractor's performance of services under this Agreement and are true and correct, in the form provided for in California Code of Civil Procedure Section 2015.5.

(d) Contractor shall maintain and preserve books of account and other financial records during the term of this Agreement. Said books and records shall accurately record monies received by source, date and amount; and monies expended by name of vendor, description of goods or services purchased, the nature and purpose of the expenditure and the date of purchase and the amount. The record of amounts paid to vendors shall distinctly separate City Fund expenditures from private transactions of the Contractor. Contractor shall retain such books and records for at least three years following the final payment by City hereunder for the fiscal year in question. At any time during the term of this Agreement or within three years following the final payment under this Agreement, the City and its authorized representatives shall have the right, on reasonable notice and during regular business hours, to review, inspect and audit the Contractor's books and records. Such information shall be maintained as confidential by the City to the extent permitted under the California Government Code, section 6250 et seq. (California Public Records Act).

(e) Following the end of each fiscal year during the term of this Agreement, Contractor shall submit a report to CAO and the Council Committee describing the services provided and the accomplishments attained from Fund expenditures during such fiscal year.

(f) Contractor shall submit to the CAO and the LACC for prior review and approval all rental discounts to be offered to LACC licensees.

6. Expenditures Over \$25,000

In the interest of economy and to assure the effective use of City funds, for all matters involving the expenditure of City funds over \$25,000, Contractor shall solicit bids by advertising or by request to three or more qualified potential providers of applicable goods or services. Contractor shall make reasonable efforts to obtain bids from at least three different qualified parties and shall select the lowest and best responsible contractor on the basis of such bids as are received; provided that Contractor may reserve the right to reject all such bids. Contractor shall document and maintain all such bids or proposals to enable the City to audit the same. Notwithstanding the foregoing, in instances where Contractor determines that it is not feasible to solicit three bids, Contractor shall, at least ten days before incurring such expense, report to the CAO the basis for said determination.

7. City Budget Documentation

Contractor shall provide to the CAO, in a form prescribed by the CAO, information for use in the Mayor's annual budget submission to the City Council. This shall include the Contractor's annual proposed budget and details such as actual expenditures and revenues and estimates on source of funds, revenues, expenditures, and productivity goals. Contractor and CAO shall develop a schedule each year for the delivery of this information.

8. Compensation Payment of Sales Staff

Contractor may provide incentive compensation payments to staff in the Director and Manager positions or classifications that are directly involved in the function of selling the City of Los Angeles as a site for business meetings, conventions, trade shows, and other group activities involving the overnight stay in City of Los Angeles hotels. Procedures and criteria utilized for these incentive compensation payments must be approved by the Sales Committee of the Board of Directors of LA INC. and reviewed by the City Administrative Officer. Except as provided in this paragraph, Contractor shall make no incentive compensation payments from funds provided under this Agreement to executive staff, senior management, or non-sales staff members.

9. Insurance and Indemnity

Contractor agrees to maintain the insurance coverages and limits listed on the Insurance Requirements Sheet, attached to this Agreement as Appendix "E," and to comply with the applicable insurance conditions set forth in PSC-10 and PSC-17 of Appendix A to this Agreement.

10. Ex Officio Board Members

Contractor's bylaws shall provide that the chair of the Council Committee shall serve as an ex officio non-voting member of its board of directors. Contractor's bylaws shall provide that the president of the Board of Los Angeles Convention Center Commissioners shall serve as an ex officio non-voting member of its board of directors.

11. City Representatives

(a) This Agreement shall be administered on behalf of the City by the CAO. The CAO shall be responsible for receiving and forwarding all Advanced Bills, statements, Year End Claims and other similar documents for approval. Upon approval for payment by the CAO, the CAO will process payments as required under this Agreement. The CAO shall be responsible for reviewing, approving and making recommendations to the City Council as necessary or appropriate as to matters such as requests for additional funds, disputes regarding Advance Billing Payment, or significant changes in the services to be provided by Contractor. The Office of Finance shall conduct the final year-end financial audit of the Contractor, as described in Section 4(i). The Contractor shall reimburse City for the salary expense, including indirect costs, of a City auditor assigned to assist the Office of Finance in administering the Agreement; provided, that in no event shall the total of such reimbursement exceed \$25,000 per year.

(b) City auditor shall, for purposes of auditing any Advance Billing Payment submitted by Contractor, have access to all books and records of the Contractors for both allowable and unallowable costs incurred under this Agreement and for all Contractor sources of revenue as provided in Section 5.

(c) The Contractor shall give notice of the time and place of meetings of its Board of Directors to the CAO. The CAO shall be entitled to attend all meetings of the Contractor's Board.

12. Termination

Notwithstanding any other provision contained in this Agreement to the contrary, City, on appropriate action by the City Council, or Contractor may terminate this Agreement upon not less than 180 days prior written notice, subject to all provisions for statements, audits, payments or refunds contained in this Agreement. In the event of early termination of this Agreement by City, Contractor shall be entitled to (a) payment under this Agreement up to and including the date of termination and (b) reimbursement for all unavoidable costs associated with such termination.

13. Notices

A notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given (1) on personal delivery, (2) 24 hours after deposit with Federal Express or a comparable express courier, addressed to a party at the address set forth below, or (3) 48 hours after deposit in the United States mail, by certified mail, postage prepaid, addressed to such party. A party may designate another address for notice purposes by giving written notice to the other in the manner provided in this Section.

If to Contractor:	LA Inc. The Convention and Visitors Bureau 333 S. Hope Street 18 th Floor Los Angeles, CA 90071
If to City:	City of Los Angeles Office of the City Administrative Officer 200 North Main Street Los Angeles, CA 90012

14. Incorporation of Standard Provisions, Precedence of Documents

(a) The Standard Provisions for City Personal Services Contracts, attached to this Agreement as Appendix "A" and the appendices referred to in subparagraph (b) below are incorporated into this Agreement.

(b) In the event of an inconsistency between any of the provisions of this Agreement and the appendices to this Agreement, the inconsistency shall be resolved by giving precedence in the following order:

1. Provisions of this Agreement.
2. Appendix A, Standard Provisions for City Personal Services Contracts (Rev. 10/03).
3. Appendix B, Advance Billing.
4. Appendix C, Interim Progress Statement.

5. Appendix D, Insurance Requirements.
6. Appendix E, Services to be Provided by Contractor, and subsequent annual reports under Appendix E.

15. Miscellaneous Provisions.

(a) The subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and will not affect the construction or interpretation of any of its provisions.

(b) Unless the context clearly requires otherwise:

1. Plural and singular numbers will each be considered to include the other;
2. The masculine, feminine, and neuter genders will each be considered to include the others;
3. "Shall," "will," "must," "agree," and "covenants" are each mandatory;
4. "May" is permissive;
5. "Or" is not exclusive; and
6. "Includes" and "including" are not limiting.

(c) All references to sections, paragraphs and subparagraphs are to those in this Agreement, unless the context otherwise requires. Documents attached to this Agreement as exhibits or appendices are incorporated in this Agreement as though set forth in full.

16. Licenses

The Contractor is required to submit the license packet to LACC city staff within two weeks of executing a Letter of Agreement with sales leads for such conventions, meetings and trade shows to be held in the City of Los Angeles. The license packet shall include a cover memorandum from the Contractor, a request form for a LACC License with three years of history, a cost analysis form, a pricing discount approval form, the original transmittal Convention Center Reservation Form and the signed Letter of Agreement.

Contractor shall cooperate with requests by LACC to expedite the submittal of such license packets if circumstances warrant the submittal within less than the two week time frame referenced above, i.e. competition with another convention center for the business.

17. Personnel

At the written request of the General Manager of the Convention Center, delivered by messenger, Contractor shall change or remove Contractor's personnel assigned to perform services on the City's account relating to the Convention Center. Contractor shall take the requested action in the time indicated by the General Manager, which shall not be less than one business day after delivery of written notice. Contractor's President and Chief Executive Officer ("CEO") shall have the right to meet at a mutually acceptable time to discuss the basis for the requested change or removal and any alternative course of action. If the meeting between the General Manager and the Contractor's CEO does not resolve the matter, the Contractor's CEO may request a meeting with the Mayor or his representative to discuss the action and any possible alternative course of action. After such a meeting, the decision of the General Manager, after consultation with the Mayor, shall be final.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

THE CITY OF LOS ANGELES
a municipal corporation

LA INC. THE CONVENTION AND
VISITORS BUREAU
a California nonprofit corporation

By: *Miguel A. Santana*
MIGUEL A. SANTANA
City Administrative Officer

By: *Mark S. Liberman*
MARK S. LIBERMAN,
President

Dated: *June 28, 2011*

Dated: _____

APPROVED AS TO FORM AND
LEGALITY

ATTEST: JUNE LAGMAY, City Clerk

CARMEN A. TRUTANICH
City Attorney

By: *Terry Martin-Brown*
TERRY MARTIN-BROWN
Assistant City Attorney

By: *Otta Amstutz*

Dated: _____

Dated: *6/30/11*



C-119053

APPENDIX E

Services to be Provided by Contractor for Contract Year 2011-12

As the City's official visitor promotion organization, the primary purpose of LA INC. the Los Angeles Convention and Visitors Bureau is to enhance the economy of the City of Los Angeles by promoting the City as a site for business meetings, conventions, trade shows and as a destination for leisure travelers. LA INC.'s responsibilities for contract year 2011-12 shall include, but not be limited to, the following:

- (a) Promote the City of Los Angeles and its facilities and attractions as a desirable location for association and corporate business meetings, conventions and trade shows. Actively solicit 1,120 potential sales leads for such conventions, meetings and trade shows to be held in the City of Los Angeles with emphasis on the use of LACC and City of Los Angeles hotels. Generate 425,000 Booked Room Nights for events held at the LACC and 150,000 Booked Room Nights for self contained room nights;
- (b) Provide assistance, including administrative advice and other services to 175 conventions, business meetings and trade shows to be held in the City of Los Angeles;
- (c) Direct special efforts toward increasing attendance at conventions and trade shows to be held in the City of Los Angeles. In the year prior to the Los Angeles event, exhibit at 9 of those conventions and shows and encourage attendees to extend their visits to the City of Los Angeles beyond the dates of the event they will be attending.
- (d) Produce 40 displays and exhibits promoting the City of Los Angeles, its facilities and attractions and exhibit them at leisure travel and trade shows and conferences in the United States;
- (e) Maintain visitor information centers in the downtown Los Angeles and Hollywood areas to serve and assist visitors to Los Angeles. Distribute free information and provide travel counselors for 875,000 visitors;
- (f) Publish and distribute in suitable locations 17 different maps, brochures, and similar information on the City of Los Angeles, its facilities and attractions;
- (g) Develop programs designed to attract national and international writers, editors, travel agents and wholesalers to the City of Los Angeles and inform them on the facilities and attractions of Los Angeles that they might, in turn, encourage their readers and clients to visit. Host 300 individuals on familiarization tour programs in the City of Los Angeles;

- (h) Develop and execute promotions, advertised in the media and on the internet, which create interest in, and travel to, Los Angeles.
- (i) Write or cause to be written articles and reports about the City of Los Angeles, its facilities, attractions and events and distribute them to major national and international magazines and newspapers, generating \$30,000,000 in publication and broadcast circulation value;
- (j) Design and maintain a web site on the World Wide Web presenting the City of Los Angeles as a travel and tourism destination, featuring sights, venues, accommodations, restaurants and City of Los Angeles travel information.
- (k) Produce and distribute, 20,000 copies of a comprehensive meeting planner guide and 250,000 copies of a visitor travel guide on the City of Los Angeles which provides detailed information on Los Angeles, its facilities and attractions;
- (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;
- (m) Provide photographs and transparencies in digital and other formats to news publications, magazines, organizations and associations as well as travel writers and travel agents to promote the City of Los Angeles as a convention and visitor destination;
- (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;
- (o) Continue to provide emphasis on the San Fernando Valley as a place to visit and stay overnight. Increase visitor room nights by encouraging booking of meetings self contained in hotels, as well as promoting the region to leisure travelers. Develop specific itineraries of the region for distribution to visitors and as a guide for site familiarization visits by meeting planners, travel writers, editors, travel agents and tour wholesalers. As experiences is gained, and as funds become available, expand the regional focus to other areas of the City; and
- (p) Generate a minimum of \$3,000,000 in private industry support from members and cooperative income.
- (q) Present to City Officials the annual marketing plan on a periodic basis.

- (r) When preparing major, new marketing programs, present to City Officials said programs during the development process to obtain comments and suggestions.

Attachment D

Current LATCB Work Program (Appendix E)

Services to be Provided by Contractor for Contract Year 2013-2014

As the City's official visitor promotion organization, the primary purpose of the Los Angeles Tourism & Convention Board "LATCB", (formerly LA INC. the Los Angeles Convention and Visitors Bureau), is to enhance the economy of the City of Los Angeles by promoting the City as a site for business meetings, conventions, trade shows and as a destination for leisure travelers. LATCB's responsibilities for contract year 2013-2014 shall include, but not be limited to, the following:

- (a) Promote the City of Los Angeles and its facilities and attractions as a desirable location for association and corporate business meetings, conventions and trade shows. Actively solicit 1,600 potential sales leads for such conventions, meetings and trade shows to be held in the City of Los Angeles with emphasis on the use of LACC and City of Los Angeles hotels. Generate 440,000 Booked Room Nights for events held at the LACC and 190,000 Booked Room Nights for meetings self contained in hotels;
- (b) Provide assistance, including administrative advice and other services to 350 conventions, business meetings and trade shows to be held in the City of Los Angeles;
- (c) Direct special efforts toward increasing attendance at conventions and trade shows to be held in the City of Los Angeles. In the year prior to the Los Angeles event, exhibit at 9 of those conventions and shows and encourage attendees to extend their visits to the City of Los Angeles beyond the dates of the event they will be attending.
- (d) Produce 50 displays and exhibits promoting the City of Los Angeles, its facilities and attractions and exhibit them at leisure travel and trade shows and conferences in the United States;
- (e) Maintain visitor information centers in the downtown Los Angeles and Hollywood areas to serve and assist visitors to Los Angeles. Distribute free information and provide travel counselors for 1.5 million visitors;
- (f) Publish and distribute in suitable locations 17 different maps, brochures, and similar information on the City of Los Angeles, its facilities and attractions;
- (g) Develop programs designed to attract national and international writers, editors, travel agents and wholesalers to the City of Los Angeles and inform them on the facilities and attractions of Los Angeles that they might, in turn, encourage their readers and clients to visit. Host 350 individuals on familiarization tour programs in the City of Los Angeles;

- (h) Develop and execute promotions, advertised in the media and on the internet, which create interest in, and travel to, Los Angeles.
- (i) Write or cause to be written articles and reports about the City of Los Angeles, its facilities, attractions and events and distribute them to major national and international magazines and newspapers, generating \$36,000,000 in publication and broadcast circulation value;
- (j) We will maintain a web site on the World Wide Web presenting tourism options for the City of Los Angeles.
- (k) Produce and distribute, 12,500 copies of a comprehensive meeting planner guide and 240,000 copies of a visitor travel guide on the City of Los Angeles which provides detailed information on Los Angeles, its facilities and attractions. Produce 350,000 copies of a tourist map of Los Angeles;
- (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;
- (m) Provide photographs and transparencies in digital and other formats to news publications, magazines, organizations and associations as well as travel writers and travel agents to promote the City of Los Angeles as a convention and visitor destination;
- (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;
- (o) Continue to provide emphasis on the San Fernando Valley as a place to visit and stay overnight. Increase visitor room nights by encouraging booking of meetings self contained in hotels, as well as promoting the region to leisure travelers. Develop specific itineraries of the region for distribution to visitors and as a guide for site familiarization visits by meeting planners, travel writers, editors, travel agents and tour wholesalers. As experiences is gained, and as funds become available, expand the regional focus to other areas of the City; and
- (p) Generate a minimum of \$3,000,000 in private industry support from members and cooperative income.
- (q) Present the annual marketing plan to City Officials.