



BOARD OF LOS ANGELES CONVENTION AND TOURISM DEVELOPMENT

Regular Meeting
Wednesday
January 7, 2015
9:00 a.m. – 10:30 a.m.
Los Angeles Convention Center
1201 S. Figueroa Street, L.A. CA 90015
Executive Board Room

1. Call to Order / Roll Call
2. Public Comment
3. Meeting Minutes
 - Approval of Meeting Minutes from December 17, 2014
 - Approval of Amendment to Meeting Minutes from December 3, 2014
(Amendment to meeting date in the first paragraph from Nov. 19, 2014 to Dec. 3, 2014)

INFORMATIONAL ITEMS:

4. Executive Director's Comments
5. Update on Plan B

REPORTS:

6. Monthly Reports for November 2014
 - a. AEG – Brad Gessner, Sr. VP & General Manager
 - b. LATCB – Sales Update from Darren Green, Sr. VP of Sales
Meeting Publications Update from Jeff Morris, President-HEILBrice

ADMINISTRATIVE:

7. Agenda Forecast / Special Topics
 - January 21, 2015
 - AEG's 1-Year Anniversary of Managing the LACC
 - LATCB's Calendar Year Performance Stats
 - Expansion & Futurization Project Update
 - February 5, 2015
 - Monthly Reports for December 2014
 - February 18, 2015
 - Hotel Strategy Update

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

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

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

Regular Meeting Minutes
 December 17, 2014
 9:00 a.m.

The Board of Los Angeles Convention and Tourism Development (Board) convened a regular meeting on Wednesday, December 17, 2014 at 9:06 a.m. at the Los Angeles Convention Center (LACC), located at 1201 S. Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room.

PRESENT:

President Jon Vein
 Vice President Ray Bidenost
 Commissioner Otto Padron

Bud Ovrom, Executive Director –

Los Angeles Department of Convention & Tourism Development (CTD)
 Tom Fields, Assistant General Manager & Chief Operating Officer – CTD
 Marla Bleavins, Assistant General Manager, Finance & Administration – CTD
 Glyn Milburn, Business Team Representative – Office of the Mayor
 John Wickham, Legislative Analyst – Office of the Chief Legislative Analyst (CLA)
 Terry Martin Brown, Assistant City Attorney – Office of the City Attorney
 Deborah Weintraub, Deputy City Engineer – Public Works/Bureau of Engineering
 Brad Gessner, Sr. Vice President & General Manager – AEG Facilities
 Barbara Kirklichter, Vice President, Revenue Strategy –
 Los Angeles Tourism & Convention Board (LATCB)
 Javier Cano, General Manager – JW Marriott
 Brandon Feighner, Vice President – PKF Consulting
 Cristine Villorante, Executive Administrative Assistant – CTD

ABSENT:

Commissioner Nicole Duckett Fricke

Item 1. Call to Order – President Jon Vein called the meeting to order.

Item 2. Public Comment – There was no public comment.

Item 3. President's Comments

President Vein announced the resignation of Commissioner Gillian Zucker. In addition, President Vein and Mr. Brad Gessner provided information about the 2014 L.A. Veterans Stand Down event happening at the LACC on December 20-22, 2014.

Item 4 Approval of the Meeting Minutes from December 3, 2014

Meeting minutes were approved by general consensus.

Item 5 Room Block Agreement

Mr. Bud Ovrom reported on the Room Block Agreement and requested the Board's approval to recommend that CTD staff to work with the CLA, AEG, and LATCB to

review documents in an effort to make the necessary improvements in future agreements.

Upon further discussion, President Vein requested that the item be tabled until the second meeting in February of 2015.

Item 6. CIP Report

Mr. Tom Fields updated the Board on the Capital Improvement Projects. All 14 projects are actively in progress and on target for completion before next year's E3 Expo.

Item 7. LATCB Contract Update

Ms. Marla Bleavins reported that the LATCB contract was approved by the Trade, Commerce, and Tourism Committee and the Economic Development Committee on December 9, 2014 and approved by the City Council the following day without delay.

Item 8 Second Amendment to the New Hall and Event Center Implementation

Mr. Ovrom reported that the second amendment to the New Hall and Event Center Implementation Agreement was approved by the City Council yesterday, December 16, 2014 and introduced Mr. John Wickham from the CLA's office who updated the Board on the schedule for Plan B.

Mr. Wickham informed that Board that there will be a public review process planned for next month, January of 2015, which will help structure the final instruction to the architects. The final implementation will convene next year.

Item 9 Hotel Request for Information (RFI)

Mr. Ovrom reported that CTD will stand down on the RFI at this time and report back to the Board at a future meeting.

Item 10 Draft Annual Report, FY 2013/14

Mr. Ovrom provided the Board with a final mock-up of the Annual Report which is ready to go to press.

Item 11. Agenda Forecast / Special Topics

The next Board meeting is scheduled for Wednesday, January 7, 2015. AEG will present a first year review on January 21, 2015.

ADJOURNMENT

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

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

Regular Meeting Minutes
December 3, 2014
9:00 a.m.

The Board of Los Angeles Convention and Tourism Development (Board) convened a regular meeting on Wednesday, ~~November 19~~December 3, 2014 at 9:03 a.m. at the Los Angeles Convention Center (LACC), located at 1201 S. Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room.

PRESENT:

President Jon Vein
Vice President Ray Bidenost
Commissioner Nicole Duckett Fricke

Bud Ovrom, Executive Director –

Los Angeles Department of Convention & Tourism Development (CTD)

Tom Fields, Assistant General Manager & Chief Operating Officer – CTD

Marla Bleavins, Assistant General Manager, Finance & Administration – CTD

Diana Mangioglu, Sr. Administrative Analyst II –

Office of the City Administrative Officer

Terry Martin Brown, Assistant City Attorney – Office of the City Attorney

Brad Gessner, Sr. Vice President & General Manager – AEG Facilities

Keith Hilsgen, Vice President, Finance – AEG Facilities

Ellen Schwartz, Vice President, Sales & Marketing – AEG Facilities

Victoriya Karpilovich, Marketing Specialist – AEG Facilities

Ernest Wooden Jr., President & CEO –

Los Angeles Tourism & Convention Board (LATCB)

Darren Green, Sr. Vice President, Sales - LATCB

Barbara Kirklighter, Vice President, Revenue Strategy – LATCB

Don Skeoch, Chief Marketing Officer – LATCB

Jeff Morris, President - HEILBrice

Cristine Villorante, Executive Administrative Assistant – CTD

ABSENT:

Commissioner Otto Padron

Commissioner Gillian Zucker

Item 1. Call to Order – President Jon Vein called the meeting to order.

Item 2. Public Comment – There was no public comment.

Item 3. Approval of the Meeting Minutes from November 19, 2014

APPROVED

Moved by: President Jon Vein
Seconded by: Commissioner Nicole Duckett Fricke

Ayes: President Vein, Vice President Bidenost,
Commissioner Duckett Fricke

Nays: None

Items were heard out of order to allow time for late arrivals.

Item 7. Monthly Reports for October 2014

Mr. Brad Gessner presented the AEG October 2014 report.

Item 6. Update on LACC Website and Social Media

Ms. Ellen Schwartz and Ms. Victoriya Karpilovich presented the Board with a presentation of the new LACC Website and an update on LACC's use of social media.

Item 7. Monthly Reports for October 2014

Mr. Darren Green presented the LATCB October 2014 report. In addition, Mr. Jeff Morris, President of HEILBrice presented the Board with a presentation on the 2015 Global Media Plan and Communications Strategy.

Requests: President Vein asked for a report on convention center capacity and a copy of the SMARI report.

Item 5. Update on Sister Cities of Los Angeles

Council Member Tom LaBonge reported on the Sister Cities of Los Angeles and commended Commissioner Duckett Fricke for her work as Ambassador on their recent trip to Tokyo, Japan.

Item 4. Approval of E3 Discount Packet (Board Report 14-003)

LATCB requested this item withdrawn. No further action is required by the Board on this issue as the request was previously approved prior to the new governance process.

Item 8. Executive Director's Report – LACC Expansion & Futurization

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

Item 9. Agenda Forecast / Special Topics

The next Board meeting is scheduled for Wednesday, December 17, 2014.

ADJOURNMENT

The meeting was adjourned at 10:23 a.m.

Tentative Schedule for LACC Expansion (Plan-B) Design Competition TOS

Stage II

	Task	Estimated Dates
1	Board of Public Works Approval to Award Task Order to Selected Teams	1/5/2015
2	Issue Notice to Proceed to Selected Teams	1/7/2015
3	Initial Public (Community) Meeting	1/15/2015
4	HOLD 30 Days After First Community Meeting (15 days for public comment and 15 days to evaluate).	
5	First Review Meeting with City and Architectural Design Teams	2/17/2015
6	Second Review Meeting with City and Architectural Design Teams	4/6/2015
7	Selected Architectural Design Teams Complete Conceptual Design Work	5/11/2015
8	Display of Architectural Models from: May 12, 2015 to May 22, 2015	5/22/2015
9	Presentation and Discussion of Work Product with Boards, Commissions, and Selection Jury from: May 26 to May 29, 2015	5/29/2015
10	Board of Public Works Approval to Select Finalist and Authorize Contract Negotiations	6/5/2015

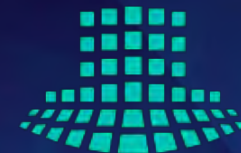
Stage III

1	Negotiate Contract	TBD
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NOTE: This Schedule is "Tentative" and Subject to Change

Los Angeles Convention Center Monthly Status Report November 2014

Brad Gessner



Los Angeles Convention Center[®]

Managed By 

EMPLOYEE OF THE MONTH – NOVEMBER 2014



**Carlos Castillo
Carpenter**

LACC NOVEMBER EVENTS

<u>EVENT</u>	<u>DAILY REGISTERED</u>	<u>ATTENDANCE</u>
L.A. Auto Show 2014	450,000	987,000
GDC Next & ADC	2,700	2,700
Los Angeles Christmas Cash and Carry Gift Show	2,500	6,000
Los Angeles Chamber of Commerce Foundation "Cash for College"	3,000	3,000

TOTAL EVENTS: 4

TOTAL ATTENDANCE: 998,700

LACC NOVEMBER FILMING AND PHOTO EVENTS

<u>DATE</u>	<u>NAME</u>	<u>AMOUNT GENERATED</u>
Nov. 5 – 6	The New Girl	\$27,505
Nov. 6	Qatar – Still Shoot	\$2,500
Nov. 10 – 12	Anonymous – Coke	\$24,120
<u>TOTAL FILMING:</u>		<u>\$54,125</u>

LACC November 2014 Financials – Profit of \$3.4 million

\$334K above budget for November; \$724K above budget YTD

REVENUES – November \$5.5 million; YTD \$11.9 million
\$464K above November budget; \$943K above YTD budget

- Rental Income - November \$1.5 million (\$87K in rental discounts); YTD \$3.5 million
 - \$12K below November Budget ; \$243K above YTD Budget
- Food & Beverage – November \$617K; YTD \$1.6 million
 - \$57K below November Budget; \$43K above YTD budget
- Utilities Revenue – November \$1.2 million; YTD \$1.9 million
 - \$36K above November budget; \$18K below budget YTD
- Parking Revenue – November \$1.7 million; YTD \$3.4 million
 - \$389K above November budget; \$328K above YTD
- Other (Event Billing, Communications, A/V, Cell Towers, and Sponsorship) – November \$442K; \$1.4 million YTD
 - \$108K above budget November; \$347K above YTD

EXPENSES – \$2.1 million in November ; \$9.6 million YTD
\$130K above November budget; \$218K above YTD

- Wages Salaries and Benefits - \$1.1 million in November; \$4.7 million YTD
 - \$24K above November budget; \$1K below YTD Budget
- Other Expenses - \$1.0 million in November; \$4.823 million YTD
 - \$106K above November budget; \$219K above YTD

2014 U.S. VET STAND DOWN



LOOKING FORWARD

- First Year Results
 - AEG Management LACC, LLC Comprehension of Accomplishments Presentation on January 21, 2015

AEG-LACC
Revenue Expense by Category - Revenue Expense
From 11/1/2014 Through 11/30/2014

(In Whole Numbers)

	Period Actual	Period Budget	Period Budget Variance	Current Year Actual	YTD Budget - Original	YTD Budget Variance - Original	Total Budget	Total Budget Variance - Original	Percent Total Budget Remaining - Original
Revenue									
Rent									
Gross Rent	1,587,276	1,561,897	25,379	5,267,696	5,194,925	72,771	10,810,952	(5,543,256)	(51)%
Discounts	(87,964)	(50,026)	(37,938)	(1,748,036)	(1,918,213)	170,177	(4,667,699)	2,919,663	(63)%
Total Rent	1,499,312	1,511,871	(12,559)	3,519,660	3,276,713	242,948	6,143,254	(2,623,593)	(43)%
Net Food and Beverage Revenue									
Food and Beverage Sales	2,218,676	2,411,500	(192,824)	7,311,825	7,110,535	201,290	12,679,987	(5,368,162)	(42)%
Food and Beverage	(1,601,873)	(1,737,595)	135,721	(5,688,422)	(5,530,606)	(157,815)	(10,474,041)	4,785,619	(46)%
Total Net Food and Beverage Revenue	616,803	673,905	(57,102)	1,623,403	1,579,929	43,474	2,205,946	(582,543)	(26)%
Utility Services									
Utility Sales	4,266,346	3,244,700	1,021,646	5,877,069	5,134,155	742,914	10,073,070	(4,196,002)	(42)%
Service Provider Share	(3,006,153)	(2,020,998)	(985,154)	(3,965,697)	(3,204,568)	(761,129)	(6,444,076)	2,478,379	(38)%
Total Utility Services	1,260,194	1,223,702	36,492	1,911,371	1,929,586	(18,215)	3,628,994	(1,717,623)	(47)%
Parking									
Parking, Net of Tax	1,762,353	1,372,525	389,828	3,792,781	3,464,841	327,940	8,502,187	(4,709,406)	(55)%
Bond Obligation	(83,333)	(83,333)	0	(416,667)	(416,667)	0	(1,000,000)	583,333	(58)%
Total Parking	1,679,019	1,289,192	389,828	3,376,114	3,048,174	327,940	7,502,187	(4,126,072)	(56)%
Telecommunications									
Telecommunication sales	678,975	557,000	121,975	1,720,286	1,374,000	346,286	2,749,127	(1,028,841)	(37)%
Service Provider Share	(441,334)	(362,050)	(79,284)	(1,089,036)	(893,100)	(195,936)	(1,786,933)	697,896	(39)%
Total Telecommunications	237,641	194,950	42,691	631,249	480,900	150,349	962,194	(330,945)	(34)%
Audio/Visual									
Audio Visual Sales	16,320	104,202	(87,882)	145,353	315,252	(169,899)	687,730	(542,376)	(79)%
Service Provider Share	(12,163)	(78,894)	66,731	(103,532)	(237,942)	134,410	(437,730)	334,198	(76)%
Total Audio/Visual	4,157	25,308	(21,151)	41,822	77,310	(35,489)	250,000	(208,178)	(83)%
Event Billing									
All Event Services	145,090	69,900	75,190	480,113	315,760	164,353	620,445	(140,332)	(23)%
Total Event Billing	145,090	69,900	75,190	480,113	315,760	164,353	620,445	(140,332)	(23)%
Cell Towers	37,607	32,065	5,542	167,382	159,018	8,363	384,855	(217,474)	(57)%
Advertising & Sponsorship	15,333	8,367	6,967	83,518	35,033	48,485	249,500	(165,982)	(67)%
Other Income	3,934	4,950	(1,016)	33,870	23,500	10,370	59,189	(25,318)	(43)%
Total Revenue	5,499,092	5,034,210	464,882	11,868,503	10,925,923	942,579	22,006,563	(10,138,061)	(46)%
Expenses									
Personnel									
Salaries & Wages - Full Time	512,938	566,691	53,753	2,676,848	2,828,769	151,921	7,252,977	4,576,129	63 %
Salaries & Wages Part Time	74,813	84,442	9,628	398,419	422,209	23,791	1,016,893	618,474	61 %
Event Expenses	202,090	90,966	(111,124)	571,038	331,555	(239,483)	674,935	103,897	15 %
Parking Labor	98,758	145,432	46,673	319,856	351,698	31,842	864,016	544,159	63 %
Overtime	51,864	16,227	(35,638)	158,692	81,134	(77,558)	195,080	36,388	19 %
Payroll Taxes	52,545	54,403	1,858	213,081	272,013	58,932	652,832	439,751	67 %
Fringe Benefits	63,152	78,565	15,413	333,485	392,925	59,441	944,747	611,262	65 %
Workers Comp	10,954	5,922	(5,032)	37,105	29,608	(7,497)	71,060	33,955	48 %
Total Personnel	1,067,115	1,042,647	(24,468)	4,708,524	4,709,913	1,389	11,672,539	6,964,015	60 %
Other Expenses									
Printing & Binding	2,442	4,002	1,561	32,911	31,436	(1,475)	62,130	29,219	47 %
Contracted Services	254,148	261,073	6,925	1,571,440	1,485,166	(86,274)	3,289,019	1,717,579	52 %
Field Equipment	47,788	6,563	(41,225)	75,164	74,815	(349)	102,718	27,555	27 %
Maintenance Supplies	33,561	11,250	(22,311)	116,671	66,250	(50,421)	138,000	21,329	15 %
Transportation Reimbursement	1,052	1,152	100	4,989	5,758	769	13,819	8,831	64 %
Parking Expenses	35,349	48,699	13,350	199,642	199,748	106	574,320	374,677	65 %
Utilities	559,638	508,975	(50,663)	2,388,198	2,298,089	(90,109)	4,841,146	2,452,948	51 %
Office and Administration	3,278	2,600	(678)	26,187	18,000	(8,187)	56,200	30,013	53 %
Operating Supplies	21,336	24,417	3,081	132,851	123,730	(9,121)	294,647	161,796	55 %
Modification & Repairs	3,167	1,500	(1,667)	27,462	7,500	(19,962)	18,000	(9,462)	(53)%
Advertising and Promotions	6,755	23,412	16,657	48,362	129,812	81,450	292,443	244,081	83 %
Uniforms	1,180	1,000	(180)	10,176	5,000	(5,176)	12,000	1,824	15 %
Recruiting	591	417	(174)	2,316	2,367	51	5,283	2,967	56 %
Employee Welfare	3,534	2,300	(1,234)	30,513	28,645	(1,868)	49,345	18,832	38 %
Insurance	14,369	13,541	(828)	66,342	67,705	1,363	169,391	103,048	61 %
Start-up Expenses	28,710	0	(28,710)	28,710	0	(28,710)	0	(28,710)	0 %
Depreciation	4,694	4,167	(527)	23,468	20,833	(2,635)	50,000	26,532	53 %
Management Fee	14,846	15,471	626	74,229	75,555	1,326	364,105	289,876	80 %
Total Other Expenses	1,036,437	930,538	(105,899)	4,859,631	4,640,409	(219,222)	10,332,566	5,472,935	53 %
Total Expenses	2,103,552	1,973,185	(130,367)	9,568,155	9,350,321	(217,834)	22,005,105	12,436,950	57 %
Total Expenses and Appropriations	2,103,552	1,973,185	(130,367)	9,568,155	9,350,321	(217,834)	22,005,105	12,436,950	57 %
Net Income (Loss)	3,395,540	3,061,025	334,515	2,300,348	1,575,602	724,746	1,458	2,298,889	157,648 %