



BOARD OF LOS ANGELES DEPARTMENT OF CONVENTION AND TOURISM DEVELOPMENT COMMISSIONERS

Commissioners: Jon F. Vein, President; Ray Bidenost, Vice President;
Jeremy Bernard; Stella T. Maloyan; Otto Padron

Members of the public who wish to speak during the meeting must submit a "Request to Speak" form to the Board Secretary prior to the commencement of the public comments for each agenda item of interest. Comments by the public on matters not identified on the agenda, but within the subject matter jurisdiction of the Commission, will be heard only during the item designated as "Public Comment." Public speaking will be limited to two minutes per speaker, unless the presiding officer grants some other amount of time before the commencement of the public comment.

Regular Meeting
Wednesday, August 5, 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. ACTION ITEMS:

- a. Approval of Meeting Minutes from July 15, 2015

4. DISCUSSION ITEMS:

- a. Monthly Reports for June 2015
 - AEG Monthly Report Presented by Brad Gessner, Sr. VP & General Manager; Keith Hilsgen, VP Finance; and Ellen Schwartz, VP Sales and Marketing
 - LATCB Monthly Report Presented by Darren Green, Sr. VP Sales
- b. CIP Update

5. ADJOURNMENT

AGENDA FORECAST / SPECIAL TOPICS:

- | | | |
|-----------------|---|--|
| August 19, 2015 | - | LACC Expansion and Futurization Update |
| | - | CIP 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 COMMISSION**

Meeting Minutes
July 15, 2015
9:00 a.m.

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a regular meeting on Wednesday, July 15, 2015 at 9:04 a.m. at the Los Angeles Convention Center (LACC), located at 1201 S. Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room.

PRESENT:

President Jon F. Vein
Commissioner Jeremy Bernard
Commissioner Stella T. Maloyan
Commissioner Otto Padron

Bud Ovrom, Executive Director –

Los Angeles Department of Convention & Tourism Development (CTD)
Diana Mangioglou, Assistant General Manager, Finance & Administration – CTD
Glyn Milburn, Business Team Representative – Office of the Mayor
Kimberly Miera, Deputy 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
Patti MacJennett, Sr. Vice President, Business Affairs –
Los Angeles Tourism & Convention Board (LATCB)
Kathy McAdams, Vice President, Convention Sales – LATCB
Natalie Brill, Chief of Debt Management – Office of the City Administrative Officer (CAO)
Cristine Villorante, Executive Administrative Assistant – CTD
Adria Ybarra, Executive Administrative Assistant – CTD

ABSENT:

Vice President Ray Bidenost

Item 1. Call to Order / Roll Call

President Vein called the meeting to order.

Item 2. Public Comment

There was no public comment.

Item 3a. Election of Officers

Motion to re-elect Jon Vein as President and Ray Bidenost as Vice President.

APPROVED

Moved by: Commissioner Padron
Seconded by: Commissioner Maloyan

Ayes: President Vein, Commissioners Bernard, Maloyan, and Padron

Nays: None

Absent: Vice President Bidenost

Item 3b. Approval of Meeting Minutes from June 3, 2015

APPROVED BY GENERAL CONSENT

Ayes: President Vein, Commissioners Bernard, Maloyan, and Padron

Nays: None

Absent: Vice President Bidenost

Item 3c. Approval of Meeting Minutes from June 17, 2015

APPROVED BY GENERAL CONSENT

Ayes: President Vein, Commissioners Bernard, Maloyan, and Padron

Nays: None

Absent: Vice President Bidenost

Item 3d. Approval of Rental Discount Request for Electronic Entertainment Expo (E3) for the 2017, 2018, and 2019 Fiscal Years (Board Report No. 15-006)

APPROVED

Moved by: Commissioner Bernard
Seconded by: Commissioner Padron

Ayes: President Vein, Commissioners Bernard, Maloyan, and Padron

Nays: None

Absent: Vice President Bidenost

Items 4a. Monthly Reports for May 2015

- a. Mr. Brad Gessner, Mr. Keith Hilsgen, and Ms. Ellen Schwartz presented the LACC/AEG monthly report.
- b. Ms. Kathy McAdams presented the LATCB monthly report.

Item 4b. Update on LACC Expansion and Futurization

Mr. Bud Ovrom reported that on June 30, 2015, the City Council authorized the CTD to work with the Economic Development Department to develop and disseminate a Request for Information (RFI) to parties interested in developing a Convention Center hotel, including survey work to determine interest in a Convention Center hotel. City Council has asked for a report back. (Council File No. 15-0446).

Mr. Ovrom added that a professional writer and layout artists will be hired to create the new White Paper for better content and production quality.

Item 4c. Update on Convention Center Design Process

Mr. Ovrom reported that on June 30, 2015, the City Council approved entering into contract negotiations with HMC Architects/Populous. City Council has asked for a report back in 120 days, November 1, 2015. (CF 14-1383)

Mr. Ovrom added that the City Council has authorized an outside consultant to work on an Economic Impact Report for the expansion, which will provide vital information and analysis regarding development and business viability, financing alternatives and results, and what the investment will be for the Mayor and City Council.

ADJOURNMENT

The meeting was adjourned at 9:53 a.m.

Los Angeles Convention Center Monthly Status Report June 2015

Brad Gessner



EMPLOYEE OF THE MONTH – May 2015



Kurt Larson
Electrician

LEADER OF THE 2ND QUARTER 2015



Tom Drew
Manager, Technology Services

LACC JUNE 2015 EVENTS

<u>DATE</u>	<u>EVENT</u>	<u>ATTENDANCE</u>
June 4 - 5	Information Systems Security Assoc.	1,600
June 16 - 18	E3 2015	140,000
June 24	BizBash Ideafest L.A. 2015	1,300
June 27 - 28	BET Experience Fan Fest 2015	55,000
June 27 - 30	BOMA	4,000

TOTAL EVENTS: 5

TOTAL ATTENDANCE: 201,900

LACC JUNE 2015 FILMING AND PHOTO EVENTS

<u>Date</u>	<u>Name</u>	<u>Amount</u>
June 24	Nike Commercial	\$5,970

TOTAL FILMING: \$5,970

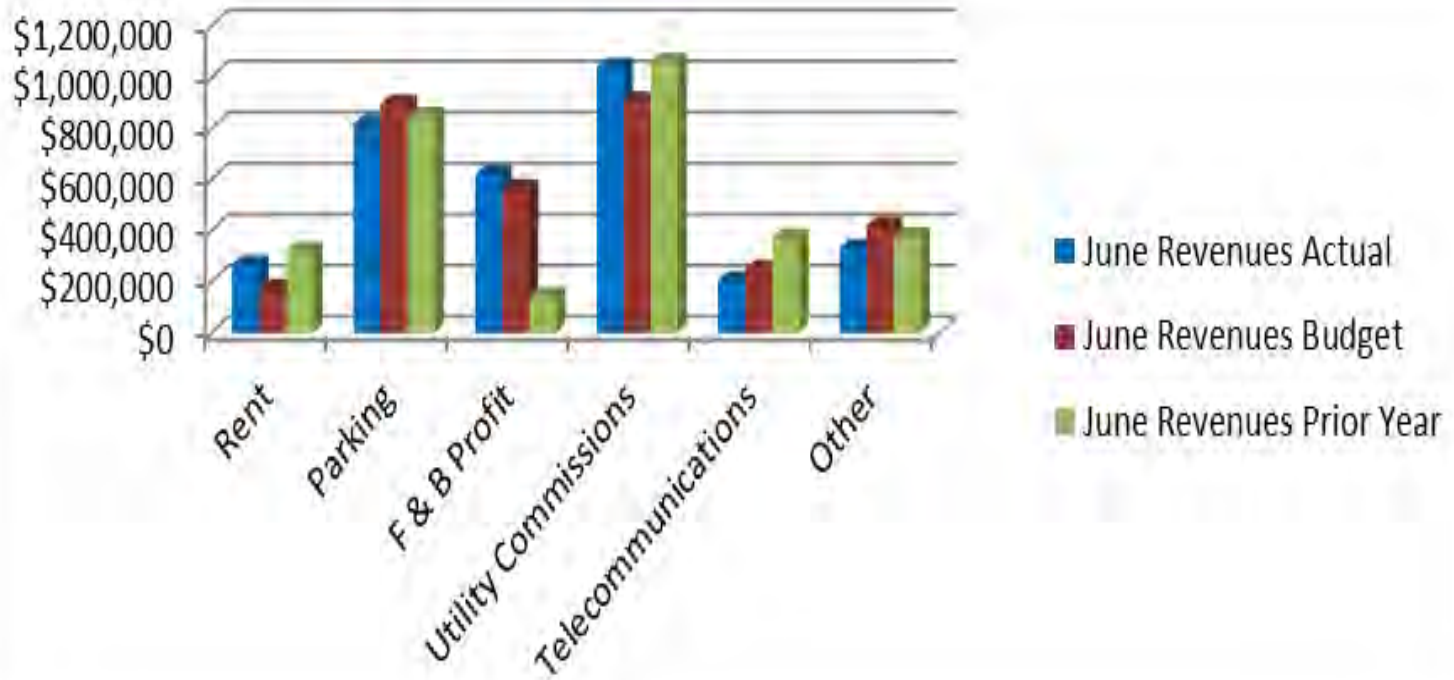
LACC June 2015 Financials

Operating Profit of \$680K

REVENUES

\$3.3 Million

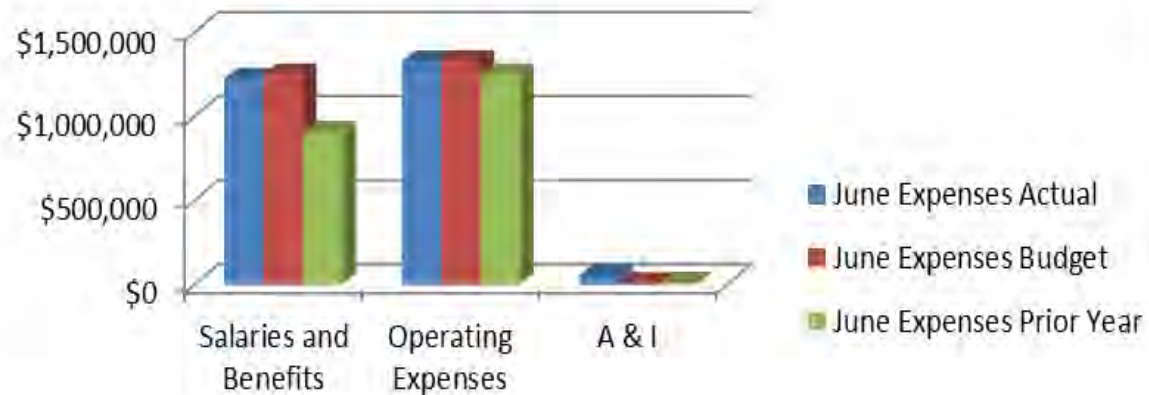
\$64K improvement to original Budget



LACC June 2015 Financials

Expenses

\$2.6 million Million for June
\$20K above budget



A & I projects completed:

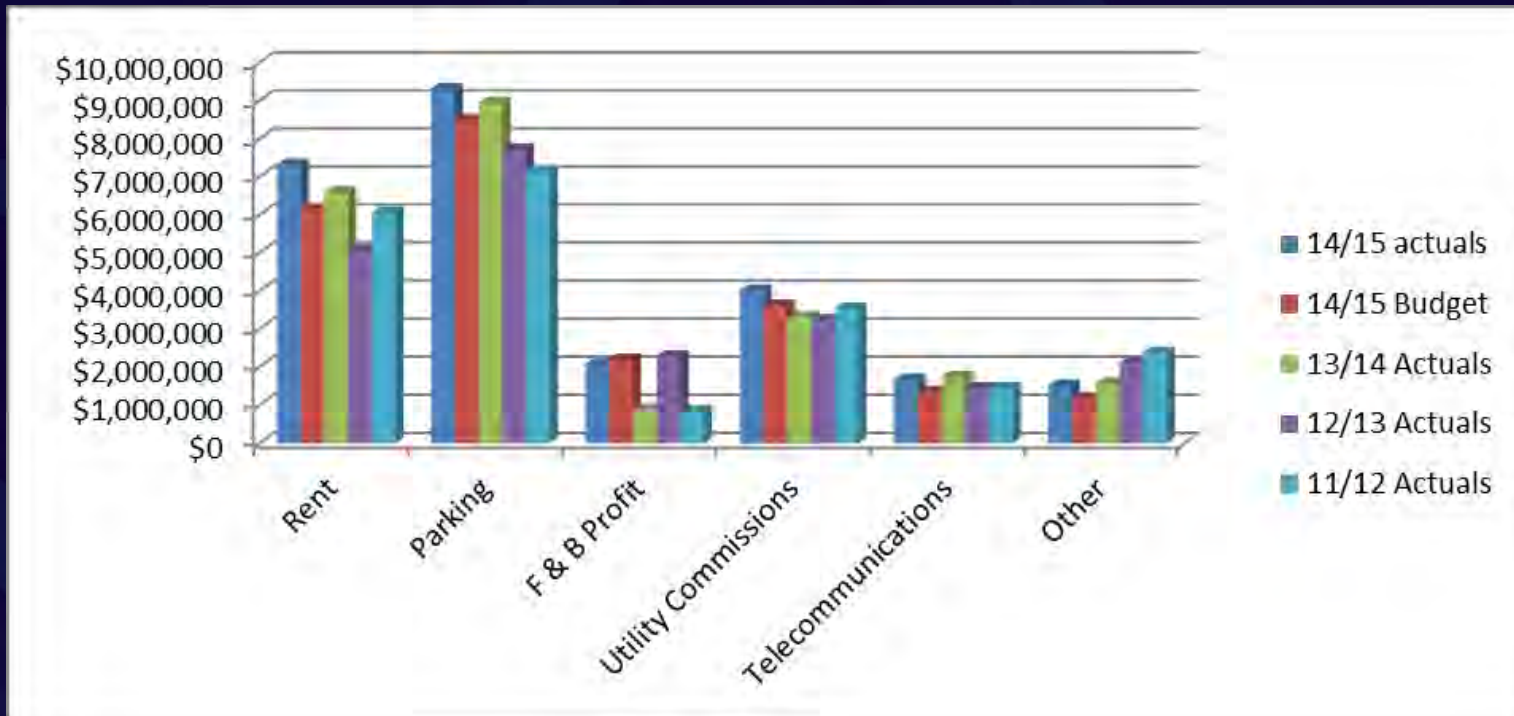
- Parking Signs
- Window Cleaning Equipment Repairs

FY15 Financials

Operating Profit of \$2.6 million

REVENUES

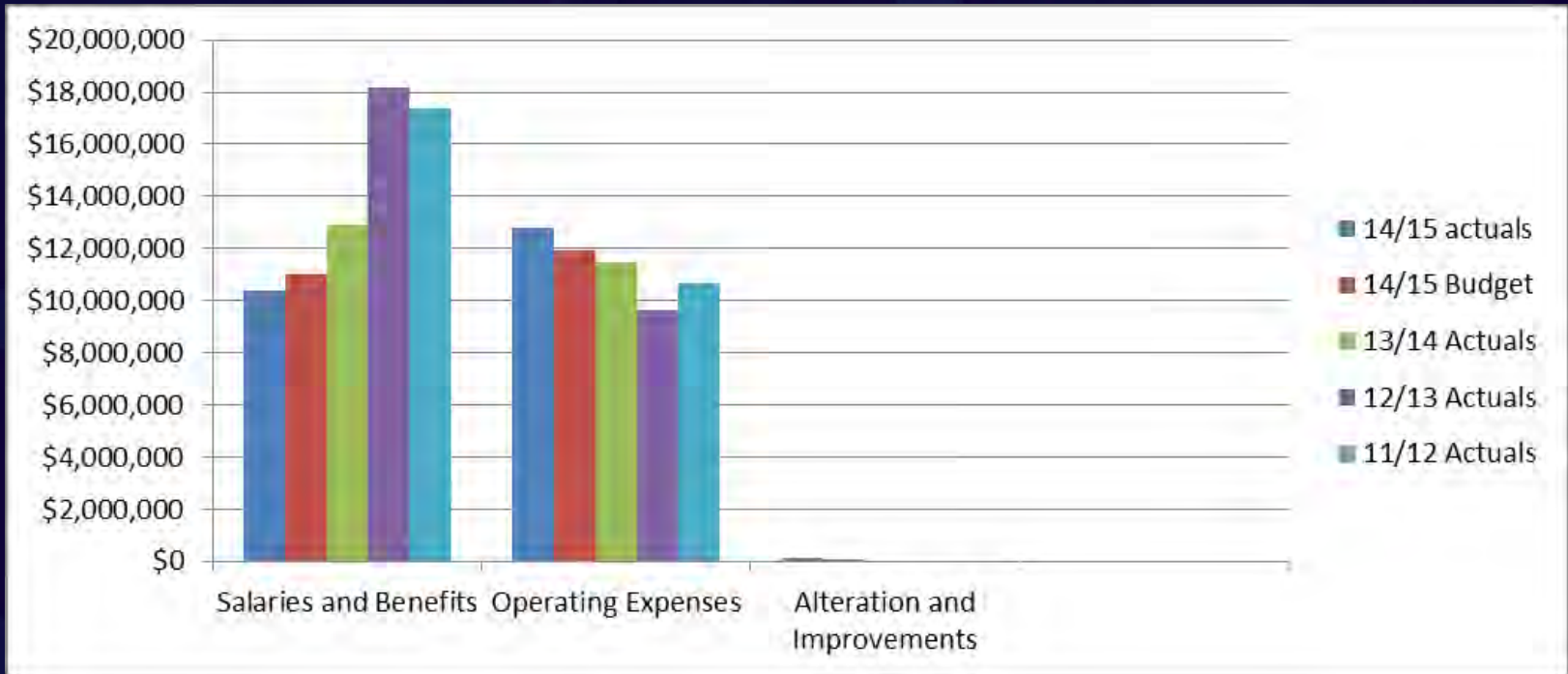
\$25.9 million



Note: Utility Commissions for 12/13 and 13/14 are projected using same commission % achieved in 14/15.

FY15 Financials

Expenses
\$23.3 million



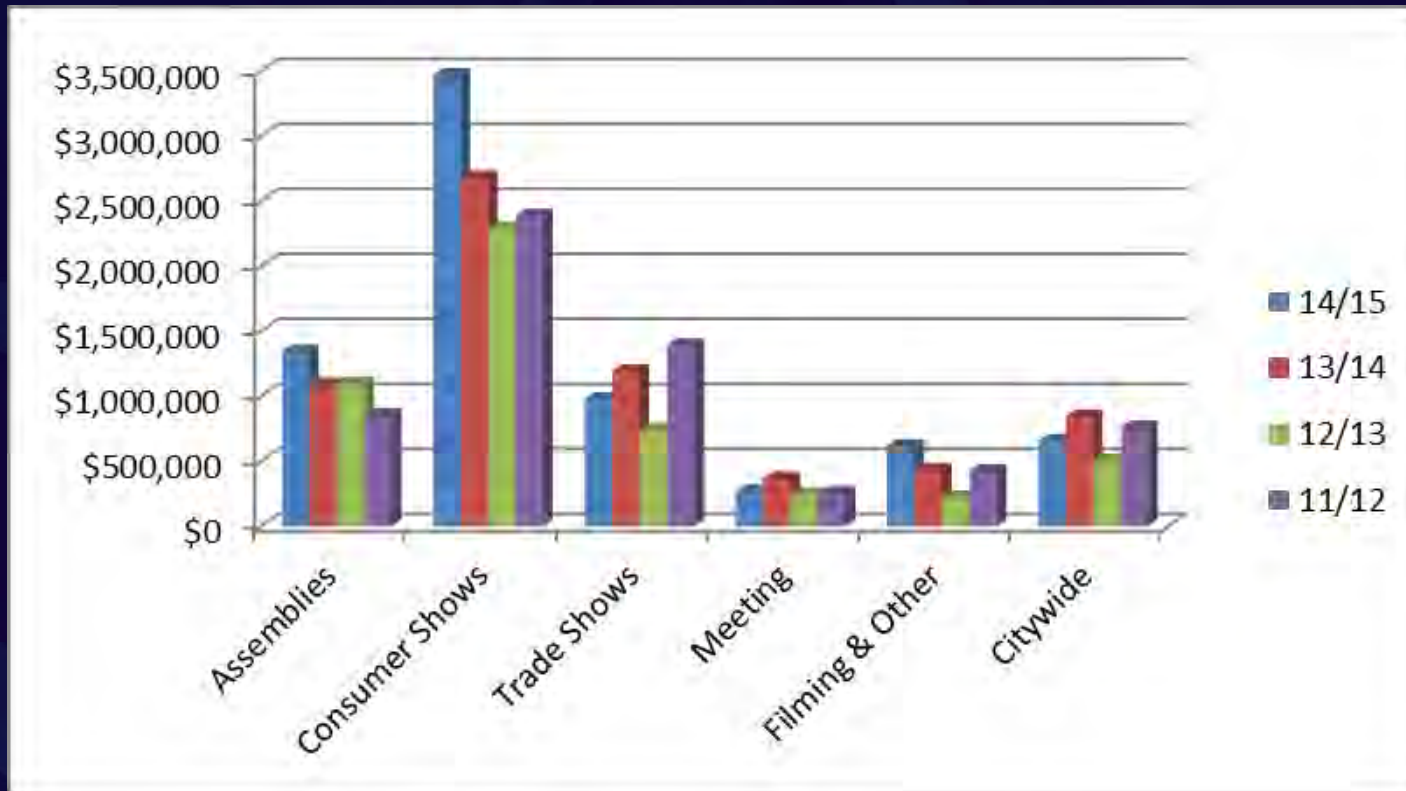
Notes:

Benefits expenses for 12/13 and 13/14 are estimated amounts per City's annual financial reports.

Salaries and Benefits for 13/14 included additional expenses to service exclusive in-house event electrical distribution.

Rent Revenue by event type

Rent revenue for FY15:
\$7.3 million – 12% increase over prior year



Citywide revenue includes annual rental discounts

FY15 rental discounts - \$4,616,668

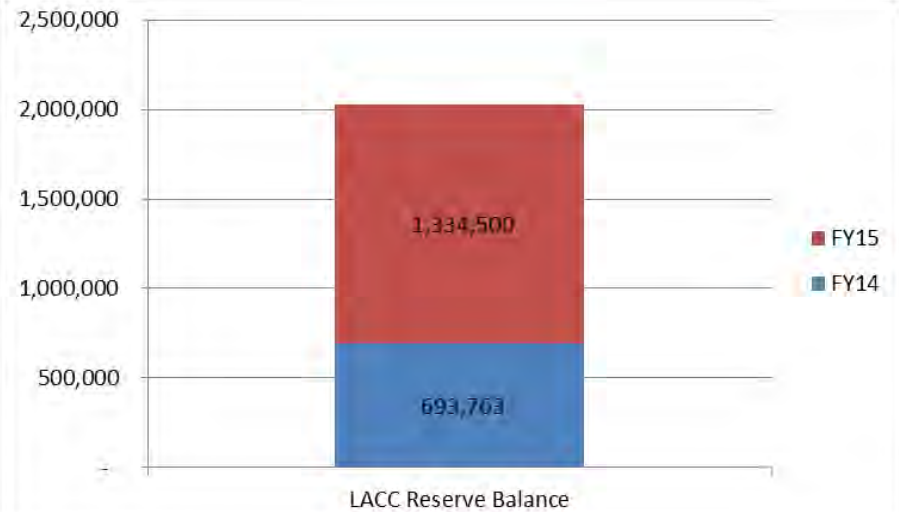
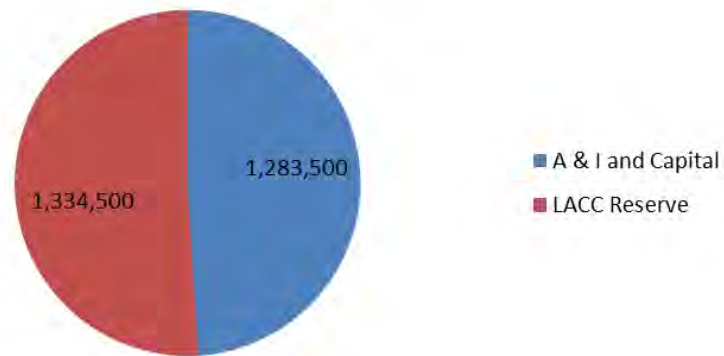
FY14 rental discounts - \$3,819,557

FY13 rental discounts - \$6,318,230

FY12 rental discounts - \$5,231,005

FY 15 Operating Profits and Reserve

FY 15 Operating profit



Reserve Balance \$2M

LOOKING FORWARD

- Guest Services Program
- Advertising Program

AEG-LACC
Revenue Expense by Category - Revenue Expense
From 06/1/2015 Through 06/30/2015

(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	1,522,897	1,572,748	(49,851)	11,945,684	10,810,952	1,134,732	10,810,952	1,134,732	10 %
Discounts	(1,256,421)	(1,397,948)	141,527	(4,616,668)	(4,667,699)	51,031	(4,667,699)	51,031	(1)%
Total Rent	266,476	174,800	91,676	7,329,017	6,143,254	1,185,763	6,143,254	1,185,763	19 %
Food and Beverage									
Food and Beverage Sales	1,525,098	1,855,281	(330,183)	12,845,044	12,679,987	165,057	12,679,987	165,057	1 %
Food and Beverage Expenses	(905,402)	(1,288,220)	382,819	(10,763,948)	(10,474,041)	(289,907)	(10,474,041)	(289,907)	3 %
Total Food and Beverage	619,697	567,061	52,636	2,081,096	2,205,946	(124,850)	2,205,946	(124,850)	(6)%
Utility Services									
Utility Sales	3,255,323	2,798,600	456,723	11,723,592	10,073,070	1,650,522	10,073,070	1,650,522	16 %
Service Provider Share	(2,216,730)	(1,889,399)	(327,331)	(7,710,468)	(6,444,076)	(1,266,392)	(6,444,076)	(1,266,392)	20 %
Total Utility Services	1,038,593	909,202	129,391	4,013,124	3,628,994	384,130	3,628,994	384,130	11 %
Parking receipts (net of sales tax)	817,962	895,871	(77,909)	9,318,651	8,502,187	816,464	8,502,187	816,464	10 %
Telecommunications									
Telecommunications Sales	543,505	710,300	(166,795)	3,264,658	2,749,127	515,531	2,749,127	515,531	19 %
Service Provider Share	(338,942)	(461,695)	122,753	(2,075,569)	(1,786,933)	(288,636)	(1,786,933)	(288,636)	16 %
Total Telecommunications	204,562	248,605	(44,043)	1,189,090	962,194	226,895	962,194	226,895	24 %
Audio / Visual									
Audio Visual Sales	5,623	155,973	(150,350)	413,411	687,730	(274,318)	687,730	(274,318)	(40)%
Service Provider Share	(27,108)	(36,744)	9,636	(285,188)	(437,730)	152,542	(437,730)	152,542	(35)%
Total Audio / Visual	(21,486)	119,228	(140,714)	128,223	250,000	(121,777)	250,000	(121,777)	(49)%
Event Billing	92,249	76,500	15,749	938,707	620,445	318,262	620,445	318,262	51 %
Cell Towers	32,957	32,511	446	479,414	384,855	94,559	384,855	94,559	25 %
Advertising and Sponsorship	223,450	184,167	39,283	362,999	249,500	113,499	249,500	113,499	45 %
Other Income	3,441	5,100	(1,659)	81,254	59,189	22,065	59,189	22,065	37 %
Total Revenue	3,277,901	3,213,045	64,857	25,921,574	23,006,563	2,915,011	23,006,563	2,915,011	13 %
Expenses									
Personnel									
Salaries and Wages Full Time	947,270	911,082	(36,188)	7,035,185	7,252,977	217,792	7,252,977	217,792	3 %
Salaries and Wages Part Time	88,299	86,323	(1,976)	968,148	1,016,893	48,745	1,016,893	48,745	5 %
Parking Labor	71,730	93,000	21,270	759,411	864,016	104,605	864,016	104,605	12 %
Overtime	20,151	16,415	(3,736)	247,834	195,080	(52,754)	195,080	(52,754)	(27)%
Payroll Taxes	55,728	54,403	(1,325)	540,632	652,832	112,200	652,832	112,200	17 %
Fringe Benefits	80,455	80,331	(124)	850,084	944,747	94,663	944,747	94,663	10 %
Workers Comp	(42,793)	5,922	48,715	1,436	71,060	69,624	71,060	69,624	98 %
Total Personnel	1,220,838	1,247,475	26,637	10,402,730	10,997,604	594,874	10,997,604	594,874	5 %
Operating Expenses									
Event Expenses	153,551	87,049	(66,501)	1,296,706	674,935	(621,771)	674,935	(621,771)	(92)%
Staples Bond Share	83,333	83,333	0	1,000,000	1,000,000	0	1,000,000	0	0 %
Printing and Binding	5,953	4,002	(1,951)	64,577	62,130	(2,447)	62,130	(2,447)	(4)%
Contracted Services	260,200	251,847	(8,354)	3,356,204	3,289,019	(67,185)	3,289,019	(67,185)	(2)%
Field Equipment	14,977	6,525	(8,452)	147,116	102,718	(44,398)	102,718	(44,398)	(43)%
Maintenance Supplies	21,761	10,250	(11,511)	254,505	138,000	(116,505)	138,000	(116,505)	(84)%
Transportation Reimbursement	1,052	1,152	100	11,983	13,819	1,837	13,819	1,837	13 %
Parking Expenses	45,926	92,102	46,177	521,278	574,320	53,041	574,320	53,041	9 %
Utilities	465,780	523,246	57,466	4,902,601	4,841,146	(61,455)	4,841,146	(61,455)	(1)%
Office and Administration	5,032	2,600	(2,432)	65,464	56,200	(9,264)	56,200	(9,264)	(16)%
Operating Supplies	34,165	24,417	(9,748)	308,699	294,647	(14,052)	294,647	(14,052)	(5)%
Modification and Repairs	2,142	1,500	(642)	52,125	18,000	(34,125)	18,000	(34,125)	(190)%
Advertising and Promotion	6,625	23,962	17,337	126,788	292,443	165,655	292,443	165,655	57 %
Uniforms	1,447	1,000	(447)	21,411	12,000	(9,411)	12,000	(9,411)	(78)%
Recruiting	0	417	417	4,439	5,283	844	5,283	844	16 %
Employee Welfare	190	1,000	810	69,128	49,345	(19,783)	49,345	(19,783)	(40)%
Insurance	28,111	15,596	(12,516)	182,063	169,391	(12,673)	169,391	(12,673)	(7)%
Start-up Expenses	0	0	0	28,710	0	(28,710)	0	(28,710)	0 %
Management Fee	192,996	195,721	2,726	356,300	364,105	7,805	364,105	7,805	2 %
Total Operating Expenses	1,323,241	1,325,719	2,478	12,770,097	11,957,501	(812,596)	11,957,501	(812,596)	(7)%
Total Expenses	2,544,079	2,573,194	29,115	23,172,827	22,955,105	(217,722)	22,955,105	(217,722)	(1)%
Operating Profit before Special Projects	733,823	639,851	93,972	2,748,748	51,458	2,697,289	51,458	2,697,289	5,242 %
Capital and A&I Projects									
Alteration and Improvements	47,700	0	(47,700)	71,950	0	(71,950)	0	(71,950)	0 %
Depreciation on Capital Purchases	5,927	4,167	(1,761)	58,231	50,000	(8,231)	50,000	(8,231)	(16)%
Total Capital and A&I Projects	53,627	4,167	(49,461)	130,181	50,000	(80,181)	50,000	(80,181)	(160)%
Net Income (Loss)	680,195	635,684	44,511	2,618,566	1,458	2,617,108	1,458	2,617,108	179,470 %

CTD Board of Commissioners Meeting

August 5, 2015

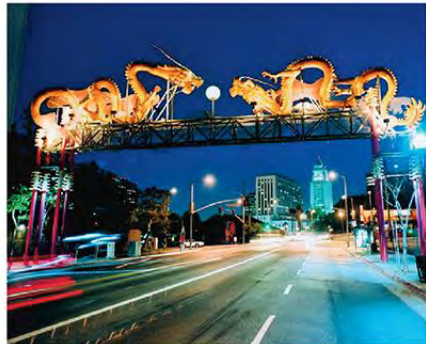
Los Angeles
TOURISM & CONVENTION BOARD





Citywide Convention Sales Update

Darren K. Green
Senior Vice President, Sales



Citywide Convention Sales

FY 14/15 (July 1, 2014 to June 30, 2015) Lead Production

Lead Production	Leads Actual
FY 14/15 Goal	210
FY 14/15 YE	225
FY 13/14 YE	210

Sales Pipeline- Future Years

- FY 14/15 YE **118 Leads**, representing **1,520,954 room nights**
- FY 13/14 YE **134 Leads**, representing **1,640,249 room nights**

Citywide Convention Sales

FY 14/15 (July 1, 2014 to June 30, 2015) Booking Production

LOI Production	LOIs Actual
FY 14/15 Goal	38
FY 14/15 YE	34
FY 13/14 YE	26

Booked Room Nights Produced	RNs Actual
FY 14/15 Goal	351,000
FY 14/15 YE	356,087
FY 13/14 YE	212,059

FY 2014-15 Citywide Convention Sales

Big Wins by the Numbers

144,028 more room nights booked YOY, 68% annual growth

2,317 more room nights on average per booking

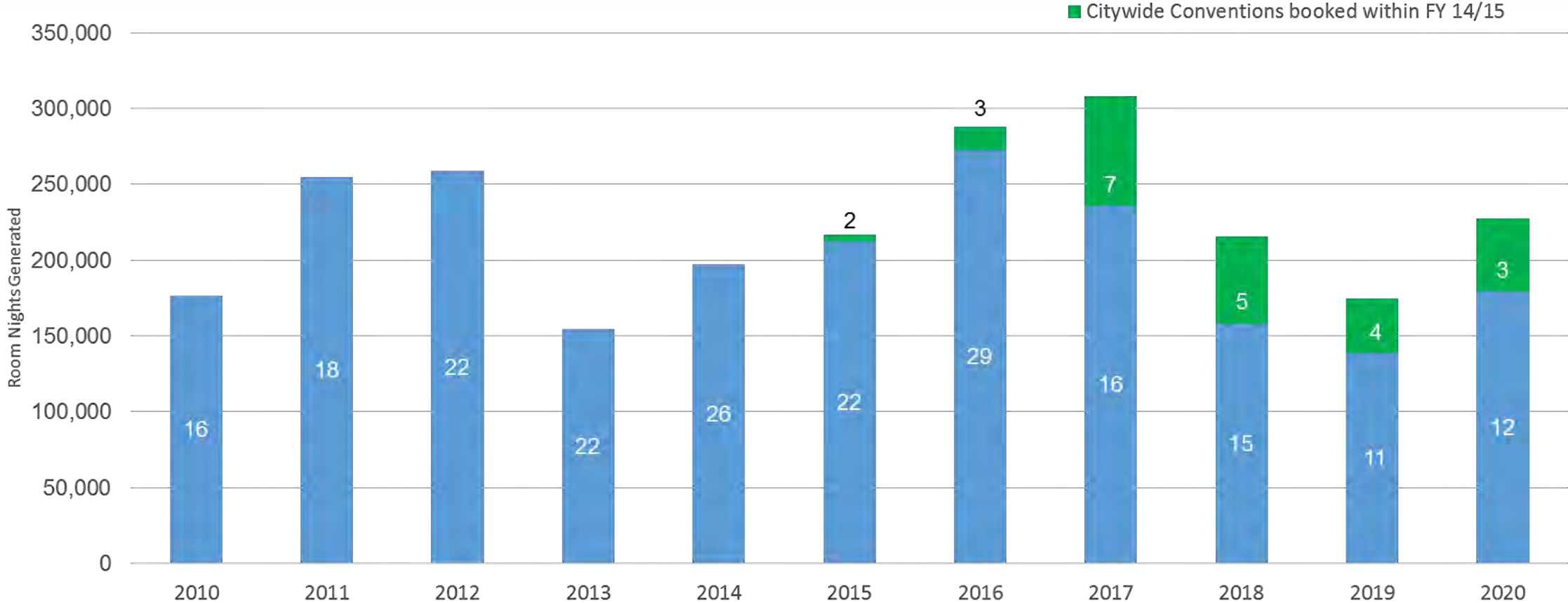
63% YOY increase in short term bookings

Citywide Convention Sales Team

- **Fully staffed, goal driven, proven performers**
- **15 Year Average Citywide Sales Experience per Director**
- **Background Selling Other Major Destinations- New York, San Francisco**
- **Vertical Segment Expertise - Tech, Medical, Association**



Citywide Convention Sales Booked Room Nights 2010 to 2020 Calendar Year Arrival Date



• **32** conventions on the books for 2016, most since 2001. Estimated Economic Impact **\$429** million.



Key CY 2016 Citywide Conventions

32 Total Conventions Booked for CY 2016, Most Since 2001



MARY KAY®

January 13-16
13,543 TRNs
8,000 Attendees



WonderCon

March 25-27
6,211 TRNs
70,000 Attendees



June 14-16
27,619 TRNs
31,500 Attendees



BET★

June 24-26
4,200 TRNs
10,000 Attendees



July 1-4
10,606 TRNs
100,000 Attendees



AMERICAN SOCIETY OF PLASTIC SURGEONS®

September 23-27
4,713 TRNs
6,500 Attendees



October 4-7
20,000 TRNs
25,000 Attendees



October 23-27
13,425 TRNs
7,000 Attendees



Los Angeles
TOURISM & CONVENTION BOARD

New Citywide Prospects

The logo for VMware, featuring the word "vmware" in a lowercase, sans-serif font with a registered trademark symbol.

18,855 TRNs
January 2017



5,680 TRNs
April 2017



12,755 TRNs
September 2019



12,245 TRNs
May 2020

Travel Trade Show Calendar and Special Events

Recent Trade Show Events

- June 13-16, 2015 - **CVENT Connect** Las Vegas, NV
- July 14-17, 2015- **DMAI** Austin, TX
- July 25-29, 2015 - **GBTA Convention** Orlando, FL

Upcoming Trade Show Events

- August 8-11, 2015- **ASAE** Detroit, MI
- October 13-15, 2015 **IMEX** Las Vegas, NV

Upcoming LATCB Special Events

- August 20, 2015- **Market Outlook Forum**
- September 18-21, 2015 – **Customer Advisory Board**
- December 2015- **GM Sales Mission**



Sponsorships and Partnerships



Thank You





ITEM 4B

CIP UPDATE



FY 2014-15 CIP UPDATE - SUMMARY

Contract	SOW	In Progress	Targeted Completion Date	Project
X	X	X	10/1/2015	Air-Wall Enhancements
X	X	X	10/15/2015	Automatic Transfer Switches
X	X	X	Fall 2015	Roof Replacement
X	X	X	Completed	Security Surveillance System Upgrade
X	X	X	Completed	Parking Access & Control System Upgrade
X	X	X	Completed	Theater Décor Modernization
X	X	X	Completed	Dimming System Upgrade
X	X	X	Completed	Meeting Room HVAC Upgrade
X	X	X	Completed	Restroom Vestibule Upgrade
X	X	X	Completed	Exhibit Hall Floor Remediation
X	X	X	Completed	Cooling Tower Refurbishment
X	X	X	Completed	Carpet Replacement
X	X	X	Completed	Escalator/Elevator Modernization
X	X	X	Completed	Sidewalk Replacement

ALTERATIONS & IMPROVEMENTS - SUMMARY

Item #	Status	Targeted Completion Date	Project
1	In Progress	9/2015	Restroom efficiency upgrades
2	In Progress	11/2015	Landscaping upgrades
5	Completed	-	Replacement of Administrative Carpet
6	Completed	-	Proximity Lock Access Control
7	Completed	-	CMS Electronic Message Boards
8	Completed	-	Window Washing Ladders and Platforms