Regular Meeting
Wednesday, October 4, 2017
9:00 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 the regular meeting minutes from September 6, 2017
   b. Approval of the special meeting minutes from September 6, 2017
   c. Approval of Proposed LATCB FY17/18 Appendix E – Board Report 17-003
   d. Approval of Proposed Los Angeles Convention Center Reserve Policy – Board Report 17-004

4. PRESENTATIONS:
   a. Neighborhood Council representatives on any Neighborhood Council Resolution or Community Impact Statement filed with the City Clerk which relate to any agenda item listed or being considered on this agenda for Board of Los Angeles Department of Convention and Tourism Development
   b. AEG Monthly Update – August – Brad Gessner, AEG
   c. LATCB Monthly Update – August – Darren Green, LATCB
      i. Marketing Update – John Boudouvas, LATCB
   d. CIP Update - CTD
   e. Executive Director Report

ADJOURNMENT

AGENDA FORECAST / SPECIAL TOPICS:

October 18, 2017 - Executive Director Report

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.
The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a regular meeting on Wednesday, September 6, 2017 at 9:00 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
Vice President Otto Padron (arrived 9:03 a.m.)
Commissioner Jeremy Bernard
Commissioner Ana Cubas
Commissioner Stella T. Maloyan (arrived 9:18 a.m.)

ABSENT:
None

PRESENTERS:
Brad Gessner, AEG
Keith Hilsgen, AEG
Doane Liu, CTD
Darren Green, LATCB
Laine Haynes-Smith, LATCB

Item 1. Call to Order / Roll Call
President Vein called the meeting to order at 9:00 a.m.

Item 2. Public Comment
None

Item 3a. Approval of the special meeting minutes from August 23, 2017
UNANIMOUSLY APPROVED

Item 4a. Neighborhood Council
None
Item 4b. AEG Monthly Update – July

Mr. Brad Gessner recognized Mina Hurtado as Employee of the Month. Mr. Gessner reported that July had 10 events, with a total attendance of 504,348, two of which were citywide events and in addition there were two filmings. Mr. Keith Hilsgen presented the financial data for July. Mr. Hilsgen noted the operating profit of $728,000 and revenue of $27 million, with $238,000 in rental discounts. Mr. Hilsgen also noted the occupancy for July was 70%, which is down year over year, due to the timing of events as several are on rotation or crossed into August. Mr. Hilsgen also reported that the projected economic impact for July was $81 million.

Item 4c. LATCB Monthly Update – July

Mr. Darren Green reported that LATCB has processed 27 leads, the goal is 220 leads, resulting in 14,094 room nights, the goal of 390,000. Mr. Green noted that is takes 20 hotels to reach 4,000 peak room nights, some of which are up to two miles from the LACC. San Francisco and San Diego are better set up with more room per hotel and more hotels one mile from the convention centers. Mr. Green presented a hotel inventory update, which included a video, as well as an attraction video. Ms. Liane Haynes-Smith presented a Destination Services Team & Client Services Team overview. Ms. Haynes-Smith presented the 16/17 Client Survey results for the 32 citywide events. Ms. Haynes-Smith reported a 4.8 out of 5 Client Services satisfaction rating.

Item 4d. Executive Director Report

Mr. Doane Liu reported an overview of his activities since the last meeting which included; attending a LATCB “Masters” class, a Sister City site visit with guests from China, attending the LATCB Outlook Forum, meeting with JLL on the recent market study; attending several Fleet Week activities and meeting with the Mayor’s office on the new LA brand and logo.

ADJOURNMENT

The meeting was adjourned at 9:39 a.m.
The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a special meeting on Wednesday, September 6, 2017 at 9:40 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
Vice President Otto Padron
Commissioner Jeremy Bernard
Commissioner Ana Cubas
Commissioner Stella T. Maloyan

ABSENT:
None

PRESENTERS:
Doane Liu, CTD

Item 1. Call to Order / Roll Call
President Vein called the meeting to order at 9:40 a.m.

Item 2. Public Comment
None

Item 3a. Neighborhood Council
None

Item 3b. Expansion & Futurization Update
Mr. Doane Liu reported that there is no update from the Chief Legislative Analyst (CLA), but the CLA has approved the latest proposal and will present a report to City Council by the end of September. Discussion regarding the negotiation process ensued which resulted in a consensus to direct staff to submit a letter from the Commission requesting regular updates to CTD, to note the importance of creating as many hotel rooms as possible, and to encourage all negotiating parties to get together to determine the most financially responsible to modernize the Convention Center.

ADJOURNMENT

The meeting was adjourned at 10:03 a.m.
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 4, 2017

To: Board of Los Angeles Convention and Tourism Development Commissioners

From: Doane Liu, Executive Director
Department of Convention and Tourism Development

Subject: PROPOSED POLICY FOR THE LOS ANGELES CONVENTION CENTER RESERVE FUND (BOARD REPORT NO. 17-004)

SUMMARY

On June 13, 2017, the Economic Development Committee (“EDC”) instructed the Department of Convention and Tourism Development (“CTD”) to report back with a recommendation for establishing a policy (“Policy”) for managing the Los Angeles Convention Center Private Operator Reserve (“LACC Reserve Fund”). In response, the CTD prepared the attached draft report and proposed Policy (ATTACHMENT) for your consideration.

As part of the Management Agreement between the City and the private operator of the LACC (AEG Management LACC, LLC), the private operator was required to create and maintain the LACC Reserve Fund at an amount equal to ten percent (10%) of the Approved Annual Operating Budget, or $2.5 million. As of June 30, 2017, the total LACC Reserve Fund Balance amounts to $7.1 million.

In drafting the proposed Policy, the CTD considered information gathered from other convention centers, reviewed the LACC’s booking calendar for the next ten years, consulted with various experts, including the LACC’s private operator, and considered the potential financial impact should there be an interruption in LACC business. As such, the CTD’s proposed Policy recommends that the LACC Reserve Fund continue to experience growth if appropriate, and be capped at an amount not to exceed $15 million. A $15 million reserve is equivalent to approximately 72 percent of LACC’s current fixed annual operating expenses (not including facility improvements or event related expenses) or a 260-day reserve. Should the $15 million limit be reached, any remaining LACC savings may be budgeted towards facility improvements at the LACC to help further offset General Fund costs, at the discretion of the Executive Director of the CTD.

RECOMMENDATION

That the Board of Los Angeles Convention & Tourism Development Commissioners approve the proposed policy for the LACC Reserve Fund, provided as Attachment 2 to the draft report addressed to the Economic Development Committee.

ATTACHMENT – Report to EDC regarding Reserve Fund Policy

DL: dml
CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date:  
To:  Curren D. Price Jr., Councilmember, Chair, Economic Development Committee  
From:  Doane Liu, Executive Director  
Department of Convention and Tourism Development

Reference:  Council File No. 17-0600-S21  
Subject:  LOS ANGELES CONVENTION CENTER RESERVE FUND POLICY

SUMMARY

On June 13, 2017, the Economic Development Committee ("EDC") instructed (ATTACHMENT 1) the Department of Convention and Tourism Development ("CTD") to report back with a recommendation for establishing a policy for managing the Los Angeles Convention Center Private Operator Reserve ("LACC Reserve Fund"), which is tracked as part of the Los Angeles Convention Center Revenue Trust Fund, 725. In response, the CTD prepared the proposed Los Angeles Convention Center Reserve Fund Policy (Policy) (ATTACHMENT 2) for EDC’s consideration.

The Management Agreement between the City of Los Angeles ("City") and the private operator for the Los Angeles Convention Center ("LACC") requires the private operator to maintain a reserve fund as part of its annual operating budget. Since the Management Agreement was first executed in October 2013, the LACC Reserve Fund has accumulated over $7 million. Before the time the agreement was entered into, the City did not anticipate that annual savings for LACC operations would have been as high as actuals have demonstrated, and thus did not consider having a reserve fund policy. In response to the accumulating reserve fund balance however, the Budget and Finance Committee instructed the CTD to draft a proposed policy for managing the LACC Reserve Fund during the 2017-18 budget deliberations. This instruction was then forwarded to EDC for further consideration.

In drafting the proposed policy, the CTD considered information gathered from other convention centers, reviewed the LACC’s ten year booking calendar, consulted with various experts, including the LACC’s private operator, and considered the potential financial impact should there be an interruption in LACC business. As such, the CTD’s proposed policy recommends that the LACC Reserve Fund continue to experience growth if appropriate, and be capped at an amount not to exceed $15 million. This would result in a reserve fund balance that exceeds the required amount defined in the Management Agreement of “...a sum equal to ten
percent (10%) of the Approved Annual Operating Budget . . .”. Should the $15 million limit be reached any remaining LACC savings may be budgeted towards facility improvements at the LACC to help further offset General Fund costs, at the discretion of the Executive Director of the CTD. Since 2013, the LACC budget has on average received an annual appropriation of $5 million through MICLA (Municipal Improvement Corporation of Los Angeles), to assist with capital improvement costs that prior to 2013 had been regularly deferred as a result of inadequate funding. CTD anticipates that the need for facility improvements will be ongoing, and will require funding at a minimum of $5 million annually just to keep pace with day-to-day maintenance needs related to such items as elevators, escalators, carpet replacement, lighting, etc. This would not address the need for a major expansion and renovation, which is a separate matter and which the CTD believes is critical for the purposes of keeping LACC competitive with other convention centers.

DISCUSSION

The following factors were considered in helping shape the proposed LACC Reserve Fund policy.

Management Agreement

On October 24, 2013, the City, represented by the CTD, and AEG Management LACC, LLC, or the private operator, entered into a Management Agreement for the operation of the LACC facility and campus. One of the primary goals for contracting out management operations of the LACC was to create efficiency and ongoing financial stability. The Management Agreement requires that the LACC Budget include a reserve “for LACC-related expenses not contemplated in the Approved Annual Operating Budget or to fund shortfalls caused by lower than anticipated revenues or higher than expected expenses or other LACC Department needs as determined by the Executive Director”. As a publicly operated facility and prior to the execution of the Management Agreement, LACC direct and indirect costs were funded completely with LACC revenues, however LACC revenues would typically fall short for facility improvements. Further, the LACC facility received little to no General Fund money, which resulted in years of zero to minimal capital improvements. The uncertainty of available funds to pay for basic improvements and repairs had been an ongoing concern for the City as it related to the LACC, which became one of the primary factors for entering into the Management Agreement with the private operator and requiring the creation and maintenance of a reserve.

As part of the Management Agreement, the private operator is responsible for collecting, managing and expending funds generated from LACC operations. Since the shift from public to private management, the LACC has benefited from increases in revenue and a reduction in expenses. This has created an opportunity to become less reliant on the General Fund by
allowing the LACC to partially fund its own facility improvements and by creating and maintaining the LACC Reserve Fund to assist during difficult financial years.

**LACC Reserve Fund Status**

According to the Management Agreement, the LACC Reserve Fund should amount to a sum equal to ten percent (10%) of the Approved Annual Operating Budget, which would range between a $2 to $3 million reserve fund balance. Since the Management Agreement has been in effect, year-end savings have enabled the private operator to, on average, increase the LACC Reserve Fund by approximately $1.8 million each year. As of June 30, 2017, the total LACC Reserve Fund Balance has amounted to $7.1 million (accrual based), approximately 28 percent of the 2016-17 Adopted Budget ($25.5 million). Should the LACC’s financial performance continue at its current rate, and assuming there are no unique circumstances that could interrupt its performance, a $15 million reserve fund balance could be achieved in another five years.

**Circumstances Unique to LACC**

The CTD is planning for and anticipating a number of events that, when combined, places the LACC in a unique position with competing convention centers. The City has been discussing the expansion and modernization of the LACC. The LACC will also be host to two major events in which the LACC facility will be uniquely utilized. This includes the 2022 National Football League (“NFL”) Super Bowl, which would provide exclusive use of the facility to the client for approximately one month, and the 2028 Olympic and Paralympic Games, which would provide exclusive use of the facility to the client for a four month period. The CTD has also been discussing with the Los Angeles Tourism and Convention Board (“LATCB”) the feasibility of applying for additional bids that would enable the LACC to be considered as a host for similar large scale city and county wide events.

Although the CTD is looking forward to an expansion and modernization plan, and to hosting the 2022 NFL Super Bowl and the 2028 Olympics, the LACC needs to be financially prepared. Under either scenario, the LACC risks losing major clients due to scheduling conflicts, including citywide clients that are highly sought after by competing facilities. Further, there is no guarantee that the loss would be isolated to one fiscal year. Frequently, competing convention centers will strategically offer multi-year licenses that would make it difficult and sometimes impossible to lure a client back. In Fiscal Year 2016-17, the LACC hosted 32 citywide clients, or clients that are highly sought after by competing convention centers. Diversions from regular business, such as a major capital improvement project or hosting the 2028 Olympics, could have a multi-million dollar financial impact, making the ten percent (10%) reserve requirement
insufficient. Although the Super Bowl and the 2028 Olympics are anticipated to have a significant economic boost for our local economy, the LACC receives no General Fund money and is expected to pay for its own expenses, therefore making critical the need for a large reserve fund.

**LACC Fixed Expenses**

The LACC hosts approximately 300 events a year. Revenues generated from these events, including sources attributed to parking, food and beverage, utilities, and rent, offset day-to-day fixed operating expenses. Fixed operating expenses are those costs that would exist regardless of whether the LACC is hosting an event. Approximately 50 percent of fixed operating costs are wages, salaries and benefits. Other significant fixed costs includes contractual services and utilities. The facility is operated and staffed in a manner to accommodate last minute bookings. Should the facility undergo construction, which could impact business and revenue, or by providing exclusive use for an atypical period of time, which could result in a loss of bookings of repeat clients, the LACC would need to financially plan for ongoing fixed costs. The associated fixed expenses resulting from exclusive use of the facility for a four month period could amount to approximately $12 million.

The proposed not to exceed amount of $15 million would cover only 72 percent of LACC’s fixed annual operating expenses (not including event related expenses), equivalent to a 260 day reserve. Further, this would not account for expenses related to facility improvements, which the LACC has only recently had sufficient funds to invest towards. There is a significant amount in improvements yet to be made as a result of multiple years of deferred maintenance, as well as the age of the facility. As mentioned above, such financial loss is not isolated to one year and could impact LACC business for years following the event.

**Other Convention Center Practices and Policies**

There is no specific industry standard on whether convention centers should maintain reserves. The CTD Department has reviewed other convention center practices and has collected information from six competitive facilities, including operating budgets, governance structures, and whether a reserve is maintained. The CTD found that no convention center model is exactly alike. There are varying factors among each facility that impact the size and shape the purpose of a reserve, and helps management determine whether a reserve is necessary. Such factors include convention center sources of funding, governance models, and how municipalities prioritize its convention center facility in comparison to its other capital assets.
Unlike some other competing convention centers, LACC operations are financed with one source of revenue (revenues generated through LACC activity) and receives no General Fund money, including Transient Occupancy Tax. The LACC has demonstrated to be self-sufficient and pays for its own operating expenses. Especially since the transition from public to private management, the LACC is expected to operate with a certain level of independence and to solve for its own financial problems. In comparison to other municipalities, the LACC is not a General Fund priority as there are competing and more critical needs such as public safety and street services; however this strengthens the justification for building and maintaining a large reserve for the LACC.

While some reserves are designated for capital reasons, others are designated for operational purposes, and there are reserves that serve both. Although the Management Agreement is not specific, the LACC Reserve Fund was created to serve as a safety net for addressing unforeseen financial shortfalls driven by operational reasons. Furthermore, the obligation to pay for capital improvements and capital equipment remained as the responsibility of the City, while the private operator has the responsibility to manage operating expenses through LACC operating revenues. However, a financial shortfall may be caused by a significant failure in equipment that could, under the contract, qualify as a capital improvement. Regardless, the language in the Management Agreement maintains the flexibility to utilize the Reserve Fund for any need that may be deemed appropriate and necessary by the Executive Director of the CTD.

The following is a matrix of information collected from six other municipalities with convention centers including San Diego, Anaheim, San Francisco, Seattle, Washington DC, and Omaha. The matrix addresses whether these facilities have existing reserves, and whether the reserves are managed in accordance to a policy. The CTD found that five of the six convention centers maintain some kind of cash reserve separate from its operating budget, and that most maintain such reserves in accordance to a reserve policy.
### CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

<table>
<thead>
<tr>
<th>CONVENTION CENTER</th>
<th>POLICY</th>
<th>RESERVE BALANCE</th>
<th>OPERATING BUDGET (OB) ESTIMATE</th>
<th>SOURCES OF REVENUE for OB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anaheim Convention Center</td>
<td>Maintain a minimum reserve amount of $10 million.</td>
<td>$10 million</td>
<td>$34 million</td>
<td>Facility Operating Revenues</td>
</tr>
<tr>
<td>San Diego Convention Center</td>
<td>Maintain a minimum of at least 8% of budget with a goal of attaining 14% of the most recent three year average.</td>
<td>$5 million</td>
<td>$36 million</td>
<td>Facility Operating Revenues</td>
</tr>
<tr>
<td>Seattle, Washington State Convention Center</td>
<td>Based on 100 days of budgeted operating costs</td>
<td>$10 million</td>
<td>$34 million</td>
<td>Facility Operating Revenues</td>
</tr>
<tr>
<td>Washington D.C., Walter E. Washington Convention Center</td>
<td>Certain percentage maintained for capital purposes; may also be utilized for operational purposes</td>
<td>$55 million</td>
<td>$45 million</td>
<td>Facility Operating Revenues; Hotel taxes</td>
</tr>
<tr>
<td>Omaha, Century Link Center,</td>
<td>Annual Reserve Fund increments equivalent to the greater of 35% of year end net profit before depreciation and amortization or $600,000</td>
<td>$8.2 million</td>
<td>$15 to 20 million</td>
<td>Facility Operating Revenues</td>
</tr>
<tr>
<td>San Francisco, Moscone Center</td>
<td>No policy, no reserve</td>
<td>$28 million</td>
<td></td>
<td>Facility Operating Revenues and General Fund</td>
</tr>
<tr>
<td>Los Angeles Convention Center</td>
<td>No formal policy, other than the Management Agreement provision which states that private operator shall maintain a reserve that is a sum equal to ten percent (10%) of the Approved Annual Operating Budget</td>
<td>$7 million</td>
<td>$25.5 million</td>
<td>LACC Operating Revenues (Facility Operating Revenues)</td>
</tr>
</tbody>
</table>

The recommended “not to exceed” amount for the LACC Reserve Fund is higher than the other reserve balance amounts maintained by its competitive convention centers. Unlike the other facilities, the combination of a potential expansion and modernization project, hosting major events such as the 2022 NFL Super Bowl and the 2028 Olympics and looking into the potential for further increasing LACC bookings with similar high profile events, coupled with the expectation of operating with a certain level of independence leads the CTD Department to conclude that a $15 million “not to exceed” amount is appropriate and necessary.
CONCLUSION

In consideration of the current Management Agreement, the City’s expectation of the LACC operating independently, upcoming events, a potential expansion and modernization project, the potential financial impact as a result of a loss in business, and upon review of other convention center practices, the CTD believes that ten percent (10%) of the Approved Annual Operating Budget for the LACC Reserve Fund should be the minimum amount, and recommends that the LACC Reserve Fund continue to experience growth to an amount not to exceed $15 million, as appropriate to do so and as determined by the Executive Director of the CTD.

FINANCIAL IMPACT

The CTD anticipates no negative financial impact on the General Fund.

RECOMMENDATION

That the Economic Development Committee approve Attachment 2 of this report as the adopted policy for the LACC Reserve Fund.

ATTACHMENTS

DL: dm
ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to establishing a guiding policy for the Los Angeles Convention Center (LACC) Private Operator Reserve Account within the Convention Center Revenue Fund.

Recommendation for Council action:

INSTRUCT the Convention and Tourism Department (CTD) to report within 60 days to the Economic Development Committee in regard to establishing a guiding policy for the LACC Private Operator Reserve Account within the Convention Center Revenue Fund with said report to include a discussion of how this account is funded and for what purposes it will be used.

Fiscal Impact Statement: Neither the City Administrative Officer nor the Chief Legislative Analyst has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On June 13, 2017, your Committee considered an Adopted Budget Recommendation (ABR), adopted pursuant to the Mayor's 2017-18 Budget on May 18, 2017, relative to establishing a guiding policy for the LACC Private Operator Reserve Account within the Convention Center Revenue Fund. After consideration and having provided an opportunity for public comment, the Committee moved to approve the ABR and further recommend instructing the CTD to make its report within 60 days. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

[Member Vote]

MEMBER VOTE
PRICE: YES
CEDILLO: YES
HARRIS-DAWSON: YES
KREKORIAN: ABSENT
O'FARRELL: YES
ARL
6/13/17

-NOT OFFICIAL UNTIL COUNCIL ACTS-
LOS ANGELES CONVENTION CENTER RESERVE FUND POLICY

OBJECTIVES

The Los Angeles Convention Center (LACC) Reserve Fund Policy is intended to provide guidelines during the preparation of the annual budget on sizing the LACC Reserve Fund (Reserve Fund) to ensure that sufficient funding levels are maintained for unanticipated expenditures or revenue shortfalls, and to preserve flexibility throughout the fiscal year to make adjustments in funding for items approved in connection with the annual budget. The objective is for the Los Angeles Convention Center to be in a strong fiscal position that will be better able to weather negative economic trends, or losses in bookings resulting from construction and renovation efforts or unique use and occupancy of the facility. Unless addressed otherwise in said Reserve Fund Policy, the most current Management Agreement shall define the purpose and management of the Reserve Fund.

ACCESSING THE RESERVE

In the event that during the year there are unanticipated expenses or revenue shortfalls impacting the LACC budget, the Reserve Fund will be the source for additional funding. Accessing funds from the Reserve Fund will be determined by the Executive Director of the Department of Convention and Tourism Development (CTD), subject to the terms of the Management Agreement between the private operator and the CTD Department, and subject to compliance with the City of Los Angeles Administrative Code and Charter.

SIZING OF THE RESERVE

The LACC operating budget shall include a Reserve Fund funded with annual operational savings, with a minimum of at least ten percent of the approved operating budget and with a goal of attaining an amount not to exceed $15 million, based on a cash basis accounting method.

SOURCE OF FUNDS

The source of funds for the Reserve Fund shall be sourced to the Los Angeles Convention Center Revenue Trust Fund, 725. General Fund dollars shall never be appropriated to the LACC Reserve Fund.

REPORTING

The status of the Reserve Fund will continue to be reported upon by the private operator and regularly addressed during CTD Commission meetings, and by the CTD Department through departmental financial status reports submitted to the Office of the City Administrative Officer.
EMPLOYEE OF THE MONTH – AUGUST 2017

Cezar Llamas
PT HR Assistant and Receptionist
<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
<th>ATTENDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 30 – Aug. 3</td>
<td>SIGGRAPH 2017</td>
<td>16,500</td>
</tr>
<tr>
<td>Aug 4 - 6</td>
<td>NIKE 3 on 3</td>
<td>1,200</td>
</tr>
<tr>
<td>Aug 5 – 6</td>
<td>ScareLA 2017</td>
<td>4,000</td>
</tr>
<tr>
<td>Aug 5</td>
<td>Seminario Curvas Peligrosas</td>
<td>1,200</td>
</tr>
<tr>
<td>Aug 7 - 16</td>
<td>World Police and Fire Games</td>
<td>1,000</td>
</tr>
<tr>
<td>Aug 12 - 13</td>
<td>2017 BeautyCon</td>
<td>10,000</td>
</tr>
<tr>
<td>Aug 18 - 20</td>
<td>KCON 2017</td>
<td>56,000</td>
</tr>
<tr>
<td>Aug 21 - 25</td>
<td>Harley Davidson 2017 Dealer Meeting</td>
<td>4,500</td>
</tr>
<tr>
<td>Aug 22</td>
<td>Naturalization</td>
<td>22,000</td>
</tr>
<tr>
<td>Aug 25</td>
<td>YWCA/L.A. Job Corps</td>
<td>1,100</td>
</tr>
<tr>
<td>Aug 27 - 29</td>
<td>Western Foodservice &amp; Hospitality Expo</td>
<td>3,500</td>
</tr>
</tbody>
</table>

*Citywide

**TOTAL:** 121,000
<table>
<thead>
<tr>
<th>Name</th>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chance</td>
<td>Bond Lot</td>
<td>$5,500</td>
</tr>
<tr>
<td>Nissan</td>
<td>South Garage</td>
<td>$11,080</td>
</tr>
<tr>
<td>Homeward Bound</td>
<td>West Lobby/Concourse Plaza</td>
<td>$20,295</td>
</tr>
</tbody>
</table>

**TOTAL FILMING:** $36,875
FINANCIALS

OPERATING SURPLUS:

- $1.029 Million Projects
- $954K better than budget and $1.3 million above prior year

REVENUES:

- $2.9 Million
- $939K above budget and $1.4 million above prior year
- $652K in rental discounts
FINANCIALS

OPERATING EXPENSES:

- $1.9 million
- $15K below budget and $102K above prior year

CITY REIMBURSEMENT - $279K

ALTERATION AND IMPROVEMENTS & CAPITAL PURCHASES:

- Communications Controllers
- Concessions furniture
- Concessions equipment
OCCUPANCY

Exhibit Hall Occupancy

- 17/18: 81%
- 16/17: 57%
- 15/16: 62%
- 14/15: 51%

Occupancy by Exhibit Hall

- West Hall
- South Hall
- Petree
- Concourse

Years: 2014 - 2017
PricewaterhouseCoopers report on Convention Center occupancy states:

It has been recognized industry-wide that the “practical” maximum exhibit hall occupancy rate is approximately 70 percent and the “efficient” range is considered to be approximately 50 to 60 percent. Occupancy levels less than 50 percent generally suggest the existence of marketable opportunities or open dates, while an occupancy rate above 60 percent increases the potential for lost business or “turnaways.”
$49 million in Projected Economic Impact
## Citywide Convention Sales YTD FY 17/18 Production

<table>
<thead>
<tr>
<th>Lead Production</th>
<th>Leads Actual</th>
<th>Booked Room Nights Produced</th>
<th>RNs Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17/18 Goal</td>
<td>220</td>
<td>FY 17/18 Goal</td>
<td>390,000</td>
</tr>
<tr>
<td>FY 17/18 YTD</td>
<td>46</td>
<td>FY 17/18 YTD</td>
<td>80,407</td>
</tr>
<tr>
<td>FY 16/17 STLY</td>
<td>43</td>
<td>FY 16/17 STLY</td>
<td>91,614</td>
</tr>
</tbody>
</table>

Dated September 27, 2017
Q1 FY 17/18 BOOKINGS

Intelligent Transportation Society of America
October 2020  5,849 Total Room Nights

National Catholic Educational Association
April 2021  8,245 Total Room Nights

E3 Expo
June 2022 & 2023  55,243 Total Room Nights

American Epilepsy Society
December 2024 11,000 Total Room Nights
Citywide Convention Sales Booked Room Nights 2014 to 2024 Calendar Year Arrival Date

Dated September 27, 2017

5 Events with 80,407 room nights booked during YTD FY 17/18 (July 1, 2017 – September 27, 2017)
SEPTEMBER & OCTOBER
PROSPECT SITE INSPECTIONS

National Council of Teachers of Mathematics
September 2022  17,055 Total Room Nights

American Alliance of Museums
May 2020  8,078 Total Room Nights

Society for Laboratory Automation and Screening
January 2023  6,420 Total Room Nights
The GSMA represents the interests of mobile operators worldwide, uniting nearly 800 operators with almost 300 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies,

• Confirmed in Los Angeles - September 12-14, 2018
• Estimated pick up in SF for 2017 – 21,000 room nights
• Looking at securing years 2019 & 2020.
UPCOMING Sales TRIPS

- **IMEX America** in Las Vegas, October 10-12
- **FICP Annual Conference** in San Diego, November 12-15
- **Prevue Visionary Summit** in Los Angeles Nov 17-20
- **IAEE Expo! Expo!** in San Antonio, Nov 28-30
- **IBTM World** in Barcelona, Nov 28-30
- **AMEX Interaction** in Orlando, Nov 29
MEDIA COVERAGE

We have had editorial coverage in several meetings trade publications that was proactively secured or fulfilled from the previous quarter. Results from FY 16-17: 73 placements in all major (domestic/international) publications worth $1.1 million in earned media value generating 6 million impressions. In fact, earned media value increased $756K from the previous fiscal year.
Facing fast-evolving expectations from planners, organizers and participants around the changing shape of today's meetings experience, DMOs are increasingly having to rethink traditional selling points, competitive differentiators and value propositions.

They need not look far, however. The proven strategy for transforming these challenges into opportunities is found in their own backyards—by utilizing their localizations of intellectual capital and knowledge.

The process starts with the basic business fundamentals of networking and building relationships. By forming or maintaining connections with local leaders in business, academia, government, the arts and other areas, DMOs can then leverage these relationships to attract and support meetings aligned with specific agendas across the world and breadth of their marketplaces. Per destination like Raleigh, N.C., which has pursued this strategy since 2005, the results are, as Greater Raleigh CVB Executive Vice President Loren Gold said, "true bottom line meetings ROI." Meetings experts checked with several DMO leaders to discuss how maintaining local knowledge to groups equal important.

Darren Green, Senior Vice President of Sales, Los Angeles Tourism & Convention Board, "has an incredible talent pool of sector- and geography-specific thought leaders, is a tremendous magnetic force for hosts and legislators. With key clusters including entertainment, technology, aerospace, international trade, hospitality, design and tourism, the business leaders of L.A. ex-ceptionally diversified economy continue to sustain and expertise in ways that can't be found elsewhere. Critical to our strategy is the DMO's core competency in conveying the impact that meetings, conferences and events not only on the destination, but on organizations. Accordingly, we leverage our relationships with these leaders in the city leaders during the booking process to ensure an attractive destination, while also featuring the meeting venues it offers. When discussing at a medical conference, for example, we show not only the convention center or hotel meeting space, but..."
From virtual reality to interactive tradeshows, DMOS are redefining digital marketing

By Jeff Heilman

Moderating the industry panel of this year’s Global Meetings Industry Day in Atlantic City, N.J., U.S. Travel Association President and CEO Roger Dow asked Meeting Mean Business Co-Founder Larry Luttrell if he was worried about technology making “a dead game of face-to-face meetings.”

“Let’s not be straitjacketed with technology. I’re using technology, but I’m not using it in a way that’s going to take away from the personal interaction,” he said.

“Absolutely,” Luttrell answered.

“Technology is not a substitute for human interaction,” he said. “It’s a tool to make it more efficient and effective.”

Luttrell said that technology can help to create more memorable experiences for attendees, which can lead to increased revenue for hotels and venues.

“But we need to be careful not to let technology overshadow the human element,” he said.

“One of the things that I think is really important is to make sure that technology is used in a way that enhances the experience for attendees, not detracts from it.”

He added that technology can also help to improve the overall logistics of events, such as scheduling and registration.

“I think technology is going to be a big part of the future of events,” he said. “But we need to make sure that we’re using it in a way that benefits everyone.”
LOS ANGELES WELCOMES EVERYONE

FY18 CAMPAIGN PLAN
OUR "EVERYONE IS WELCOME" CAMPAIGN STRUCK AN EMOTIONAL CHORD WITH PEOPLE AROUND THE WORLD.
WE WANT TO EXTEND THE MESSAGE SO THAT IT CONTINUES TO WELCOME EVERYONE TO LOS ANGELES.
THE PAPER PLANES ARE A POWERFULLY UPLIFTING SYMBOL OF FREEDOM, HUMANITY AND DIVERSITY.
THEY REPRESENT TRAVELERS FROM AROUND THE WORLD, AND THEIR UNIQUE CULTURES, IN A BEAUTIFULLY VISUAL WAY.
LOS ANGELES WELCOMES EVERYONE

BUILDING ON THE SUCCESS OF THE EVERYONE IS WELCOME CAMPAIGN, WE’LL EXTEND THE FILM INTO A FULL CAMPAIGN WITH MORE OF A DESTINATION FOCUS.
DIVERSITY OF PEOPLE, DIVERSITY OF PLACE

The diversity in the people, cultures, neighborhoods and geographies make Los Angeles unique and distinct from any other destination. It’s a message that goes broad and deep, and is a real reason to visit, regardless of the political climate. In this context, saying “everyone is welcome” is basically saying “everyone should visit Los Angeles,” and here’s why.
SILVER LAKE WELCOMES EVERYONE

LITTLE TOKYO WELCOMES EVERYONE

OLVERA STREET WELCOMES EVERYONE
<table>
<thead>
<tr>
<th>Month</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
</table>

### FY18 MEDIA PLAN

#### BRANDED MEDIA
- **DOMESTIC MEDIA**
  - Short Films (National/Regional)
  - Social Media (National)
  - TV (National)
  - Radio (Regional)
  - Outdoor (Regional)
  - Online Video (Regional)

#### INTERNATIONAL MEDIA
- **AUSTRALIA** (Sydney / Melbourne)
- **CANADA** (Vancouver)
- **CHINA** (Shanghai / Beijing)
- **MEXICO** (Mexico City / Guadalajara)
- **UK** (London)
- **INDIA** (Delhi / Mumbai)
- **S. KOREA**

#### SOCIAL MEDIA
- Winter Break
- Summer Break
- Car/IA Tourism Features
- Market Insights
- World Trade Insights
- Travel Trade Insights
DIGITAL & OUTDOOR

#EVERYONEISWELCOME

discover Los Angeles

#EVERYONEISWELCOME

discover Los Angeles

#EVERYONEISWELCOME

VENICE
FREIGHT W/ WINDOWS 801-805
NEW YORK | RIGHT SIDE | SCALE 1:10 (1 inch = 10 inches)
Final art should include bleed extending to the blue dotted line.

NOTE:
Please keep in mind that rubrails, bars and other elements can extend from the body of the vehicle and may disrupt text or other design elements.
FREIGHT #801,802,803,804,805
NEW YORK BACK SIDE SCALE 1:10 (1 inch = 10 inches)
Final art should include bleed extending to the blue dotted line.

[Diagram of a bus with dimensions and legend]

NOTE: Please keep in mind that rubrails, bars and other elements can extend from the body of the vehicle and may disrupt text or other design elements.
<table>
<thead>
<tr>
<th>PROJECT</th>
<th>PAPER PLANES FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLIENT</td>
<td>DISCOVER LA - LATICB</td>
</tr>
<tr>
<td>VERSION</td>
<td>v03.1 Everything Edit W BOY</td>
</tr>
<tr>
<td>TRT</td>
<td>00:30 SEC</td>
</tr>
<tr>
<td>FRAME RATE</td>
<td>23.98 FPS</td>
</tr>
<tr>
<td>RESOLUTION</td>
<td>1920x1080</td>
</tr>
<tr>
<td>ASPECT RATIO</td>
<td>16:9</td>
</tr>
<tr>
<td>ARTIST</td>
<td></td>
</tr>
<tr>
<td>NOTES</td>
<td></td>
</tr>
</tbody>
</table>

00:59:57:19
<table>
<thead>
<tr>
<th>PROJECT</th>
<th>PAPER PLANES FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>CLIENT</td>
<td>DISCOVER LA - LATCB</td>
</tr>
<tr>
<td>VERSION</td>
<td>v02 Little Tokyo</td>
</tr>
<tr>
<td>TRT</td>
<td>00:15 SEC</td>
</tr>
<tr>
<td>FRAME RATE</td>
<td>23.98 FPS</td>
</tr>
<tr>
<td>RESOLUTION</td>
<td>1920x1080</td>
</tr>
<tr>
<td>ASPECT RATIO</td>
<td>16:9</td>
</tr>
<tr>
<td>ARTIST</td>
<td></td>
</tr>
<tr>
<td>NOTES</td>
<td></td>
</tr>
</tbody>
</table>

00:59:57:19
CAMPAIGN LANDING PAGE

TO CREATE AN INTEGRATED, COHESIVE USER JOURNEY, VIEWERS WILL BE DIRECTED TO AN #EVERYONEISWELCOME LANDING PAGE. THE SIMPLE SITE COULD HOUSE OUR VIDEOS, LINKS TO RELATED EDITORIAL ARTICLES ON THE FEATURED NEIGHBORHOODS AND ATTRACTIONS, AND PROVIDE ADDITIONAL RESOURCES.
THANK YOU
## CIP UPDATE - SUMMARY

### IN PROGRESS

<table>
<thead>
<tr>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carbon Monoxide Sensors</td>
</tr>
<tr>
<td>Escalator and Elevator Repair/Modernization</td>
</tr>
<tr>
<td>Exhibit Hall Lighting Retrofit: Phase II &amp; III</td>
</tr>
</tbody>
</table>

### COMPLETED

<table>
<thead>
<tr>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiber Optic Cable Infrastructure Upgrade</td>
</tr>
<tr>
<td>Dimming Control System: Phase II</td>
</tr>
<tr>
<td>Marquee Signage Upgrade: Phase I</td>
</tr>
<tr>
<td>South Hall Floor Remediation</td>
</tr>
<tr>
<td>Parking Emergency Call Boxes</td>
</tr>
<tr>
<td>Carpet Replacement: Phase III – 300s MR Corridor</td>
</tr>
<tr>
<td>Compactor Replacement*</td>
</tr>
<tr>
<td>Exhibit Hall Lighting Retrofit: Phase I*</td>
</tr>
</tbody>
</table>
MARQUEE SIGNAGE UPGRADE: PHASE II

- Two double-sided signs addressed during this phase: Figueroa + Venice and Chick Hearn + LA Live Way
- New signs offer greater visibility and functionality
COMPACTOR REPLACEMENT: PHASE II

- Two compactors and containers on South Hall loading dock replaced
- New units offer increased reliability and improved sanitation
FIRE SUPPRESSION SYSTEM FOR IDF 2.0

- Project included installation of new system and complete sealing of room
- Once activated, system removes air and deploys fire-suppressing gas
- Increased likelihood of preserving valuable electronic equipment in case of a fire by not using a water-based system
EXHIBIT HALL LIGHTING RETROFIT: PHASE I

- South Hall complete, with 752 LED lamps replaced
- All fixtures were removed, cleaned and retrofitted
- Phases II and III for Kentia and West Halls to be completed once event schedule allows
# FY 2017-18 Summary

**Total Funding Approved: $2.9 Million**

## Capital Improvement Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Security Command Center A/C</td>
<td>Carpet Replacement</td>
</tr>
<tr>
<td>Compactor Replacement (Final Phase)</td>
<td>Cooling Towers Motors &amp; VFD Replacement</td>
</tr>
<tr>
<td>Escalator &amp; Elevator Repair/Modernization</td>
<td>Fire Alarm Panel Upgrade &amp; CO Detectors</td>
</tr>
<tr>
<td>Fire Alarm System Peripheral Devices</td>
<td>Marquee Signage Upgrade (Final Phase)</td>
</tr>
<tr>
<td>Meeting Room Divider Wall Repair/Reconditioning</td>
<td>Security Surveillance System Upgrades</td>
</tr>
<tr>
<td>South Hall Floor Remediation</td>
<td>Water Heater Replacement</td>
</tr>
</tbody>
</table>

## Capital Equipment Purchases

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compact Crawl &amp; Articulated Boom Lift</td>
<td>Dishwashers</td>
</tr>
<tr>
<td>Integrated Scrubber/Sweeper</td>
<td></td>
</tr>
</tbody>
</table>