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, July 18, 2018  
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. COMMENTS FROM THE PUBLIC
   a) General Public Comments
   b) 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 Commissioners

3. FY 18-19 ELECTION OF OFFICERS

4. APPROVE MINUTES:
   a) Approval of the regular meeting minutes from June 6, 2018

5. REPORTS:
   a) Executive Director Report
   b) Monthly Update – May – AEG Facilities
   c) Monthly Update – May – LATCB
      i. Client Services Update - LATCB
   d) CIP Update – CTD
   e) AEG, Facilities Contract Extension Update – Board Report # 18-003 - CTD

6. DISCUSSION:
   a) LACC Expansion – CTD

7. ACTION ITEMS:
   NONE

8. ADJOURNMENT

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, June 6, 2018 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
Commissioner Stella T. Maloyan
Commissioner David Stone

ABSENT:
Commissioner Ana Cubas

PRESENTERS:
Brad Gessner, AEG
Keith Hilsgen, AEG
Darren Green, LATCB
Bill Karz, LATCB
Doane Liu, CTD

**Item 1. Call to Order / Roll Call**
President Vein called the meeting to order at 9:02 a.m.

**Item 2. Public Comment**
None

**Item 2b. Neighborhood Council**
None

**Item 3a. Approval of the special meeting minutes from May 4, 2018**
UNANIMOUSLY APPROVED.

**Item 4a. Executive Director Report**
Mr. Doane Liu provided an overview of his activities since the last Board meeting which included: a presentation with LATCB to City Council providing updated tourism numbers, client meetings with GSMA, LA Auto Show, and American Association for Cancer Research; accepting the Community Impact Award from the LA Business Council; attending the Homeless Services Rally with the Mayor and LATCB staff; presenting the CTD budget to the Budget and Finance Committee; meeting with American Red Cross on disaster preparedness; and meeting with LASEC and Staples
Center regarding future mega sports events, such as WWE, Final Four, and Super Bowl.

**Item 4b. AEG Proposal regarding the LACC and expansion of the JW Marriott Hotel**

Ms. Martha Saucedo and Mr. Ted Tanner provided an overview of the AEG proposal to expand the JW Marriott Hotel and the Los Angeles Convention Center, noting that an estimated $6 billion dollars in potential economic impact was lost by not having an expanded, modern convention center. Mr. Tanner presented the project goals with completion in 2021. Mr. Tanner provided details on the hotel expansion which includes 40 stories and 850 new hotel rooms, and on the LACC which includes 190,000 sq. ft. of additional exhibit space and a 95,000 sq. ft. multi-purpose hall and the complete redesign on Gilbert Lindsay Plaza. Mr. Tanner and Mr. Liu reviewed the next steps for the project which were a presentation of the P3 proposal to Council and request to enter into a MOU for the hotel, with an exclusive negotiating agreement by the end of July.

**Item 4c. AEG Monthly Update – April**

Mr. Brad Gessner, assisted by Mr. Matthew Brown and Ms. Angelica Lawrence, recognized April’s Employee of the Month, Mr. Daniel Marquis. Mr. Gessner reported that LACC had hosted 12 events that included 1 citywide and over 86 thousand attendees. Ms. Ellen Schwartz reported four film shoots. Mr. Keith Hilsgen presented the financial data for April reporting $6.4M gross revenue, noting an increase in food and beverage. Mr. Hilsgen also reported 73% occupancy, with a good mix of business, and $39.5M economic impact, $8.63M of which was short term business.

**Item 4d. LATCB Monthly Update – April**

Mr. Darren Green reported that year to date LATCB has processed 195 leads, resulting in 369,631 room nights with a year-end goal of 220 leads and projected 390,000 room nights. Mr. Green provided an overview of recent bookings, prospect site inspections, new sales collateral, and the upcoming sales travel calendar. Mr. Green also announced a new outreach program, a speaker network opportunity, allowing speaker and show management to connect. Mr. Bill Karz provided an overview of the LATCB digital trends, including optimizing voice searches, the social application changes, the new DiscoverLA, and influencer marketing.

**ADJOURNMENT**

The meeting was adjourned at 10:16 a.m.
Los Angeles Convention Center
Monthly Update
MAY 2018

KEITH HILSGEN
<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
<th>ATTENDANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1 - 16</td>
<td>County of L.A. Dept. HR Testing</td>
<td>3,500</td>
</tr>
<tr>
<td>May 1 - 2</td>
<td>Crypto Invest Summit</td>
<td>5,000</td>
</tr>
<tr>
<td>May 4</td>
<td>Mount Saint Mary’s University</td>
<td>2,000</td>
</tr>
<tr>
<td>May 4 - 5</td>
<td>VRLA Expo 2018</td>
<td>5,500</td>
</tr>
<tr>
<td>May 10</td>
<td>Mother’s Day Luncheon</td>
<td>1,300</td>
</tr>
<tr>
<td>May 11 - 13</td>
<td>RuPaul’s DragCon</td>
<td>50,000</td>
</tr>
<tr>
<td>May 11 – 13</td>
<td>AdultCon</td>
<td>3,000</td>
</tr>
<tr>
<td>May 17</td>
<td>Senior Clean Air Fair Hosted by AQMD</td>
<td>2,500</td>
</tr>
<tr>
<td>May 18 - 24</td>
<td><strong>SID – Society for Information Display Week</strong></td>
<td><strong>23,000</strong></td>
</tr>
<tr>
<td>May 19 - 20</td>
<td>Ultimate Women’s Expo</td>
<td>8,000</td>
</tr>
<tr>
<td>May 23</td>
<td>Naturalization Ceremony</td>
<td>20,000</td>
</tr>
<tr>
<td>May 31 – June 1</td>
<td>MKTG Confidential Event</td>
<td>3,200</td>
</tr>
</tbody>
</table>

*Citywide

**TOTAL:** 127,000
<table>
<thead>
<tr>
<th>DATE</th>
<th>Name</th>
<th>Location</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 1</td>
<td>Atypical</td>
<td>Venice / Figueroa</td>
<td>$6,375</td>
</tr>
<tr>
<td>May 7 - 10</td>
<td>Anonymous Blue Heron</td>
<td>West Lobby, Compass, North Stairs</td>
<td>$70,840</td>
</tr>
</tbody>
</table>

**TOTAL FILMING:** $77,125  
(May 2017: $7,700)
FINANCIALS

OPERATING SURPLUS:
- $39K (before approved City Reimbursements, A & I and Capital Projects)
- $771K above budget
- $367K below prior year

REVENUES:
- $3.8 million gross revenue (before discounts and service provider share)
- $1.9 million net revenue
- $984K above budget and $133K below prior year
FINANCIALS

OPERATING EXPENSES:

- $1.8 million (before approved A & I, Capital Projects, and City reimbursement)
- $213K above budget and $233K above prior year

CITY REIMBURSEMENT - $327K

CAPITAL and ALTERATION * IMPROVEMENTS
Compass Furniture (deposit, installation in August), Tables
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 “turn-aways.”
$13.9 million in Projected Economic Impact
CITYWIDE CONVENTION SALES
FY 17/18 FINAL PRODUCTION RESULTS

<table>
<thead>
<tr>
<th>Lead Production</th>
<th>Leads Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17/18 Goal</td>
<td>220</td>
</tr>
<tr>
<td>FY 17/18</td>
<td>222</td>
</tr>
<tr>
<td>FY 16/17</td>
<td>222</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Booked Room Nights Produced</th>
<th>RNs Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 17/18 Goal</td>
<td>390,000</td>
</tr>
<tr>
<td>FY 17/18</td>
<td>440,812</td>
</tr>
<tr>
<td>FY 16/17</td>
<td>393,708</td>
</tr>
</tbody>
</table>

Dated June 30, 2018
RECENT BOOKINGS

Cisco Systems Incorporated
Partner Summit
November 1-7, 2024
10,220 Room Nights

American Association for Cancer Research, Inc.
2025 AACR Annual Meeting
April 5-9, 2025
40,261 Room Nights

Tony Robbins UPW
Tony Robbins UPW LAX 2019
March 14-17, 2019
6,525 Room Nights
CITYWIDE CONVENTION BOOKED ROOM NIGHTS
2014-2024 CALENDAR YEAR ARRIVAL DATE

Dated July 11, 2018

Events booked during FY 17/18

Booked prior to FY 17/18

Dated July 11, 2018
PROSPECT SITE INSPECTIONS

Society for College and University Planning
2022 SCUP 57th Annual Meeting
July 2022
3,375 Room Nights

International Association of Exhibition & Events
2022 Expo! Expo! Annual Meeting & Exhibition
December 2022
4,162 Room Nights

Specialty Coffee Association of America
2025 Annual Specialty Coffee Expo
April 2025
3,500 Room Nights
**LACC Expansion Rationale:**

- Increase contiguous exhibition space (Current largest contiguous exhibit space is 346,890 sq. ft. expanded to 750,000 sq. ft.)
- New 95,000 sq. ft. ballroom/multiflex space
- Modernized building
- The City of L.A. conducted a study that showed the City lost 271 events over four years due to insufficient space at LACC, resulting in a loss of 3.3 million hotel room nights, $750 million in hotel room revenue, $105 million in TOT revenue and $5 billion in economic impact
- Grow city business based on increase in contiguous space- update citywide parameters
- **LACC Expansion Timeline:**
  - Estimated breaking ground in mid to late 2019, and completion by end of 2021
LACC TRANSFORMATION PLAN

- LOS ANGELES CONVENTION CENTER EXPANSION
  - New Multipurpose Space: 90,000-100,000 SF
  - New Meeting Space: 20,000-30,000 SF
  - New Exhibit Hall: 180,000-200,000 SF

- New Georgia Street Entry
  - Elevated Connection to Hotel

- Expanded LA Live Way Parking Garage

- Headquarters Hotel Expansion
  - 850 Rooms
  - 109,700 SF Meeting Space Including a 51,300 SF Ballroom

- J.W. Marriott
- Microsoft Theater
- Staples Center
- Re-designed Gilbert Lindsay Plaza: 140,000 SF

LACC CAMPUS PROGRAM
- Total Contiguous Exhibition Space Increases to Approximately 750,000 SF (Total of 910,000 SF of Exhibit Space)
- Total Meeting/Event Hall Space Increases to Approximately 175,000 SF (78 Meeting Rooms Total)
- New Upper Multipurpose Hall of Approximately 55,000 SF (For Exhibits or Divisible into 46 Meeting Rooms)
- Total Useable LACC Space With Proposed Expansion: APPROXIMATELY 1,180,000 SF
BOOKING GOALS AND STRATEGIES FOR MODERNIZED AND EXPANDED LA CONVENTION CENTER

Retaining definite groups-

a. Create worksheet outlining all definite/tentative groups showing their license status, and space held at Center to identify groups at risk. – see grid example

b. Establish “Risk” level for each group based on criterion established by team (other options, long term relationships, flexibility, type of event etc)

c. Assign LATCB CW seller to communicate to all definite/tentative groups and manage all potential impact due to construction and report out monthly to all stakeholders.

d. Determine budget needed to retain groups as needed during construction.

e. Use Citywide Convention Master Profiles to identify short term opportunities to replace any cancelled events.
CITYWIDE CONVENTIONS AT RISK

Estimated Construction Period of 2 ½ Years
July 2019 through December 2021
- 42 Citywide Conventions Booked
- 534,845 Total Room Nights

19 at risk due to using both South & West Halls
- 4,736 Average Peak Rooms
- 381,562 Total Room Nights
- $510 million Estimated Economic Impact
## Citywide Conventions at Risk

<table>
<thead>
<tr>
<th>Account</th>
<th>ARRIVAL</th>
<th>DEPARTURE</th>
<th>ROOM TYPES</th>
<th>TOTAL ROOM NIGHTS</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
<th>Saturday</th>
</tr>
</thead>
<tbody>
<tr>
<td>American College of Physicians</td>
<td>4/20/2020</td>
<td>4/25/2020</td>
<td>Contracted-Rooms</td>
<td>4,827</td>
<td>279</td>
<td>501</td>
<td>975</td>
<td>1,029</td>
<td>981</td>
<td>575</td>
</tr>
<tr>
<td>LICENSED</td>
<td></td>
<td></td>
<td>Estimated-Rooms</td>
<td>17,079</td>
<td>940</td>
<td>1,540</td>
<td>3,890</td>
<td>4,200</td>
<td>4,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>
SAMPLE CUSTOM REPORT
DURING CONSTRUCTION PERIOD

2.0 GROUP DETAILS FOR DEFINITE 2020 and 2021 Citywide Groups at Risk:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Room Nights</th>
<th>Number of Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>XXX</td>
<td>XX</td>
</tr>
<tr>
<td>2021</td>
<td>XXXX</td>
<td>XX</td>
</tr>
<tr>
<td>Total</td>
<td>XXXXXX</td>
<td>XX</td>
</tr>
</tbody>
</table>

2020=XXX XXXX Total Room Nights at Risk

- Month 2020 XXXX – XX,XXX RNs (South/West) Full Building User

<table>
<thead>
<tr>
<th>Fri</th>
<th>Sat</th>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thurs</th>
<th>Fri</th>
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<tbody>
<tr>
<td>25</td>
<td>25</td>
<td>27</td>
<td>28</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>1,040</td>
<td>4,400</td>
<td>7,600</td>
<td>8,000</td>
<td>7,520</td>
<td>4,640</td>
<td>1,200</td>
<td>240</td>
</tr>
</tbody>
</table>

- Month 2020 XXXX (South) - XXXX Total RN / XXXX Peak

<table>
<thead>
<tr>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
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<tbody>
<tr>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>579</td>
<td>959</td>
<td>1,900</td>
<td>1,900</td>
<td>1,662</td>
<td>617</td>
</tr>
</tbody>
</table>

- Month 2020 XXXX - XXXXXX Total RN / XXXX Peak (South/West) Full building User

<table>
<thead>
<tr>
<th>Sat</th>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
<th>Sun</th>
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<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>1,988</td>
<td>7,148</td>
<td>8,008</td>
<td>8,200</td>
<td>8,010</td>
<td>7,052</td>
<td>3,631</td>
<td>518</td>
<td>83</td>
</tr>
</tbody>
</table>

2021=XXX XXXX Total Room Nights at Risk

Month 2021 XXX – XX,XXX RNs (South/West) Full Building User

<table>
<thead>
<tr>
<th>Sat</th>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
<th>Sun</th>
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<tbody>
<tr>
<td>14</td>
<td>15</td>
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<td>18</td>
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<tr>
<td>1,040</td>
<td>4,400</td>
<td>7,600</td>
<td>8,000</td>
<td>7,520</td>
<td>4,640</td>
<td>1,200</td>
<td>240</td>
<td></td>
</tr>
</tbody>
</table>

- Month 2021 XXX – XXXXX RN’s (West)

Expansion team has had continual communication with XXX on schedule updates

<table>
<thead>
<tr>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thurs</th>
<th>Fri</th>
<th>Sat</th>
<th>Sun</th>
<th>Mon</th>
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<tr>
<td>24</td>
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<td>26</td>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>1</td>
</tr>
<tr>
<td>1,500</td>
<td>5,500</td>
<td>9,000</td>
<td>10,000</td>
<td>10,000</td>
<td>5,500</td>
<td>3,500</td>
<td>3,000</td>
</tr>
</tbody>
</table>
103 Profiles Requiring 350,000+ Sq. Ft. and 3,000 Peak Room Nights of Exhibit Space = 3.2M Room Nights
BOOKING GOALS AND STRATEGIES FOR MODERNIZED AND EXPANDED LA CONVENTION CENTER

New Opportunities- Increase leads for larger groups that can benefit from expanded Center by 20% and number of bookings by 10%.

a. Expanded Center will allow us to increase booking parameters for a city wide event

b. Citywide Convention Master profiles and MDI research will allow sellers target groups needing 400k+ square feet of exhibit space, 3000+ rooms peak, and next open year identified 2022 and beyond

c. Strategies
   i. Re-evaluate booking incentives/convention center rental discounts.
   ii. Prospect all lost business due to convention center not being suitable, approximately 800,000+ room nights.
   iii. Create and execute in-market road shows during Center construction, bringing City leadership and stakeholders to meet with key city wide clients to update and collaborate.

Continue to host industry events ensuring exposure and input during Center development phase (PCMA, IAEE)
DESTINATION & CLIENT SERVICES

Liane Haynes-Smith

LOS ANGELES TOURISM & CONVENTION BOARD
17/18 SERVICE ENHANCEMENTS

- LAX Arrival Experience
- LACC South Hall Visitor Booth Modernization
- Marketing Campaign incorporated in Pre-Promotion Experience
- Show Your Badge
- CEO Welcome Video
**LAX ARRIVAL EXPERIENCE**

**INTERNATIONAL TRAVELERS**

- Expedited Arrival Experience through U.S. Customs for small groups of VIP Travelers
- Welcome Signage can be positioned within pre-approved areas of the Airport’s “Sterile Area”
- With clearance, a maximum of 6 Greeters can be positioned in Customs to personally welcome VIP’s
- Ability to stage shuttle buses within walking distance to the international terminal
- Upon request, Airport Customer Service Team assigned to assist with greeting, crowded control and sign placement

**DOMESTIC TRAVELERS**

- Pre-approved welcome messaging can be strategically positioned near the Information Booths of each of the Domestic terminals
- Permission has been granted for LATCB sanctioned Greeters can be stationed to guide and direct conference attendees
NEW LACC SOUTH HALL VISITOR INFORMATION BOOTH
The Show Your Badge program allows conference attendees to receive discounts and special offers at venues situated throughout the city simply by showing their conference badge.

PARTICIPATING VENUES

• 2015 – 2016 – 19 Restaurant, Activities & Entertainment Venues
• 2016 – 2017 – 48 Restaurants, Activities, Entertainment & Shopping Venues
• 2017 – 2018 – 70 Activities, Arts & Culture, Dining, Shopping, Transportation Venues & Regional Map

Digital access and 17/18 FY distribution of 22,000 brochures to conference attendees
PERSONALIZED CLIENT WELCOME VIDEO
BY ERNIE

Customized welcome video allows Ernie to be part of the selling process when his schedule does not permit in-person meetings.

These short videos are used for the following:
1. To create tailored messaging for new Clients
2. Personalized greeting for returning Clients and expressions of appreciation for booked business
3. Customized videos for Board of Directors and Leadership teams to assist with closing business
TARGETED DELIVERABLES FOR 18/19

• Create a Speakers Directory, providing Meeting Planners access to local talent in vertical markets

• Launch a listing of L.A. specific opportunities for groups who are committed to Corporate Social Responsibility (CSR)

• Examples:
  Skid Row Running Club
  LA Works
  Feet First
  LACC post-tradeshow re-cycling program
18/19 CLIENT & DESTINATION SERVICES
OBJECTIVES

1. Expand welcome activations
2. Promote services indigenous to L.A.
3. Integration of technology resources
4. Event Planning & Staff Development
5. Provide Interagency support
CIP UPDATE
## CIP UPDATE - SUMMARY

### IN PROGRESS

<table>
<thead>
<tr>
<th>Security Surveillance System Upgrades</th>
<th>Water Heater Replacement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Escalator and Elevator Repair/Modernization</td>
<td>Meeting Room Divider Wall Repair/Reconditioning</td>
</tr>
<tr>
<td>New Security Command Center A/C</td>
<td>Carbon Monoxide Sensors</td>
</tr>
<tr>
<td>Fire Alarm Panel Upgrade</td>
<td>Fire Alarm System Peripheral Devices</td>
</tr>
</tbody>
</table>
## CIP Update - Summary

<table>
<thead>
<tr>
<th>Completed</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>Parking Emergency Call Boxes</td>
</tr>
<tr>
<td>Carpet Replacement: 300s MR Corridor</td>
</tr>
<tr>
<td>Compactor Replacement</td>
</tr>
<tr>
<td>Exhibit Hall Lighting Retrofit: Phase I</td>
</tr>
<tr>
<td>Carpet Replacement: 500s + Petree</td>
</tr>
<tr>
<td>Compactor Replacement: Final Phase</td>
</tr>
<tr>
<td>Marquee Signage Upgrade: Final Phase</td>
</tr>
<tr>
<td>Cooling Towers Motors &amp; VFD Replacement – South Plant*</td>
</tr>
<tr>
<td>LAN Core Switch Upgrade</td>
</tr>
<tr>
<td>Security Surveillance System: Phase II</td>
</tr>
<tr>
<td>Carpet Replacement: Phase I</td>
</tr>
<tr>
<td>South Hall Entry and Dock Lighting</td>
</tr>
<tr>
<td>Carpet Replacement: Kentia</td>
</tr>
<tr>
<td>Marquee Signage Upgrade: Phase II</td>
</tr>
<tr>
<td>Fire Suppression System for IDF 2.0</td>
</tr>
<tr>
<td>Exhibit Hall Lighting Retrofit: Phase II &amp; III</td>
</tr>
<tr>
<td>South Hall Floor Remediation</td>
</tr>
<tr>
<td>Solar</td>
</tr>
</tbody>
</table>
• 4 completely new VFDs installed, allowing for increased energy savings and motor longevity
• 3 existing motors replaced, for compatibility with VFDs and increased efficiency
• Equipment serves the chilled water pumps
Date:    July 18, 2018
To:      Board of Los Angeles Convention and Tourism Development Commissioners
From:    Doane Liu, Executive Director
         Department of Convention and Tourism Development
Subject: UPDATE ON LACC PRIVATE OPERATOR AGREEMENT AMENDMENT – BOARD REPORT NO. 18-003

SUMMARY:
On June 20, 2018, the City Council authorized the Department of Convention and Tourism Development (“CTD”) to amend the existing agreement (“Proposed Amendment”) between the City of Los Angeles (“City”) and AEG Management LACC, LLC (“Private Operator”) for operating and managing the Los Angeles Convention Center (“LACC”). The proposal to amend the agreement was considered as part of a motion introduced by Councilmember Curren Price, Council File No. 18-0532 (Attachment), which also instructed City staff to evaluate the LACC expansion project proposed by Anschutz Entertainment Group (“AEG”), coupled with instruction to study the proposed expansion of the JW Marriott Hotel.

The Proposed Amendment is for an extension of time only and proposes no other material changes. Specifically, the Proposed Amendment extends the existing term by one additional year, with two one-year extensions, which would require City Council approval. Other non-material changes include updating the notices section, requiring a 180-day advance notice to the Private Operator should the City decide not to extend the term of the agreement, and attaching the most current Standard Provisions.

CONCLUSION:
This report is informational only and requires no action by the Board of Los Angeles Convention and Tourism Development Commissioners (“Board”). The Proposed Amendment will be executed upon completion of the Executive Directive 3 (“ED 3”) review, which will be completed by the Office of the City Administrative Officer. This review is required for all proposed agreements and amendments to ensure City-required contractual processes have been met.

ATTACHMENT
Since 2013, the City has been exploring opportunities to expand and modernize the exhibit space and services offered at the Los Angeles Convention Center. The national convention business is highly competitive, especially in California where San Francisco, Anaheim, and San Diego provide facilities that directly compete with Los Angeles for business. Each of these cities in the process of expanding their facilities, while Los Angeles continues to explore its options. Separately, the Anschutz Entertainment Group (AEG) proposed to build a 755-room expansion of the JW Marriott hotel on Olympic Blvd. At that time, the Council authorized the Chief Legislative Analyst (CLA) to study a proposed hotel incentive for the expanded hotel. The CLA hired Keyser Marston Associates to conduct the necessary economic analysis, but that hotel project did not move forward.

In 2016, the Anschutz Entertainment Group (AEG) provided correspondence to the City offering to develop a Convention Center project that would expand the exhibition facility and full-service hotel capacity needs of the City, while providing private development opportunities complementary to the STAPLES Center and LALive. The City has a long-standing partnership with AEG, beginning with the successful development of the STAPLES Center. At that time, Council instruct City staff to work with AEG to investigate options for a partnership to expand the Convention Center.

Last week, AEG offered a comprehensive development plan for the expansion of the Convention Center, along with the development of an 850-room hotel and ballroom and meeting room facilities to support large national and international events. AEG’s proposal to construct the project as a public-private partnership presents the opportunity to expedite construction and ensure seamless integration of the Convention Center and LALive into one of the most dynamic event spaces in the nation. AEG has requested financial assistance to address a financing gap in the hotel project. This promising design and development proposal should be evaluated thoroughly and presented to Council for consideration.

In a related matter, the management contract between the City and AEG to operate the Convention Center expires this year. At this time, when the future development of the Convention Center is under consideration, the City needs an experienced operator to maintain high-quality service to its clients. This contract should be extended while the development plan is developed.

I THEREFORE MOVE that the City Council instruct the Chief Legislative Analyst (CLA) with assistance of the City Administrative Officer (CAO), Los Angeles Convention and Tourism Department, the City Attorney, and other departments and agencies as appropriate, to evaluate the Los Angeles Convention Center expansion project proposed by Anschutz Entertainment Group (AEG) and provide a report with findings or recommendations on the proposal; and

I FURTHER MOVE that the City Council authorize the CLA to execute a new contract with Keyser Marston Associates to conduct a new study of the proposed expansion of the JW Marriott Hotel and make recommendations on economic development incentives that could help the project move forward, including, but not limited to, a potential site specific revenue agreement consistent with City policies; accept $150,000 for consultant services from the developer to analyze the economics and financing associated with this instruction; request/authorize/instruct the City Controller to deposit/appropriate/expend all funds received as a result of this action in Fund 100, Department 28, Contractual Services Account 3040; and authorize the CLA to make any technical corrections, revisions, or clarifications to the above instructions in order to effectuate the intent of this action; and

I FURTHER MOVE that the Los Angeles Convention and Tourism Department amend the existing management contract between the City and AEG to operate the Los Angeles Convention Center to extend the term by one year, with two one year extensions, subject to Council approval.

Presented by: ____________________________
CURREN PRICE
Councilmember, 9th District

Seconded by: ____________________________

JUN 06 2018