



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

Commissioners: Jon F. Vein, President; Otto Padron, Vice President;
Bricia Lopez; Noel Hyun Minor; David Stone

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 one minutes per speaker.

Special Meeting
Wednesday, March 3, 2021
10:00 a.m.

Dial in number:
1-669-254-5252
Meeting ID: 160 661 2026

1. **CALL TO ORDER / ROLL CALL**
2. **COMMENTS FROM THE PUBLIC**
 - a. General and Agenda Item Public Comments
To make a public comment, dial the number again, enter the meeting ID#, then press *9.
Limit is one minute per speaker, per item.
 - 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. **APPROVE MINUTES:**
 - a. Approval of the regular meeting minutes from February 3, 2021
4. **REPORTS:**
 - a. Executive Director Report
 - b. ASM Update
 - c. LATCB Update
5. **ACTION ITEMS:**
 - a. Management Agreement Extension - Board Report #21-001
 - b. LATCB FY 21-22 Budget Request - Board Report #21-002
6. **ADJOURNMENT**

Item 3a

Approval of the minutes



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

Regular Meeting Minutes
February 3, 2021

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a regular meeting on Wednesday, February 3, 2021 at 9:00 a.m. via Zoom.

PRESENT:

Vice President Otto Padron, Presiding
Commissioner Noel Hyun Minor
Commissioner David Stone

ABSENT:

President Jon F. Vein
Commissioner Bricia Lopez

PRESENTERS:

Ellen Schwartz, ASM
Ben Zarhoud, ASM
Doane Liu, CTD
Adam Burke, LATCB
Darren Green, LATCB

Item 1. Call to Order / Roll Call

Vice President Padron called the meeting to order at 9:05 a.m.

Item 2a. Public Comment

None

Item 2b. Neighborhood Council

None

Item 3a. Approval of the regular meeting minutes from January 6, 2021

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

Item 4a. Executive Director Report

Mr. Doane Liu provided an overview of his activities since the last Board meeting, which included: participating in meetings with UNITE HERE to discuss food program, Ron Herrera of the County Federation of Labor regarding World Cup 2026, Circuit to discuss possible grant for electric shuttle service, LASEC regarding Super Bowl and city services; stakeholders to discuss Tourism recovery, and AEG regarding expansion and the 2 year extension of the ENA; attended the South Park BID Strategic Plan steering committee and PCMA Convening Leaders virtual conference; and announced the #LACC50 Kickoff meeting.

Item 4b. ASM Monthly Update

Ms. Ellen Schwartz reported two filmings (5 days) for the month of December and the continuing of the senior meals program. Mr. Ben Zarhoud presented the financial data for December, reporting an operating loss of \$0.03M for the month, and a \$1.7M in gross revenue, noting that revenue was down across all categories, and \$1.0M in operating expenses, noting CIP's and A&I's continued while managing liquidity. Mr. Zarhoud reported the December Exhibit Hall occupancy was 2%, noting that occupancy is typically down in December.

Item 4c. LATCB Monthly Update

Mr. Darren Green reported that LATCB has processed 44 leads YTD and booked 224,339 room nights, with year-end goals of 176 leads and 362,725 projected room nights, noting that booked room nights include events rebooked into future years and that 2022 and beyond is gaining momentum. Mr. Green reported that 17 in 2020 and 8 in 2021 events cancelled or rebooked, noting that this number is expected to grow as no reopening dates can be confirmed, and that some clients are looking to hold part or all of their event virtually and LATCB is working to keep the broadcasts in Los Angeles. Mr. Green provided an overview of LATCB's 2020 activities, the results of a Customer Advisory Board survey noting the consensus that meetings will be virtual and/or hybrid with a return to in-person events in 2022, the recovery FAQ's. Mr. Adam Burke presented in introduction to IKE, a digital wayfinding solution providing multilingual visitor services, transportation options and tourism information, explaining that the kiosk is not a digital advertising platform but encourages community and visitor engagement.

Item 5: ACTION ITEMS:

None

ADJOURNMENT

The meeting was adjourned at 10:08 a.m. without objection.

Item 4a

Executive Director's Report



Item 4b

ASM Update



LOS ANGELES CONVENTION CENTER MONTHLY UPDATE FOR

JANUARY 2021

ELLEN SCHWARTZ



LACC JANUARY 2021 FILMING

<u>DATES</u>	<u>NAME</u>	<u>LOCATION</u>	<u>AMOUNT</u>
Jan. 06	Rock Star Energy	South Hall K and Dock	\$11,180
Jan. 12	Ambulance	Venice Garage	\$2,000
Jan. 22	HTS	South Hall K and Dock	\$10,380
Jan. 22 – 23	S.W.A.T.	Venice Garage, Kentia Dock, Bond Lot, Conv. Ctr. Dr., Figueroa Dr.	\$28,700
Jan. 25 – 30	Ambulance	Figueroa Dr., Kentia Hall & Dock, South Garage Conv. Ctr. Dr., Pico Dr.	\$82,040
TOTAL:			\$134,300

SUPER BOWL COMMERCIALS

PEPSI



BUDLIGHT



ROCK STAR ENERGY



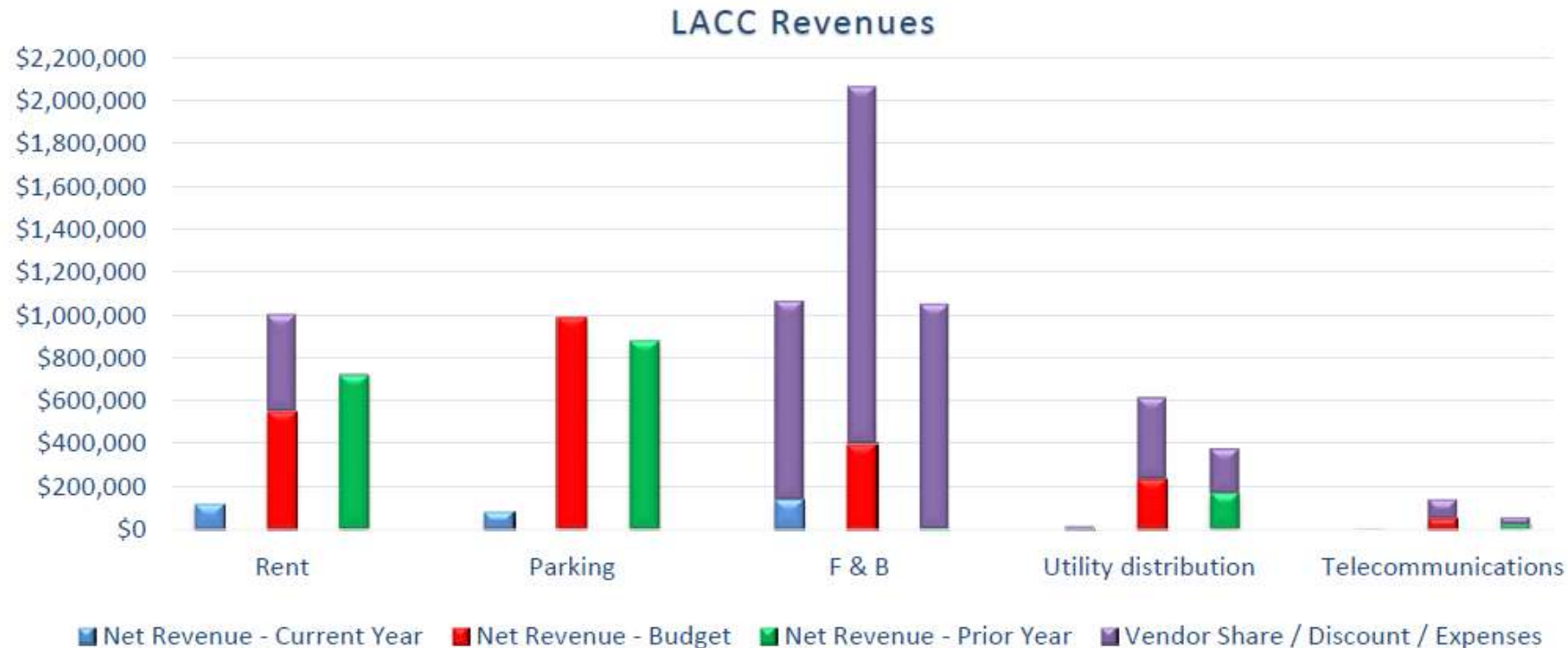
LACC JANUARY 2021 FINANCIALS

OPERATING SURPLUS (LOSS):

- (\$0.4) million (before approved City Reimbursements, A & I and Capital Projects)
- \$0.7 million below budget
- \$0.3 million below prior year

REVENUES:

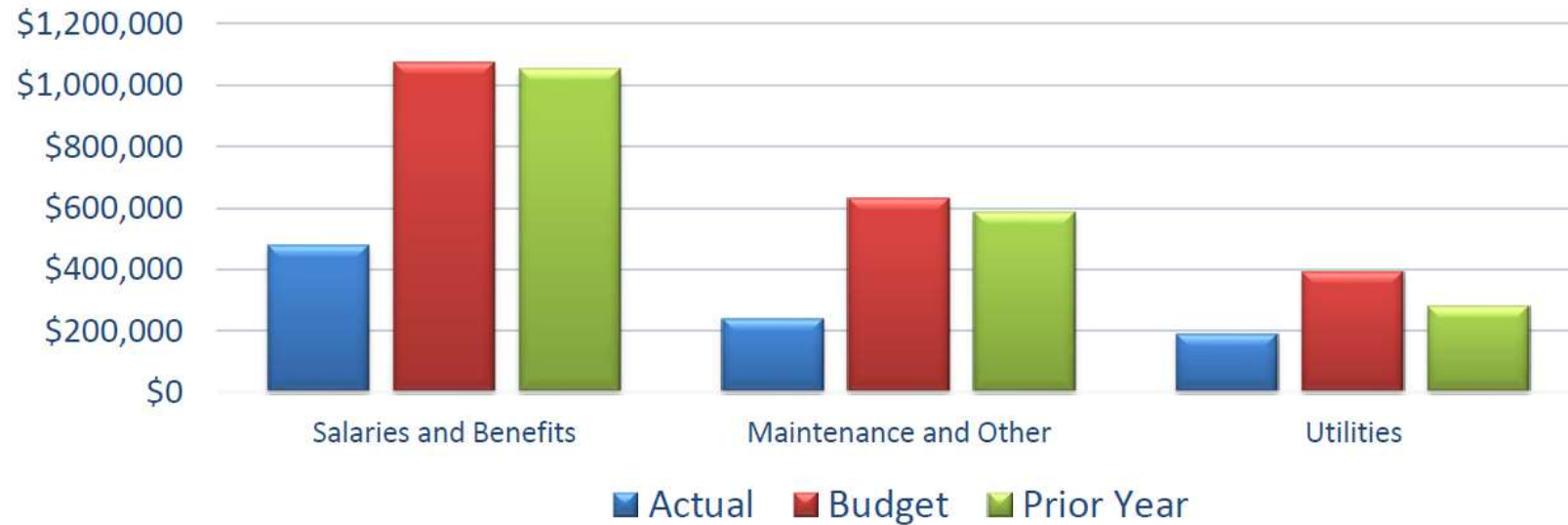
- \$1.4 million gross revenue (before discounts and service provider share)
- \$0.5 million net revenue
- \$1.9 million below budget and \$1.4 million below prior year



LACC JANUARY 2021 FINANCIALS

OPERATING EXPENSES:

- \$0.9 million (before approved A & I, Capital Projects, and City reimbursement)
- \$1.2 million below budget and \$1.0 million below prior year



CITY REIMBURSEMENT - \$0.26 million

Capital and Alterations & Improvements

LACC JANUARY 2021 OCCUPANCY

Exhibit Hall Occupancy

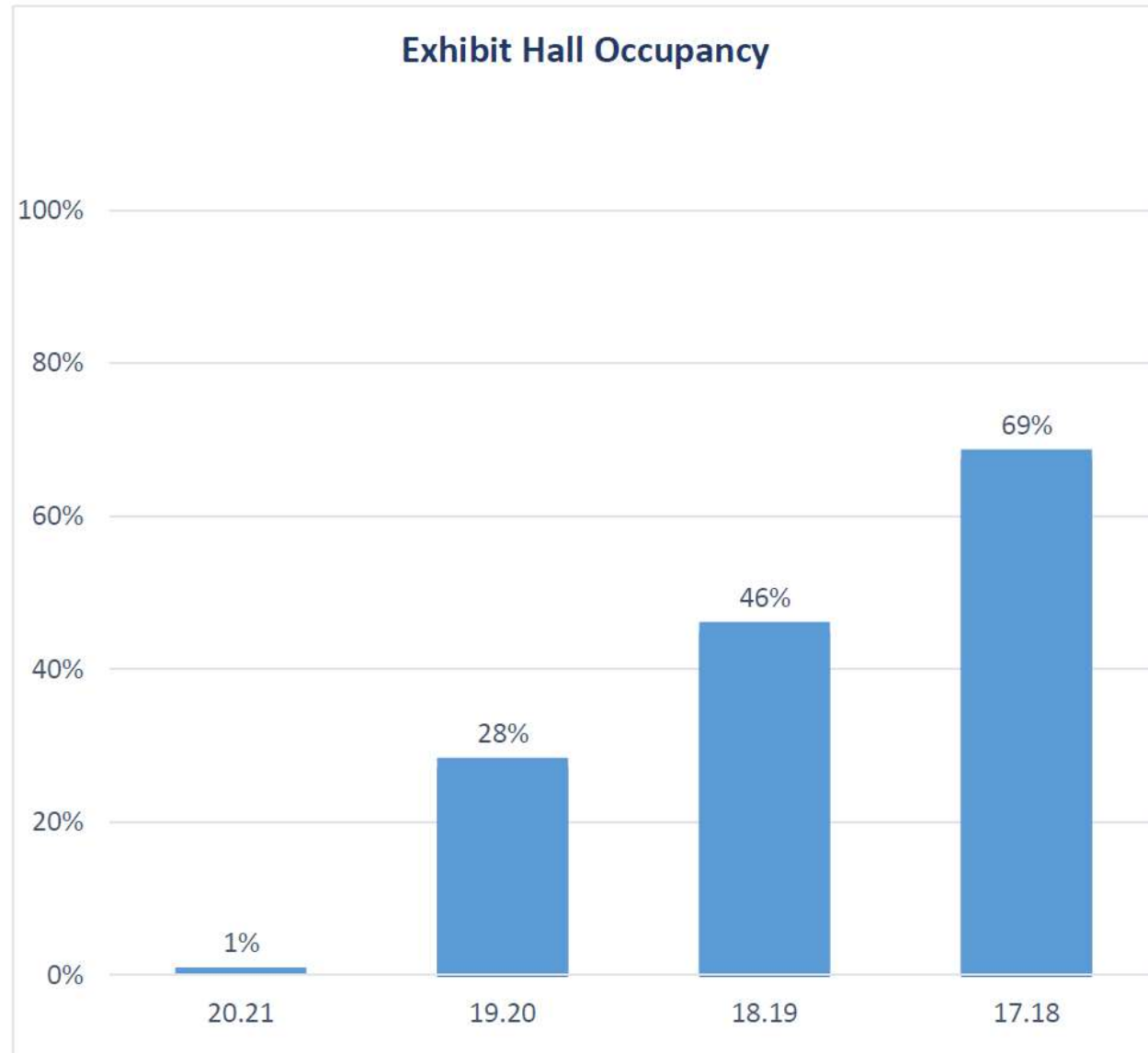
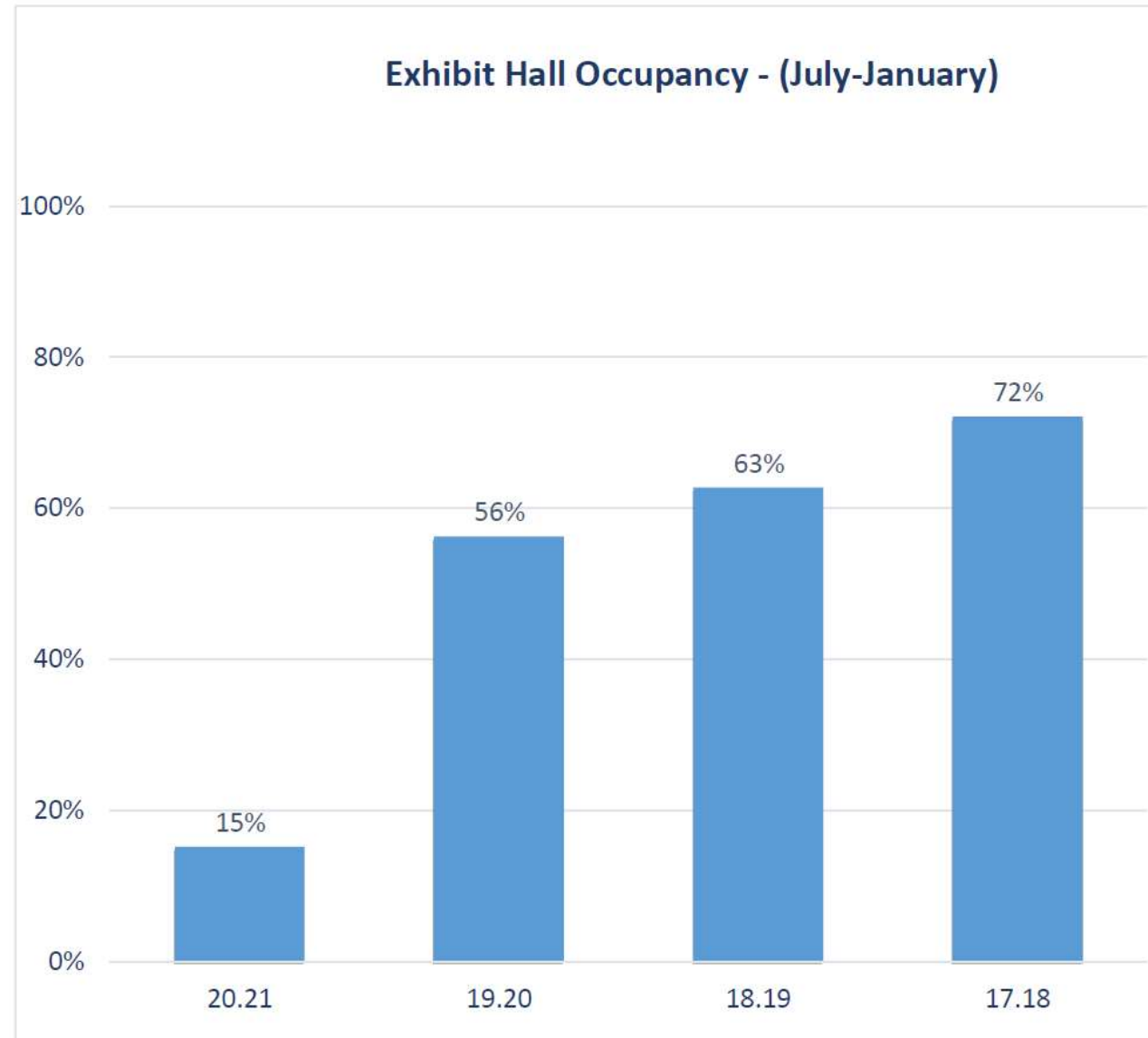


Exhibit Hall Occupancy - (July-January)



Item 4c

LATCB Update



CTD Board of Commissioners

March 3, 2021

*Los Angeles*TM

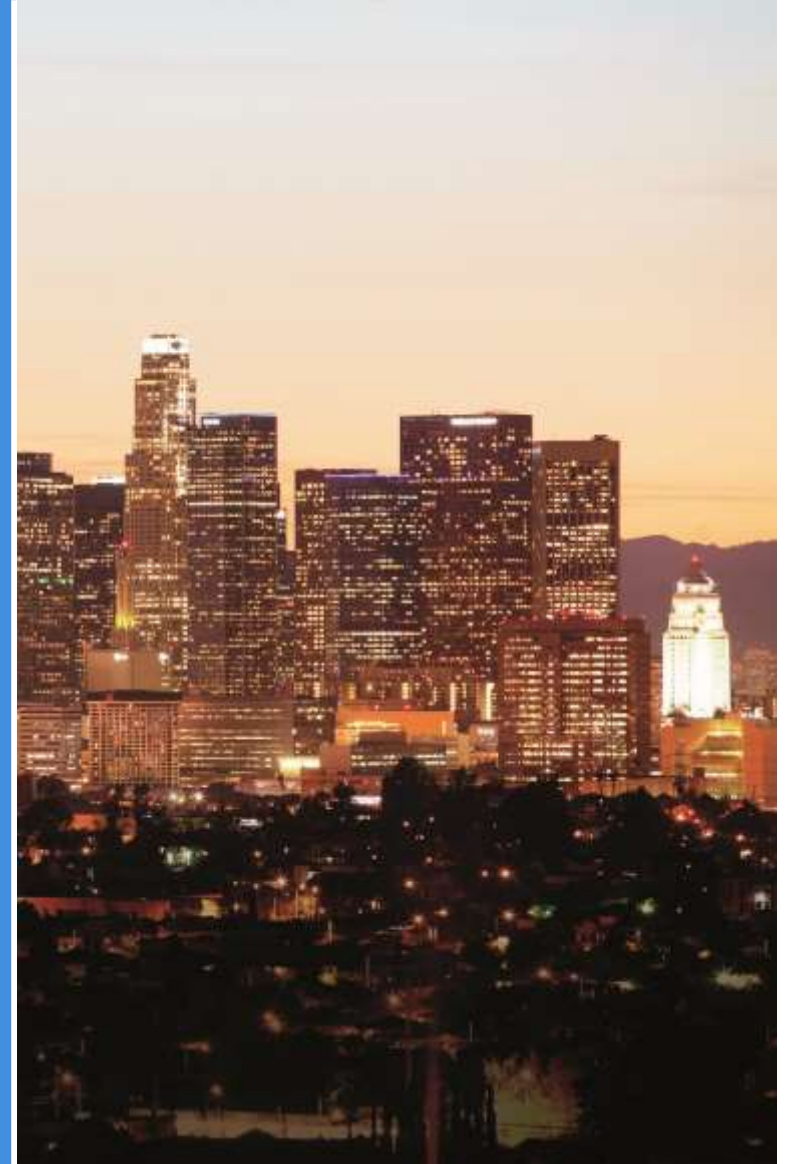
Los Angeles Tourism & Convention Board



SALES UPDATE

Darren K. Green

Senior Vice President,
Sales & Services



CITYWIDE CONVENTION SALES

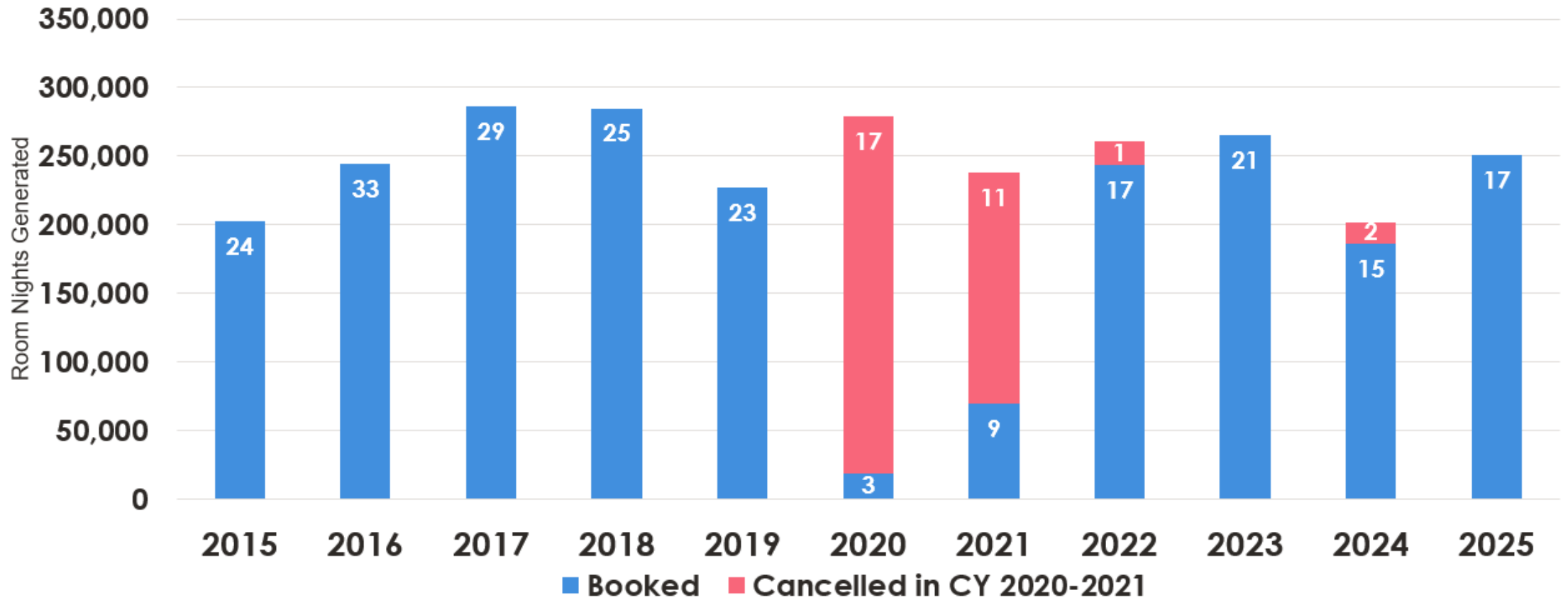
YTD FY20/21 PRODUCTION RESULTS

Lead Production	Leads Actual
FY 20/21 Goal	176
FY 20/21 YTD	49
FY 19/20 STLY	112

Booked Room Nights Produced	RNs Actual
FY 20/21 Goal	362,725
FY 20/21 YTD	225,418
FY 19/20 STLY	283,498

Dated February 22, 2021

CITYWIDE CONVENTION BOOKED ROOM NIGHTS 2015-2025 CALENDAR YEAR ARRIVAL DATE



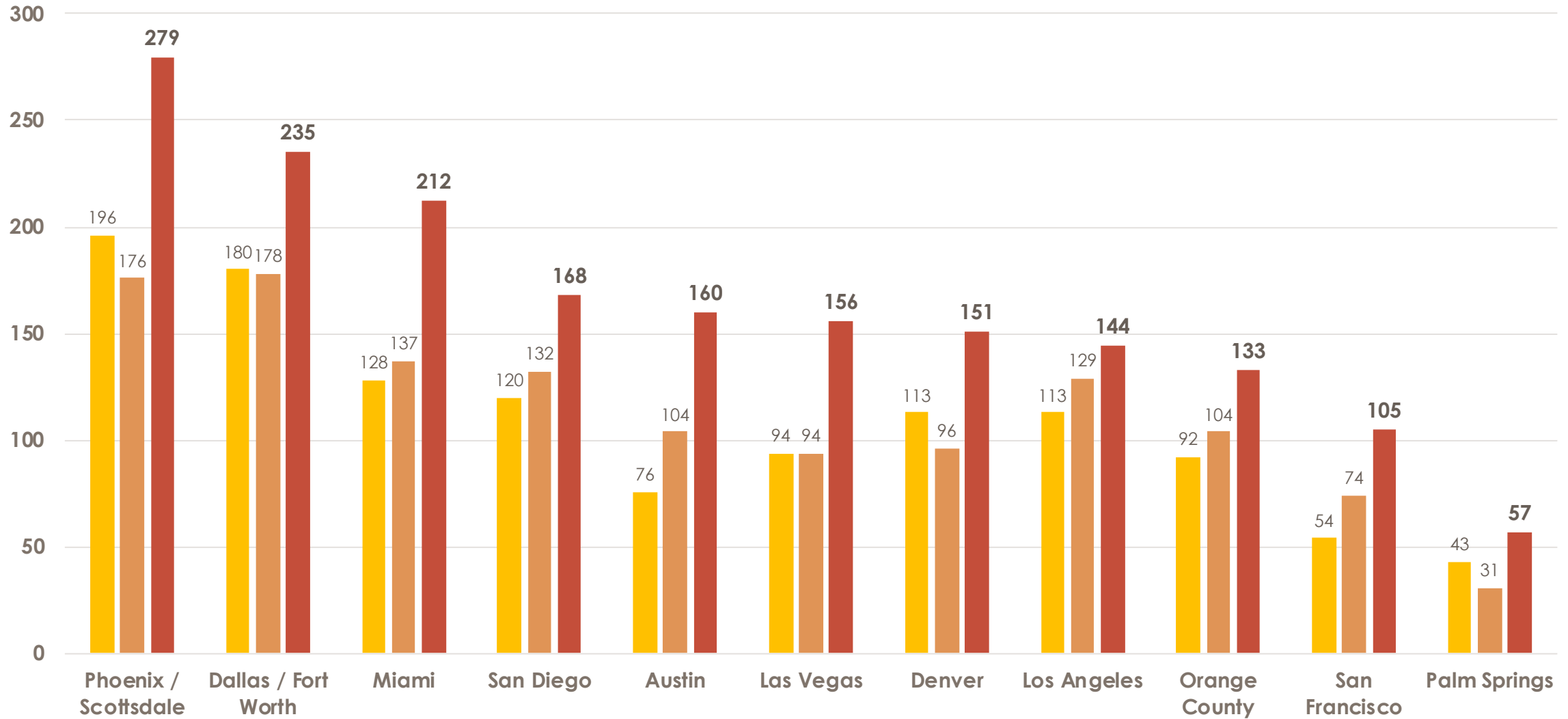
Dated February 22, 2021

CITYWIDE CONVENTIONS 2021 ON THE BOOKS

Event	Arrival Date	Total Room Nights	Update
National Catholic Educational Association - NCEA	April 6	8,333	Should receive formal cancellation notice this month. Being less than 3 months from their event, not able to confirm we can hold live event. Working to rebook 2024.
LA Marathon-2021	May 21	2,445	Planning to hold their live event. Looking to move to the fall.
E3 2021	June 15	27,609	Cancelled live event in 2021. Working with production team on broadcast options at LA Live/LACC. Working on 2022 & 2023 license.
United Fresh Produce Association	June 25	2,552	Planning to hold live hybrid event, pending approval from LA County officials. In regular contact with LATCB regarding status of meeting in LA.
Black Entertainment Television - BET	June 26	2,947	Made decision to not hold the Experience at LACC. Still planning to hold award show and concerts, pending approval from LA County officials. In regular contact with LATCB regarding status of meeting in LA.
ANIME EXPO-2021	July 2	17,947	Doing a virtual event over 4 th of July. Signing their license agreement through 2030.
The Trade Desk	July 19	8,700	Cancelling due to not knowing if they are able to hold a live event in July. Have re-booked in 2023.
International Health, Racquet and Sportsclub Association	September 20	5,090	Planning to hold live event, pending approval from LA County officials. In regular contact with LATCB regarding status of meeting in LA.
American Academy of Otolaryngology	October 3	20,984	Planning to hold live event, pending approval from LA County officials. In regular contact with LATCB regarding status of meeting in LA. Making a final decision in July to be live or virtual.
Linux Foundation	October 13	13,021	Planning to hold live event, pending approval from LA County officials. In regular contact with LATCB regarding status of meeting in LA.
GSMA Mobile World Congress	October 26	12,422	Planning to hold live event, pending approval from LA County officials. In regular contact with LATCB regarding status of meeting in LA. Making a final decision in June to be live or virtual.
National Science Teaching Association - NSTA	December 8	3,218	Planning to hold live event, pending approval from LA County officials. In regular contact with LATCB regarding status of meeting in LA.

CVENT RFPs 3 Month Trend

■ Nov 20 ■ Dec 20 ■ Jan 21



**Brad Weaber, Principle & Founder
Brad Weaber Consulting Group, LLC**

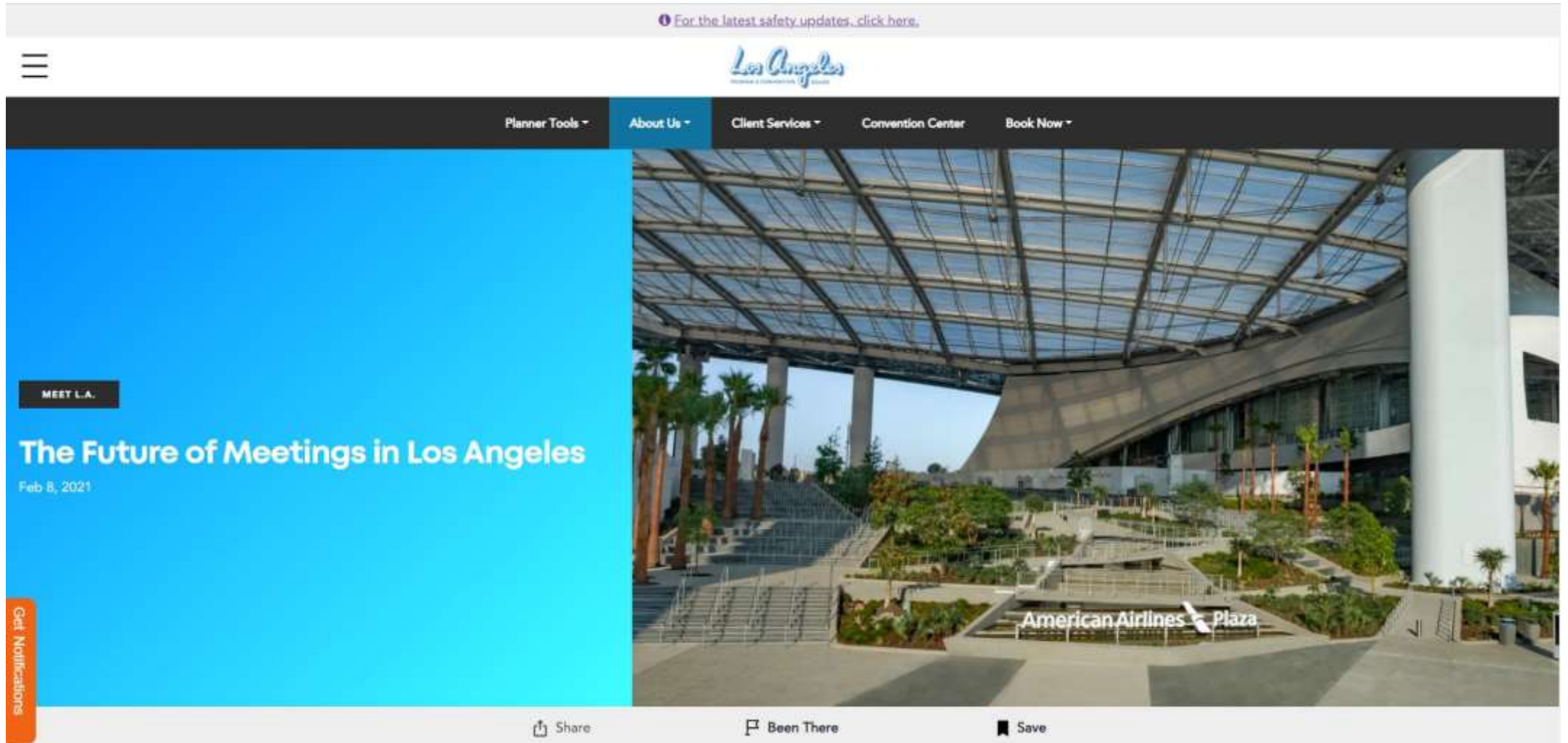


- Q2 will not see much live events, primarily virtual.
- Q3 & Q4 Small live meetings with or without vaccinations.
- Hybrid Meetings are here to stay!
- Planners are asking CVBs to help them get access to TV producers, consultants, directors, etc.
- More mergers and growth of Association Management Companies.
- Incentives will be one of the first markets to come back
- Social Justice/Diversity key issues
- Planners ready to be sold to!!

SUPER BOWL ROOM BLOCK UPDATES



Sales Marketing Website





L.A.'s Expanding Hotel Portfolio

Two high-profile developments are in the works in the South Park neighborhood of Downtown LA. The **J.W. Marriott L.A. LIVE** will nearly double in size with 850 new rooms as well as meeting and ballroom space in a new tower expansion (pictured above). The project is currently scheduled for completion by 2023. Across the street, another **777-room tower** under the **AC and Moxy** banners is on an even faster timeline. That project is underway, to be complete by 2022. In neighboring Bunker Hill, a **300-room Equinox Hotel** is also coming soon as part of the Frank Gehry-designed multi-use project called The Grand. The property is just steps from the Walt Disney Concert Hall is the heart of downtown. Across town, with proximity to Hollywood and Beverly Hills, the 400-room **Fairmont Century Plaza** is set to open after a \$2.5 billion redevelopment that has restored this landmark property to its former glory.

Los Angeles offers an embarrassment of riches when it comes to more intimate, boutique hotel properties throughout the city. And the newest crop of openings are no different. One notable project coming this year to Hollywood is **The Godfrey**, trumpeting one of the largest rooftops in Los Angeles just steps from Sunset Boulevard. For more information on other coming-soon or recently-opened hotels, check out [Where to Check In Next](#).



Academy Museum of Motion Pictures

New Attractions Double as Venues

In September, the much-anticipated **Academy Museum of Motion Pictures** will finally open its doors. The venue will house movie history and boasts 50,000 square feet of gallery space, two theaters, dynamic indoor/outdoor event spaces and a spectacular rooftop with views of the Hollywood Hills. In 2022, Exposition Park—which is already home to the California Science Center, Banc of California Stadium and the recently-renovated **Los Angeles Memorial Coliseum**—will get a new addition in the **George Lucas Museum of Narrative Art**. The large gallery will be complemented by two theaters, event space and an 11-acre park surrounding it.



LAX People Mover and Metro Expansion

One silver lining of the pandemic is that the modernization projects at LAX are now running **18 months ahead of schedule**. That includes major renovations to the terminals and the long-awaited People Mover, a monorail that will connect all terminals of the airport to public transportation and allow for greater ease of travel to and from the rest of the city. The project is now expected to open in 2023.

The expansion of the subway's Purple Line, which will provide a direct connection between downtown and the Westside areas of Beverly Hills, Century City and UCLA, is also **running ahead of schedule**. Sections of the new line will begin opening in 2023, with a completion date of 2025.



Mega Events Shine a Spotlight on LA

What do the Super Bowl, Wrestlemania, the FIFA World Cup and the Summer Olympics all have in common? In the next six years, they will all be [hosted in Los Angeles](#). With some of the world's most epic events coming to town, our city and its entire hospitality community are joining together to create memorable, only-in-LA experiences. At least part of each event will take place at the new [SoFi Stadium at Hollywood Park](#), which opened in 2020 and is home to both the Los Angeles Rams and Chargers. We partnered with their team to create a [virtual tour](#) that showcases the many event spaces that are part of the expansive 300-acre park in the heart of Los Angeles.



5G Expands Connectivity

In 2018, the Los Angeles Convention Center, in partnership with GSMA Mobile World Congress Americas, was the first in the country to permanently install 5G technology. At that time, Doane Liu, Executive Director of the City of Los Angeles Department of Convention and Tourism Development, said, "This is a significant development that will drive technological advancements in our city, reinforcing Mayor Eric Garcetti's goal that Los Angeles will continue to be the number one digital city in the United States." As promised, Los Angeles is leading the way, now one of only a few cities where all four major carriers (Verizon, AT&T, Spring and T-Mobile) have launched 5G networks. And with 5G-capable devices now available, we have the critical infrastructure in place to support the speed of the future.

 SHARE



SITE VISIT PARTICIPATION INFORMATION AND WAIVER

We are very much looking forward to your participation in the upcoming site visit. Please be advised that Los Angeles Tourism will be following all COVID-19 safety protocols recommended by the Los Angeles County Department of Public Health and/or California Department of Public Health during this site visit (the "Event"). By signing this waiver, you acknowledge and accept that you will be required to abide by the following:

[COVID-19 Reopening LA - LA County Department of Public Health](#)

The foregoing notwithstanding, you hereby expressly waive liability, assume the risk of injury, illness or loss from dangers known or unknown, foreseen or unforeseen, incidental or otherwise, and release and hold harmless Los Angeles Tourism and all of their respective officers, directors, employees, representatives, agents, assigns and successors (collectively the "Indemnitees") from and against any and all claims, damages, liabilities, costs and expenses, including reasonable attorneys' fees, and liability for personal injury and/or death, illness, property damage or other damages of any kind arising out of or connected in any way with my participation in this Event, including transportation to, during, and from the Event, except for liability arising from the gross negligence or willful misconduct of Los Angeles Tourism.

Participant Signature: _____ Date: _____

Name (please print):

Parent or Guardian if Participant is Under Age 18

Signature: _____ Date: _____

Name (please print): _____

Emergency Contact:	

Relationship: _____	Phone Number: _____



LIVE SITE INSPECTION WAIVER



JW MARRIOTT L.A. LIVE

Meetings Teaser Video





MARKETING UPDATE

Don Skeoch
Chief Marketing
Officer



COMPETITIVE RANKING – U.S.

Calendar Year 2020 – Smith Travel Research

Rank	Market	RevPAR	Occ %	Supply VYA	Rooms	Adj. Occ %
1	Tampa/St Pete	\$59.83	50.8%	101.7%	48,951	51.6%
2	Phoenix	\$57.97	49.8%	97.3%	65,111	46.9%
3	LOS ANGELES	\$67.97	48.9%	93.8%	106,172	45.2%
4	San Diego	\$62.87	48.4%	93.4%	63,896	44.6%
5	Miami	\$87.23	46.4%	86.4%	59,627	38.2%
6	Anaheim	\$59.91	44.2%	87.0%	58,278	37.8%
7	New Orleans	\$48.22	41.0%	82.1%	39,624	37.1%
8	New York City	\$70.69	46.6%	75.3%	127,932	34.7%
9	San Francisco	\$74.03	41.8%	67.9%	54,284	31.8%
10	Oahu	\$84.04	39.0%	69.4%	30,569	26.9%

COMPETITIVE RANKING – U.S.

2020 vs. 2019 Rankings

2020 Rank	Market	Adj. Occ %	2019 Rank	Market	Occ %
1	Tampa/St Pete	49.9%	1	New York City	86.3%
2	Phoenix	46.9%	2	Oahu	84.1%
3	LOS ANGELES	45.2%	3	San Francisco	82.0%
4	San Diego	44.6%	4	LOS ANGELES	79.6%
5	Miami	38.2%	5	Anaheim	78.1%
6	Anaheim	37.8%	6	San Diego	76.6%
7	New Orleans	37.1%	7	Orlando	76.2%
8	New York City	34.7%	8	Miami	75.9%
9	San Francisco	31.8%	9	Boston	73.9%
10	Oahu	26.9%	10	Seattle	73.9%



2021 MARKETING RECOVERY PLANS

A Data Driven Approach



VACCINE STATS

<u>Vaccine Supply:</u>	200,000/week (100,000/week are second doses)
<u>Utilization Rate:</u>	82%
<u>Cum Delivery:</u>	1.7 million
<u>LA County Pop:</u>	10 million
<u>% of Population:</u>	8.4%

FACTORS INFLUENCING RECOVERY EFFORTS

- 1) **Vaccine Supply:** Will it stay stable or grow?
- 2) **Variants:** The race to inoculate everyone
- 3) **Brand Tarnish:** Constantly education national media
- 4) **Air Svc. Recovery:** International decimated
Domestic recovering much more quickly
- 5) **Ad Effect./Ad ROI:** Force rank 20 media mkts that we are in
- 6) **Media Inflation:** Olympic year; advertising “pile on”
- 7) **Competition:** Who has the deep pockets to market?

LOCAL MARKET



Local Market Overview

Facts:

- 1) 48% of bookings are occurring within 24 hours of arrival
- 2) 45% of bookings are coming from the 5-County LA area
- 3) Like everyone else, Angelenos, are struggling with COVID-19 fatigue

Source: TravelClick



Local Marketing is Underway

Timing: Feb. 11th thru March 30th

Focus: Staycation/"Work from Hotel"

Call to Action: Hotel Offers

Markets: LA, Orange, Riverside, San Bernardino, Ventura

Participation: discoverlosangeles.com/LALove

Local Creative



Local Creative



Local Creative



DRIVE MARKETS



Drive Market Overview

Facts:

- 1) Consumers still prefer a driving vacation to a flight
- 2) 5 of the top 8 markets in the last four weeks are from these drive markets
- 3) Relatively speaking, these are affordable advertising markets

Source: TravelClick



Drive Mkts. resume in 2 weeks

- Timing: Mar. 15th thru May 15th
- Focus: Inspiration
- Call to Action: Plan Your Trip
- Markets: San Fran, San Diego, Phoenix, Las Vegas, Sacramento, Fresno, Santa Barb., Palm Springs
- Landing Page: Hotels asked to extend their offers thru 6/30

Media Markets & Timing: Local/Drive

Market	January	February	March	April	May	June
San Francisco			3/15---	-----	--5/15	
San Diego			3/15---	-----	--5/15	
Phoenix			3/15---	-----	--5/15	
Las Vegas			3/15---	-----	--5/15	
Sacramento			3/15---	-----	--5/15	
Fresno			3/15---	-----	--5/15	
Santa Barbara			3/15---	-----	--5/15	

FLIGHT MARKETS



Flight Market Overview

Facts:

- 1) Introducing Los Angeles to six new short haul flight markets
- 2) Long haul markets have twice the ROI as short haul markets
- 3) Americans reticent about overseas travel will “trade down” to long haul domestic travel



New Campaign Launch in April

Timing: Apr. 15th thru Jun. 10th

Focus: Welcome Back

Call to Action: Plan Your Trip

Short Flight Mkts: Seattle, Portland, SLC, Denver, Dallas, Houston

Long Flight Mkts: NYC, Chicago, Washington DC, Atlanta, Boston, Baltimore

Media Markets & Timing: Short Haul

Market	January	February	March	April	May	June
Seattle				4/15	-----	----6/10
Portland				4/15	-----	----6/10
Salt Lake City				4/15	-----	----6/10
Denver				4/15	-----	----6/10
Dallas				4/15	-----	----6/10
Houston				4/15	-----	----6/10

Media Markets & Timing: Long Haul

Market	January	February	March	April	May	June
New York City				4/15-	-----	--6/10
Chicago				4/15-	-----	--6/10
Atlanta				4/15-	-----	--6/10
Washington DC				4/15-	-----	--6/10
Boston				4/15-	-----	--6/10
Baltimore				4/15-	-----	--6/10



Creative Approach

- Campaign concepting underway
- Target: Adults 25-54; \$75k+ HHI
- Communication Goal: 50% 3+ ER
- We will test the new creative for visitor intent, relevance, and likeability
- In addition to a digital advertising schedule, we are also looking at alternative media opportunities



Air Service Update

Domestic Flights into LAX:

Airline

Avg. Daily Dept. Nov. '20 VYA

Alaska Airlines	-45%
American Airlines	-74%
Delta Airlines	-27%
Hawaiian Airlines	-59%
Southwest Airlines	-58%
United Airlines	-74%



Peer Competition

Market

Las Vegas

San Diego

Orlando

New York City

Chicago

Atlanta

Focus

National

LA, Phoenix, Tucson

Southeast Drive Mkts.

New England

Midwest Drive Mkts.

TBD

Timing

In-Mkt.

Feb. 8th

TBD

In-Mkt.

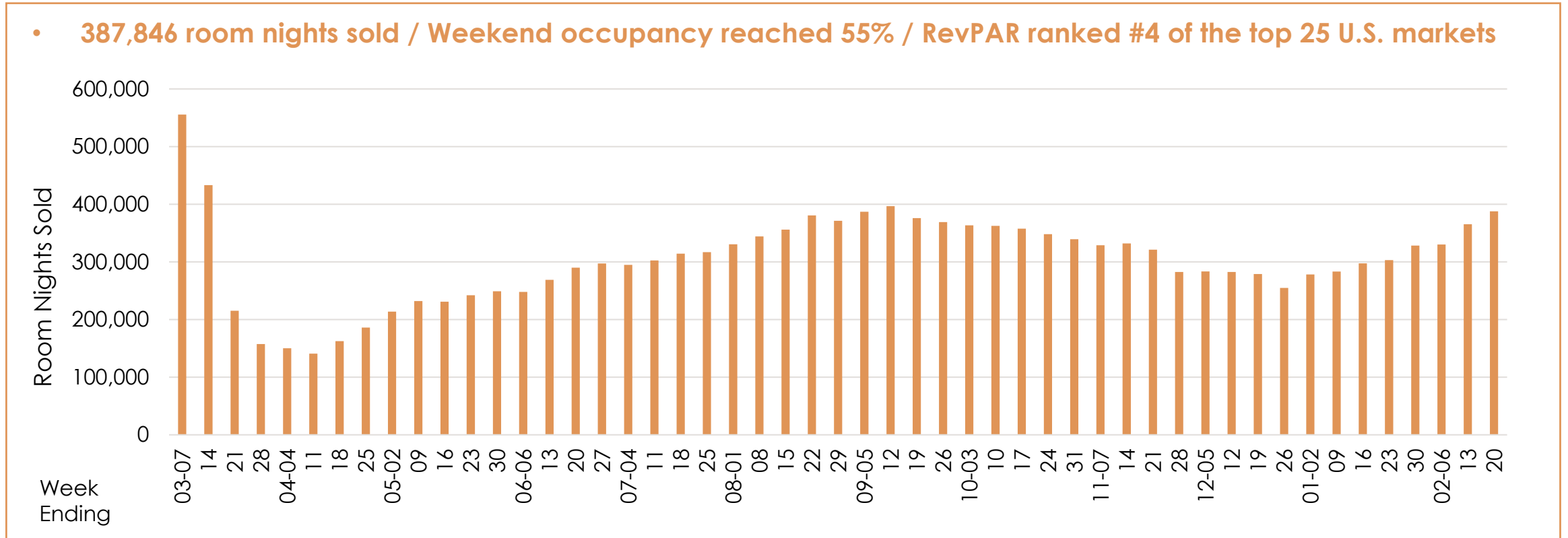
In-Mkt.

TBD

L.A. COUNTY WEEKLY ROOM DEMAND

STR – Week of February 14 - 20, 2021

- **387,846 room nights sold / Weekend occupancy reached 55% / RevPAR ranked #4 of the top 25 U.S. markets**



THANK YOU

Los Angeles

TOURISM
MARKETING
DISTRICT

Item 5a

Management Agreement Extension -
Board Report #21-001



LACC MANAGEMENT AGREEMENT EXTENSION

BOARD OF LOS ANGELES CONVENTION AND TOURISM
DEVELOPMENT COMMISSIONERS MEETING

MARCH 3, 2021



CITY OF
Los Angeles
DEPARTMENT OF
CONVENTION & TOURISM DEVELOPMENT

BACKGROUND

LACC MANAGEMENT AGREEMENT

- Executed on October 29, 2013
- Term of 5 years, though October 28, 2018

AMENDMENTS AUTHORIZED AS PART OF COUNCIL FILE No. 18-0532

- Three 1-year extensions
- Amendment No. 3 will expire on October 28, 2021

PROPOSED MANAGEMENT AGREEMENT EXTENSION

- Extend the term through January 4, 2023, making it coterminous with the current Exclusive Negotiating Agreement (ENA) between the City and AEG Plenary Convention Los Angeles, LLC (APCLA) .
- The management agreement may be terminated when the long-term public-private partnership agreement to expand and modernize the LACC is executed.


RECOMMENDATION

That the Board of Los Angeles Convention and Tourism Development Commissioners authorize CTD to proceed with negotiating the proposed amendment with AEG-LACC and execute it upon completion of review by the Office of the City Administrative Officer, approvals from the Mayor's Office and City Council, and subject to the approval of the City Attorney as to form and legality.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: February 25, 2021

To: Board of Los Angeles Department of Convention and Tourism
Development Commissioners

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

Subject: **LACC MANAGEMENT AGREEMENT EXTENSION – BOARD REPORT
#21-001**

SUMMARY

On June 20, 2018, the City Council authorized the Department of Convention and Tourism Development (CTD) to execute three one-year extensions to the management agreement (Management Agreement) between the City of Los Angeles (City) and AEG Management LACC, LLC (AEG-LACC) for operating and managing the Los Angeles Convention Center (LACC). This proposal to amend the Management 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). CTD and the AEG-LACC executed the third and final one-year extension in October 2020.

On November 24, 2020, City Council authorized the Chief Legislative Analyst (CLA), with the assistance of the City Attorney (Council File No. 15-1207-S1), to negotiate and execute an extension to the Exclusive Negotiating Agreement (ENA) with AEG Plenary Convention Los Angeles, LLC (APCLA) for the expansion of the LACC for a period of one year, from January 10, 2021 to January 9, 2022, with two optional mutual extensions of 180 days each (Attachment).

CTD proposes to negotiate an amendment to the Management Agreement extending the term through January 4, 2023, making it coterminous with the ENA. CTD also proposes to add a provision that the Management Agreement may be terminated when the overarching public-private partnership agreement to expand, modernize, operate and maintain the LACC is executed. No other material changes are considered at this time.

RECOMMENDATION

That the Board of Los Angeles Convention and Tourism Development Commissioners authorize CTD to proceed with negotiating the proposed amendment to the Management Agreement with AEG-LACC and execute it upon completion of review by the Office of the City Administrative Officer, approvals from the Mayor's Office and City Council, and subject to the approval of the City Attorney as to form and legality.

ATTACHMENTS

DL/ta

ATTACHMENT

COUNCIL FILE NO. 18-0532

w
6/20
n
c

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to various actions relating to the Los Angeles Convention Center expansion project.

Recommendations for Council action, pursuant to Motion (Price - Huizar), SUBJECT TO THE APPROVAL OF THE MAYOR:

1. INSTRUCT the Chief Legislative Analyst (CLA) with assistance of the City Administrative Officer (CAO), Los Angeles Convention and Tourism Department (CTD), 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.
2. 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.
3. AUTHORIZE the CLA to accept \$ 150,000 for consultant services from the developer to analyze the economics and financing associated with this instruction.
4. AUTHORIZE the Controller to deposit / appropriate / expend all funds received as a result of this action in Fund No. 100/28, Contractual Services Account No. 3040.
5. AUTHORIZE the CLA to make any technical corrections, revisions, or clarifications to the above instructions in order to effectuate the intent of this action.
6. INSTRUCT the CTD to 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.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on June 12, 2018, your Economic Development Committee considered a Motion (Price - Huizar) relative to various actions relating to the Los Angeles Convention Center expansion project. After an opportunity for public comment was held, the Committee moved to approve the recommendations contained in the Motion, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE



MEMBER VOTE

PRICE: YES

BUSCAINO: YES

HUIZAR: YES

ME
6/12/18

-NOT OFFICIAL UNTIL COUNCIL ACTS-

ATTACHMENT

EXCLUSIVE NEGOTIATING AGREEMENT

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to the Los Angeles Convention Center (LACC) Expansion Project.

Recommendation for Council action:

AUTHORIZE the Chief Legislative Analyst (CLA), with the assistance of the City Attorney, to negotiate and execute an extension to the Exclusive Negotiating Agreement with AEG Plenary Convention Los Angeles, LLC for the expansion of the LACC for a period of one year, from January 10, 2021 to January 9, 2022, with two optional mutual extensions of 180 days each.

Fiscal Impact Statement: None submitted by the CLA. The City Administrative Officer has not completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on November 10, 2020, your Economic Development Committee considered a CLA report dated October 29, 2020 relative to the LACC Expansion Project. The CLA reports that in December 2018, the Council authorized the CLA to negotiate with Anschutz Entertainment Group (AEG), and subsequently the AEG Plenary Convention Los Angeles, LLC (APCLA), to provide terms for agreements necessary to expand the LACC (Project), as well as a complementary private proposal by AEG to expand the existing JW Marriott Hotel at LA Live, under the terms of an Exclusive Negotiating Agreement (ENA).

The CLA goes on to report that on February 26, 2020, the CLA released a report (February 2020 Update) detailing the City's negotiations to expand and modernize the LACC and to provide operations and maintenance services on the LACC campus. The February 2020 Update outlined expansion options for Council's consideration that would have provided up to 190,000 square feet of additional contiguous exhibit hall space; up to 55,000 square feet of additional meeting room space; and up to 95,000 square feet of multi-purpose space. The February 2020 Update recommended the negotiation of an Early Works Agreement that would accelerate the Project schedule by eight months and save an estimated \$70 million in costs over the life of the Project. This report is pending before the Economic Development Committee.

The CLA further states that the onset of the Coronavirus Pandemic in March 2020 drew an immediate halt to operations at the LACC, and altered the direction of negotiations regarding the LACC Expansion Project. The Early Works Agreement as proposed is no longer a practical option for the parties to pursue and there may be other impacts to the financial structure of the deal that need to be evaluated. The City and APCLA will continue to negotiate in an effort to provide Council with a viable scope and schedule for the Project at a future date, however, negotiations are dependent upon a resolution to the Coronavirus Pandemic and better information concerning the economics of the convention business.

In conclusion, the CLA states that the ENA between the City and AEG, and subsequently APCLA, was extended on July 7, 2020 by mutual agreement of the Parties under the terms of the ENA for an additional 180 days, ending on January 9, 2021. This was the final extension

option available under the ENA. If the Council wishes to continue negotiations with APCLA beyond January 2021, the CLA recommends that the Council authorize the execution of an ENA Extension. After an opportunity for public comment was held, the Committee moved to approve the CLA's recommendations, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ECONOMIC DEVELOPMENT COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
PRICE:	YES
BUSCAINO:	YES
RODRIGUEZ:	YES

ME 11/10/20

-NOT OFFICIAL UNTIL COUNCIL ACTS-

Item 5b
LATCB FY 21-22 Budget Request -
Board Report #21-002





CITY OF
Los Angeles
DEPARTMENT OF
CONVENTION & TOURISM DEVELOPMENT

Overview of Proposed LATCB TOT Budget

**Board of Los Angeles Convention and Tourism
Development Commissioners Meeting**

March 3, 2021

LATCB BACKGROUND

LATCB (Los Angeles Tourism & Convention Board)

- First contracted with the City in 1976
- CTD's governance gives oversight of LATCB contract to CTD
- Current contract term through June 30, 2030

Services Provided

- To book and assist in licensing the Los Angeles Convention Center
- To book meetings and conventions in hotels
- To promote Los Angeles in domestic and international markets

Constituents

- Los Angeles Convention Center, City of Los Angeles
- Hoteliers
- Hospitality and tourism industry partners
- Customers (meeting planners, travel industry, visitors)
- Consumer and travel trade media

LATCB FUNCTIONAL OVERVIEW

SALES & SERVICES

CITYWIDE SALES

CLIENT SERVICES

HOTEL SALES

DESTINATION SERVICES

MARKETING

BRAND & DIGITAL MARKETING

COMMUNICATIONS (P.R.)

INTERNATIONAL TOURISM

TOURISM INSIGHTS (RESEARCH)

OPERATIONS/ MEMBERSHIP

FINANCE

INFORMATION TECHNOLOGY

HUMAN RESOURCES

MEMBERSHIP & dineL.A.

VISITOR SERVICES

EXTERNAL AFFAIRS

CONVENTION & TOURISM DEVELOPMENT

TOURISM MARKETING DISTRICT

LOS ANGELES WORLD AIRPORTS

GOVERNMENT & INDUSTRY STAKEHOLDERS

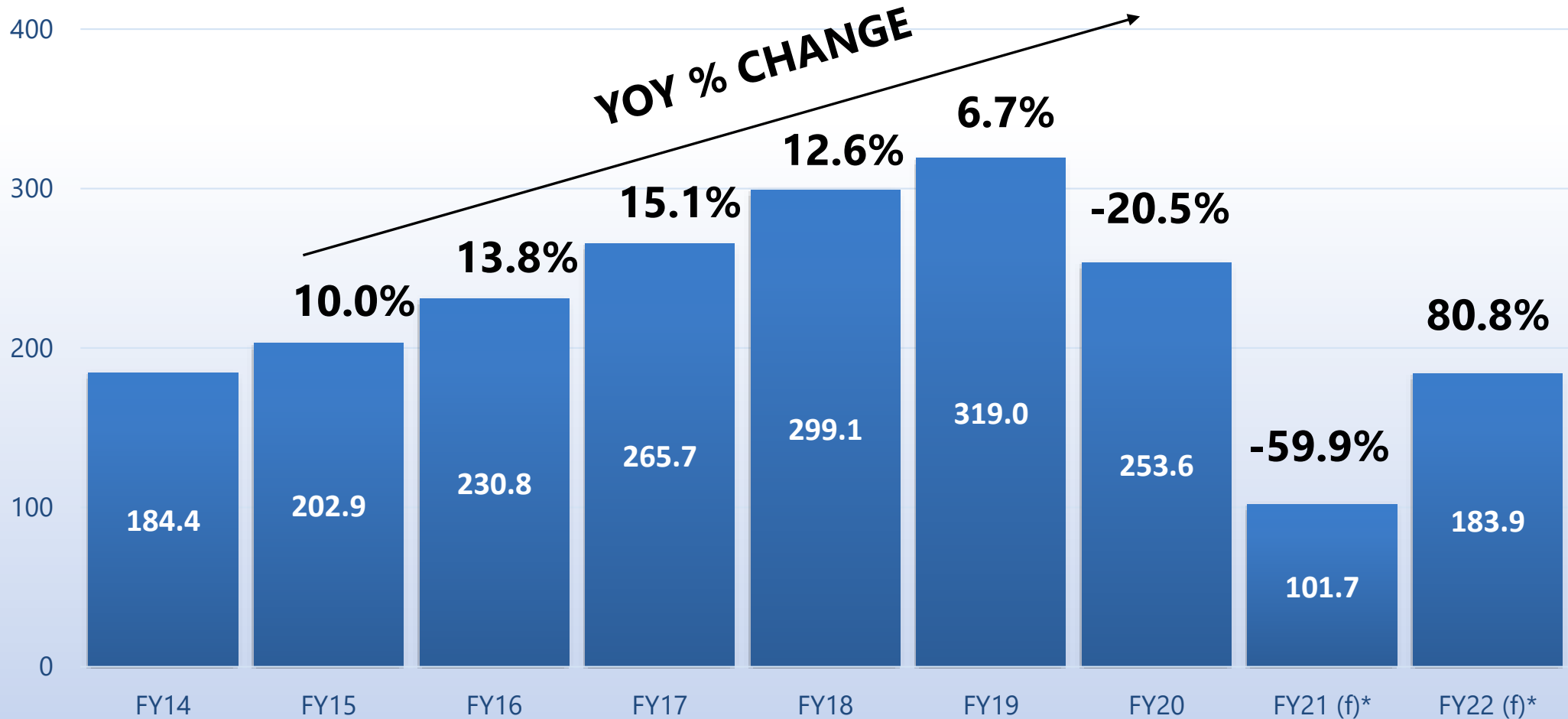
CY19 vs CY20 – Pandemic Impacts

	<u>2019</u>	<u>2020*</u>
Travel & Tourism Jobs	544,700	375,850
Total Visitors	50.7MM	26.9MM
Direct Spending	\$24.7B	\$9.9B
Total Economic Impact	\$37.8B	\$15.2B

*Calendar Year projections based on Tourism Economics data

Los Angeles Transient Occupancy Tax (TOT)

Contributions to General Fund per Fiscal Year (in \$M)



*Forecast based on Tourism Economics February 2021 Forecast

TOT Funds for LATCB Contract

14% hotel occupancy tax collected by hotel and motel operators and remitted to the City

- 1% - LATCB
- 13% - City General Fund
 - 1% - Department of Cultural Affairs
 - 3.5% - Allocated to Los Angeles Convention Center Debt Service

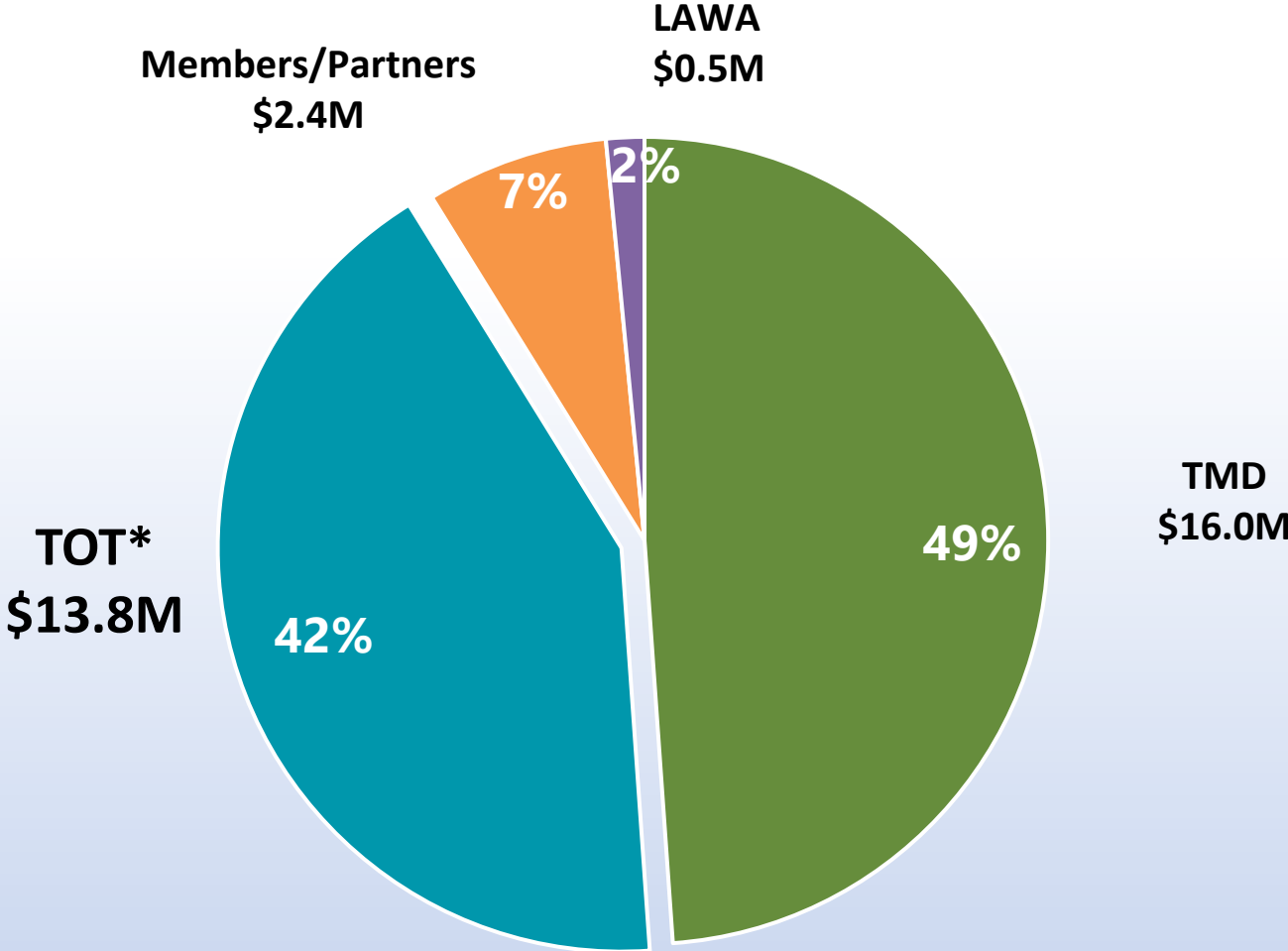
Net TOT Allocation to LATCB*		
Actual 2019-20	Revised Estimate 2020-21**	Proposed Budget 2021-22**
\$18,887,000	\$7,465,000	\$13,821,000

*Net of City administrative services allocation, including CTD's cost of administering the LATCB contract.

**Based on Tourism Economics February 2021 forecast

LATCB RESOURCES 2021 – 22

(Preliminary)

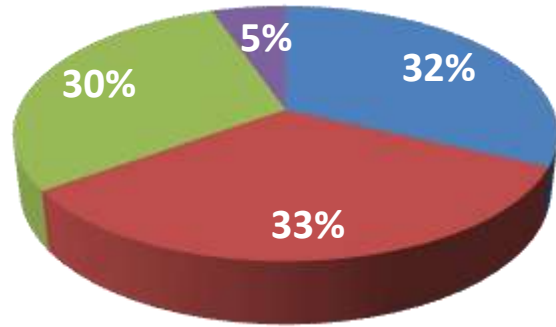


TOTAL BUDGET = \$32.7M

73

*Gross TOT collections less City administrative services

OVERVIEW OF LATCB TOT PROPOSED BUDGET



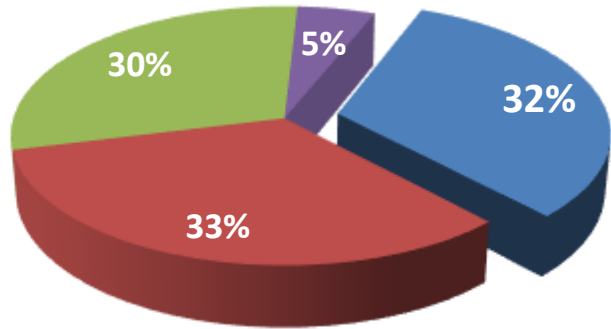
- Convention & Meeting Sales & Services
- Marketing, Public Relations & Media
- Finance, Technology, Human Resources & Visitor Centers
- Allocation to TOT Reserve Fund

TOT Allocation				
Program	Actual 2019-20	Estimated 2020-21	Proposed 2021-22	YOY % Change
Convention & Meetings Sales & Services	\$7,226,000	\$2,839,000	\$4,423,000	55.8%
Domestic & International Marketing, Global Public Relations & Media	\$6,800,000	\$2,963,000	\$4,562,000	54.0%
Finance, Technology, Human Resources & Visitor Centers	\$4,861,000	\$1,663,000	\$4,111,000	147.2%
Allocation to TOT Reserve Fund, for funding future programming			\$725,000	
TOTAL	\$18,887,000	\$7,465,000	\$13,821,000	85.1%

CONVENTION & MEETINGS SALES & SERVICES

2020-21 DELIVERABLES

- Targeted **retaining 80% of Citywide Groups** that need to move from 2020/21 dates into future years while supporting stakeholders regarding cancellation/attrition.
- Supported County **Resiliency Task Force Sub-committee** by providing data and customer feedback for the graduated return of meetings and events.
- Executed and elevated **virtual & live site inspections** optimizing content from MeetLA website and creative partner collaboration.
- In light of customer and planner staff reductions, **increased support and engagement** to provide timely, relevant destination information and **keep L.A. top-of-mind**



\$4,423,000

CONVENTION & MEETINGS SALES & SERVICES

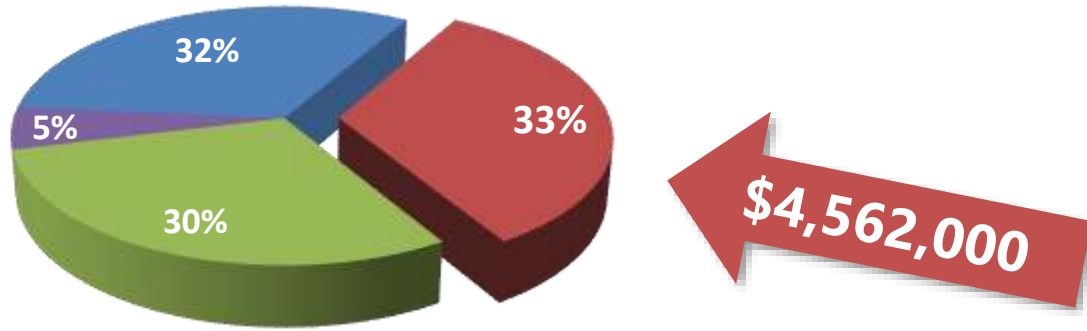
2021-22 FOCUS

- In anticipation of approval of small meetings, activate creative assets and implement an aggressive strategy to pursue **short and long-term business opportunities**.
- Promote new and modernized venues, transportation enhancements, and leverage the hosting of signature events to position L.A. as the **preferred, forward-thinking destination**.
- When appropriate, resume Sales team travel targeting tradeshows, client events and GM missions to **reconnect with customers in-market**.
- Market the hybrid options L.A. has to offer, providing reliable, worry-free technology solutions and a variety of broadcast platforms that give Los Angeles a **competitive advantage**.
- Expand the **execution of digital campaigns** highlighting L.A.'s open-air venues and 300+ days of sunshine through media partners and customer communications.

DOMESTIC & INTERNATIONAL MARKETING, GLOBAL PUBLIC RELATIONS & MEDIA

2020-21 DELIVERABLES

- Achieved **31.7 million visitors** by the close of FY2021
 - **29.2 million domestic visitors**
 - **2.5 million international visitors**
- Launched both a **local hotel campaign** (LA Love) and **drive market** campaign
- Creating a **new, global campaign** to emphasize our re-opening for business
- **4.0 million unique visitors** to website, social and e-mail database
- **70%** of all earned media coverage was **feature stories**



DOMESTIC & INTERNATIONAL MARKETING, GLOBAL PUBLIC RELATIONS & MEDIA

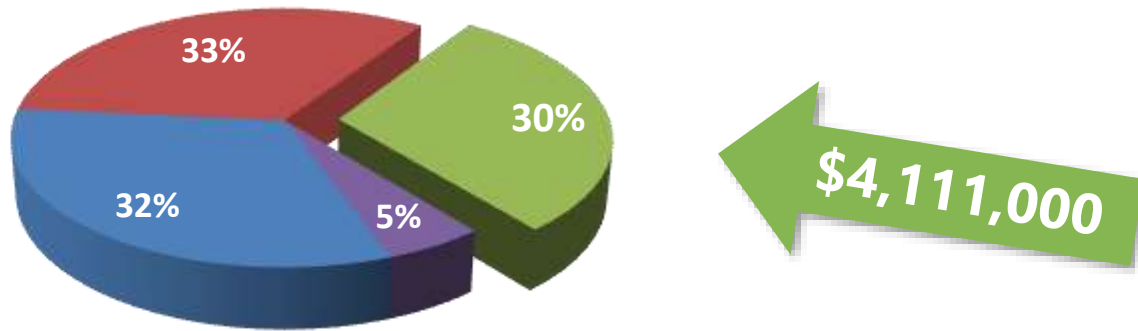
2021-22 FOCUS

- Reintroduce a holistic **“Comeback”** campaign globally
- Redirect marketing activities to **domestic markets** to capture our share of leisure recovery
- Add **six new short haul flight markets** (Seattle, Portland, Salt Lake City, Denver, Dallas, Houston) to our media plans
- Update our **branding, product pillars, and identity systems** to capitalize on post-COVID opportunities
- Execute appropriate **creative testing and advertising ROI** to ensure marketing success

FINANCE, TECHNOLOGY, HUMAN RESOURCES & VISITOR CENTERS

2020-21 DELIVERABLES

- Refined Dynamic Forecasting Model to adapt to economic impact of the pandemic and ensure sufficient **ongoing operating liquidity**
- Continued to leverage technology to **maximize productivity** and **streamline operations** in light of significantly reduced staffing levels
- Annual independent audits by BDO continue to yield **unmodified opinion**
- **Suspended Visitor Information Center operations** until sufficient demand returns to warrant expenditures



FINANCE, TECHNOLOGY, HUMAN RESOURCES & VISITOR CENTERS

2021-22 FOCUS

- Continue to release program funding in 60-day tranches to maximize **ongoing operating liquidity** and minimize impact of unanticipated revenue shortfalls
- Reevaluate staffing levels to balance financial position while ensuring appropriate resources to maintain **competitive market position**
- Implement internal Operations Committee to focus on **continuous process improvement** and maximize use of technology
- Based on timing of recovery, **assess optimal channels** to cost effectively disseminate visitor information

RECOMMENDATION

That the Board approve the LATCB budget request for inclusion in the Mayor's 2021-22 Proposed Budget.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: February 25, 2021

To: Board of Los Angeles Convention and Tourism Development
Commissioners

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

Subject: **LOS ANGELES TOURISM AND CONVENTION BOARD 2021-22
BUDGET REQUEST – BOARD REPORT #21-002**

SUMMARY

The primary goal of the City’s engagement with the Los Angeles Tourism & Convention Board (LATCB) is to grow the local economy by promoting the City as a site for citywide conventions, business meetings and major tradeshow, and as a destination for leisure travel. As part of the annual budget process, and to satisfy the City’s Charter-mandated budget deadlines, the Board of Los Angeles Convention and Tourism Development Commissioners (Board) will consider for approval LATCB’s 2021-22 budget request for inclusion in the Mayor’s Proposed Budget.

Destination Marketing Organizations (DMOs) such as LATCB are not unique to Los Angeles, and are engaged by cities for specific convention and travel promotional purposes. Most cities fund their DMOs through a hotel occupancy tax. Under its contract with the City, LATCB receives a portion of the City’s Transient Occupancy Tax (TOT), which is a tax levied on hotel or motel rooms, collected by the operator and remitted to the City monthly. The tax rate is 14 percent, of which 13 percentage points are remitted to the General Fund and the other one percentage point is remitted to the Los Angeles Convention and Visitors Bureau Trust Fund. The recommendation in this report requests the Board’s approval for LATCB’s proposed expenditure of TOT for the 2021-22 Fiscal Year.

DISCUSSION

The Department of Convention and Tourism Development (CTD) and LATCB executed an agreement for a ten-year term, from July 1, 2020 through June 30, 2030. As part of the agreement, LATCB’s proposed expenditure for TOT is reviewed and approved annually in consideration of the City’s greater budget process.

LATCB is financed through several sources of funds. TOT is the second largest source of funds, making up approximately 42 percent of LATCB’s budget. Other sources

include LATCB's agreement with the Los Angeles World Airports (LAWA); revenues received from annual dues paid by LATCB members and sponsorship partners; and assessments collected as part of the Tourism and Marketing District (TMD).

The following is a breakdown of LATCB's revenue budget for the 2021-22 Fiscal Year:

DESCRIPTION	AMOUNT
LAWA Contract	\$500,000
Members/Partners/Sponsors	\$2,385,000
TOT	\$13,821,000
Tourism Marketing District (1.5% Assessment)	\$15,974,000
TOTAL	\$32,680,000

Due to the ongoing novel coronavirus (COVID-19) pandemic, TOT remittances have been unpredictable as lodging activity has been significantly impacted by travel restrictions and safety protocols. The City anticipates that this uncertainty is likely to continue until there is a clear trajectory for recovery of the travel sector. Therefore, LATCB has used forecast data provided by Tourism Economics as the basis for their TOT budget request, as shown in the table below:

1 Percentage Point Transient Occupancy Tax to LATCB (TOT collections less City administrative costs)	Actual 2019-20	Estimated 2020-21	Proposed 2021-22
	\$18,887,222	\$7,465,000	\$13,821,000

LATCB's budget has consistently been divided into three main issue areas: sales, marketing and operations. For the 2021-22 Fiscal Year, a new category has been added for the TOT Reserve Fund, which was a tool added under the new contract which allows LATCB to set aside funding for use in future years to support programming and response to major disasters or catastrophic events.

The sales division is charged with booking citywide conventions and events at the Los Angeles Convention Center (LACC), booking and coordinating sales for self-contained hotel events, and providing client services.

The marketing division has a domestic and international focus for the purposes of generating tourism and leisure travel to the City. Marketing develops public relations and media, creates and places television ads and billboards, develops online advertising, performs research and analysis on tourism and travel, and coordinates journalist site visits.

Operations oversees the finance, technology, visitor centers and human resources divisions for LATCB.

The following is a breakdown of the TOT budget for the four major categories:

	Estimated 2020-21	Proposed 2021-22	YOY % Change
Sales	\$2,839,000	\$4,423,000	55.8%
Marketing	\$2,963,000	\$4,562,000	54.0%
Operations	\$1,663,000	\$4,111,000	147.2%
TOT Reserve	-	\$725,000	-
TOTAL	\$7,465,000	\$13,821,000	85.1%

The 55.8% increase to the sales budget will support efforts to pursue short and long-term business opportunities by leveraging Los Angeles’ venues, technology solutions, and other competitive advantages as the meetings industry resumes activities.

The marketing budget increase of 54.0% compared to prior year will be used to strategically capture Los Angeles’ share of leisure recovery travel from domestic markets. In addition to updating LATCB’s branding and product pillars, six new short-haul flight markets will be added to their media plans.

The operations budget has the largest year-over-year increase (147.2%); this is due to the pandemic-related cost saving measures that were implemented during Fiscal Year 2020-21, of which the operations category absorbed the largest reduction. The increase for Fiscal Year 2021-22 will focus on reevaluating staffing levels, optimizing the distribution of visitor information, and continued exploration of process improvement. The deployment of funding for this category will maximize ongoing operating liquidity.

Upon approval, the Mayor will include LATCB’s budget as part of the 2021-22 Proposed Budget. Per the City’s Charter, the Mayor’s Proposed Budget must be submitted to the City Council no later than April 20, 2021.

RECOMMENDATION

That the Board of Los Angeles Convention and Tourism Development Commissioners approve the Los Angeles Tourism & Convention Board 2021-22 budget request for inclusion in the Mayor’s 2021-22 Budget Proposal to the City Council.