

WELCOME
TO THE
CTD COMMISSION MEETING

MAY 6, 2020



CITY OF
Los Angeles
DEPARTMENT OF
CONVENTION & TOURISM DEVELOPMENT



**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 minute per speaker.

Regular Meeting
Wednesday, May 6, 2020
9:00 a.m.

Dial in number
1-660-900-6833
Meeting ID: 579-401-004

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 5, 2020
4. REPORTS:
 - a. Executive Director Report
 - b. ASM Update
 - c. LATCB Update
5. DISCUSSION:
 - a. None
6. ACTION ITEMS:
 - a. LATCB Contract Extension – Board Report Number 20-001
7. 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.

EXECUTIVE DIRECTOR REPORT



CITY OF
Los Angeles

DEPARTMENT OF
CONVENTION & TOURISM DEVELOPMENT

LOS ANGELES CONVENTION CENTER MONTHLY UPDATE

FEBRUARY 2020

ELLEN SCHWARTZ



LACC FEBRUARY 2020 EVENTS



TOTAL
L 118,000

***CITYWIDE**

LACC FEBRUARY 2020 FILMING & PHOTO EVENTS

<u>DATE</u>	<u>Name</u>	<u>Location</u>	<u>Amount</u>
Feb. 4 - 5	SWAT	South Garage/Bond Lot	\$14,950
Feb. 20 - 21	All Rise	Venice Garage/Bond Lot	\$11,875
Feb. 23 - 24	GNTM	Kentia Hall	\$11,580
TOTAL FILMING:			\$38,405

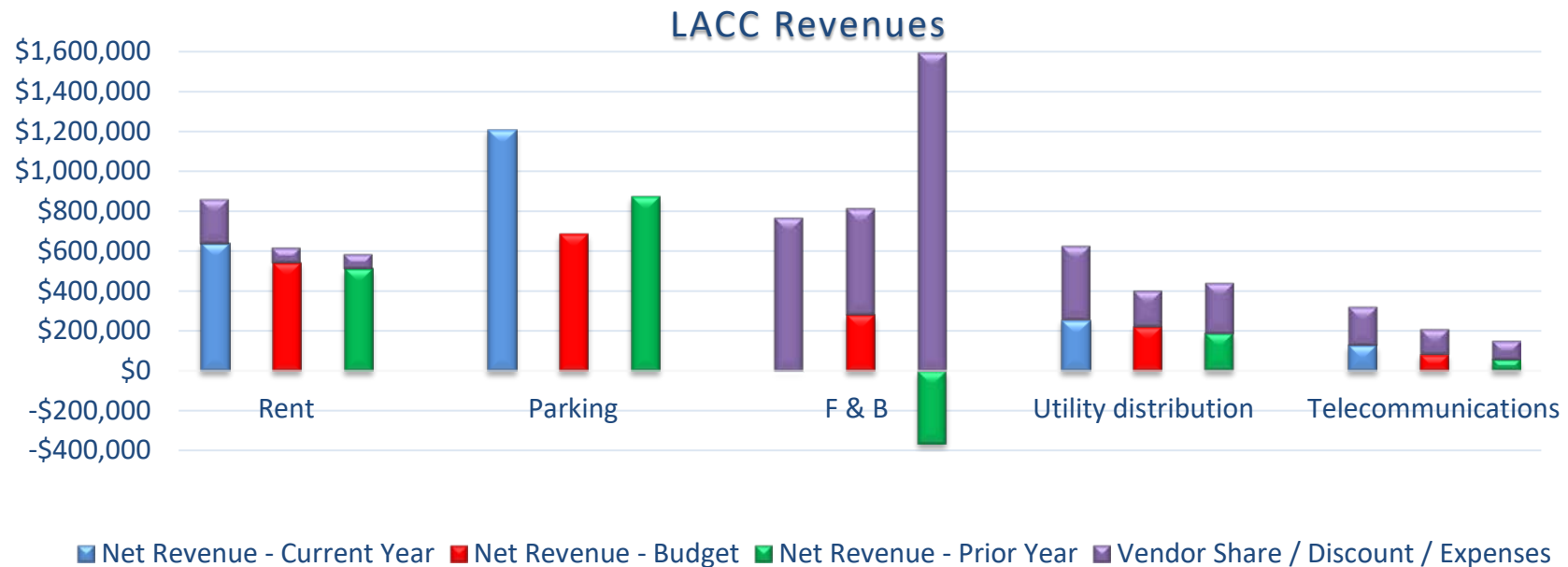
LACC FEBRUARY 2020 FINANCIALS

OPERATING SURPLUS (LOSS):

- \$0.43 million (before approved City Reimbursements, A & I and Capital Projects)
- \$0.44 million above budget
- \$0.9 million above prior year

REVENUES:

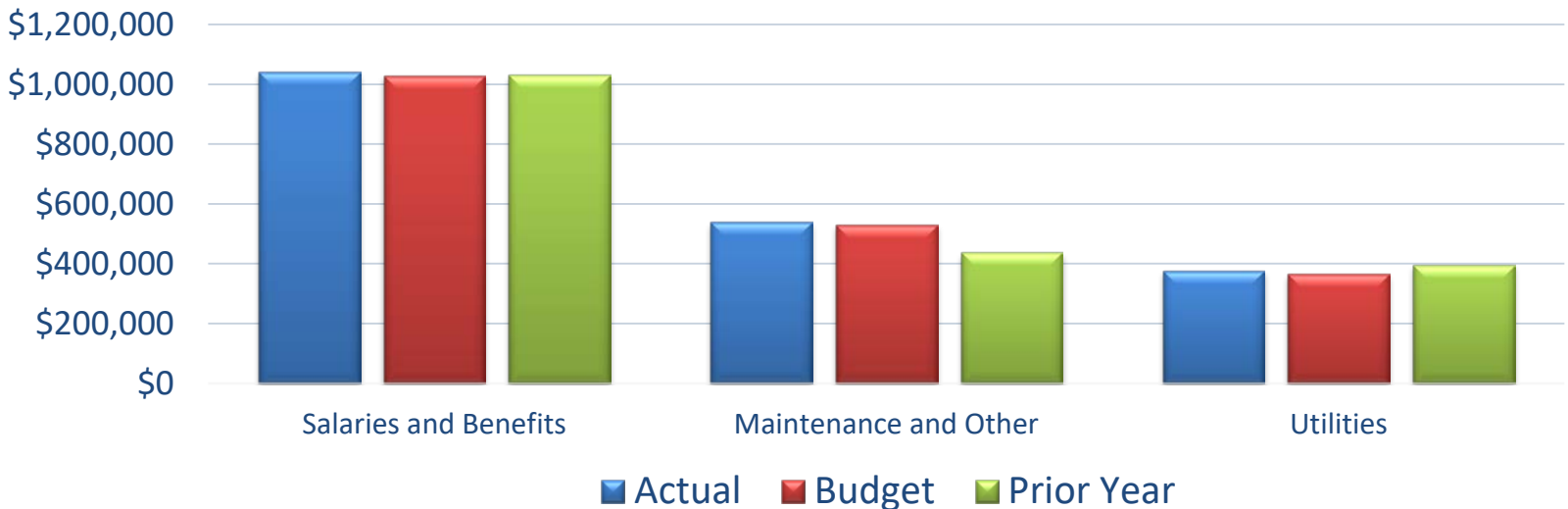
- \$4.2 million gross revenue (before discounts and service provider share)
- \$2.4 million net revenue
- \$0.47 million above budget and \$0.99M above prior year



LACC FEBRUARY 2020 FINANCIALS

OPERATING EXPENSES:

- \$1.96 million (before approved A & I, Capital Projects, and City reimbursement)
- \$30K above budget and \$0.1 million above prior year

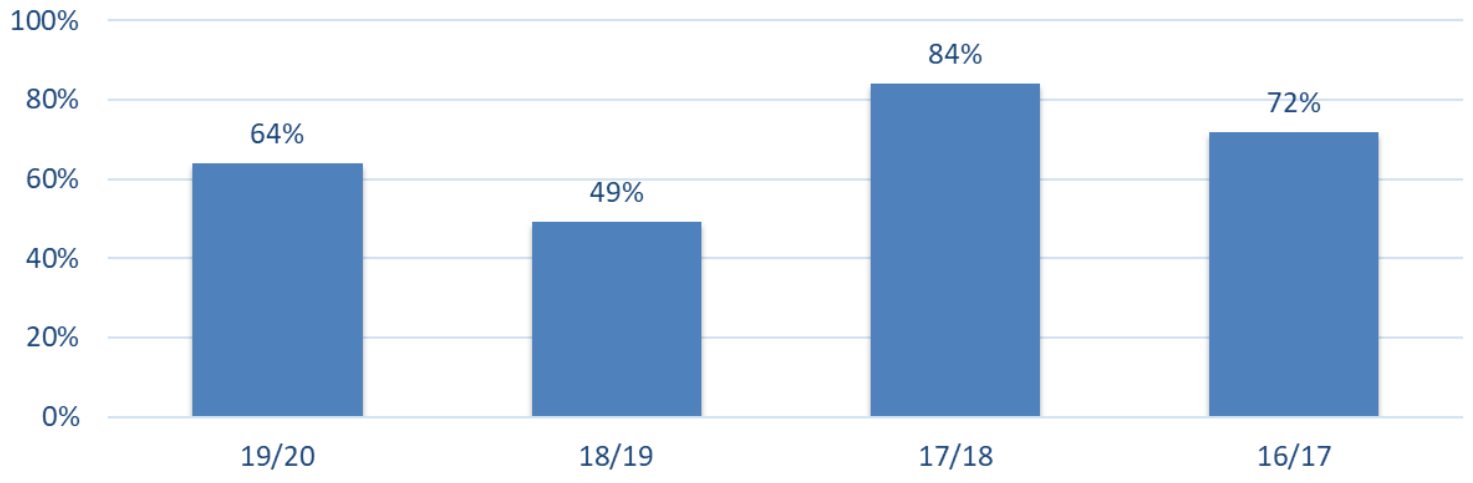


CITY REIMBURSEMENT - \$0.3M (excluding Utility User Tax)

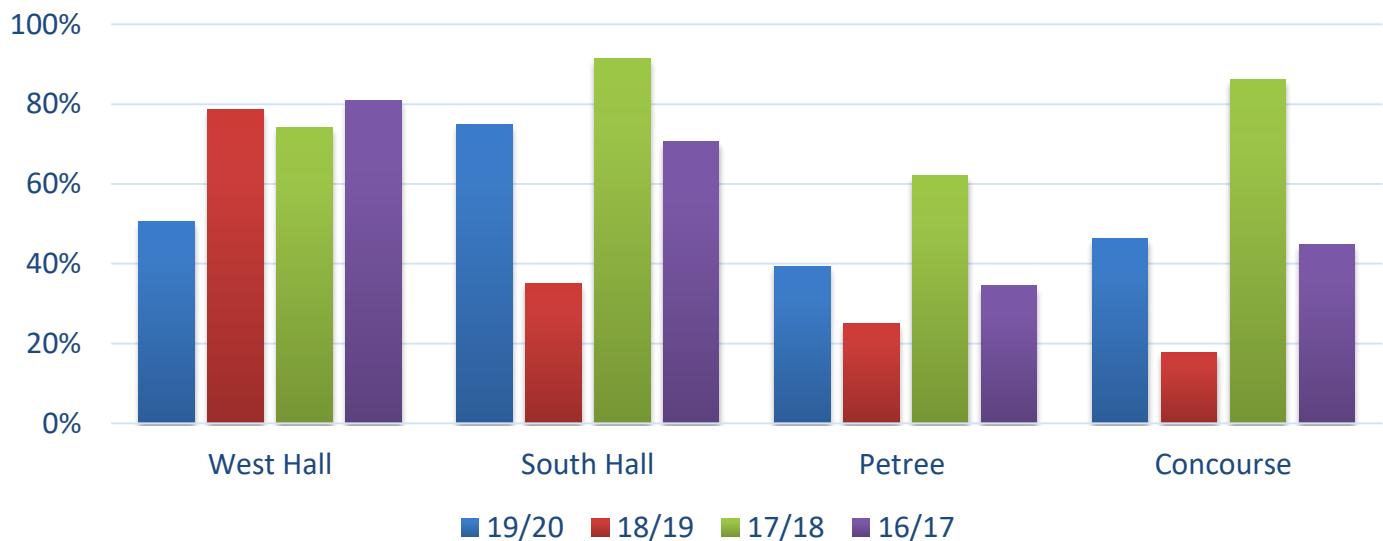
Capital and Alterations & Improvements

LACC FEBRUARY 2020 OCCUPANCY

Exhibit Hall Occupancy

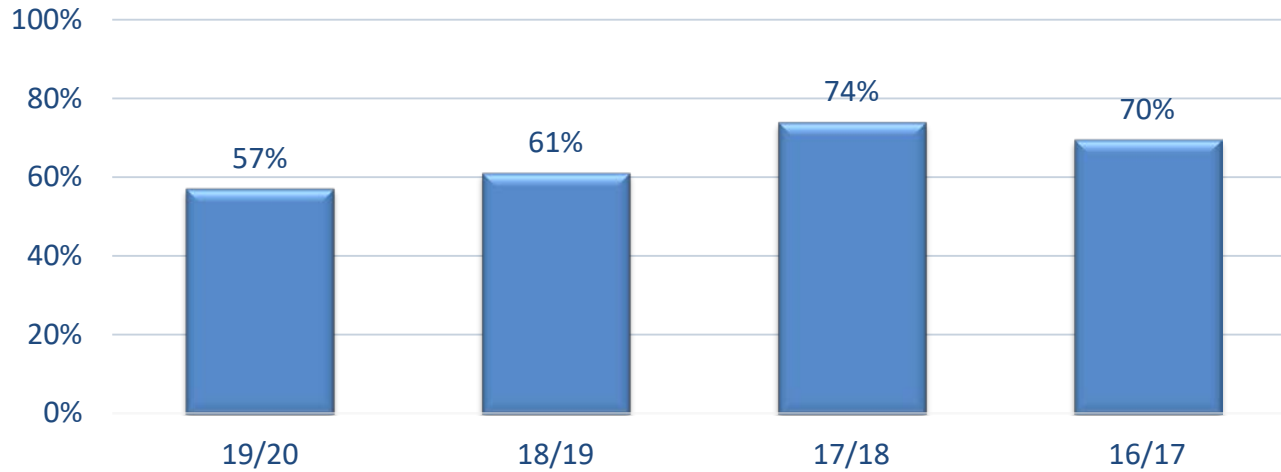


Occupancy by Exhibit Hall

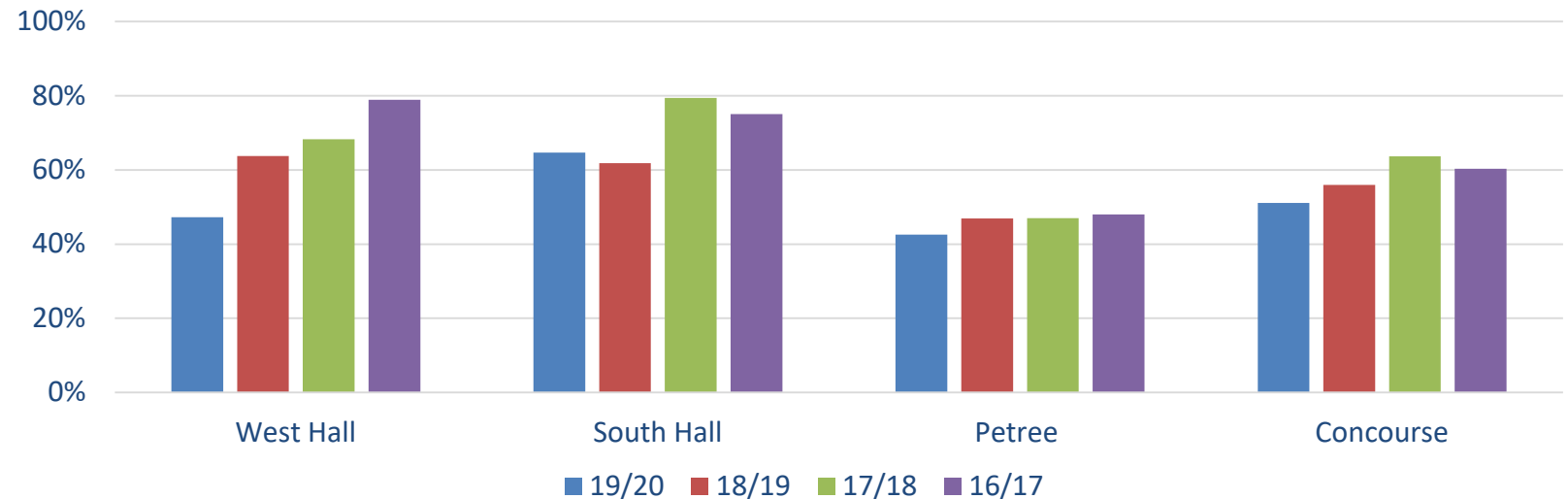


LACC YTD 2019/2020 OCCUPANCY

Exhibit Hall Occupancy - (July-February)

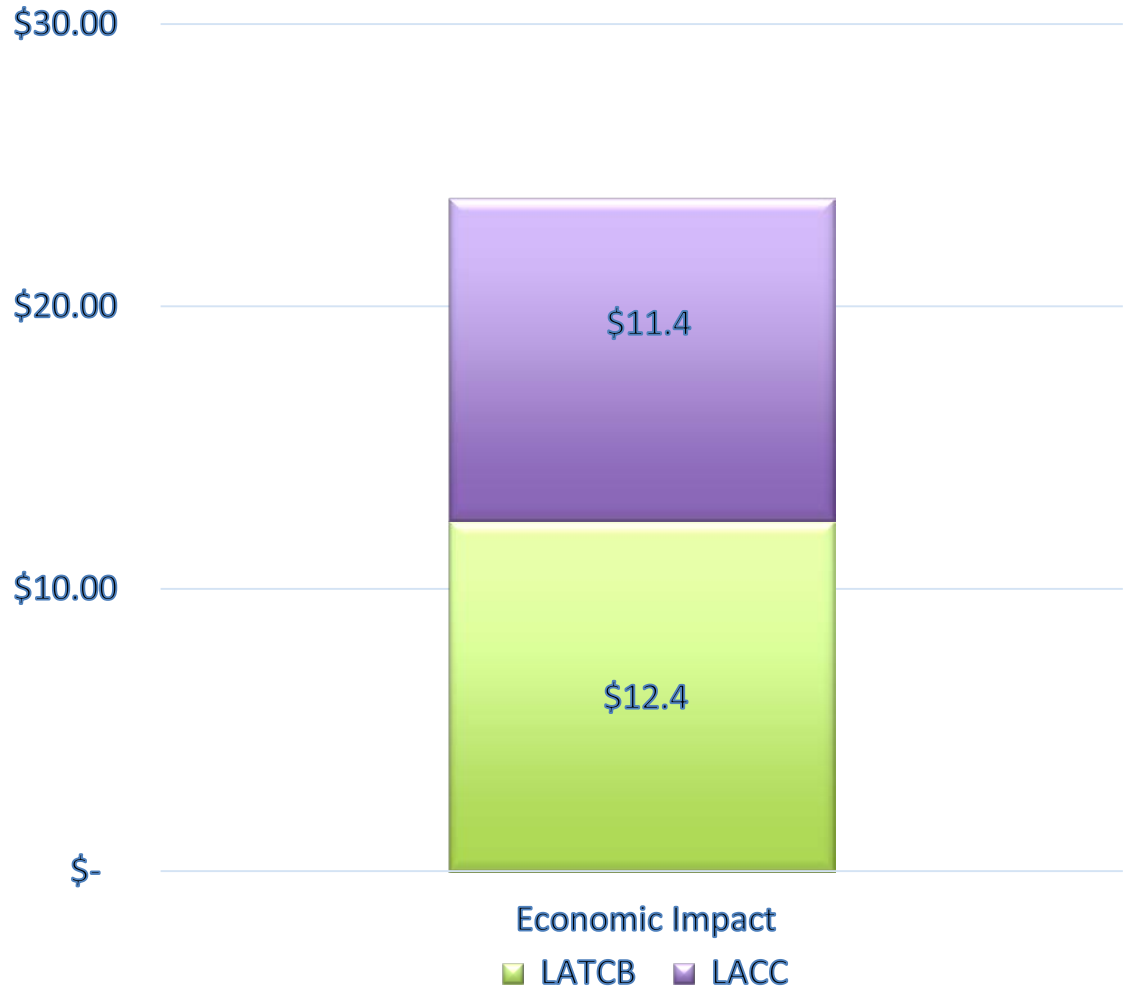


Occupancy by Exhibit Hall - (July - February)



LACC FEBRUARY 2020 ECONOMIC IMPACT

\$23.8 million in Projected Economic Impact



LOS ANGELES CONVENTION CENTER MONTHLY UPDATE FOR MARCH 2020

ELLEN SCHWARTZ



LACC MARCH 2020 EVENTS

FEB 28
MAR 05
ACADEMY OF PATHOLOGY
4,000

MAR 06
CLIPPERS SciFEST
6,000

MAR 01
BERNIE SANDERS RALLY
14,068

MAR 07
PAINT MINGLE DRINK
1,700

MAR 06
2020 LA MARATHON EXPO
25,543

TOTAL
51,311

***CITYWIDE**

LACC MARCH 2020 FILMING

<u>DATE</u>	<u>Name</u>	<u>Location</u>	<u>Amount</u>
Mar. 9	Good Trouble	Venice Garage/Bond Lot	\$2,100
Mar. 18	Mothers Car Polish	Kentia Hall	\$6,940

TOTAL FILMING: \$9,040

LACC MARCH SPECIAL EVENTS

EVENT:

Amount

- **Enterprise Car Rental**
 - March 17 – June 15
 - Venice Garage and South Garage
 - Storing 3,000 rental cars

\$215,000

TOTAL SPECIAL EVENTS: \$215,000

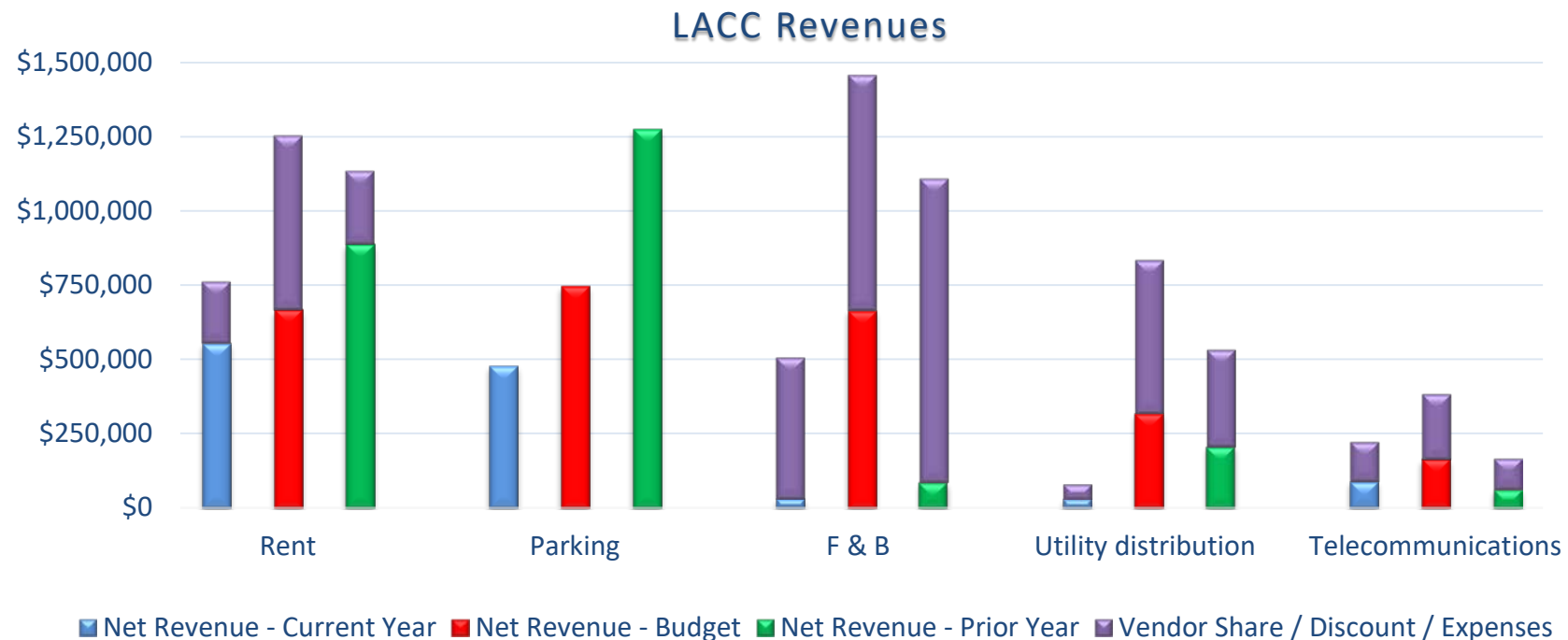
LACC MARCH 2020 FINANCIALS

OPERATING SURPLUS (LOSS):

- (\$0.5) million (before approved City Reimbursements, A & I and Capital Projects)
- \$1.31 million below budget
- \$1.60 million below prior year

REVENUES:

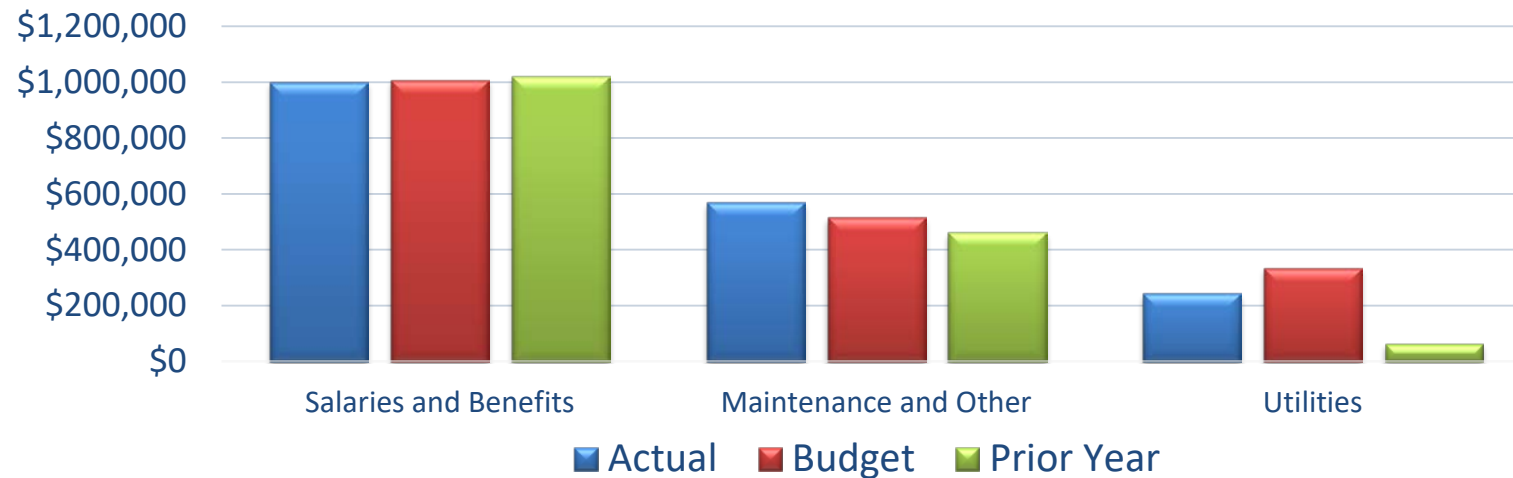
- \$2.32 million gross revenue (before discounts and service provider share)
- \$1.30 million net revenue
- \$1.36 million below budget and \$1.33M below prior year



LACC MARCH 2020 FINANCIALS

OPERATING EXPENSES:

- \$1.82 million (before approved A & I, Capital Projects, and City reimbursement)
- \$44K below budget and \$0.27 million above prior year
- Prior year utilities includes \$0.3 million of billing credits

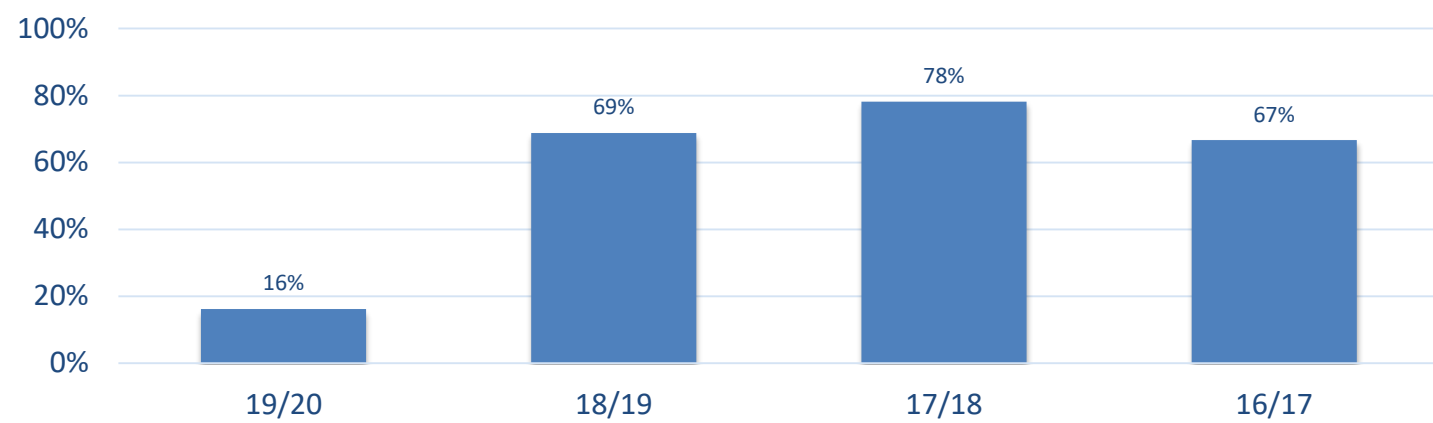


CITY REIMBURSEMENT - \$0.3M (excluding Utility User Tax)

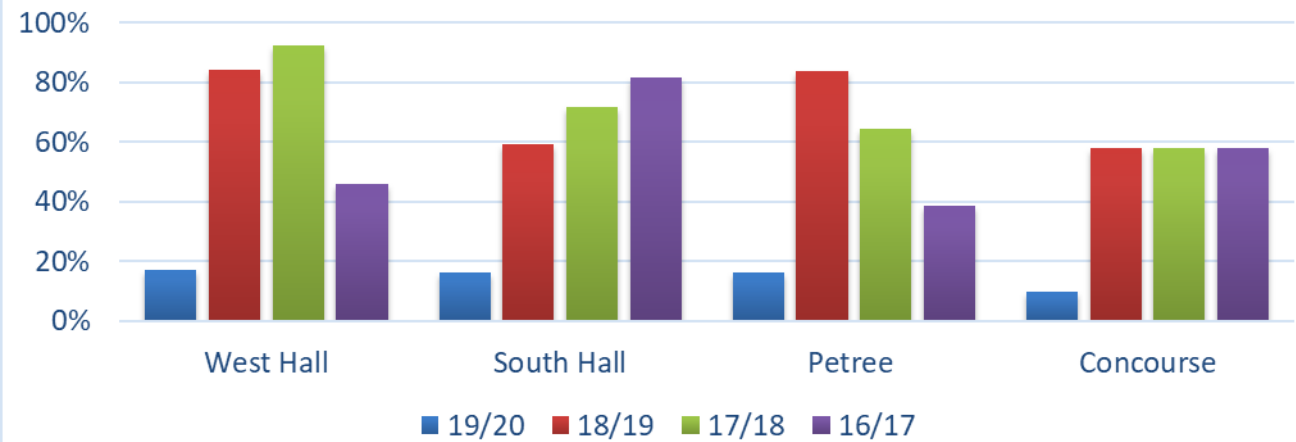
Capital and Alterations & Improvements

LACC MARCH 2020 OCCUPANCY

Exhibit Hall Occupancy

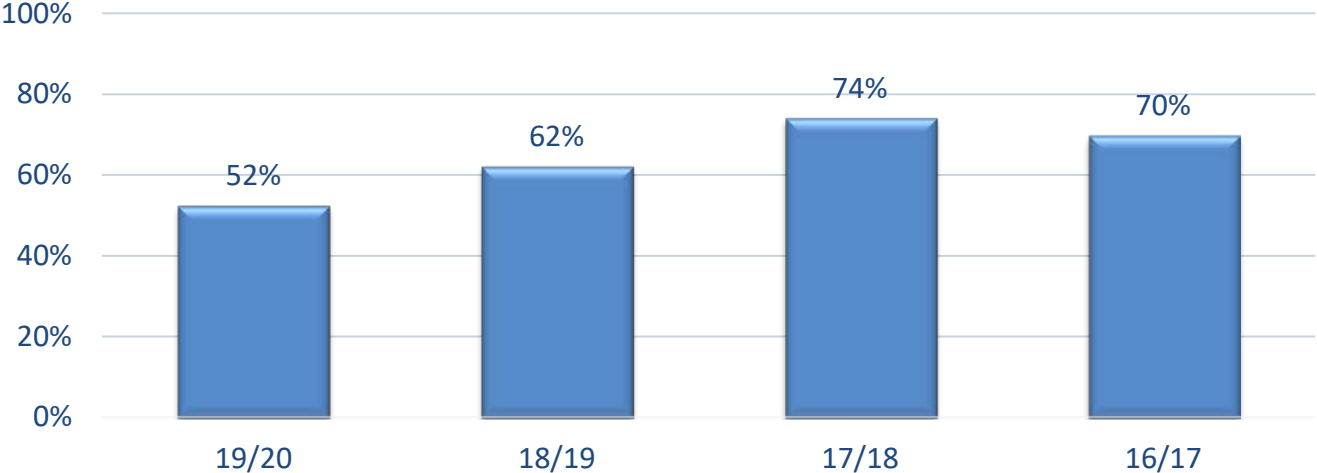


Occupancy by Exhibit Hall

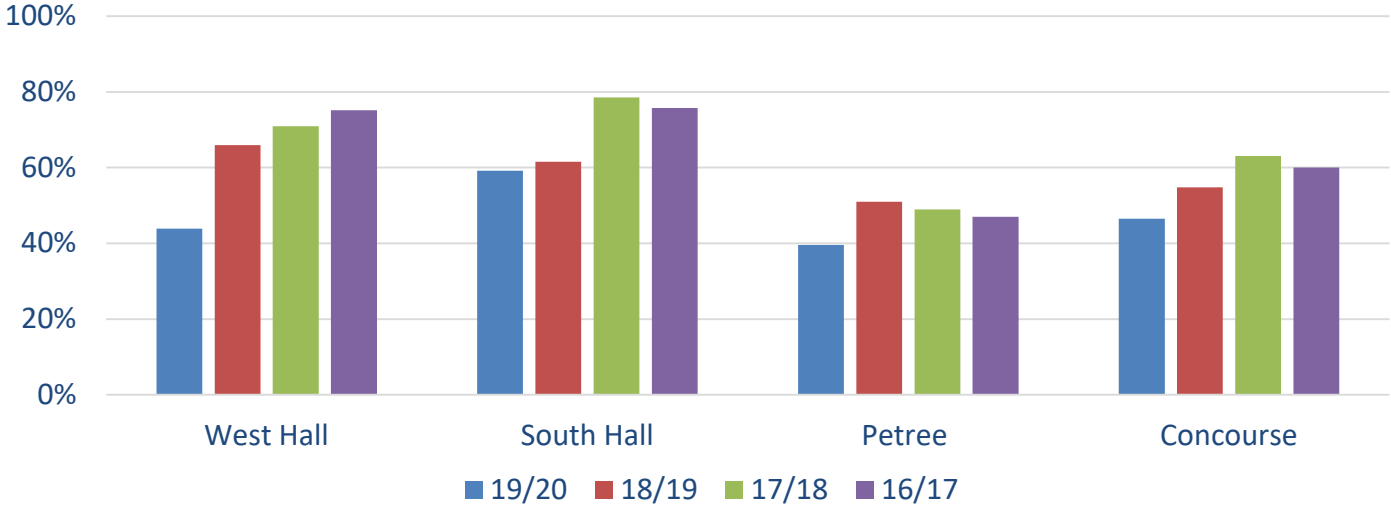


LACC YTD 2019/2020 OCCUPANCY

Exhibit Hall Occupancy - (July-March)

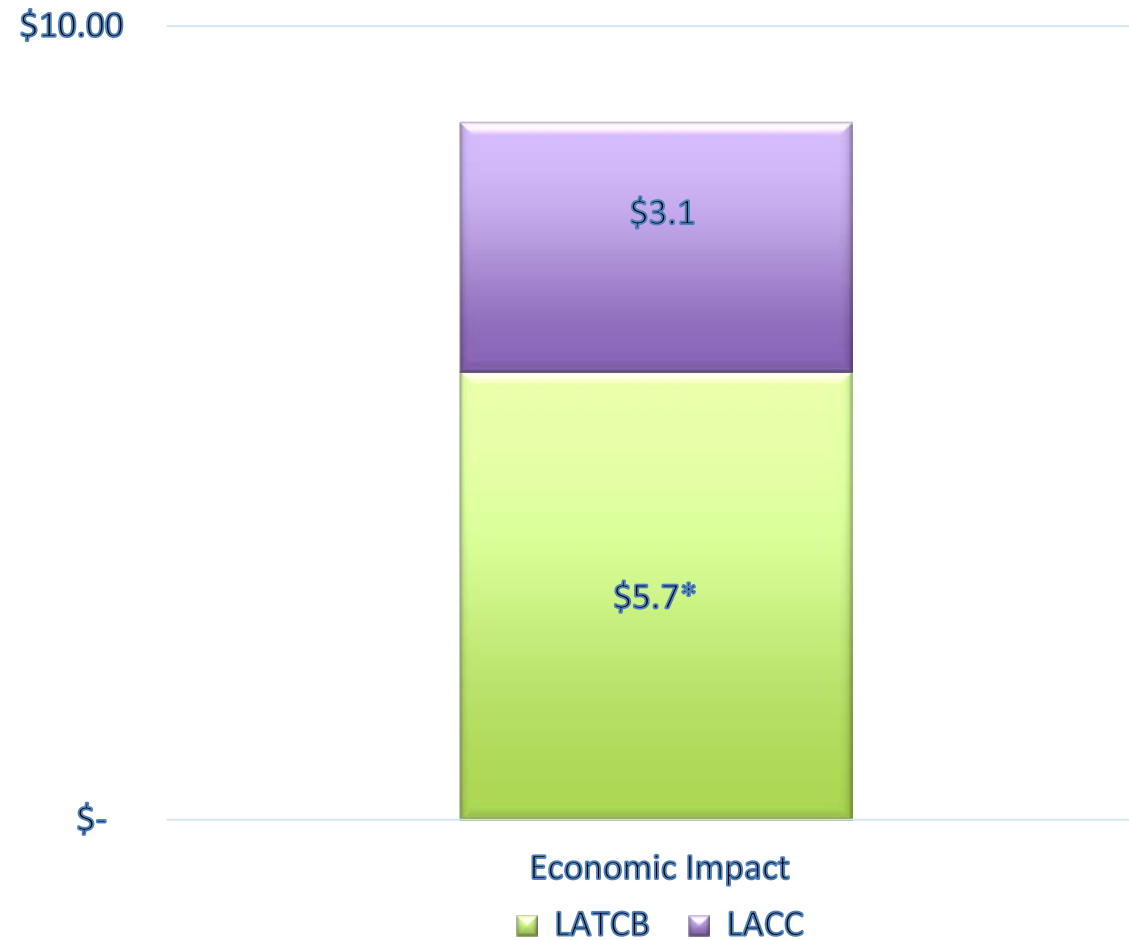


Occupancy by Exhibit Hall - (July - March)



LACC MARCH 2020 ECONOMIC IMPACT

\$8.8 million in Projected Economic Impact



* Based on estimates provided by LATCB

SUMMARY – SOCIAL DISTANCING CAPACITY

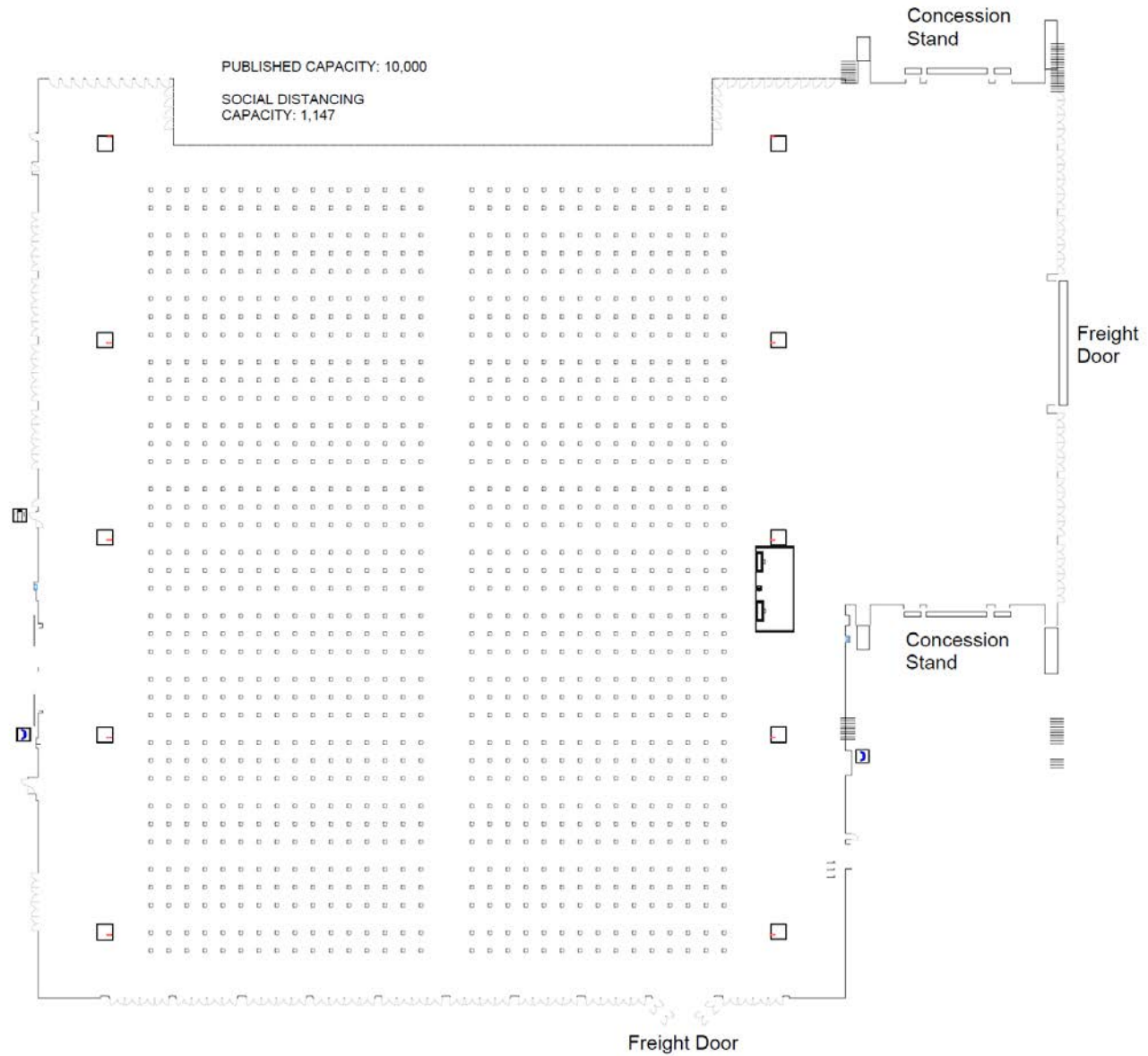
LOS ANGELES CONVENTION CENTER
 SOCIAL DISTANCING CAPACITY SAMPLING
 AVERAGE CAPACITY REDUCTION BY ROOM SET TYPES
 AS: 04.20.20

	SPACE GSF	THEATER			CLASSROOM			BANQUET			HOLLOW SQUARE		
		Published	Social Dist	%	Published	Social Dist	%	Published	Social Dist	%	Published	Social Dist	%
Hall A	147,506	10,000	1147	89%									
Hall B	63,619							2,500	457	82%			
Concourse EF	26,342	2,700	297	89%	1,500	329	78%	1,400	226	84%			
Concourse F	13,123	1,500	144	90%	830	202	76%						
Petree CD	21,557	2,000	199	90%	1,000	264	74%	1,000	153	85%			
Petree C	9,462	1,010	93	91%	500	113	77%						
304ABC	4,094	350	45	87%	210	25	88%	160	21	87%			
304AB	2,714	260	29	89%							72	18	75%
308AB	2,668				130	35	73%	110	24	78%			
308A	1,334	100	15	85%							40	10	75%
408AB	8,512	1,000	108	89%	560	126	78%	400	72	82%			
408A	4,264	500	54	89%				200	42	79%			
409A	1,681	150	16	89%							40	10	75%
515AB	11,220	1,300	155	88%				650	99	85%			
515A	5,720	650	73	89%	360	61	83%						
503	1,215				120	21	83%				64	16	75%
Average Capacity Reduction Due to Social Distancing		Theater: 89%			Classroom 79%			Banquet: 83%			Hollow Square: 75%		

Social
Distancing
Floor Plan

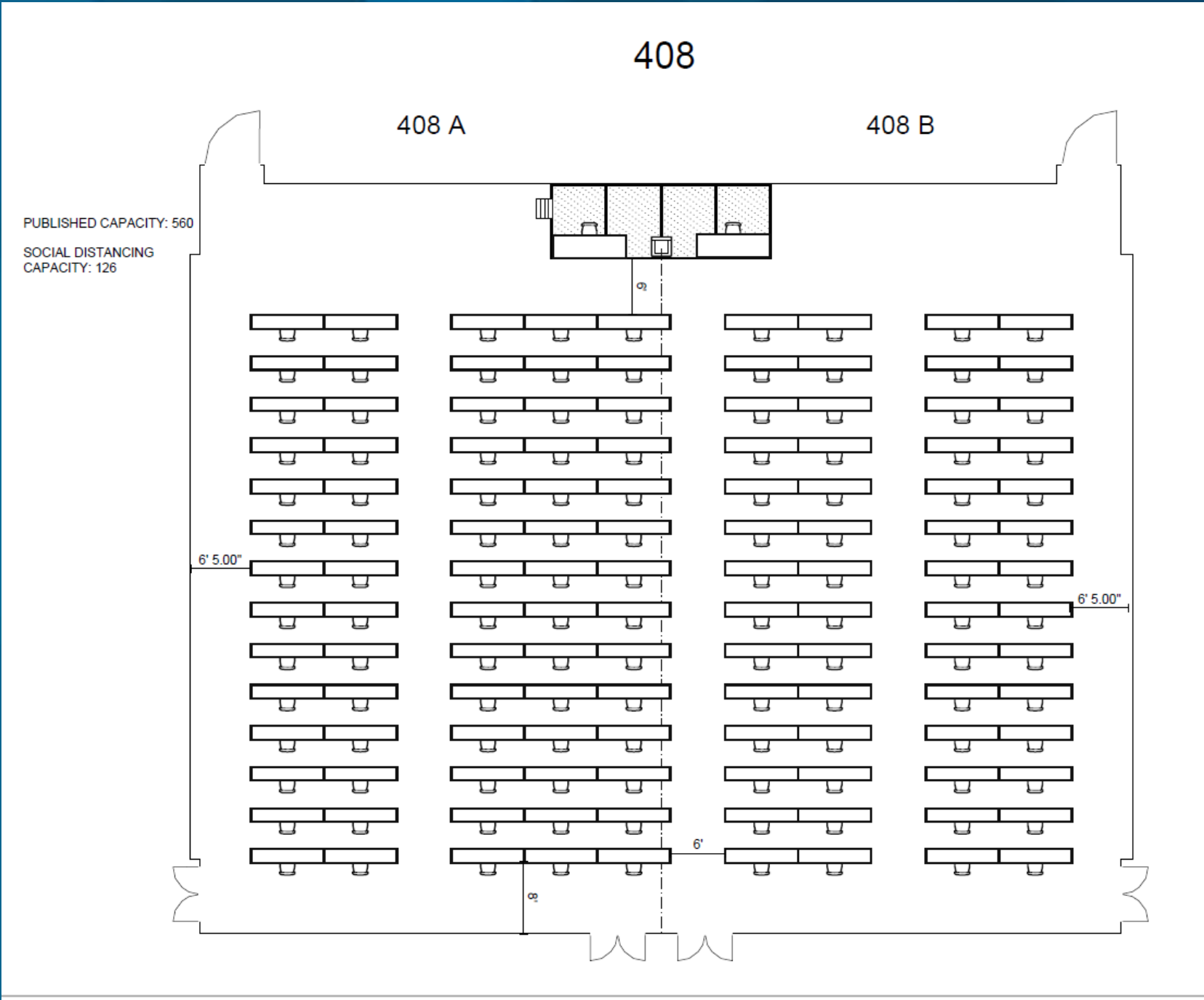
Exhibit Hall
General
Session

West Hall A



Social
Distancing
Floor Plan

Meeting
Rooms



CTD BOARD OF COMMISSIONERS MEETING

May 6, 2020

Los Angeles

SALES UPDATES

DARREN GREEN, SENIOR VICE PRESIDENT,
SALES
LOS ANGELES TOURISM

SALES STRATEGIES

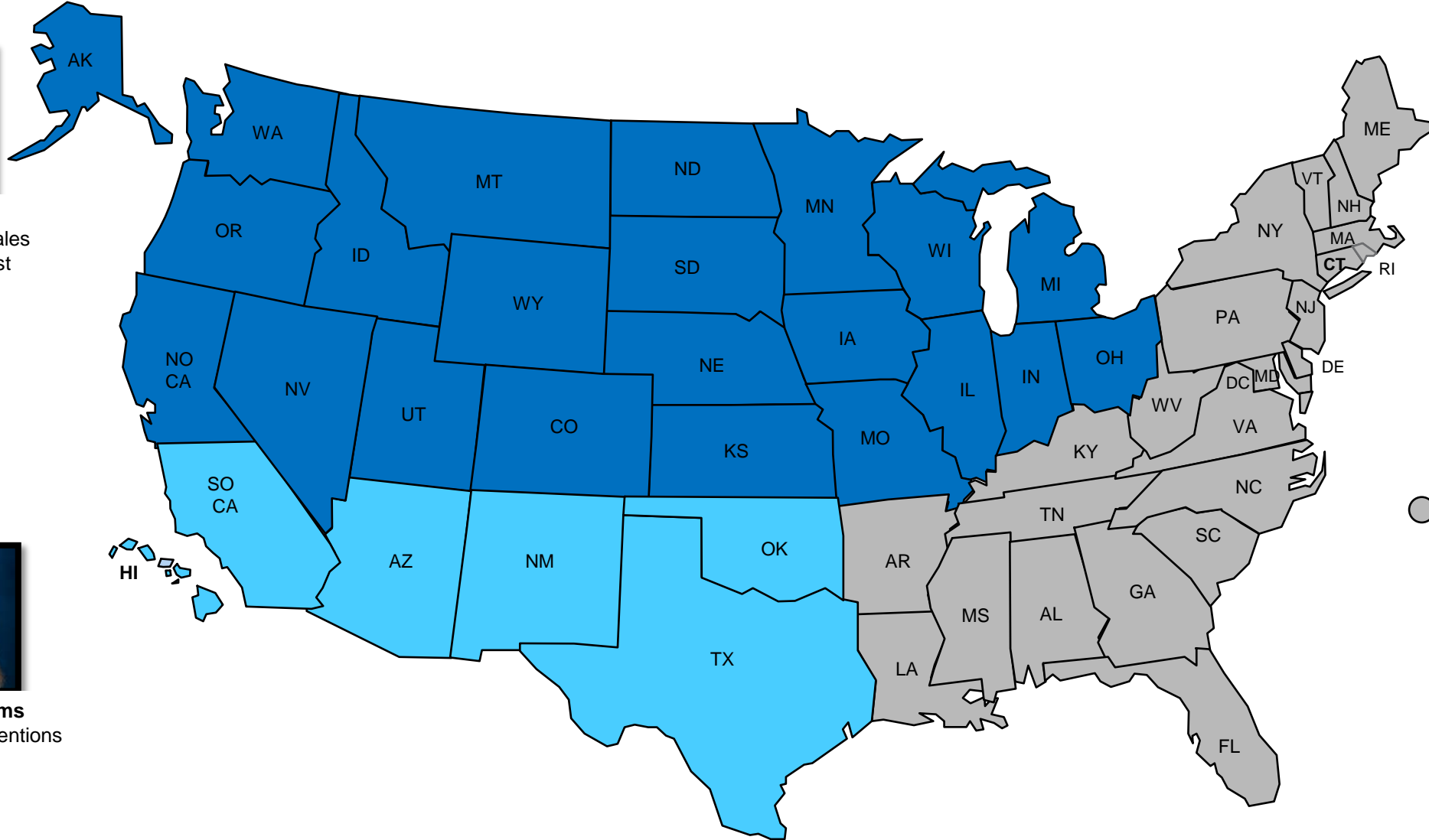
Continuity of Business

- Lead volume being driven by the **customer demand** and complimented by proactive selling.
- **Citywide Booking** window is well beyond the projected containment timeline so the prospect funnel has remained consistent.
- Utilizing **Virtual site** inspections and **Virtual presentations** to secure future business
- Thoughtful approach when it comes to sales/client engagement, offering assistance and being sensitive to what our planners are currently dealing with
- Reviewing future **tradeshows and client events** in key markets and making adjustments as needed
- Proactive planning for a new **digital campaign** that will launch as soon as the crisis subsides

CITYWIDE SALES TEAM



Mike Tarr
Director, Citywide Sales
Midwest, Northwest



Kathy McAdams
VP, Citywide Conventions
Sales
Southwest



Mary Gallagher
Director, Citywide
Sales
East Coast

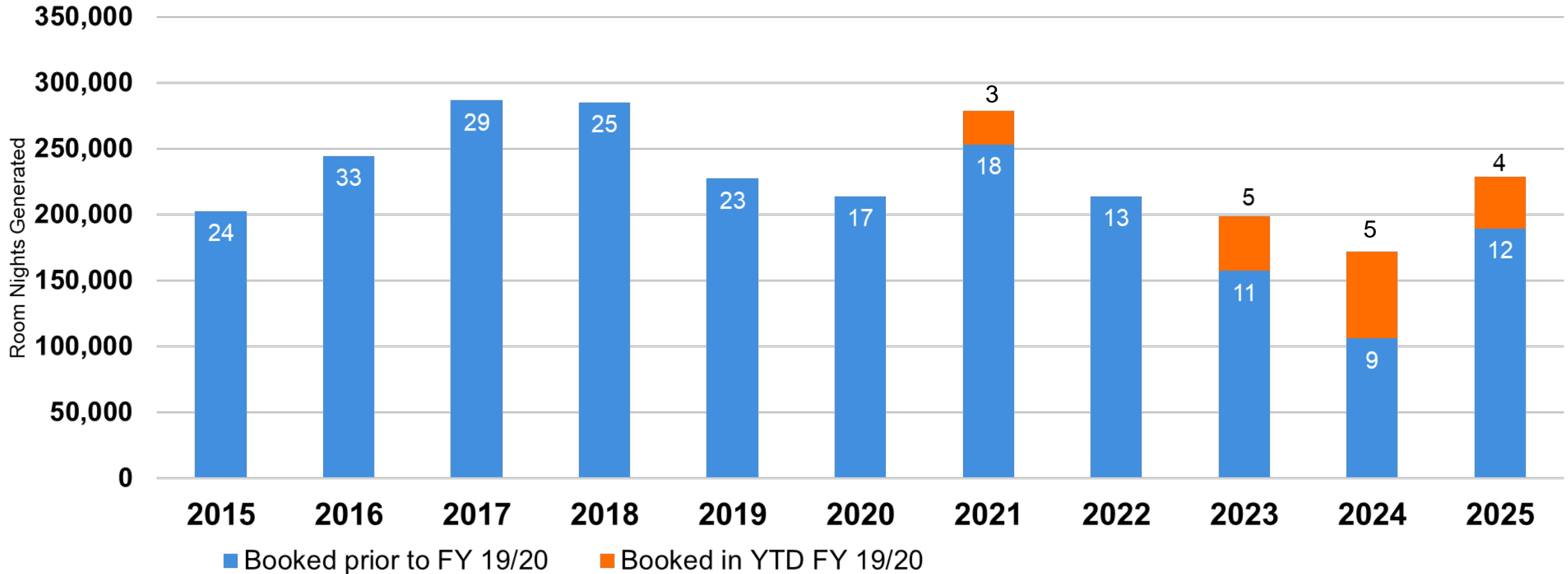
CITYWIDE CONVENTION SALES YTD FY19/20 PRODUCTION RESULTS

Lead Production	Leads Actual
FY 19/20 Goal	220
FY 19/20 YTD	147
FY 18/19 STLY	188

Booked Room Nights Produced	RNs Actual
FY 19/20 Goal	390,000
FY 19/20 YTD	305,554
FY 18/19 STLY	261,928

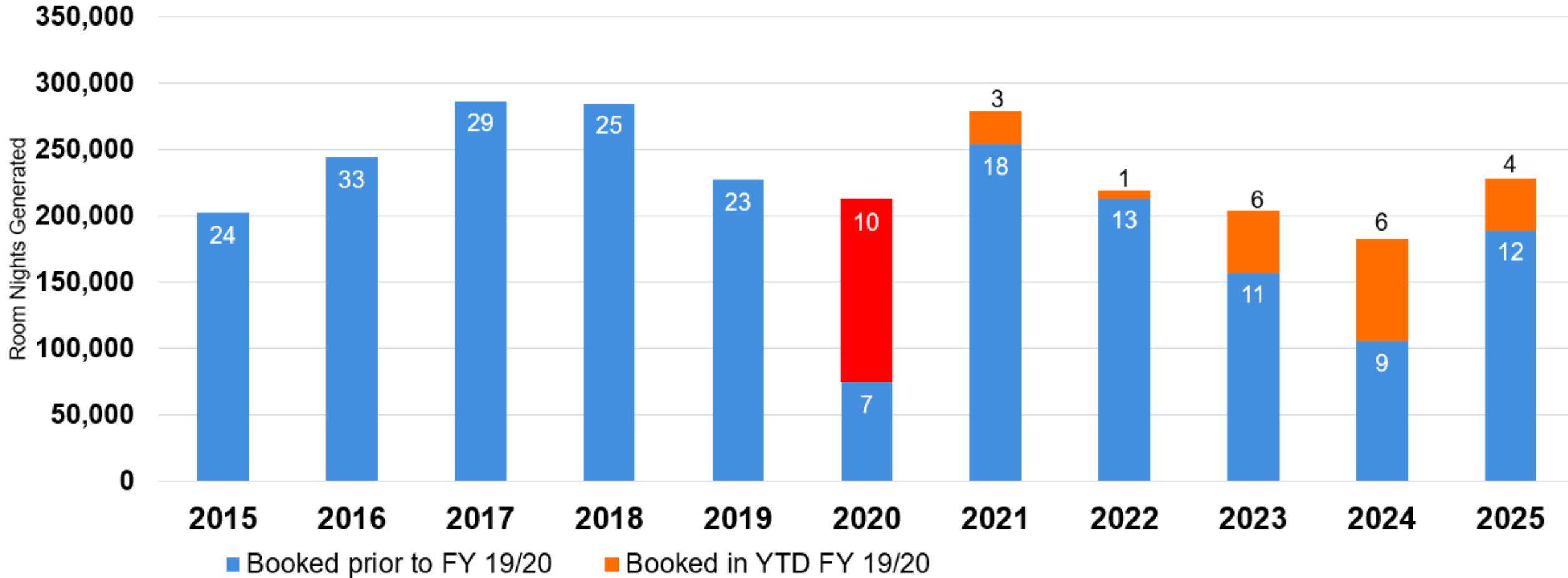
Dated April 30, 2020

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



Dated March 12, 2020

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



Dated April 30, 2020

MARCH-JUNE 2020 POSTPONED OR CANCELLED CITYWIDE CONVENTIONS

Organization	Event	Arrival	Departure	Total Rooms
ASCD	Empower20 - ASCD Annual Conference & Exhibit Show 2020	3/14/2020	3/16/2020	14,380
Herbalife International of America, Inc.	2020-Summit	3/24/2020	3/27/2020	8,365
American College of Physicians	ACP Internal Medicine 2020	4/20/2020	4/25/2020	19,362
American Institute of Architects	AIA Conference on Architecture	5/14/2020	5/16/2020	21,681
NeighborWorks America	2020 NeighborWorks Training Institute (NTI)	5/18/2020	5/22/2020	9,145
Institute for Educational Leadership - IEL	Rise Up for Equity: A National Summit on Community Schools & Family Engagement	5/26/2020	5/29/2020	3,583
Dolahr Events	E3 2020	6/9/2020	6/11/2020	27,609
MTT-T Microwave Theory and Technique Society	2020 International Microwave Symposium	6/20/2020	6/26/2020	13,616

JUNE-AUGUST 2020 POSTPONED OR CANCELLED CITYWIDE CONVENTIONS

Organization	Event	Arrival	Departure	Total Rooms
Black Entertainment Television - BET	2020 BET Experience & 20th Annual BET Awards Show	6/25/2020	6/28/2020	3,959
Barbershop Harmony Society	2020 Barbershop Harmony Society International Convention	6/30/2020	7/5/2020	7,274
Society for the Promotion of Japanese Animation	Anime Expo-2020	7/3/2020	7/6/2020	17,868
Major League Baseball	MLB 2020 All-Star Week	7/9/2020	7/14/2020	15,478
Credit Union National Association	2020 CUNA & WOCCU Joint Conference	7/19/2020	7/22/2020	10,182
American Federation of State County and Municipal Employees-AFSCME	44th AFSCME International Convention - 2020	8/9/2020	8/14/2020	27,634
American Postal Workers Union	25th APWU Biennial National Convention - 2020	8/17/2020	8/21/2020	12,725

2020 CITYWIDE CONVENTION CANCELLATIONS



ECONOMIC IMPACT
\$311 Million



TOT Revenue
\$8 Million

2020 CITYWIDE CONVENTIONS RECOVERY EFFORTS



Customer Recovery



Currently in discussion for rebooking.

Customer Retention



CITYWIDE SALES APRIL LEAD PRODUCTION

		April 1-15 Weeks 1-2	April 16-30 Weeks 3-4	April 1-30 Month Total
Citywide Sales Leads	2020	5	7	12
	2019	5	18	23
	YOY Variance	0%	-61%	-48%
Citywide Sales Lead Room Nights	2020	58,191	76,985	135,176
	2019	29,667	206,214	235,881
	YOY Variance	96%	-63%	-43%

Q4 POTENTIAL BOOKINGS

	Organization	Event	Arrival	Total Rooms
Citywide Sales	Society of Science & the Public	ISEF (International Science & Engineering Fair)	5/9/2021	13,725
	National Association of Counties	Annual Convention	7/21/2023	7,900
	YouTube	Global Business Summit	2/1/2021	770
Hotel Sales	California Public Employees' Retirement System(CalPERS)	Education Forum	10/21/2021	2,026
	AbbVie	GM Meeting	1/6/2021	1,290
	Kaiser Permanente	2021 Major Accounts Summit	9/25/2021	1,267

Q4 Citywide Convention Sales Forecast = **8 Prospects worth 130,279 room nights**

Q4 Hotel Sales Forecast = **26 Prospects worth 21,000 room nights.**

CUSTOMER CONCERNS AND FEEDBACK

- *Our DMO's are as important as ever, especially when it comes to **response time** due to the cuts by hotel sales teams.*
- *CVB's are critical when it comes to taking the lead and pulling together **meeting protocols** in what will be the "new norm"!*
- *Over **80%** of our leads go through DMO's. They are both critical and necessary when it comes to ensuring our leads go to the correct hotels and venue's.*
- *We need DMO's to be the **voice of reason** as hotels and venue's hold firm to contract terms in this time of uncertainty. They can play a critical role in the decision to return to a destination.*

VIRTUAL SELLING

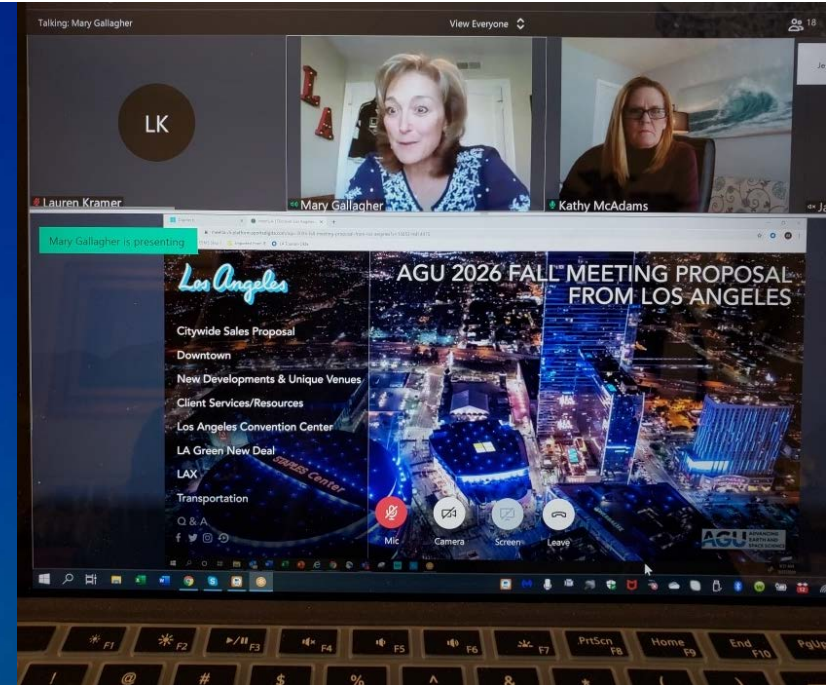


Los Angeles
TOURISM & CONVENTION BOARD

Video Conferencing

- [Join](#) Connect to a meeting in progress
- [Host](#) Start a meeting
- [Sign in](#) Configure your account

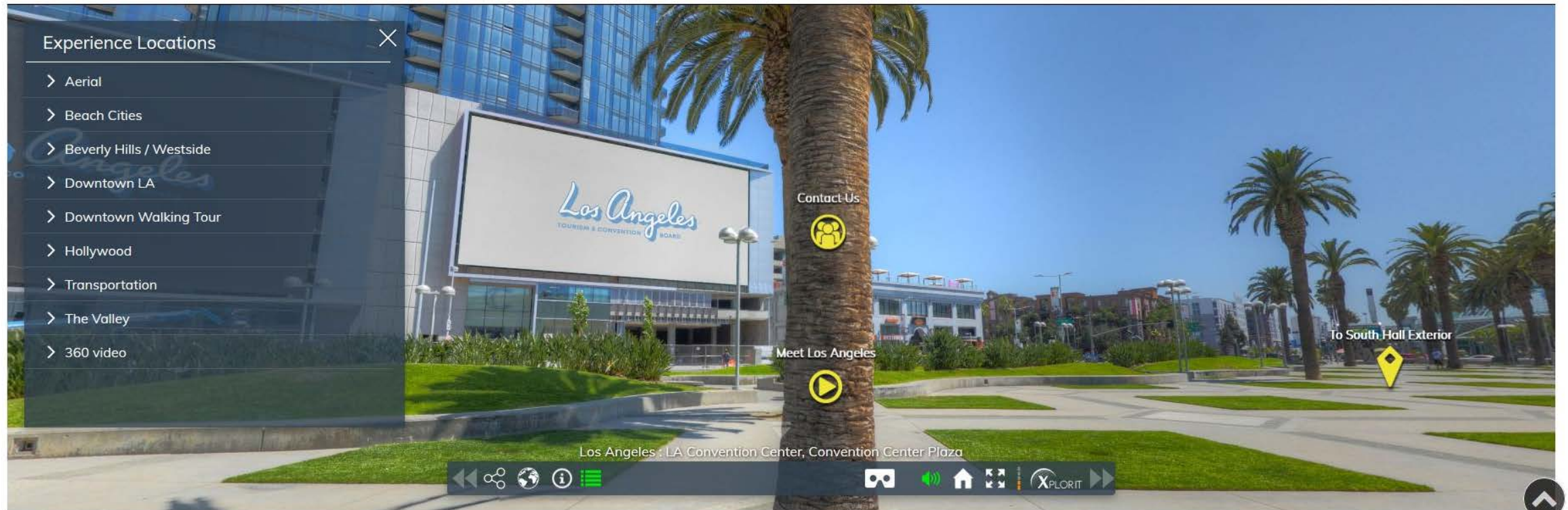
Made with [Zoom](#)



VIRTUAL SITE INSPECTIONS

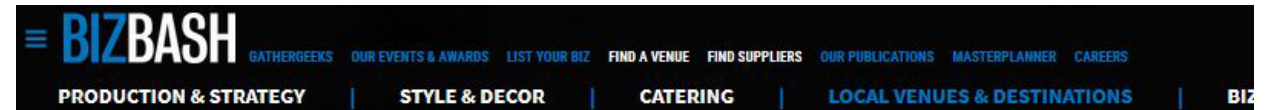


Virtual Site Inspections



VIRTUAL MEETINGS – PRESS RELEASE

- Press release sent to meetings trade media on April 15, 2020 announcing the B2B portion of the Magic Hour campaign: Meetings Magic
- New resource landing page that is a one-stop shop for meeting planners
- Includes links to virtual site inspections and our online venue finder tool
- Also includes information about digital sales presentations using Digideck and Zoom
- Includes links to introduction videos so planners can get to know our team remotely



This Week in Los Angeles: Food Boxes for Struggling Event Pros, Plus L.A. Tourism's Resources for Planners, Redbird's Cocktail Kits, and More

West Coast editor Claire Hoffman covers the week's biggest event news.

BY CLAIRE HOFFMAN — APRIL 23, 2020



The Los Angeles Tourism & Convention Board has launched a [comprehensive resource page](#) for event planners, offering virtual site inspections for more than 35 venues, plus customizable presentation tools and an online venue finder. The site also offers downloadable Zoom backgrounds (pictured) of sunsets over iconic L.A. landmarks, and is live streaming sunsets from the Hotel Erwin every evening.

LOS ANGELES TOURISM BOARD

COVID-19 Marketing Recovery Plans

CTD BOARD PRESENTATION

MAY 6th, 2020

AGENDA

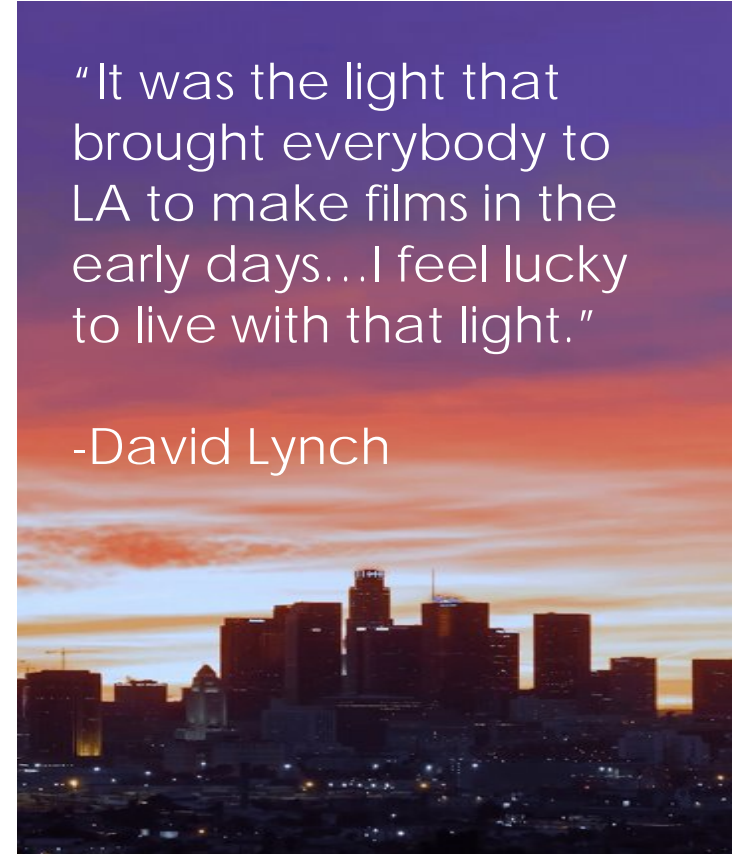
- **“Magic Hour”**
- **Data Sources**
- **Key Considerations**
- **Guiding Principles**
- **Marketing Plans**
- **Next Steps**

EVERYONE IS WELCOME TO... “MAGIC HOUR”

- “Magic Hour” in film production and photography is the period just around sunset when the sun's light is diffused most evenly.
- Los Angeles is known for its unbelievable light that has been driving filmmakers, artists and visitors to the city for decades.
- Although other cities can lay claim to beautiful sunsets, as the Entertainment Capital of the World, we can own the concept of Magic Hour.

“It was the light that brought everybody to LA to make films in the early days...I feel lucky to live with that light.”

-David Lynch



“MAGIC HOUR” OBJECTIVES

DiscoverLosAngeles.com/Magic Hour

- 1) Create a comprehensive and holistic initiative to engage the media/journalists
- 2) Showcase our members in an effort to provide support/engagement (e.g. restaurants)
- 3) Maintain our relationship with the millions of followers on our social channels
- 4) Include a version for our meeting planner community

“MAGIC HOUR” RESULTS

DiscoverLosAngeles.com/Magic Hour

- 1) Over 120 news stories...and counting!
- 2) Reach of over 1 million people in the first week
- 3) Sell out of our “live” events
- 4) Significant recognition from the tourism industry/peers

RECOVERY FACTORS

CONSUMER SENTIMENT

1. Public Policy

- Opening Dates
- Staged Openings
- Limited Gatherings

“Am I allowed to travel?”

2. Personal Wealth

- Stock Market Anxiety
- Reduction in Savings
- Trade-down on Vacation Plans

“Can I afford to travel?”

3. Consumer Confidence

- Operating Protocols
- Social Distancing Cues
- Word-of-mouth

“Is it safe to travel?”

DATA SOURCES

- **The following data sources inform the “trigger dates” for each Wave of marketing activity:**

Tourism Economics:

Revised 5 Year Forecast

CA Coronavirus Case Count:

Trend Lines (New, Deaths, Projected) ← Policy Decisions

Destination Analysts:

U.S. Consumer Sentiment

SMARI:

CA Consumer Sentiment

Uber Media:

Visitor Movement in-market by Point of Origin

TSA/Point of Entry Counts:

Airport Passenger Recovery

OAG Analyzer:

Flight Service Recovery/Resumption

KEY CONSIDERATIONS

- 1) **Will a second wave occur and, if so, when?** ← Media plans must be cancellable
- 2) **Consumer travel interest in rural over urban** ← Message must convey social distancing
- 3) **Personal car trumps air travel in the short term** ← “Drive Markets” precede short haul fly
← Personal finances will also reinforce this
- 4) **Key operators must establish a health criteria** ← How to instill safety confidence?
- 5) **Move to “Mid Funnel” in the purchase cycle** ← TMD Hotels referenced everywhere
- 6) **Air Service recovery is still a big question mark** ← Must watch LAX POE/TSA counts
- 7) **Six Factors Influencing when we “re-open”** ← Introduced by Governor Newsom

GUIDING PRINCIPLES BEHIND PLANS

- 1) It is more important to get our message out...than to create award winning messaging**
 - Only use of existing creative assets
- 2) Product focus now trumps any emotional benefits**
 - Beaches, hiking, theme parks, LA Zoo, self-guided tours (itineraries)
- 3) No use of Paid Media internationally; Owned, Earned, and TRADE activities**
 - Air service recovery, co-ops, and travel operator engagement drives international
- 4) State (VCA) and National (BUSA) Co-ops will be explored only if significant bonus weight is included**
 - Allow state to lead CA
- 5) The cost of each wave is the initial 6-week flight that is set up to “cume”**
 - We may need to add more weight to subsequent flights in 2020 (drive, short flights)

RECOVERY PLANS

MARKETING:

	<u>WAVE 1</u>	<u>WAVE 2</u>	<u>WAVE 3</u>	<u>WAVE 4</u>	<u>WAVE 5</u>
Market(s)	Local	Drive Markets	Short Fly Mkts.	Long Fly Mkts.	Other International
Themes	“Magic Hours”	“Responsibly Open”	“Itineraries”	“Itineraries”	Normality?
Triggers	N/A	Case Ct./Policy VCA Sent. (CA)	Destin. Analyst TSA/POE Counts	Destin. Analyst Uber Media	Air Service (S. Murray) OAG Analyzer BrandUSA Sent. (U.S.)
Flights (6 Weeks)	Running	Initial Outreach	Airline Operations Re-established (Mex./Can.)	Airline Operations Re-established (Chn/Kor/Aus)	Pending (UK/France)
Functionally	Earned/OWNED	Pd/Earn/Own’d	Pd/Earn/Own’d	PAID/Earn/Own’d	TRADE/Earn/Own’d

FORCED RANKING: “DRIVE” MARKETS

Rank	Market	Miles/LA	Target Population	Media Cost	Cost/Person
1	San Diego	120	549,551	\$71,342.85	\$0.130
2	San Francisco	380	1,430,537	\$193,588.76	\$0.135
3	Palm Springs	110	125,267	\$18,320.71	\$0.146
4	Sacramento	380	582,160	\$85,287.81	\$0.147
5	Las Vegas	270	258,167	\$48,163.97	\$0.187
6	Santa Barbara	100	93,725	\$16,121.58	\$0.172
7	Fresno	220	205,766	\$38,864.76	\$0.189
8	Phoenix	380	631,133	\$123,449.96	\$0.196
	TOTAL	N/A	3,876,306	\$595,140	\$0.154

Palm Springs entered the top 5 due to proximity, efficiency and high household income

Las Vegas is the first out of market state due to distance, efficiency and potential reach

Phoenix has a high potential number of travelers, but the distance, media cost and lack of historic advertising pushes the market down the list

Bolded markets have had paid brand media investment in the last 3 years
 Markets Considered but not included: Bakersfield, Monterey, Reno

FORCE RANKING: "SHORT HAUL" MARKETS

Rank	Market	Minutes / LA	Avg. Weekly Seats	Target Population	Media Cost	Cost/Person
1	Seattle	165	26,110	867,603	\$110,322.78	\$0.127
2	Denver	150	24,036	738,522	\$100,993.20	\$0.137
3	Salt Lake City	115	12,852	501,602	\$66,392.97	\$0.132
4	Portland	140	13,147	465,434	\$65,184.39	\$0.140
5	Dallas	205	29,004	1,155,354	\$175,767.18	\$0.152
6	Houston	220	19,312	1,077,114	\$150,305.65	\$0.140
7	Austin	200	9,274	387,613	\$57,636.03	\$0.149
	TOTAL		133,735	5,193,242	\$726,602	\$0.140

The first four fly markets are all within 2.5 hours of Los Angeles

Texas markets follow, as they are all within about 3 hours of Los Angeles

Bolded markets have had traditional/digital paid brand media investment in the last 3 years.

FORCE RANKING: "LONG HAUL" MARKETS

Rank	Market	Minutes / LA	Avg. Weekly Seats	Target Population	Media Cost	Cost/Person
1	Chicago	270	30,409	1,404,539	\$202,356.19	\$0.144
2	Atlanta	290	21,184	916,561	\$141,650.44	\$0.155
3	Washington DC / Baltimore	345	22,489	1,827,840	\$209,302.70	\$0.115
4	Boston	395	15,742	1,036,680	\$135,526.29	\$0.131
5	New York	375	53,478	3,236,335	\$462,758.71	\$0.143
6	Minneapolis	230	11,456	685,705	\$106,420.74	\$0.155
	TOTAL		154,758	9,107,660	\$1,258,015	\$0.138

East Coast markets are later on the list- all markets have at least a 4 hour flight to Los Angeles

Minneapolis was included as it is a Delta hub

Bolded markets have had traditional/digital paid brand media investment in the last 3 years.

FORCE RANKING: INTERN'L MARKETS

Rank	Market	Population	2019 Visitation	2020 Weekly Seats	Spend/ Visitor	Media Cost
1	Vancouver	2,463,400	-	9,567	\$595	\$51,731
2	Guadalajara	5,000,000	-	9,905	\$362	\$52,500
3	Mexico City	21,200,000	-	10,854	\$362	\$222,600
4	Toronto	5,928,000	-	7,790	\$595	\$124,488
	TOTAL					\$451,319

Vancouver is an extremely efficient media market for the number of seats available to Los Angeles

Mexico has high seat volume, but the spend in market is extremely low

Bolded markets have had digital paid brand media investment in the last 3 years.

NEXT STEPS

<u>Task</u>	<u>Timing</u>	<u>Prime Mover</u>
Gain Feedback and Approval on Plan	April 29th	TMD Board Members
Get Creative Development Underway		
-Creative Brief	May 4 th	Skeoch
-Initial Concepts	May 22 nd	Outside Production
-Present First Round	May 27 th	Skeoch/Production
-Revise Concepts/Ready for Trafficking	June 2 nd	Outside Production
Press/Media & Digital Marketing Announcement/Launch	June 2 nd	Simpson/Karz
Ready to Begin 1 st Wave in “Drive Markets”	June 29 th	mBuy Advertising
Trade Marketing Activities to begin Wave 2	July 13 th	Smits



THANK YOU

Los Angeles

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: May 1, 2020

To: Board of Los Angeles Convention and Tourism Development
Commissioners

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

Subject: **PROPOSED CONTRACT WITH THE LOS ANGELES TOURISM AND
CONVENTION BOARD FOR MARKETING AND TOURISM SERVICES
FOR THE CITY AND SALES AND BOOKING SERVICES FOR THE LOS
ANGELES CONVENTION CENTER – BOARD REPORT #20-001**

RECOMMENDATIONS:

Staff recommends that the Board of Los Angeles Convention and Tourism Development Commissioners:

1. Approve a contract with the Los Angeles Tourism & Convention Board for services related to promoting Los Angeles as a convention and tourist destination through June 30, 2030, subject to the approval of the City Attorney as to form and legality.

BACKGROUND

The Los Angeles Tourism & Convention Board (LATCB) is a non-profit organization that promotes and sells Los Angeles as a destination for conventions, meetings and leisure travel from domestic and key international markets. The City of Los Angeles (City) has contracted with LATCB since 1976 to generate economic benefit from direct visitor spending and transient occupancy tax (TOT) revenues. LATCB has a multi-lingual staff with information centers in Downtown Los Angeles and Hollywood, and maintains sales representation in other cities in the United States (US) and around the world.

LATCB solicits and books conventions into LACC; generates leads and bookings for meetings and conferences in hotel venues; markets Los Angeles as a destination through an integrated strategy of paid advertising, on-line promotions, earned media and social media channels domestically and select international markets; and targets travel buyers globally through trade shows, sales missions and digital communications. LATCB also

provides policy advice to the Mayor and City Council (Council) with regard to conventions and professional meetings, tourism and economic data related to the industry.

At the time of this report, the leisure and hospitality industry is witnessing an unprecedented downturn caused by impacts related to the unique coronavirus, COVID-19. With travel restrictions and orders to stay at home enforced across multiple levels of government, Los Angeles restaurants, hotels, attractions, venues and sports arenas are suffering through a dramatic loss of business. A moratorium on mass gatherings has led the LACC to cancel events originally scheduled to be hosted in the upcoming months. As a result, a significant reduction in TOT revenues are expected for the upcoming months, due to the reduced number of room nights sold. LATCB has suspended all paid advertising for the time being, and is closely monitoring the situation as it unfolds.

While the current status of the travel industry appears grim, there is a widespread effort to plan for the safe resumption of activities, controlling the spread of the virus and the recovery of the economy. LATCB's role in managing the return of tourism will be crucial for the City during this time. Due to the nature of the meetings industry, LATCB sales staff is still booking citywide events to be hosted at the LACC during future years. They are also developing marketing strategies which will be ready for implementation once public policy, health officials and consumer sentiment indicate that the time is right. The efforts they undertake to promote Los Angeles as a destination will translate into critical job growth, the strengthening of local businesses and the generation of tax revenue which will help enable the City to regain its economic health.

COMPETITIVE DESTINATION COMPARISON

To ensure the proposed contract implements best practices within the destination marketing organization (DMO) industry, CTD performed an analysis of four other destinations' contracts with their respective DMOs. The funding source, governance structure, reporting methods, contract term and services to be performed were examined, and found to be in line with the contract between the City and LATCB. Contract terms ranged between one and five years, with two destinations including language for automatic renewal unless terminated. The majority of the contracts were funded by hotel and/or improvement district taxes. The City's contract with LATCB had the most comprehensive system to track services provided with the measurement of key performance metrics. All contracts included the submission and review of plans, however, the content and the time period of the plans varied.

PROPOSED CONTRACT

The current contract between the City and LATCB has a five- and one-half year term that began January 1, 2015 and is scheduled to expire on June 30, 2020. The proposed new contract addresses the areas discussed below.

Term

The term of the new contract would be for ten years. Prior contracts between the City and LATCB have ranged between three and five- and one-half years. Per Council Motion 19-1416, staff is requesting a ten-year term so that the contract would encompass both the extension of the contract term of the City-wide Tourism Marketing District (expiring in 2025) as well as the preparations leading up to and including the proposed LACC Expansion and Modernization Project and 2028 Olympic and Paralympic Games.

Services to be Provided

The services to be provided by LATCB are delineated in “Appendix E” of the contract. It serves as a work program and changes from year to year subject to the mutual agreement of both parties.

The primary goal of the City’s engagement with LATCB is to grow the local economy by promoting the City as a site for citywide conventions, business meetings and major tradeshows and as a destination for leisure travel. LATCB will endeavor to achieve this goal by executing the services and deliverables that align with four core objectives identified in Section 3(a) of the Agreement:

1. **Greater Visitation** - Increase the number of people visiting Los Angeles as both a convention and tourist destination in order to increase the economic benefits derived from visitors to the City;
2. **Economic Impact** - Measure the economic impact from citywide conventions and the tourism and hospitality sector;
3. **Visitor Engagement** - Facilitate and track engagement with those visiting Los Angeles for both conventions and leisure travel to enhance the visitor experience with the intent of encouraging repeat visitation and longer stays; and
4. **Best Use of City Funding** - Effectively leverage TOT funds with other sources of funding to promote conventions and tourism to maximize the yield from the City’s investment

Performance metrics that align with each core objective assist the City to evaluate how well these objectives are being met. Building on previous efforts to increase the accountability in this contract, staff has sought to only include results-oriented metrics in the work program for LATCB as opposed to metrics that measure inputs or process. This is consistent with the Mayor's performance-based budgeting and use of results-oriented metrics.

Los Angeles has had record-breaking visitation growth, reaching its goal of 50 million visitors two years early in 2018. Those visitors generated an estimated \$36.6 billion in total economic impact for Los Angeles. TOT remitted by City hotels has increased by 51.2 percent in a five-year span, totaling \$318.9 million during fiscal year 2018-19. Between fiscal years 2014-15 to 2018-19, the leisure and hospitality industry grew by 13.2 percent, maintaining an average of 539,000 jobs during the most recent fiscal year.

As a result of demand generated by both business and leisure travel, City of Los Angeles hotels have reported strong lodging metrics with occupancy rates frequently above 80 percent, and Los Angeles County is ranked among the top 25 United States markets in occupancy rate, average daily rate (ADR) and revenue per available room (RevPAR). Furthermore, the strong performance of the lodging industry in the City has drawn the attention of developers; there are currently over 7,000 hotel rooms in various stages of the hotel development pipeline.

Over the past five years, the LATCB sales team has developed over 1,100 leads, and has booked 157 citywide conventions to be hosted in future years at the LACC, which will yield an estimated two million room nights for the City of Los Angeles. During the same time period, the LACC hosted 136 events which were booked by LATCB, bringing over 2.1 million delegates to the City and generating 1.2 million audited hotel room nights.

The proposed contract adds two new areas of service: that LATCB shall support the implementation of the City's Tourism Master Plan as it pertains to the promotion of Los Angeles as a visitor destination; and that LATCB shall complete and submit a ten-year comprehensive strategic plan, including the long-term direction for sales, marketing and visitor services.

Compensation

The City annually appropriates in the Budget an amount equivalent to 1/14 (one fourteenth) of the TOT to the Greater Los Angeles Visitors and Convention Bureau Trust Fund (Trust Fund) to provide funding for this contract. Over the course of the past six fiscal years, the City has paid LATCB following amounts:

Fiscal Year	Amount Paid
2014 –15	\$15,377,206
2015 –16	\$17,514,473
2016 –17	\$20,172,358
2017 –18	\$22,725,310
2018 –19	\$23,968,278
2019 –20 Estimated	\$20,357,000
2020 –21 Proposed	\$18,466,000

Subsequent appropriations will be determined during the budget process and based on estimates of TOT for the upcoming fiscal year. In the event that TOT exceeds or comes in below budget projections, LATCB obtains the actual one percent of the TOT the City receives.

Reserve Fund

While the current contract allows LATCB to maintain a reserve fund up to 15 percent of their annual fiscal year budget, the proposed contract increases the cap of the reserve fund to five million dollars (\$5,000,000). The increased limit will give LATCB a tool to help weather catastrophic events, such as the COVID-19-related crisis. They will also be enabled to set aside funding for future major travel industry events.

Contract Administration

The proposed contract provides for funding from LATCB to cover the City Administrative Officer (CAO) and CTD’s cost of administering the contract. This is consistent with previous practice as the Trust Fund has been a source of funding for the contract administrator position (C.F. 89-1496). The exact amount will be determined during each budget process.

Attachments:

- Attachment A Proposed Contract
- Attachment B Sample Work Program (Appendix E)
- Attachment C Current Contract C-124986

cc: William Chun, Deputy Mayor of Economic Development
Miguel Sangalang, Deputy Mayor of Budget and Innovation
Angeline Buenaventura, Mayor’s Office of Economic Development
Kimberly Miera, Deputy City Attorney
Derik Pearson, Senior Administrative Analyst
John Wickham, Office of the Chief Legislative Analyst
Patti MacJennett, Sr. Vice-President, Business Affairs,

ATTACHMENT A

**AGREEMENT TO PARTIALLY FUND ACTIVITIES
BETWEEN THE CITY OF LOS ANGELES
AND
LOS ANGELES TOURISM & CONVENTION BOARD**

THIS AGREEMENT (“Agreement”) is made and entered into as of July 1, 2020 (the “Effective Date”), by and between the City of Los Angeles, a municipal corporation (“City”) and Los Angeles Tourism & Convention Board, a California 501(c)6 nonprofit corporation (“Contractor”), each individually a “Party” and together the “Parties”.

RECITALS

WHEREAS, City desires to increase the competitiveness of the City of Los Angeles as a convention and tourist destination in the national and international marketplace so that the City can derive greater economic benefit from visitors in the form of job creation, tax revenue, overnight stays in hotels and other lodging establishments, and spending at local businesses; and

WHEREAS, City desires to have the Los Angeles Convention Center (LACC) serve as an even stronger economic engine for the City by enhancing the number and quality of citywide conventions that utilize a significant number of hotel rooms, which in turn generates Transit Occupancy Tax (“TOT”); and

WHEREAS, City desires to spread the economic benefits of tourism through the City by leveraging the cultural and geographic diversity of the City; and

WHEREAS, City desires to engage visitors to enhance their experience and encourage extended and repeat overnight hotel stays; and

WHEREAS, To accomplish this purpose, it is necessary to develop and execute sales, marketing, advertising and public relations programs designed to educate individuals, groups and organizations of the commercial, climatic, educational, recreational, and cultural advantages of Los Angeles, as well as its modern and extensive convention facilities; and

WHEREAS, Contractor is a California nonprofit mutual benefit corporation whose members are individuals and businesses engaged in the tourism and convention business, including hotels, restaurants, transportation providers, theme parks and museums. As a Destination Marketing Organization (DMO), Contractor engages in activities to promote Los Angeles as an attractive destination for visitors and has assembled comprehensive information relating to hotels and other lodging establishments, recreational, entertainment, transportation and other facilities which are of interest to visitors. Contractor also maintains an extensive database of information relating to groups, organizations and societies that

regularly hold meetings and conventions; and

WHEREAS, Contractor is uniquely qualified by virtue of its possession of the foregoing information, its representatives in other cities in the United States and around the world, and its relationships with local hotels and domestic and international airline carriers, to undertake the promotion and advertisement of Los Angeles as a premier convention or meeting host, and as a destination for tourists and tour groups; and

WHEREAS, Contractor's activities support and foster the creation and growth of additional employment in Los Angeles through the monies spent by visitors in Los Angeles. The City will also directly benefit from increased TOT revenues generated by visitors' stays in hotels and other lodging establishments in Los Angeles; and

WHEREAS, City has created and established within its Treasury a special trust fund, known as the "The Greater Los Angeles Convention and Visitors Bureau Trust Fund" (the "Trust Fund"). A fraction (as determined in Section 4(a), below) of all amounts of TOT received by the City under the tax imposed by Los Angeles Municipal Code Section 21.7.3 shall be placed in the Trust Fund. Expenditures from the Trust Fund shall be made solely to finance the promotion and advertising of Los Angeles as a destination for the purpose of attracting conventions, trade shows, and tourism to Los Angeles in keeping with the terms of this Agreement, including staffing and other operational expenses associated with this work; and

WHEREAS, Contractor's activities serve a public purpose from which the City will benefit. Accordingly, the City desires to provide financial assistance to Contractor; and

WHEREAS, the services required are of an expert and technical nature; therefore, competitive bidding under Chart Section 371 is neither practicable nor advantageous; and

WHEREAS, City desires to have the funding it provides in support of promoting the City as a convention and tourist destination spent in such a way that maximizes the return on its investment, including leveraging City funding in concert with other funding sources of Contractor.

NOW THEREFORE, IN CONSIDERATION of the mutual promises, covenants, representations and agreements set forth below, the City and Contractor hereby agree as follows:

1. Definitions

The following terms used in this Agreement shall have the defined meanings set forth below:

Booked Room Nights - (1) Hotel room nights for attendees of a meeting and/or event held at LACC that has confirmed attendance by an executed Letter of Intent with Contractor for a specific future event, or (2) room nights for self-contained meetings or events, in City hotels, which have been confirmed by an executed contract between the hotel and event sponsor.

City - The City of Los Angeles, a municipal corporation.

City Council - The City Council of the City of Los Angeles.

Citywide Convention - An event held at the Los Angeles Convention Center that generates at least three thousand (3,000) room nights with one thousand five hundred (1,500) room nights on peak and utilizes no fewer than three (3) hotels.

Council Committee - The Trade, Travel, and Tourism Committee of the Los Angeles City Council, or such other committee of the City Council as the Council may designate to oversee the functions of the CTD.

Contractor - Los Angeles Tourism & Convention Board also known herein as LATCB.

Controller - The Controller of the City of Los Angeles.

CTD - Convention and Tourism Development Department, City of Los Angeles.

CTD Board - Board of Convention and Tourism Development Commissioners.

LACC - Los Angeles Convention Center, owned by the City of Los Angeles.

LACC Operator - Private operator of the LACC or the private company contracted by the City to manage and operate the LACC.

Letter of Intent - Letter signed by the client confirming Los Angeles as the host city for their Citywide Convention and outlining the financial commitments of the Los Angeles Tourism & Convention Board and preliminary total room night commitment of the client.

Non-Citywide Center Events - Events booked by the LATCB that do not meet the definition of a Citywide Convention, including consumer tradeshow.

Sales Lead - Citywide Lead also referred to as Prospect is defined as a potential future meeting/convention (event requiring sleeping rooms,

meeting space, exhibit space and/or food and beverage, etc.) that could be held in Los Angeles utilizing the Los Angeles Convention Center (“LACC”) and a minimum of three Los Angeles hotels and/or 3,000 total room nights.

TOT - Transient Occupancy Tax imposed by Los Angeles Municipal Code Section 21.7.3.

Trust Fund – Greater Los Angeles Visitors and Convention Bureau Trust Fund established in the Administrative Code Chapter 15 Section 5.315.

2. Term

The term of this Agreement shall be from July 1, 2020 to and including June 30, 2030.

Due to the need for Contractor’s services to be provided continuously on an ongoing basis, Contractor may have provided services prior to the execution of the Agreement. To the extent that said services were performed in accordance with the terms and conditions of the Agreement, those services are hereby ratified.

Upon the expiration of the term of the Agreement, City retains the right to extend (hold over) Contractor, as needed, on a month-to-month basis under the same terms and conditions. Contractor will be notified thirty (30) days prior to the contract expiration date of the need to hold the contract over. Contractor will be given thirty (30) days advance notice of the termination of the contract during the hold over period.

3. Services to be Provided by Contractor and other Related Responsibilities

- a. The services and deliverables to be provided by Contractor as well as the related goals and performance metrics under this Agreement are substantially set forth in Appendix E, "Services to be Provided by Contractor" for each fiscal year during the Term of this Agreement. Within 60 days after the start of the fiscal year, CTD and Contractor will establish mutually agreeable goals, objectives and deliverables for that fiscal year thereby executing a new Appendix E each year. The services and deliverables shall align with the following core objectives:
 - i. Increase the number of people visiting Los Angeles as both a convention and tourist destination in order to increase the economic benefits derived from visitors to the City;
 - ii. Measure the economic impact from citywide conventions and the tourism and hospitality sector;
 - iii. Facilitate and track visitor engagement with those visiting

Los Angeles for both conventions and leisure travel to enhance the visitor experience with the intent of encouraging repeat visitation and longer stays; and

- iv. Effectively leverage TOT funds with other sources of funding to promote conventions and tourism to maximize the yield from the City's investment.

- b. To achieve these objectives optimally, the City encourages LATCB to leverage these contract funds with other non-TOT funds to drive stays at hotels and other lodging establishments yielding increased TOT revenues and visitor spending that benefits the City's General Fund and the Los Angeles economy. As such, Contractor shall use best efforts to develop other sources of revenue, such as memberships and sponsorships to support the promotion of tourism in Los Angeles.

- c. Contractor shall complete and submit to CTD a ten (10)-year comprehensive strategic plan, which shall include the long-term direction for sales, marketing and visitor services.

- d. Contractor shall support the implementation of the City of Los Angeles Tourism Master Plan as it pertains to the promotion of Los Angeles as a visitor destination.

- e. Contractor shall use its best efforts to promote and utilize hotels and other lodging establishments in the City of Los Angeles to offer and secure room blocks for conventions and/or events at the LACC.

- f. Contractor shall use TOT funds to promote the City for the purpose of attracting, servicing and retaining conventions, tradeshow and tourism to the City, including staffing and other operational expenses associated with this work, and for no other purpose.

- g. Contractor shall conduct a post audit of room nights consumed following Citywide Conventions and Non-Citywide Center Events at the LACC and report the results of such audits to the CTD quarterly. Contractor shall use best efforts to produce these audits within one hundred twenty (120) days after the events conclude.

- h. Contractor shall report to CTD and/or the CTD Board on a monthly basis regarding progress towards meeting goals and performance metrics set forth in Appendix E and on any other topic related to the convention center industry or tourism as reasonably requested by CTD.

- i. Contractor shall keep CTD and/or CTD Board apprised of major destination advertising and tourism media campaigns prior to launch and shall, subject to any legal restrictions, make such content available

to CTD to complement the City's branding efforts.

- j. Contractor shall collaborate with the City to ensure that Contractor's web site includes a comprehensive calendar of events of interest to visitors taking place in the City.
- k. Contractor shall report to CTD and/or CTD Board on its plans to market Los Angeles to visitors.
- l. Contractor shall use best efforts to leverage the geographic and cultural diversity of the City to promote tourism in areas of the City that may have been overlooked by traditional tourism efforts.
- m. Contractor shall provide CTD and/or CTD Board with comprehensive convention and tourism industry data and analyses to inform the City as to the performance of tourism as a key economic driver and assist CTD with developing special reports for its stakeholders. Special reports may include, but not be limited to, the status of hotel incentive agreements as they occur during the Term of this Agreement.
- n. Contractor shall meet with CTD staff and the LACC Operator on a regular basis to discuss operational, policy and business issues related to booking events at the LACC.
- o. Contractor shall book events into the LACC in accordance with the booking and discount policies in the Los Angeles Administrative Code Section 8.149.
- p. Contractor shall use its best efforts in booking the City's convention facilities in a manner that uses rental discounts judiciously and maximizes revenue for the LACC facility while prioritizing the booking of Citywide Conventions and Non-Citywide Center Events.
- q. Contractor shall provide other mutually agreed upon services to carry out the core objectives of this Agreement as identified in Section 3.a.i-iv.
- r. Contractor shall, to the extent possible, observe and participate in initiatives and recommendations as put forth by the Mayor's Executive Directives.

4. Payments by City

- a. City will credit to the Trust Fund an amount equivalent to a fraction of all TOT received by the City during the term of this Agreement. Said fraction shall have as its numerator the number one (1) and as its denominator the number which coincides with the current percentage of TOT imposed

by the Los Angeles Municipal Code. By way of example, the current TOT is fourteen percent (14%). Therefore, City will credit to the Trust Fund an amount equivalent to one fourteenth (1/14) of all TOT received by the City during the term of this Agreement so long as the fourteen percent (14%) TOT remains in effect (the "Annual Contractor Allocation").

Ninety-five percent (95%) of the projected receipts of the Trust Fund will be appropriated to be paid to Contractor or to the City for costs of contract administration as described in Section 7 of this Agreement. The remaining receipts deposited in the Trust Fund shall be held by the City in said Trust Fund (the "Holdback Amount") for the purpose of offsetting any possible shortfall in Trust Fund receipts compared to the Annual Contractor Allocation denoted in the City's approved annual fiscal year budget. It is understood and agreed that any and all sums paid to Contractor by City will be used by Contractor only for allowable costs incurred in performing one or more of the services set forth in Section 3 of this Agreement.

- b. To facilitate issuing payment to Contractor for the purposes of this Agreement, the City anticipates appropriating for the purposes of this agreement a total of ninety-five percent (95%) of the projected receipts of the Trust Fund during each fiscal year during the Term of this Agreement. A portion of this amount will be appropriated for City costs associated with contract administration as described in Section 7 of this Agreement. The remaining portion will be appropriated to be paid to Contractor. City shall advance to Contractor on each July 1, October 1, January 1 and April 1, during the Term of this Agreement, an amount equivalent to one-quarter of the amount appropriated toward Contractor (each a "Quarterly Prepayment").
- c. Approximately thirty (30) days in advance of July 1, October 1, January 1 and April 1 (individually referred to as a "Quarterly Payment Date") during the Term of this Agreement, Contractor shall submit an advance billing ("Advance Billing") in the manner prescribed by the City (substantially as contained in Appendix B, attached hereto), requesting payment by City of each Quarterly Prepayment. After receipt and approval of each such Advance Billing, City shall pay Contractor the amount of the Quarterly Prepayment.
- d. Prior to the payment of the April 1 Advance Billing, if the City's projected receipts to the Trust Fund through the end of the fiscal year will be less than originally anticipated, the amount paid to Contractor in the April 1 Advance Billing Payment shall be adjusted so that total payments for that fiscal year shall not exceed the amount of receipts projected to be deposited into the Trust Fund.

- e. Following the conclusion of each fiscal year during the Term of this Agreement, and no later than August 31st following each fiscal year, the City shall perform a reconciliation analysis (the "Annual Reconciliation Report") comparing actual receipts to the Trust Fund through the end of that fiscal year to the Annual Contractor Allocation for that fiscal year, and shall provide Contractor with a copy of the Annual Reconciliation Report. In the event that actual receipts to the Trust Fund exceed the Annual Contractor Allocation for that fiscal year ("Excess Collections"), City shall issue payment to Contractor for the Holdback Amount plus the amount of Excess Collections within ninety (90) days of the date on which Contractor submits an invoice for to the City for those amounts.
- f. In the event that the Annual Reconciliation Report determines that actual receipts to the Trust Fund through the end of a given fiscal are less than the Annual Contractor Allocation for that fiscal year (a "Collections Shortfall"), and the amount of the Collections Shortfall is less than the Holdback Amount, City shall issue payment to Contractor for the Holdback Amount less the amount of the Collections Shortfall within ninety (90) days of the date on which Contractor submits an invoice for to the City for that amount.
- g. In the event that the Annual Reconciliation Report determines that a Collections Shortfall exceeds the Holdback Amount for a fiscal year, Contractor shall not be entitled to receive the Holdback Amount for that fiscal year. In addition, City shall deduct twenty-five percent (25%) of the total amount by which the Collections Shortfall exceeds the Holdback Amount from each Quarterly Prepayment to Contractor during the subsequent fiscal year.
- h. In the event that Contractor requires funds in addition to the Annual Contractor Allocation for a legitimate promotional purpose, to perform special studies or to offset a decline in Trust Fund Receipts and to the extent that additional monies may be available in the Trust Fund, Contractor may request such funds from the City Council through CTD.
- i. Within thirty (30) days after the end of each fiscal quarter, Contractor shall submit to CTD an interim progress statement of cumulative costs incurred during the fiscal year of the Agreement to that date, prepared in a manner substantially in the form set out in Appendix C, attached hereto ("Interim Progress Statement"). City shall review or audit the Interim Progress Statement and the supporting books and records to the extent deemed necessary by the City. Contractor must submit a copy of its audited financial statements for the prior fiscal year to CTD on or before November 30 of each fiscal year. The City shall, at all times during the Term of this Agreement, retain the right to audit Contractor's financial records, as described below in Section 4(j). City shall also

informally review Contractor's monthly financial statements, as described in Section 5(a), to ensure general compliance with the provisions of this Agreement.

- j. Contractor shall maintain records as provided in Section 5(d). Within one hundred fifty (150) days following the end of each fiscal year, after Contractor's financial records have been audited by a certified public accountant and such accountant's independent report has been issued, and after Contractor's books for such period have been closed, Contractor shall submit a copy of its audited financial statements to City. City shall, at all times during the Term of this Agreement, retain the right to audit Contractor's financial records for any fiscal year during the Term of the Agreement, and to request reimbursement for any expenditures that City, through such audit, determines were not specifically incurred for purposes of services to be provided by Contractor under Section 3 of this Agreement ("Nonallowable Expenses"). In the event that City elects to exercise its audit rights, City shall conduct its final fiscal year-end audit and issue its final report to Contractor within sixty (60) days after receipt of Contractor's audited financial statements. Any Nonallowable Expenses identified through a City audit shall be refunded by Contractor to the Trust Fund within sixty (60) days after City's written notification to Contractor of any such Nonallowable Expenses. Such Trust Fund reimbursements shall be available for future disbursement to Contractor for allowable costs at the discretion of CTD. If Contractor does not have sufficient funds to repay such Nonallowable Expenses to the Trust Fund, the amount owed shall be deducted from the next Quarterly Prepayment from the Trust Fund due to Contractor.
- k. In the event that City identifies any Nonallowable Expenses and Contractor does not concur with that determination, the Parties shall negotiate to resolve such discrepancy. Any disputes which are not resolved by negotiation between Contractor and City's designee for contract administration shall be presented to the Executive Director of CTD (or designee) with recommendations for action, which shall finally determine the matter. Contractor shall be included in the resolution of any such disputes.
- l. Although the term of this Agreement is for ten (10) years, funding to the Contractor in each fiscal year is conditioned upon the City Council appropriating funds to the budget for the Agreement and the availability of sufficient monies in the Fund to reimburse the City's General Fund for Advance Billings of the Contractor. The failure of the City Council to appropriate funds for this Agreement shall be deemed a termination by the City subject to the provisions of Section 11.
- m. Notwithstanding anything contained in this Agreement to the contrary,

the City shall not be obligated to appropriate any particular amount of monies or any monies for funding of this Contract for any fiscal year.

- n. In incurring travel and related expenses, Contractor shall, when practicable, make reasonable efforts to abide by Los Angeles Administrative Code sections 4.242.1-4.242.9 (Policy for Travel Expenses, Non-Travel Expenses and Elected Officials' Contingency Account Expenditures). Notwithstanding the foregoing, Contractor shall not use funds provided under this Agreement for tickets to sporting events or concerts, limousine or private car service, site inspections via helicopter, welcome gifts, alcoholic beverages or memberships in dining or social clubs.
- o. Contractor may designate monies as part of its annual funding to be used as a reserve fund ("Reserve Fund"). These monies may be held by Contractor and carried over for use in subsequent fiscal years and may be used at the discretion of Contractor for any purposes permitted under this Agreement. The maximum which may be set aside by Contractor from any single fiscal year may not exceed fifteen percent (15%) of the Annual Contractor Allocation for that fiscal year. Contractor may retain up to fifteen percent (15%) of the Annual Contractor Allocation for multiple fiscal years in order to set aside sufficient funding for future major travel industry events that may take place, in whole or in part, in the City for any purposes permitted under this Agreement, as well as to support appropriate programming in the event of natural disaster or any other catastrophic events that materially impact visitation to Los Angeles, provided that the total amount of the Reserve Fund may not exceed five million dollars (\$5,000,000).
- p. Any funds paid to Contractor under this Agreement not expended at the end of each fiscal year shall augment the Reserve Fund and be carried over for use in subsequent fiscal years in accordance with the provisions of Section 4(o).
- q. Contractor shall use its best efforts, to procure goods and services from local businesses in the City of Los Angeles.

5. Financial Reporting Requirements

- a. Contractor shall submit to the CTD and/or CTD Board copies of its monthly financial statements. Said statements shall include specific information as to all sources of funds and in-kind contributions, amounts received from each such source, and, in aggregate, the amount of City and other funds that have been expended during the reporting period. With each of its monthly financial statements, Contractor shall provide copies of its computerized check register and general ledger for the

period covered by the statement. The Interim Progress Statements, referred to in Section 4(i), shall be accompanied by copies of Contractor's financial statement for the period covered.

- b. Invoice for Quarterly Prepayments shall be prepared in a form substantially as show in Appendix B attached to this Agreement and signed by an authorized official of Contractor. Interim Progress Statements submitted by Contractor shall be certified by an authorized official or agent of Contractor that the costs and expenses, incurred or to be incurred, for which payment is requested are reasonably related to Contractor's performance of services under this Agreement and are true and correct, in the form provided for in California Code of Civil Procedure Section 2015.5.
- c. Contractor shall maintain and preserve books of account and other financial records during the term of this Agreement. Said books and records shall accurately record monies received by source, date and amount; and monies expended by name of vendor, description of goods or services purchased, the nature and purpose of the expenditure and the date of purchase and the amount. The record of amounts paid to vendors shall distinctly separate City Trust Fund expenditures from private transactions of Contractor. Contractor shall retain such books and records for at least three (3) years following the final payment by City hereunder for the fiscal year in question. At any time during the term of this Agreement or within three (3) years following the final payment under this Agreement, the City and its authorized representatives shall have the right, on reasonable notice and during regular business hours, to review, inspect and audit Contractor's books and records. Such information shall be maintained as confidential by the City to the extent permitted under the California Government Code, section 6250 et seq. (California Public Records Act).
- d. Following the end of each fiscal year during the term of this Agreement, Contractor shall submit a report to CTD describing the services provided and the accomplishments attained from Trust Fund expenditures during such fiscal year.

6. Competitive Bidding

In the interest of economy and to assure the effective use of City funds, for all matters involving the expenditure of City funds over \$25,000, Contractor shall solicit bids by advertising or by request to three or more qualified potential providers of applicable goods or services. Contractor shall make reasonable efforts to obtain bids from at least three different qualified parties and shall select the lowest and best responsible contractor on the basis of such bids as are received; provided that Contractor may reserve the right

to reject all such bids. Contractor shall document and maintain all such bids or proposals to enable the City to audit the same. Notwithstanding the foregoing, in instances where Contractor determines that it is not feasible to solicit three bids, Contractor shall, at least ten days before incurring such expense, report to the CTD the basis for said determination.

7. Budget Requirements

Contractor shall provide to CTD, in a form prescribed by CTD, information for use in the Mayor's annual budget submission to the City Council. This shall include Contractor's annual proposed budget, details such as actual expenditures and revenues, estimates on source of funds, revenues, expenditures, major areas of work emphasis, and productivity goals. Contractor and CTD shall develop a schedule each year for the delivery of this information. Contractor shall notify CTD of any major changes in its planned areas of work emphasis that are funded by the Annual Contractor Allocation.

Budget shall include funding to cover the cost of contract administration by the City. Budget shall also include funding to be spent on initiatives specified by the CTD for purposes that are consistent with the goals and objectives of this Agreement, the specifics of which shall be determined during the budget process. The amount of the funding for these purposes shall be determined during the annual budget process and subject to the agreement of both Parties.

8. Compensation Payment of Sales Staff

Contractor may, at its sole discretion, provide incentive compensation payments to staff in the Director and Manager positions or classifications that are directly involved in the function of selling the City as a site for business meetings, conventions, trade shows, and other group activities involving the overnight stay in City of Los Angeles hotels. The performance criteria utilized for these incentive compensation payments shall be shared with CTD annually prior to the beginning of each Fiscal Year, or more frequently if changes are made to these criteria subsequent to the start of the fiscal year. Except as provided in this paragraph, Contractor shall make no incentive compensation payments from funds provided under this Agreement to executive staff or senior management (defined herein as those staff holding the title of vice president or above), or non-sales staff members.

9. Insurance and Indemnity

Contractor agrees to maintain the insurance coverages and limits listed on the Insurance Requirements Sheet, attached to this Agreement as

Appendix 'D,' and to comply with the applicable insurance conditions set forth in PSC-10 and PSC-17 of Appendix A to this Agreement.

10. City Designee for Contract Administration

- a. This Agreement shall be administered on behalf of the City by CTD. CTD shall be responsible for receiving and forwarding all Advanced Bills, statements, Year End Claims and other similar documents for approval. Upon approval for payment by the CTD, the CTD will process payments as required under this Agreement. The CTD shall be responsible for reviewing, approving and making recommendations to the City Council as necessary or appropriate as to matters such as requests for additional funds, disputes regarding Advance Billing Payment, or significant changes in the services to be provided by Contractor. The Office of Finance shall conduct the final year-end financial audit of Contractor, as described in Section 4. Contractor shall reimburse City for the salary expense, including indirect costs, of a City auditor assigned to assist the Office of Finance in administering the Agreement; provided, that in no event shall the total of such reimbursement exceed twenty-five thousand dollars (\$25,000) per fiscal year.
- b. City auditor shall, for purposes of auditing any Quarterly Prepayment submitted by Contractor, have access to all books and records of Contractor for all costs incurred under this Agreement and for all Contractor sources of revenue as provided in Section 5.
- c. Contractor shall give notice to CTD of the time and place of meetings of its full Board of Directors. The CTD shall be entitled to have a representative of its choosing attend any meetings of Contractor's full Board of Directors.

11. Termination

Notwithstanding any other provision contained in this Agreement to the contrary, City, on appropriate action by the City Council, or Contractor may terminate this Agreement upon not less than one hundred eighty (180) days prior written notice, subject to all provisions for statements, audits, payments or refunds contained in this Agreement. In the event of early termination of this Agreement by City, Contractor shall be entitled to (a) payment under this Agreement up to and including the date of termination and (b) reimbursement for all unavoidable costs associated with such termination, including any non-refundable costs to which Contractor has already committed prior to the date of termination.

12. Notices

A notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given (1) on personal delivery, (2) twenty-

four (24) hours after deposit with Federal Express or a comparable express courier, addressed to a Party at the address set forth below, or (3) forty-eight (48) hours after deposit in the United States mail, by certified mail, postage prepaid, addressed to such Party. A Party may designate another address for notice purposes by giving written notice to the other in the manner provided in the Section.

If to Contractor: Los Angeles Tourism & Convention Board
633 West 5th Street
Suite 1800
Los Angeles, CA 90071
ATTN: Chief Executive Officer

If to City: Los Angeles Department of Convention and
Tourism Development
1201 South Figueroa Street
Los Angeles, CA 90015
ATTN: Executive Director

13. Incorporation of Standard Provisions, Precedence of Documents

- a. The Standard Provisions for City Personal Services Contracts, attached to this Agreement as Appendix "A" and the appendices referred to in subparagraph (b) below are incorporated into this Agreement.
- b. In the event of an inconsistency between any of the provisions of this Agreement and the appendices to this Agreement, the inconsistency shall be resolved by giving precedence in the following order:
 - i. Provisions of this Agreement.
 - ii. Appendix A, Standard Provisions for City Personal Services Contracts (Rev. 10/17[v.3]).
 - iii. Appendix B, Advance Billing.
 - iv. Appendix C, Interim Progress Statement.
 - v. Appendix D, Insurance Requirements.
 - vi. Appendix E, Services to be Provided by Contractor, and subsequent annual reports under Appendix E.

14. Miscellaneous Provisions

- a. The subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and will not affect the construction or interpretation of any of its provisions.
- b. Unless the context clearly requires otherwise:
 - i. Plural and singular numbers will each be considered to include the

- other;
 - ii. The masculine, feminine, and neuter genders will each be considered to include the others;
 - iii. "Shall," "will," "must," "agree," and "covenants" are each mandatory;
 - iv. "May" is permissive;
 - v. "Or" is not exclusive; and
 - vi. "Includes" and "including" are not limiting.
- c. All references to sections, paragraphs and subparagraphs are to those in this Agreement, unless the context otherwise requires. Documents attached to this Agreement as exhibits or appendices are incorporated in this Agreement as though set forth in full.

15. Processing of License and Discount Requests

Contractor is required to submit the license request packets to the LACC Operator within thirty (30) days of executing a Letter of Intent with sales leads for Citywide Conventions and Non-Citywide Center Events. The license request packet shall include a cover memorandum from Contractor, a request form for an LACC License with three (3) years of history, a cost analysis form, a pricing discount approval form, the transmittal Convention Center Reservation Form and the signed Letter of Intent. Rental discount request requiring CTD Board approval should be submitted at least two (2) weeks prior to the Board meeting date, unless competitive circumstances require expedited approval.

Contractor shall cooperate with requests by the LACC Operator to expedite the submittal of such license packets if circumstances warrant the submittal within less than the thirty (30)-day time frame referenced above.

16. Personnel

The Executive Director of CTD may request a change in Contractor's personnel assigned to perform services on the City's account relating to the LACC. Any such request shall be in writing using the Notice provisions of Section 11, and shall detail the specific business reasons for the request. Contractor's Chief Executive Officer ("CEO") shall have the right to meet at a mutually acceptable time with the Executive Director of CTD to discuss the basis for the requested change or removal and any alternative course of action. While Contractor shall make reasonable efforts to accommodate such requests, the employer-employee relationship shall at all times remain with Contractor, who shall have final decision-making authority regarding whether to accommodate any such request.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

THE CITY OF LOS ANGELES
a municipal corporation

LOS ANGELES TOURISM AND
CONVENTION BOARD a California
nonprofit corporation

By: _____
DOANE LIU
Executive Director, CTD

By: _____
ERNEST WOODEN JR.
President & CEO

Dated: _____

Dated: _____

APPROVED AS TO FORM AND
LEGALITY

ATTEST: HOLLY WOLCOTT , City
Clerk

MICHAEL N. FEUER
City Attorney

By: _____
KIMBERLY MIERA
Deputy City Attorney

By: _____

Dated: _____

Dated: _____

ATTACHMENT B

APPENDIX E

Services to be Provided by Contractor In Contract Fiscal Year 2019 – 2020

The primary goal of the City of Los Angeles' 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, major tradeshows and as a destination for leisure travel. LATCB will endeavor to achieve this goal by executing the services and deliverables described below that align with the four core objectives identified in Section 3(a) of the Agreement. Performance metrics that align with each core objective will help the City evaluate how well these objectives are being met. The City recognizes that LATCB's ability to meet annual performance goals can be impacted both positively and negatively by broader economic trends and factors. As such, the City will take this into consideration when assessing LATCB's performance in order to properly attribute accomplishments due to their efforts.

To achieve these objectives optimally the City recognizes and encourages LATCB to leverage these contract funds with other sources of funding to drive paid room demand yielding increased TOT revenues and visitor spending that benefits the City's General Fund and the Los Angeles economy.

OBJECTIVE 1

Increase the number of people visiting Los Angeles as both a convention and tourist destination in order to increase the economic benefits derived from out-of-town visitors to the City

Services and Deliverables Related to Objective 1:

- a. Promote the City of Los Angeles and its facilities and attractions as a desirable location for association and corporate meetings, conventions and major trade shows. Efforts shall include but not be limited to, representing the City in domestic and international convention and tourism industry associations; attending industry trade shows, customer events, and sales missions; and advertising in key industry trade publications.
- b. Solicit sales leads for such conventions, meetings and trade shows to be held in the City of Los Angeles with an emphasis on using the Los Angeles Convention Center (LACC) and City of Los Angeles hotels.
- c. Book citywide conventions and assisted convention center events at LACC for future years that will produce room nights at hotels within the City of Los Angeles.

- d. Provide customary client services to citywide conventions at the LACC.
- e. Develop and execute a sales and marketing plan for booking events at the LACC that focuses on leveraging the LACC's strengths and opportunities, mitigating the LACC's weaknesses and challenges, and provides specific strategies and tactics for addressing them. In addition, once plans are finalized, develop and execute ongoing communications with all appropriate audiences regarding LACC's expansion and modernization plans.
- f. Use best efforts to promote the geographic and cultural diversity of the City to drive overnight stays with additional focus on areas of the City that may have been overlooked by traditional tourism efforts with the intent of spreading the economic benefits of tourism throughout the City.
- g. Promote Los Angeles in the media. Keep CTD staff and commissioners apprised of major destination advertising and tourism media campaigns, including ongoing reporting regarding the proportion of these efforts funded by non-TOT funds.
- h. Assist the City as requested with efforts related to the expansion and modernization of the Convention Center. Assistance may include, but is not limited to, providing design input and attending design meetings, providing data as requested, which may involve the use of third party consultants, and visiting other convention centers to evaluate competitive designs.
- i. Regularly report to CTD staff and commissioners on overall marketing strategy and major campaigns.
- j. Maintain close communications and collaboration with CTD and AEG Facilities staff regarding proprietary customer information, proprietary sales strategies, conversion rates and other data.
- k. Provide the City with a comprehensive collection of convention and tourism industry data that will inform policymakers on the performance of tourism as an economic driver. Data may include research compiled or acquired with non-TOT funds. Research includes, but is not limited to, drivers of decision making for meeting planners and data on competitive centers.

I. Metrics for Objective 1:

Objective 1 Performance Metrics	Reporting Frequency	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Actual	FY 19/20 Goal
CITYWIDE / CENTER EVENTS					
1.1 Number of Citywide/Center Events Sales Leads (combined)	Month	222	222	221	220
1.2 Number of Citywide/Center Events Booked for future years (track separately)	Month	33	27	27	27
1.3 Number of Room Nights Booked for future years	Month	393,708	440,812	428,374	390,000
	Reporting Frequency	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Actual	FY 19/20 Forecast
1.4 Number of Citywide/Center Events Hosted (track separately)	Month	32	27	23	23
1.5 Reported Number of Delegates from Hosted Citywide/Center Event	Quarter	503,036	440,634	362,442	384,507
1.6 Total Number of Room Nights from Hosted Citywide/Center Events (based on convention actuals)	Quarter	301,364	283,798	226,608	279,311
Objective 1 LA County Market Data <small>Source: October 2019 Tourism Economics Estimates</small>					
	Reporting Frequency	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Actual	FY 19/20 Forecast
1.a Total Visitors to L.A. County	Annual	47.7 million	49.2 million	50.3 million	51.1 million
1.b Total Overnight Domestic Visitors	Annual	24.3 million	25.0 million	25.5 million	25.9 million
1.c Total International Visitors	Annual	7.1 million	7.4 million	7.4 million	7.5 million
1.d Total Day Visitors	Annual	16.3 million	16.9 million	17.4 million	17.7 million

OBJECTIVE 2

Measure the economic impact from citywide conventions and the tourism and hospitality sector

Services and Deliverables Related to Objective 2:

- a. Report on economic impact of citywide conventions and provide detail on methodology for calculating economic impact.
- b. Produce audits on hotel room nights consumed by conventions.
- c. Provide data on economic impact of tourism and hospitality industry.

d. Metrics for Objective 2:

Objective 2 Performance Metrics	Reporting Frequency	FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Actual	FY 19/20 Forecast
ECONOMIC IMPACT OF CITYWIDE / CENTER EVENTS Sources: Tourism Economics/CBRE/LATCB					
2.1 TOT from Hosted Citywide/Center Events 14% (track separately) Source: CBRE Hotel Audits	Quarter	\$10.3 million	\$10.3 million	\$8.7 million	\$10.8 million
2.2 TOT revenue for the City Source: City of Los Angeles	Month	\$265.7 million	\$299.1 million	\$318.9 million	\$326.6 million
L.A. COUNTY LODGING PERFORMANCE Sources: STR Actuals, October 2019 Tourism Economics Estimates and Secondary Data Sources					
2.3 Hotel Room Night Demand (Sold)	Month	29.5 million	29.8 million	30.4 million	30.9 million
2.4 Hotel Occupancy Rates	Month	80.6%	79.4%	79.8%	79.7%
2.5 Hotel Average Daily Rates	Month	\$172.82	\$178.08	\$179.30	\$176.81
2.6 Revenue Per Available Hotel Room	Month	\$139.29	\$141.47	\$143.12	\$140.98
2.7 Jobs from Leisure and Hospitality Sector Source: CA EDD FY 2019-2020 Forecast Source: LAEDC	Month	517,750	531,433	538,533	558,333
Objective 2 L.A. County Market Data Source: Tourism Economics Estimates (FY)					
2.a Visitor Direct Spending	Annual	\$22.18 billion	\$23.29 billion	\$24.25 billion	\$24.84 billion
2.b Visitor Indirect/Induced Spending	Annual	\$11.92 billion	\$12.42 billion	\$12.86 billion	\$13.15 billion
2.c Local Tax Revenue from LA County Visitors	Annual	\$1.63 billion	\$1.70 billion	\$1.77 billion	\$1.82 billion
2.d Overnight Visitor Average Trip Spend in LA County (Market/Planning Resource)	Annual	\$672	\$686	\$700	\$706
Objective 2 City Market Data Source: DMAI Impact Calculator					
2.e Local Business Sales based on direct spending from Citywide/Center Events	Annual	\$353.1 million	\$352.8 million	\$282.1 million	286.9 million
2.f Local Tax Revenue based on total economic impact from Citywide/Center Events (track separately)	Annual	\$25.9 million	\$21.0 million	\$17.2 million	\$17.4 million
2.g Fulltime Equivalent (FTE) Jobs based on total economic impact from Citywide/Center Events(track separately)	Annual	4,570	4,773	3,667	3,667

OBJECTIVE 3

Facilitate and track engagement with those visiting Los Angeles for conventions and leisure travel to enhance the visitor experience with the intent of encouraging repeat visitation, and longer lengths of stay

Services and Deliverables Related to Objective 3:

- a. Survey citywide clients to obtain feedback on specific aspects of the client experience at the LACC (e.g., event services, security, facility condition, food and beverage service, LAX, participating hotels, and other related venues and service providers).
- b. Host and facilitate Customer Advisory Boards as requested by the CTD to obtain feedback from current and potential clients on long-term strategic issues such as designs for the expansion and modernization of the facility, industry trends and client needs.
- c. Enhance the visitor experience through an integrated network of visitor centers, digital channels, visitor information publications (digital or print) and in-market servicing of group clients providing convenient and relevant destination information and resources.
- d. Maintain a mobile optimized web site and social media platforms to engage potential visitors to Los Angeles. Provide ongoing performance data to CTD.
- e. Leverage emerging and immersive technology in providing compelling information to LA’s visitors and in differentiating LA from its competitors.
- f. Collaborate with CTD to find new options and venues that would expand outreach to LA’s visitors.
- g. Report on visitor perceptions and satisfaction levels (including studies conducted with non-TOT funding) to inform the City as to how it may improve the visitor experience with the goal of encouraging repeat visitation, increasing the likelihood of visitors recommending the destination to others and driving longer lengths of stay/increase spending.
- h. Maintain and publish L.A. Tourism Calendar of Events.
- i. Metrics for Objective 3:

Objective 3 Performance Metrics <small>Source: LATCB Post-Con Surveys</small>	Frequency of Reporting	FY16/17 Actual	FY17/18 Actual	FY18/19 Actual	FY19/20 Goal
3.1 Overall Host City Rating Citywide Client Satisfaction: (5-point scale)	Semi-Annual	4.3	4.1	4.3	4.2
3.2 Overall LACC Rating Citywide Client Satisfaction:	Semi-Annual	3.8	3.7	3.9	3.8

(5-point scale)					
3.3 Overall LATCB Client Services Rating Citywide Client Satisfaction: (5-point scale)	Semi-Annual	4.8	4.6	5.0	4.5
3.4 Number of Visitor Impressions at Visitor Centers, Kiosks and Publications (Track Separately) <i>*Note – reduction for FY17/18 due to 1) discontinuation of kiosk pilot and 2) shift from full China OVG to Pocket Guide.</i>	Quarter	2.0 million	1.2 million	1.0 million*	1.3 million
3.5 Number of Unique Visitors to web site, social platforms, e-comms <i>*Note – data for FY16/17 reflects number of visits to Discover Los Angeles website.</i>	Quarter	13.5 million*	16.4 million*	17.8 million	18.0 million
3.6 Social Media Activity (Facebook, Twitter and Instagram followers)	Quarter	4.0 million	4.5 million	5.0 million	5.0 million
Objective 3 Market Data	Frequency of Reporting	FY16/17 Actual	FY17/18 Actual	FY 18/19 Actual	FY 19/20 Forecast
3.a Visitor Satisfaction Ratings from Visitor Profile Study <i>Source: Destination Analysts FY17 & Preliminary Data from FY20 (Funded by non-TOT resources)</i>	Every 3 years or when conducted	91%	N/A	N/A	91%
3.b Average Length of Stay of Overnight Visitors <i>(Marketing & Planning Resource)</i>	Annual	4.2 nights	4.1 nights	3.6 nights	3.6 nights
3.c Percent of Repeat Visitors from Visitor Profile Study <i>Source: Destination Analysts FY17 & Preliminary Data from FY20 (Funding by non-TOT resources)</i>	Every 3 years or when conducted	68%	N/A	N/A	58%

OBJECTIVE 4

Effectively leverage TOT funds with other sources of funds to promote conventions and tourism to maximize the yield from the City’s investment

Services and Deliverables Related to Objective 4:


- a. Use best efforts to develop other sources of revenue, such as Memberships, sponsorships, corporate partnerships and advertising sales to support the promotion of tourism in Los Angeles.
- b. Use best efforts in booking the City’s convention facilities to maximize total revenues for the LACC facility with the priority of booking quality business that drives hotel room nights and spending from out-of-town visitors that stimulates the local economy and generates TOT to the City of Los Angeles.

- c. Generate earned media to create awareness and excitement among potential visitors, with an emphasis on driving feature stories in which at least 75% of content is specifically about Los Angeles.
- d. Submit TOT-funded budget for review by CTD Board and inclusion in the Mayor's proposed budget.
- e. Deliver audited financial statements within 120 days after close of fiscal year.
- f. Regularly update CTD staff and commissioners on key performance metrics.
- g. Submit monthly financial reports to CTD on use of TOT vs. non-TOT funds.
- h. Metrics for Objective 4:

Objective 4 Performance Metrics	Frequency of Reporting	FY16/17 Actual	FY17/18 Actual	FY18/19 Actual	FY19/20 Goal
4.1 Percent of Rental Income from Citywides Retained After Discounts <i>Source: LACC Operator</i>	Quarter	12.4%	18.9%	14.1%	15%
4.2 Non-TOT Funds	Quarter	\$29.5 million	\$33.1 million	\$34.7 million	\$36.3 million
4.3 Total Paid Advertising Value from multiple funding sources	Annual	\$9.6 million	\$8.1 million	\$9.6 million	\$8.0 million
4.4 Earned Media Feature Stories* as Percentage of Total Earned Media <i>*Note –Feature Story is defined as any story where at least 3/4 of the content is about L.A.</i>	Annual	--	50%	70%	70%
Objective 4 Market Data	Frequency of Reporting	FY16/17 Actual	FY17/18 Actual	FY18/19 Actual	FY19/20 Forecast
4.a Rental Income Retained from Citywides <i>Source: LACC Operator</i>	Quarter	\$1,086,817	\$1,409,891	\$859,820	\$984,998

CTD Approval:  Assistant General Manager
Signature Title

LATCB Approval:  SUP Business Affairs
Signature Title

LATCB Approval:  Chief Operating Officer
11-6-19

Date: 11-6-2019

ATTACHMENT C

**AGREEMENT TO PARTIALLY FUND ACTIVITIES
BETWEEN THE CITY OF LOS ANGELES
AND
LOS ANGELES TOURISM AND CONVENTION BOARD**

THIS AGREEMENT (“Agreement”) is made and entered into as of January 1, 2015, by and between the City of Los Angeles, a municipal corporation (“City”) and Los Angeles Tourism and Convention Board, a nonprofit California corporation (“Contractor”).

RECITALS

A. City desires to increase the competitiveness of the City of Los Angeles as a convention and tourist destination in the national and international market place so that the City can derive greater economic benefit from out-of-town visitors in the form of job creation, tax revenue and spending at local businesses.

B. City desires to have the Los Angeles Convention Center (LACC) serve as an even stronger economic engine for the City by enhancing the number and quality of citywide conventions that utilize a significant number of hotel rooms.

C. City desires to spread the economic benefits of tourism through the City by leveraging the cultural and geographic diversity of the City.

D. City desires to engage out-of-town visitors to enhance the visitor experience and encourage extended and repeat overnight stays.

E. To accomplish this purpose, it is necessary to develop and execute sales, marketing, advertising and public relations programs designed to apprise individuals, groups and organizations of the commercial, climatic, educational, recreational, and cultural advantages of Los Angeles, as well as its modern and extensive convention facilities.

F. Contractor is a California nonprofit mutual benefit corporation whose members are individuals and businesses engaged in the tourism and convention business, including hotels, restaurants, transportation providers, theme parks and museums. As a Destination Marketing Organization (DMO), contractor engages in activities to promote Los Angeles as an attractive destination for visitors and has assembled comprehensive information relating to housing, recreational, entertainment, transportation and other facilities which are of interest to visitors. Contractor also maintains extensive files and programs relating to groups, organizations and societies which regularly hold meetings and conventions.

G. Contractor is uniquely qualified by virtue of its possession of the foregoing information, its offices in other cities in the United States and around the world, and its relationships with local hotels and carriers, to undertake the promotion and advertisement of Los Angeles as a premier convention or meeting host, and as a destination for tourists and tour groups.

H. Contractor's activities can support and foster the creation and growth of additional employment in Los Angeles through the monies spent by visitors in Los Angeles. The City will also directly benefit from increased Transient Occupancy Tax ("TOT") revenues generated by visitors' stays in hotels and other accommodations in Los Angeles.

I. City has created and established within its Treasury a special trust fund, known as the "The Greater Los Angeles Convention and Visitors Bureau Trust Fund" (the "Trust Fund"). A fraction (as determined in Section 4(a), below) of all amounts of Transient Occupancy Taxes received by the City under the tax imposed by Los Angeles Municipal Code Section 21.7.3 shall be placed in the Trust Fund. Expenditures from the Trust Fund shall be made solely to finance the promotion and advertising of Los Angeles as a destination for the purpose of attracting conventions, trade shows, and tourism to Los Angeles in keeping with the terms of this Agreement.

J. Contractor's activities serve a public purpose from which the City will benefit. Accordingly, the City desires to provide financial assistance to the Contractor.

K. City desires to have the funding it provides in support of promoting the City as a convention and tourist destination spent in such a way that maximizes the return on its investment.

IN CONSIDERATION of the mutual promises, covenants, representations and agreements set forth below, the City and Contractor hereby agree as follows:

1. **Definitions**

The following terms used in this Agreement shall have the defined meanings set forth below:

Booked Room Nights - (1) Hotel room nights for attendees of a meeting and/or event held at LACC that has confirmed attendance by an executed Letter of Intent with the Contractor for a specific future event, or (2) room nights for self-contained meetings or events, in City hotels, which have been confirmed by an executed contract between the hotel and event sponsor.

Center Events - Events booked by the LATCB that do not meet the definition of a citywide convention.

City - The City of Los Angeles, a municipal corporation.

City Council - The City Council of the City of Los Angeles.

Citywide Convention - An event held at the Los Angeles Convention Center that generates at least 3,000 room nights with 1,500 room nights on peak and utilizes no fewer than 3 hotels.

Council Committee - The City Council policy committee appointed to oversee the functions of the CTD, or such other committee of the City Council as the Council may designate.

Contractor - Los Angeles Tourism and Convention Board also known as LA Tourism.

Controller - The Controller of the City of Los Angeles.

CTD - Convention and Tourism Development Department, City of Los Angeles.

CTD Board - Board of Convention and Tourism Development Commissioners.

LACC - Los Angeles Convention Center, owned by the City of Los Angeles.

LACC Operator - Private company contracted by the City to manage and operate the LACC.

Letter of Intent - Letter signed by the client confirming Los Angeles as the host city for their Citywide Convention and outlining the financial commitments of the Los Angeles Tourism & Convention Board and total room night commitments of the client.

Sales Lead - Citywide Lead also referred to as Prospect is defined as a potential future meeting/convention (event requiring sleeping rooms, meeting space, exhibit space and/or food and beverage, etc.) that could be held in Los Angeles utilizing the Los Angeles Convention Center ("LACC") and a minimum of three Los Angeles hotels and/or 3,000 total room nights.

TOT - Transient Occupancy Tax imposed by Los Angeles Municipal Code Section 21.7.3.

Trust Fund – Greater Los Angeles Visitors and Convention Bureau Trust Fund established in the Administrative Code Chapter 15 Section 5.315.

2. Term

The term of this Agreement shall be from January 1, 2015 to and including June 30, 2020.

3. Services to be Provided by Contractor and other Related Responsibilities

- a. The services and deliverables to be provided by the Contractor as well as the related goals and performance metrics under this Agreement are substantially set forth in Appendix E, "Services to be Provided by Contractor for Contract Year 2014-15". Prior to the start of each fiscal year, CTD and Contractor will establish mutually agreeable goals, objectives and deliverables for the upcoming fiscal year thereby executing a new Appendix E each year. The services and deliverables shall align with the following core objectives:
 - i. Increase the number of people visiting Los Angeles as both a convention and tourist destination in order to increase the economic benefits derived from out-of-town visitors to the City;
 - ii. Measure the economic impact from citywide conventions and the tourism and hospitality sector;
 - iii. Facilitate and track visitor engagement with those visiting Los Angeles for both conventions and leisure travel to enhance the visitor experience with the intent of encouraging repeat visitation and longer stays; and
 - iv. Effectively leverage TOT funds with other sources of funding to promote conventions and tourism to maximize the yield from the City's investment.
- b. To achieve these objectives optimally, the City recognizes and encourages LATCB to leverage these contract funds with other non-TOT funds to drive hotel stays yielding increased TOT revenues and visitor spending that benefits the City's General Fund and the Los Angeles economy. As such, Contractor shall use best efforts to develop other sources of revenue, such as memberships and sponsorships to support the promotion of tourism in Los Angeles.

- c. Contractor shall use its best efforts to promote and utilize hotels and other accommodations in the City of Los Angeles to offer and secure room blocks for conventions and/or events at the LACC.
- d. Contractor shall report to the CTD on the implementation and status of room block agreements that are operational.
- e. Contractor shall use TOT funds to promote the City for the purpose of attracting conventions, tradeshow and tourism to the City and for no other purpose.
- f. Contractor shall be responsible for a post audit of room nights consumed following convention and/or events at the LACC and report the results of such audits to the CTD quarterly. Contractor shall use best efforts to produce these audits within 120 days after the events conclude.
- g. Contractor shall report to CTD board on a monthly basis regarding progress towards meeting goals and performance metrics set forth in Appendix E and on any other topic related to the convention center industry or tourism as reasonably requested by the Board or by the CTD.
- h. Promote Los Angeles in the media. Apprise the CTD Board of major destination advertising and tourism media campaigns, funded by non-TOT funds during the early stages of creative development. Collaborate with City to ensure that media campaigns compliment City's effort to brand itself. Support the City's effort to brand itself if requested to do so. Any specific dollar amounts for such an effort will be determined during the budget process.
- i. Maintain web site and social media platforms to engage potential visitors to Los Angeles in a manner that compliments the City's efforts to brand itself. As part of this effort, Contractor shall provide web analytics to the CTD and CTD shall treat such information as proprietary.
- j. Contractor shall report to City officials on its plan to market Los Angeles to visitors.
- k. Contractor shall use best efforts to leverage the geographic and cultural diversity of the City to drive hotel stays and promote tourism with additional focus on areas of the City that may have been overlooked by traditional tourism efforts.
- l. Contractor shall provide CTD with comprehensive convention and

tourism industry data and analysis to inform the City as to the performance of tourism as a key economic driver and assist CTD with developing special reports for its stakeholders.

- m. Contractor shall meet with CTD staff and the LACC Operator on a regular basis to discuss operational, policy and business issues related to booking events at the Convention Center.
- n. Contractor shall book events into the Convention Center in accordance with the booking and discount policies in the Los Angeles Administrative Code.
- o. Contractor shall use its best efforts in booking the City's convention facilities in a manner that uses rental discounts judiciously and maximizes revenue for the LACC facility while prioritizing the booking of citywide conventions to drive hotel room nights.
- p. Contractor shall provide other mutually agreed upon services to carry out the core objectives of this Agreement as identified in Section 3 including Appendix E and elsewhere in the Agreement.

4. Payments by City

- a. City will credit to the Fund an amount equivalent to a fraction of all TOT received by the City during the term of this Agreement. Said fraction shall have as its numerator the number "1" and as its denominator the number which coincides with the current percentage of TOT imposed by the Los Angeles Municipal Code. By way of example, the current TOT is 14 percent. Therefore, City will credit to the Fund an amount equivalent to one fourteenth (1/14) of all TOT received by the City during the term of this Agreement so long as the 14 percent TOT remains in effect. Five (5) percent of the actual receipts deposited in the Fund shall be held by the City in said Fund for the purpose of offsetting any possible decline in Fund receipts. It is understood and agreed that any and all sums paid to Contractor by City will be used by Contractor only for allowable costs incurred in performing one or more of the services set forth in Section 3 of this Agreement.
- b. The City anticipates appropriating for the purposes of this Agreement, a total of 95 percent of the projected receipts of the Fund during each fiscal year during the term of this Agreement. City shall advance to Contractor on each July 1, October 1, January 1 and April 1, during the term of this Agreement 23.75% of the projected receipts of the fund for each fiscal year.
- c. Approximately thirty (30) days in advance of July 1, October 1, January

1 and April 1 (individually referred to as a “Quarterly Payment Date”), during the term of this Agreement, Contractor shall submit an advance billing (“Advance Billing”) in the manner prescribed by the City (substantially as contained in Appendix B, attached hereto), requesting payment by City of allowable costs incurred or to be incurred during the calendar quarter ending on the next Quarterly Payment Date, in an amount not to exceed one fourth (1/4) of the amount appropriated by City for purposes of this Agreement for the applicable fiscal year. After receipt and audit, to the extent deemed necessary by City, and approval of each such Advance Billing, City shall pay Contractor the amount of the Advance Billing (“Advance Billing Payment”).

- d. Prior to the payment of the April 1 Advance Billing, if the City’s projected receipts to the Fund through the end of the fiscal year will be less than originally anticipated, the amount paid to the Contractor in the April 1 Advance Billing Payment shall be adjusted so that total payments for that fiscal year shall not exceed the amount of receipts projected to be deposited into the Fund.
- e. If, at any time prior to June 30th of each year, the City projects receipts to the Fund through the end of the fiscal year will be greater than originally anticipated, due to actual collections in excess of projections or revised forecasts, the Contractor shall have the right to invoice the City for the increased amount and such excess shall be paid, prior to June 30th of such year.
- f. June of each fiscal year, the Contractor may request payment of any balance of the 5% holdback account remaining on June 30th. Payment of said funds shall be made in a lump sum to the Contractor as soon after July 1 as practicable. If Contractor fails to request payment of said funds, the remaining balance of the 5% holdback account shall be appropriated to the Contractor in accordance with Section 4(b) and paid to the Contractor as soon after July 1 as practicable.
- g. In the event that Contractor requires funds in addition to the budget amount for a legitimate promotional purpose, to perform special studies or to offset a decline in Fund Receipts and to the extent that additional monies may be available in the Fund, Contractor may request such funds from the City Council through the CTD.
- h. Within 30 days after the end of each Quarterly Payment Date, Contractor shall submit to the City Council, by providing copies to the CTD, an interim progress statement of cumulative costs incurred during the fiscal year of the Agreement to that date, prepared in a manner substantially in the form set out in Appendix C, attached hereto (“Interim Progress Statement”). City shall review or audit the Interim

Progress Statement and the supporting books and records to the extent deemed necessary by the City. A final determination of allowability shall be made only after Contractor's submission to the City of a copy of its audited financial statements and completion of the City's audit, as described below in Section 4(i). City shall also informally review Contractor's monthly financial statements, as described in Section 5(a), to ensure general compliance with the provisions of this Agreement.

- i. Contractor shall maintain records as provided in Section 5(d). Within one hundred twenty (120) days following the end of each fiscal year, after Contractor's books have been audited by a certified public accountant and such accountant's independent report has been issued, and after Contractor's books for such period have been closed, Contractor shall submit a copy of its audited financial statements to City. City shall conduct its final year-end audit and issue its final report to Contractor on allowability of costs ("Allowability Report") within 60 days after receipt of Contractor's audited financial statements. Any costs incurred by Contractor using TOT funds which are not specifically incurred for purposes of services to be provided by Contractor under Section 3 of this Agreement shall be unallowable costs for purposes of this Agreement. In the event funds paid to Contractor under Section 4 of this Agreement exceed total expenditures by Contractor for services described in Section 3 for the fiscal year in question, such amount shall be refunded by Contractor to the Fund within 30 days after Contractor's receipt of the Allowability Report. Such Fund reimbursements shall be available for future disbursement to Contractor for allowable costs. If the Contractor does not have sufficient funds to repay such amounts to the Fund, the amount owed shall be deducted from the next quarterly payment from the Fund due to Contractor.
- j. Any cost determined by the City to have been incurred by the Contractor for activities or services not authorized by this Agreement shall be deemed to be unallowable costs and shall be reimbursed by Contractor as provided in Section 4(i). Any disputes which are not resolved by negotiation between Contractor and City's designee for contract administration shall be presented by the CTD to the City Council with recommendations for action by the Council which shall finally determine the matter. Contractor shall be included in the resolution of any such disputes.
- k. All Billings and Statements shall be submitted to the CTD for review and approval. Should the CTD find that any Billings, Statements or Year-End Claims of the Contractor are not in compliance with the provisions of this Agreement, and should efforts to obtain compliance

by the Contractor prove unsuccessful, the CTD shall report thereon to the City Council with recommendations for action by the Council. Contractor shall be included in the resolution of any such disputes.

- i. Should any of the payments provided for under Section 4(c) be less than one fourth (1/4) of the amount appropriated by the City for purposes of this Contract in the applicable fiscal year, any of the subsequent invoices for that year by the Contractor may request payment of the amount for that period plus the difference between the amount paid by City on such prior invoice and one fourth (1/4) of the amount appropriated by the City for purposes of this Agreement in that fiscal year.
- m. Although the term of this Agreement is for five and one-half years funding to the Contractor in each fiscal year is conditioned upon the City Council appropriating funds to the budget for the Agreement and the availability of sufficient monies in the Fund to reimburse the City's general fund for Advance Billings of the Contractor. The failure of the City Council to appropriate funds for this Agreement shall be deemed a termination by the City subject to the provisions of Section 11.
- n. Notwithstanding anything contained in this Agreement to the contrary, the City shall not be obligated to appropriate any particular amount of monies or any monies for funding of this Contract for any fiscal year.
- o. In incurring travel and related expenses, Contractor shall, when practicable, make reasonable efforts to abide by Los Angeles Administrative Code sections 4.242.1-4.242.9 (Policy for Travel Expenses, Non-Travel Expenses and Elected Officials' Contingency Account Expenditures). Notwithstanding the foregoing, Contractor shall not use funds provided under this Agreement for tickets to sporting events or concerts, limousine service, site inspections via helicopter, welcome gifts, alcoholic beverages or memberships in dining or social clubs.
- p. The Contractor may designate monies as part of its annual funding to be used as a reserve fund ("Reserve Fund") and include such monies as part of its Advance Billings. These monies may be held by Contractor and carried over for use in subsequent fiscal years and may be used at the discretion of the Contractor for any purposes permitted under this Agreement. The maximum which may be set aside by the Contractor and held in the Reserve Fund and carried over to subsequent fiscal years may not exceed fifteen (15) percent of the annual budget appropriation for the succeeding year. Any amounts held by Contractor in the Reserve Fund exceeding fifteen (15) percent cannot be carried over by the Contractor, but must be reimbursed to the Fund.

- q. Any funds paid to Contractor under this Agreement not expended at the end of each fiscal year shall augment the Reserve Fund and be carried over for use in subsequent fiscal years in accordance with the provisions of Section 4(p).
- r. Contractor shall use its best efforts to procure goods and services from local businesses in the City of Los Angeles.

5. Financial Reporting Requirements

- a. Contractor shall submit to the CTD copies of its monthly financial statements. Said statements shall include specific information as to all sources of funds and in-kind contributions, amounts received from each such source, and the programs and services for which City and other funds have been expended. With each of its monthly financial statements, Contractor shall provide copies of its computerized check register and general ledger for the period covered by the statement. The Interim Progress Statements, referred to in Section 4(h), shall be accompanied by copies of Contractor's financial statement for the period covered.
- b. Within 120 days following the end of its fiscal year, Contractor shall provide to the CTD a copy of its audited financial statement for such fiscal year.
- c. The Advance Billings shall be prepared in a form substantially as show in Appendix B attached to this Agreement and signed by an authorized official of the Contractor. Interim Progress Statements submitted by the Contractor shall be certified by an authorized official or agent of the Contractor that the costs and expenses, incurred or to be incurred, for which payment is requested are reasonably related to Contractor's performance of services under this Agreement and are true and correct, in the form provided for in California Code of Civil Procedure Section 2015.5.
- d. Contractor shall maintain and preserve books of account and other financial records during the term of this Agreement. Said books and records shall accurately record monies received by source, date and amount; and monies expended by name of vendor, description of goods or services purchased, the nature and purpose of the expenditure and the date of purchase and the amount. The record of amounts paid to vendors shall distinctly separate City Fund expenditures from private transactions of the Contractor. Contractor shall retain such books and records for at least three years following the final payment by City hereunder for the fiscal year in question. At any time during the term of this Agreement or within three years

following the final payment under this Agreement, the City and its authorized representatives shall have the right, on reasonable notice and during regular business hours, to review, inspect and audit the Contractor's books and records. Such information shall be maintained as confidential by the City to the extent permitted under the California Government Code, section 6250 et seq. (California Public Records Act).

- e. Following the end of each fiscal year during the term of this Agreement, Contractor shall submit a report to CTD and the Council Committee describing the services provided and the accomplishments attained from Fund expenditures during such fiscal year.

6. Competitive Bidding

In the interest of economy and to assure the effective use of City funds, for all matters involving the expenditure of City funds over \$25,000, Contractor shall solicit bids by advertising or by request to three or more qualified potential providers of applicable goods or services. Contractor shall make reasonable efforts to obtain bids from at least three different qualified parties and shall select the lowest and best responsible contractor on the basis of such bids as are received; provided that Contractor may reserve the right to reject all such bids. Contractor shall document and maintain all such bids or proposals to enable the City to audit the same. Notwithstanding the foregoing, in instances where Contractor determines that it is not feasible to solicit three bids, Contractor shall, at least ten days before incurring such expense, report to the CTD the basis for said determination.

7. Budget Requirements

Contractor shall provide to the CTD, in a form prescribed by the CTD, information for use in the Mayor's annual budget submission to the City Council. This shall include the Contractor's annual proposed budget, details such as actual expenditures and revenues, estimates on source of funds, revenues, expenditures, major areas of work emphasis, and productivity goals. Contractor and CTD shall develop a schedule each year for the delivery of this information. Contractor shall notify CTD of any major changes in the portion of its budget that is funded by the CVB Trust Fund.

Budget shall include funding to cover the cost of contract administration by the City. The amount of the funding for this purpose shall be determined during the budget process and subject to the agreement of both parties.

Budget shall also include funding to be spent on initiatives specified by the CTD for purposes that are consistent with the goals and objectives of this Agreement, the specifics of which shall be determined during the budget process.

8. Compensation Payment of Sales Staff

Contractor may provide incentive compensation payments to staff in the Director and Manager positions or classifications that are directly involved in the function of selling the City of Los Angeles as a site for business meetings, conventions, trade shows, and other group activities involving the overnight stay in City of Los Angeles hotels. Procedures and criteria utilized for these incentive compensation payments must be approved by the Sales Committee of the Board of Directors of the Los Angeles Tourism and Convention Board and reviewed by the CTD. Except as provided in this paragraph, Contractor shall make no incentive compensation payments from funds provided under this Agreement to executive staff, senior management, or non-sales staff members.

9. Insurance and Indemnity

Contractor agrees to maintain the insurance coverages and limits listed on the Insurance Requirements Sheet, attached to this Agreement as Appendix 'D,' and to comply with the applicable insurance conditions set forth in Appendix A to this Agreement.

10. City Designee for Contract Administration

a. This Agreement shall be administered on behalf of the City by the CTD. The CTD shall be responsible for receiving and forwarding all Advanced Bills, statements, Year End Claims and other similar documents for approval. Upon approval for payment by the CTD, the CTD will process payments as required under this Agreement. The CTD shall be responsible for reviewing, approving and making recommendations to the City Council as necessary or appropriate as to matters such as requests for additional funds, disputes regarding Advance Billing Payment, or significant changes in the services to be provided by Contractor. The Office of Finance shall conduct the final year-end financial audit of the Contractor, as described in Section 4(i). The Contractor shall reimburse City for the salary expense, including indirect costs, of a City auditor assigned to assist the Office of Finance in administering the Agreement; provided, that in no event shall the total of such reimbursement exceed \$25,000 per year.

b. City auditor shall, for purposes of auditing any Advance Billing Payment submitted by Contractor, have access to all books and

records of the Contractors for both allowable and unallowable costs incurred under this Agreement and for all Contractor sources of revenue as provided in Section 5.

- c. The Contractor shall give notice of the time and place of meetings of its Board of Directors to the CTD. The CTD shall be entitled to attend all meetings of the Contractor's Board.

11. Termination

Notwithstanding any other provision contained in this Agreement to the contrary, City, on appropriate action by the City Council, or Contractor may terminate this Agreement upon not less than 180 days prior written notice, subject to all provisions for statements, audits, payments or refunds contained in this Agreement. In the event of early termination of this Agreement by City, Contractor shall be entitled to (a) payment under this Agreement up to and including the date of termination and (b) reimbursement for all unavoidable costs associated with such termination.

12. Notices

A notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given (1) on personal delivery, (2) 24 hours after deposit with Federal Express or a comparable express courier, addressed to a party at the address set forth below, or (3) 48 hours after deposit in the United States mail, by certified mail, postage prepaid, addressed to such party. A party may designate another address for notice purposes by giving written notice to the other in the manner provided in the Section.

If to Contractor: Los Angeles Tourism and Convention Board
333 S. Hope Street
18th Floor
Los Angeles, CA 90071

If to City: Los Angeles Department of Convention and
Tourism Development
1201 South Figueroa Street
Los Angeles, CA 90015

13. Incorporation of Standard Provisions, Precedence of Documents

- a. The Standard Provisions for City Personal Services Contracts, attached to this Agreement as Appendix "A" and the appendices referred to in subparagraph (b) below are incorporated into this Agreement.

- b. In the event of an inconsistency between any of the provisions of this Agreement and the appendices to this Agreement, the inconsistency shall be resolved by giving precedence in the following order:
 - i. Provisions of this Agreement.
 - ii. Appendix A, Standard Provisions for City Personal Services Contracts (Rev. 03/09).
 - iii. Appendix B, Advance Billing.
 - iv. Appendix C, Interim Progress Statement.
 - v. Appendix D, Insurance Requirements.
 - vi. Appendix E, Services to be Provided by Contractor, and subsequent annual reports under Appendix E.

14. Miscellaneous Provisions

- a. The subject headings of the paragraphs and subparagraphs of this Agreement are included for convenience only and will not affect the construction or interpretation of any of its provisions.
- b. Unless the context clearly requires otherwise:
 - i. Plural and singular numbers will each be considered to include the other;
 - ii. The masculine, feminine, and neuter genders will each be considered to include the others;
 - iii. "Shall," "will," "must," "agree," and "covenants" are each mandatory;
 - iv. "May" is permissive;
 - v. "Or" is not exclusive; and
 - vi. "Includes" and "including" are not limiting.
- c. All references to sections, paragraphs and subparagraphs are to those in this Agreement, unless the context otherwise requires. Documents attached to this Agreement as exhibits or appendices are incorporated in this Agreement as though set forth in full.

15. Processing of License and Discount Requests

The Contractor is required to submit the license request packets to the LACC Operator within two weeks of executing a Letter of Intent with sales leads for such conventions, meetings and trade shows to be held in the

City of Los Angeles. The license request packet shall include a cover memorandum from the Contractor, a request form for a LACC License with three years of history, a cost analysis form, a pricing discount approval form, the transmittal Convention Center Reservation Form and the signed Letter of Intent.

Contractor shall cooperate with requests by the LACC Operator to expedite the submittal of such license packets if circumstances warrant the submittal within less than the two week time frame referenced above, i.e. competition with another convention center for the business.

Contractor shall submit to the CTD through the LACC operator for prior review and approval all rental discounts to be offered to LACC licensees. Rental discount request requiring CTD Board approval should be submitted at least two weeks prior to the Board meeting date.

16. Personnel

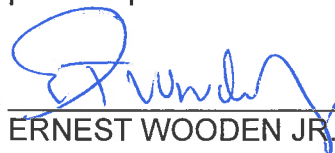
At the written request of the Executive Director of the Convention and Tourism Development Department, delivered by messenger, Contractor shall change or remove Contractor's personnel assigned to perform services on the City's account relating to the Convention Center. Contractor shall take the requested action in the time indicated by the Executive Director, which shall not be less than one business day after delivery of written notice. Contractor's President and Chief Executive Officer ("CEO") shall have the right to meet at a mutually acceptable time to discuss the basis for the requested change or removal and any alternative course of action. If the meeting between the Executive Director and the Contractor's CEO does not resolve the matter, the Contractor's CEO may request a meeting with the Mayor or his representative to discuss the action and any possible alternative course of action. After such a meeting, the decision of the General Manager, after consultation with the Mayor, shall be final.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

THE CITY OF LOS ANGELES
a municipal corporation

LOS ANGELES TOURISM AND
CONVENTION BOARD a California
nonprofit corporation

By: 
ROBERT "BUD" OVRROM
Executive Director

By: 
ERNEST WOODEN JR.,
President


Dated: 12-11-14



Dated: 12/11/14

APPROVED AS TO FORM AND
LEGALITY

ATTEST: HOLLY WOLCOTT City
Clerk

MICHAEL N. FEUER
City Attorney

By: 
TERRY MARTIN-BROWN
Assistant City Attorney

By: 


Dated: 12/11/14

Dated: 12/15/14
C-1249986