

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

Regular Meeting Minutes
May 6, 2020

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a regular meeting on Wednesday, May 6 2020 at 9:00 a.m. via Zoom.

PRESENT:

President Jon F. Vein
Commissioner Bricia Lopez
Commissioner Noel Hyun Minor
Commissioner David Stone

ABSENT:

Vice President Otto Padron

PRESENTERS:

Ellen Schwartz, ASM
Ben Zarhoud, ASM
Doane Liu, CTD
Diana Mangioglu, CTD
Ernie Wooden, LATCB
Darren Green, LATCB
Don Skeoch, LATCB

Item 1. Call to Order / Roll Call

President Vein called the meeting to order at 9:03 a.m.

Item 2a. Public Comment

None

Item 2b. Neighborhood Council

None

Item 3a. Approval of the regular meeting minutes from February 5, 2020

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

Item 4a. Executive Director Report

Mr. Doane Liu provided an overview of his activities since the last Board meeting, which included: Tourism Master Plan briefings for Council and City Department; and discussions with MLB regarding activities related to the All-Star Game. Mr. Liu also reported on recent CTD and LACC activity: CTD began telecommuting, returning to the office as necessary; LACC was turned into a Medical Relief Center and leased space to Enterprise Rent-A-Car; announced Ernie Wooden's retirement from LACTB; and LACC event cancellations.

President Vien asked for and Mr. Liu provided an update on the expansion noting that because of COVID-19 benefit of the time saving work of the design phase has been lost but discussions continue and the project is on track with long term agreements.

Item 4b. ASM Monthly Update

Ms. Ellen Schwartz reported that in February LACC had hosted 14 events, one of which was a citywide event, resulting in 118,000 attendees. In addition, LACC hosted three filmings. Mr. Ben Zarhoud presented the financial data for February, reporting an operating surplus of \$0.43M for the month, \$4.2M in gross revenue, and \$2.4M in net revenue. Mr. Zarhoud reported \$1.96M in operating expenses. Mr. Zarhoud reported a 64% occupancy rate for February and a 57% occupancy year-to-date. Mr. Zarhoud also reported \$23.8M in economic impact, \$12.4M of which was generated citywide events. Ms. Schwartz then reported that in March LACC had hosted 5 events, one of which was a citywide event, resulting in 51,311 attendees. In addition, LACC hosted two filmings. Ms. Schwartz noted that while March started strong, due to the Stay at Home Order, events at LACC concluded mid-March, with the reduction in events on May 2, ASM laid off 90 part time employees, furloughed 15 full time employees and the remaining staff incurred a 20% pay reduction. Ms. Schwartz did state that that alternative revenue sources were being considered and Enterprise licensed Venice and South garages from March 17 through June 15, 2020 to house 3,000 cars and Levy was participating in the Mayor's senior program to prepare 4,000 meals for pick up twice a week by taxi cabs. Mr. Ben Zarhoud presented the financial data for March, the start of the COVID-19 impact, reporting an operating loss of \$0.5M for the month, \$2.32M surplus in gross revenue of which 43% was generated by parking, and \$1.30M in net revenue all of which were below budget. Mr. Zarhoud reported \$1.82M in operating expenses. Mr. Zarhoud reported a 16% occupancy rate for March and a 52% occupancy year-to-date. Mr. Zarhoud also reported \$8.8M in economic impact, \$5.7M of which was generated citywide events. Ms. Schwartz reported that staff have been creating social distance capacity data and floor plan options based on CDC guidelines and that by June 15 LACC will submit to County officials plans to move forward including cleaning plans.

Item 4c. LATCB Monthly Update

Mr. Ernie Wooden announced his retirement and replacement, Mr. Adam Burke. Mr. Wooden reported on the state of LATCB noting that due to COVID-19, 70% of staff has been let go while remaining staff has had a 10%-70% reduction in pay and funding needed to support LATCB. Mr. Darren Green gave an overview of the current sales strategies, noting that virtual site inspections and presentations are being utilized to secure future business. Mr. Green updated the Board on the changes to the Citywide Sales team and reported that LATCB processed 147 leads YTD and have booked 305,554 room nights, with year-end goals of 220 leads and projected 390,000 room nights, noting that while leads are behind last year the room nights are still ahead of last year. Mr. Green reported on the March-August 2020 conventions that have been

postponed or have cancelled noting a \$331M loss in economic impact and a \$8M loss in TOT revenue as a result of the cancellations. Mr. Don Skeoch presented the LATCB Marketing Recovery Plan which includes a “Magic Hour” campaign designed to engage clients, media, journalists and maintain relationships with social media followers. Mr. Skeoch provided an overview of the recovery factors which are based on public policy, personal wealth, and consumer confidence and include focused market sector messages for five waves of recovery.

Item 5. Discussion

None

Item 6a. LATCB Contract Extension – Board Report Number 20-001

Ms. Diana Mangioglu provided the Board background on LATCB, the services provided, the constituents served, the impacts of COVID-19 and recovery. Ms. Mangioglu presented the economic benefits of the contract with LATCB, including statistics on visitation, employment, hotel occupancy, General Fund TOT receipts, future bookings, and the importance of continuity in the long-term plan for the 2028 Olympics. Ms. Mangioglu presented staff recommendation that the Board approve a contract with the LATCB for services related to promoting the City of Los Angeles as a convention and tourist destination through June 30, 2020, subject to the approval of the City Attorney as to form and legality.

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

ADJOURNMENT

The meeting was adjourned at 10:51 a.m.