

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

Special Meeting Minutes
August 22, 2018

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a special meeting on Wednesday, August 22, 2018 at 9:00 a.m. at the Los Angeles Convention Center (LACC), located at 1201 S. Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room.

PRESENT:

Vice President, Otto Padron - Presiding
Commissioner Stella T. Maloyan
Commissioner David Stone

ABSENT:

President, Jon F. Vein
Commissioner Ana Cubas

PRESENTERS:

Brad Gessner, AEG
Ellen Schwartz, AEG
Doane Liu, CTD
Diana Mangioglu, CTD
Bruce McGregor, LATCB

Item 1. Call to Order / Roll Call

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

Item 2. Public Comment

None

Item 2b. Neighborhood Council

None

Item 3a. Approval of the regular meeting minutes from July 18, 2018

Vice-President Padron corrected the agenda title of Item 3a from "Special" meeting minutes to "Regular" meeting minutes.

UNANIMOUSLY APPROVED.

Item 4a. Executive Director Report

Mr. Doane Liu provided an overview of his activities since the last Board meeting which included: several meetings with stakeholders in the expansion and modernization of the Los Angeles Convention Center e.g. the offices of the CLA, CAO, and Building and Safety; hosting a site tour with Portraits of Hope project staff to discuss large scale, temporary art installations on the roof of West Hall and the curve of South Hall; meeting with LATCB on tourism; and participated as a panelist at BisNow – Hot Markets. Mr. Liu noted that he participated in the Mayor's Trade Mission to Asia, joining CTD Commission President,

LATCB, and others in promoting the City of Los Angeles and attended meetings in support of direct flights to LAX and other tourism initiatives as well as signing a MOU with the City of Seoul. Mr. Liu also reported that CTD has completed the interview process for a FUSE Fellow and the selected candidate will begin a one year internship on October 1, 2018, focusing on the CTD long term strategic plan process.

Item 4b. AEG Monthly Update – June

Mr. Brad Gessner recognized the employee of the month, Juan Lopez. Mr. Gessner reported that LACC had hosted 6 events that included 3 citywide and over 108 thousand attendees and an additional 2 filmings in the month of June. Mr. Gessner presented the financial data for fiscal year-end 2017-2018, reporting \$34M gross revenue, which included \$13M from citywide events and an impressive \$11M from consumer events; while year-end expenses were \$24M which included \$11M in salaries and benefits, \$7M in maintenance and upgrades, and \$5M in utilities, creating a \$10M operating surplus. Mr. Gessner reported that the surplus allocation since private management was \$15M for CIP and A&I projects, \$13M in City reimbursements, and \$8M in reserve contribution. Mr. Gessner also reported that the fiscal year-end occupancy was 72%, which by industry standards is fully occupied and the economic impact for the year was over \$733M, \$602M from citywide events.

Item 4c. LATCB Monthly Update – June

Mr. Bruce McGregor reported that year to date LATCB processed 20 leads, resulting in 40,261 room nights with a year-end goal of 220 leads and projected 390,000 room nights. Mr. McGregor noted that 2019 conventions and room nights were off pace due to the anticipated construction. Mr. McGregor provided an overview of the LATCB Sales Operations, highlighting the Simpleview CRM system, hotel scoreboard, prospecting tools, sales approach, and the market plan which includes a risk assessment of cancellations during the construction period. Mr. McGregor noted LATCB is data centric as an organization and committed to supporting CTD and clients especially during the expansion.

Item 6a. Pricing Report – Board Report #18-002

Ms. Diana Mangioglu provided a summary of the Report recommendations which included: increasing meeting room rates; implementing flexible pricing for non-citywide events limited to an amount up to 35%; and updating the Administrative Code to correct inconsistencies regarding the building. Ms. Mangioglu noted that there is no recommendation to increase exhibit hall rental rates at this time but the topic will be revisited after construction. Ms. Mangioglu noted the next steps, if approved by the Board, would be consideration by the Economic Development Committee and then to full Council. The target effective date is January 2019.

The report recommendations, 1 through 10, were unanimously approved.

ADJOURNMENT

The meeting was adjourned at 10:29 a.m.