

WELCOME TO THE CTD COMMISSION MEETING

OCTOBER 20, 2021





CITY TOURISM COMMISSION

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



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 three minutes per speaker.

Regular Meeting
Wednesday, October 20, 2021
9:00 a.m.

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

1. CALL TO ORDER / ROLL CALL

2. COMMENTS FROM THE PUBLIC

a. General and Agenda Item Public Comments

To make a public comment, dial the number again, enter the meeting ID#, then press *9. Limit is one minute per speaker, per item.

b. Neighborhood Council representatives on any Neighborhood Council Resolution or Community Impact Statement filed with the City Clerk which relate to any agenda item listed or being considered on this agenda for the City Tourism Commission.

3. APPROVE MINUTES

a. Receive and file regular meeting minutes from August 18, 2021

b. Approval of the regular meeting minutes from September 15, 2021

4. REPORTS

a. Executive Director Report

b. ASM Update

c. LATCB Update

5. ACTION ITEMS

a. Findings to Continue Teleconference Meetings Pursuant to AB 361

Determination in accordance with AB 361 Section 3(e)(3) that, while the state of emergency due to the Covid-19 pandemic, as originally proclaimed by the Governor on March 4, 2020, remains active and/or state or local officials have imposed or recommended measures to promote social distancing, this legislative body has reconsidered the circumstances of the state of emergency and that the state of emergency continues to directly impact the ability of the members to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing.

Materials related to an item on this agenda submitted to the City Tourism Commission 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.



CITY TOURISM COMMISSION

Commissioners: Jon F. Vein, President; Otto Padron, Vice President;
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- b. FY 2020-21 Discretionary Incentive Fee and Earned Incentive Fee Payments - Board Report #21-004
- c. FY 2021-22 Incentive Fee Goals - Board Report #21-005
- d. FY 2022-23 Proposed CTD Budget - Board Report # 21-007
- e. FY 2021-22 LATCB Appendix E - Board Report #21-006

6. ADJOURNMENT

NOTICE TO PAID REPRESENTATIVES

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code 48.01 et seq. More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 987-1960 or ethics.commission@lacity.org.

Materials related to an item on this agenda submitted to the City Tourism Commission 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.

Item 3a

Receive and File the
August 18, 2021 Minutes



CITY TOURISM COMMISSION

Regular Meeting Minutes
August 18, 2021

The Board of City Tourism Commissioners (Board) convened a regular meeting on Wednesday, August 18, 2021 at 9:00 a.m. via Zoom.

PRESENT:

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

ABSENT:

Vice President Otto Padron
Commissioner Bricia Lopez

PRESENTERS:

Ellen Schwartz, ASM
Ben Zarhoud, ASM
Doane Liu, CTD
Paige Cram Fakharie, LATCB
Kathy McAdams, LATCB

Item 1. Call to Order / Roll Call

President Jon Vein called the meeting to order at 9:02 a.m.

Item 2a. Public Comment

None

Item 2b. Neighborhood Council

None

Item 3a. Approval of the regular meeting minutes from July 21, 2021

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

Item 4a. Executive Director Report

Mr. Doane Liu provided an overview of his activities since the last Board meeting, which included: meetings with Huddle Up group, LAWA regarding AAAE 2025, LATCB and LA Aerial Rapid Transit, Penske Media Group regarding LA3C Festival, Eric Rosen and VivaLA, IKE regarding tourism kiosks, and the Mayor's office and LA3C; attending South Park BID regarding the Pico Station update; presenting the LACC expansion and modernization plan to the DLANC; and noted that the department name change was

approved by T3, and that the vaccination report from Personnel noted that all CTD staff members are full vaccinated. Mr. Liu gave the Board a recap of the 50th Anniversary celebration with the Mayor who attended a LA Art Show pre-opening tour, noting the inaugural LACC Hall of Fame inductees.

Item 4b. ASM Monthly Update

Ms. Ellen Schwartz reported four filmings for the month of June resulting in over \$359,000 in revenue, noting that LACC has experienced over 16 months of non-traditional events. Ms. Schwartz recognized the leaders and employees of the quarter for the last four quarters. Mr. Ben Zarhoud presented the financial data for June, reporting an operating loss of \$1.7M, which is \$0.7M above the revised budget projection and \$0.5M above prior year, and \$1.3M in gross revenue, 27% from rental, 25% from F&B, and 23% from parking. Mr. Zarhoud reported \$1.7M in operating expenses, \$0.3M above revised budget noting that while managing labor forces, benefits of the solar project and vacancies provided savings, deferred maintenance projects and purchases have begun resulting in increasing expenses. Mr. Zarhoud reported the June Exhibit Hall occupancy was 11% and the YTD Exhibit Hall occupancy was 16%, driven by the Sparks event.

Item 4c. LATCB Monthly Update

Ms. Kathy McAdams reported that LATCB has processed 87 leads YTD and booked 313,571 room nights, with year-end goals of 176 leads and 362,725 projected room nights, noting that while 2021 bookings are holding, clients are expecting a reduction in attendees. Ms. McAdams provided an overview of citywide areas of focus and four sales strategies including; key metrics, deployment, convention center expansion, and city wide experience. Ms. McAdams recapped the industry trade shows and conferences LATCB attended over the last four months and provided a sales director region update. Ms. Paige Cram Fakharié provided an overview of meeting marketing areas of focus including; citywide events, regional drive market, diversity & inclusion, and tec & medical focused, noting that the marketing campaigns are estimated to deliver over 10.6 Million impressions with the focus on digital marketing. Ms. Fakharié played a comeback campaign video.

Item 5: Action Items

None

ADJOURNMENT

The meeting was adjourned at 9:45 a.m. without objection.

Item 3b

Approval of the

September 15, 2021 Minutes



CITY TOURISM COMMISSION

Regular Meeting Minutes
September 15, 2021

The Board of City Tourism Commissioners (Board) convened a regular meeting on Wednesday, September 15, 2021 at 9:00 a.m. via Zoom.

PRESENT:

President Jon F. Vein
Vice President Otto Padron
Commissioner David Stone

ABSENT:

Commissioner Bricia Lopez
Vacant

PRESENTERS:

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

Item 1. Call to Order / Roll Call

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

Item 2a. Public Comment

Jon Coley, Business Representative for Local Union 831 made a statement on the capabilities of the labor force which has not suffered many departures, there have been 180 retirements, however retirees are permitted to work 40 hours per week. They are ready to handle the current load and the events in the pipeline.

Item 2b. Neighborhood Council

None

Item 3a. Approval of the regular meeting minutes from August 18, 2021

Postponed until next regular meeting.

Item 4a. Executive Director Report

Mr. Doane Liu provided an overview of his activities since the last Board meeting, which included: meetings with LADWP to discuss a hospitality workshop, several client meetings including Penske Media on LA3C, USGA on US Open 2023, John Harper on LA28, and several Super Bowl planning meeting, also met with LMU Center regarding a annual LA survey, and provided a TMP update to the City Chief Sustainability Officer as

well as VICA; and met with the Mayor Garcetti on the annual review; attending the LATCB industry update, and the LATCB Board meeting, Cal Travel Summit; and noted that the department name change was approved by Council. Mr. Liu reported that he also welcomed the Mayor to LACC for LA Works 9/11 volunteer day.

Item 4b. ASM Monthly Update

Ms. Ellen Schwartz reported four filmings for the month of July resulting in over \$523,000 in revenue. Ms. Schwartz that the Art Show was a successful event although not as large as years past. Mr. Ben Zarhoud presented the financial data for July, reporting an operating loss of 0.2M, which is \$0.9M above the revised budget projection, due to filming and the food program, and \$1.4M in gross revenue, 24% from rental, 30% from F&B, and 20% from parking, which was increased due to campus activity, mainly Staples event parking. Mr. Zarhoud noted that last year's revenue was driven by the FMS. Mr. Zarhoud reported \$1.1M in operating expenses, \$0.1M below revised budget, noting that overall expenses are 50% of pre-COVID expenses. Mr. Zarhoud reported the July Exhibit Hall occupancy was 16%.

Item 4c. LATCB Monthly Update

Mr. Darren Green reported that LATCB has processed 21 leads YTD and booked 8,599 room nights, with year-end goals of 176 leads and 225,000 projected room nights, noting that while bookings are behind pace, they are expected to rise and that there are strong number for future years in the pipeline and that although there was a pause due to COVID numbers are starting to pick up. Mr. Green provided an overview of the objectives and key points for professional meeting and events groups, noting that LATCB is collaborating with the California Visitors Bureau on a strategic campaign targeting meeting and event professionals with a message that California is open for business. Mr. Adam Burke provided a strategic overview, noting that event planners look to Los Angeles as a better place to host meetings due to the health and safety programs in place. Mr. Burke presented the current state of LATCB including the financial health, messaging, destination evolution, and pace of recovery as well as an annual business review. Mr. Burke noted that the #everyoneiswelcome campaign is well in place as inclusion is becoming part of destination decisions. Mr. Burke reviewed 10 DEI Commitments supporting tourism. Mr. Green presented the FY 21-22 Business Plan Highlights topics including; marketing, sales and services, member programs, external affairs, and business operations.

Item 5: Action Items

None

ADJOURNMENT

The meeting was adjourned at 10:15 a.m. without objection.

Item 4a

Executive Director's Report



Item 4b

ASM Update



LOS ANGELES CONVENTION CENTER MONTHLY UPDATE FOR

AUGUST 2021

ELLEN SCHWARTZ



LEADER AND EMPLOYEE OF THE QUARTER

CONGRATULATIONS!

LEADER OF THE QUARTER

OTHA JOHNSON

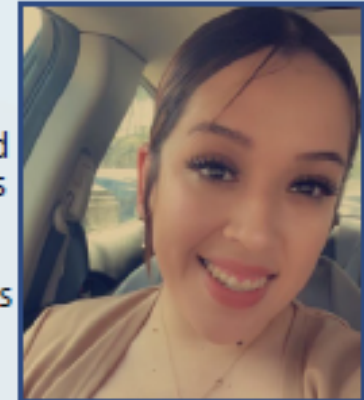


"In a year which caused many to be reactive, Otha proactively lead the team and rose to the challenges in our building and industry with integrity, honesty, humility, and clear focus."

– Estella Flores, VP of Operations

EMPLOYEE OF THE QUARTER

CYNTHIA ROMERO



"Cynthia joined our team in 2014 and has worked hard to be promoted within her time at the LACC. She has proven herself to be an invaluable member of our team and strives to continuously enhance the operations of the department."

– Scott Banks, VP of Security

LACC AUGUST 2021 EVENTS



Tattoo & Body Art Expo
August 20 – 22
Attendees: 2,000

LACC AUGUST 2021 FILMING

DATES	NAME	LOCATION	AMOUNT
August 11 - 18	Hunters	Bond Lot, Bond Street, South Garage	\$31,000
August 18 - 19	GMC Commercial	Kentia Hall and Dock	\$19,380
August 19 - 20	Untitled Lakers Project	Venice Garage	\$10,800
August 22 - 27	Modern Love	South Lobby, Figueroa Dr., Pico Dr., Bond Lot	\$49,060
August 31	NBA 75	Bond Lot	\$3,500
		TOTAL:	\$113,740

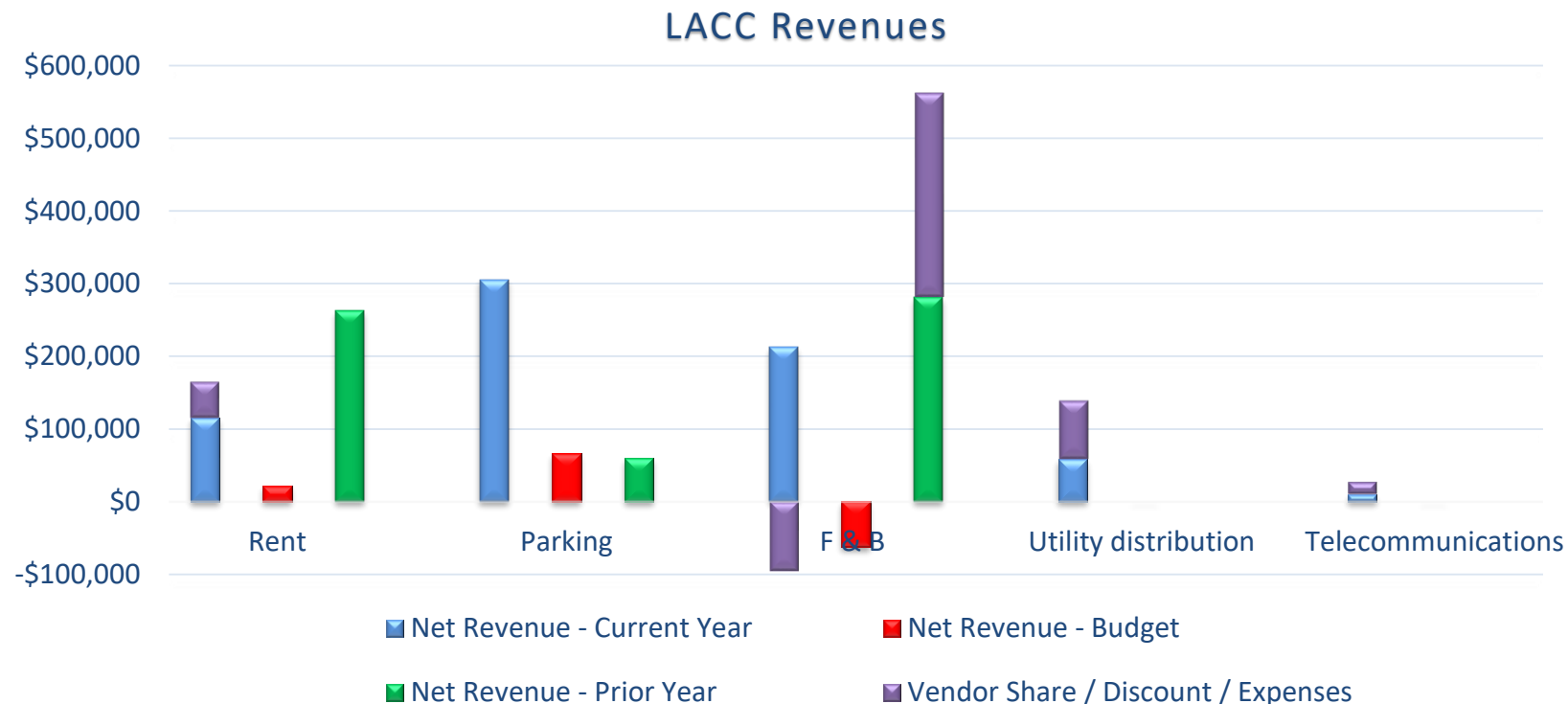
LACC August 2021 FINANCIALS

OPERATING SURPLUS (LOSS):

- (\$0.7) million (before approved City Reimbursements, A & I and Capital Projects)
- \$0.3 million below budget
- \$0.5 million above prior year

REVENUES:

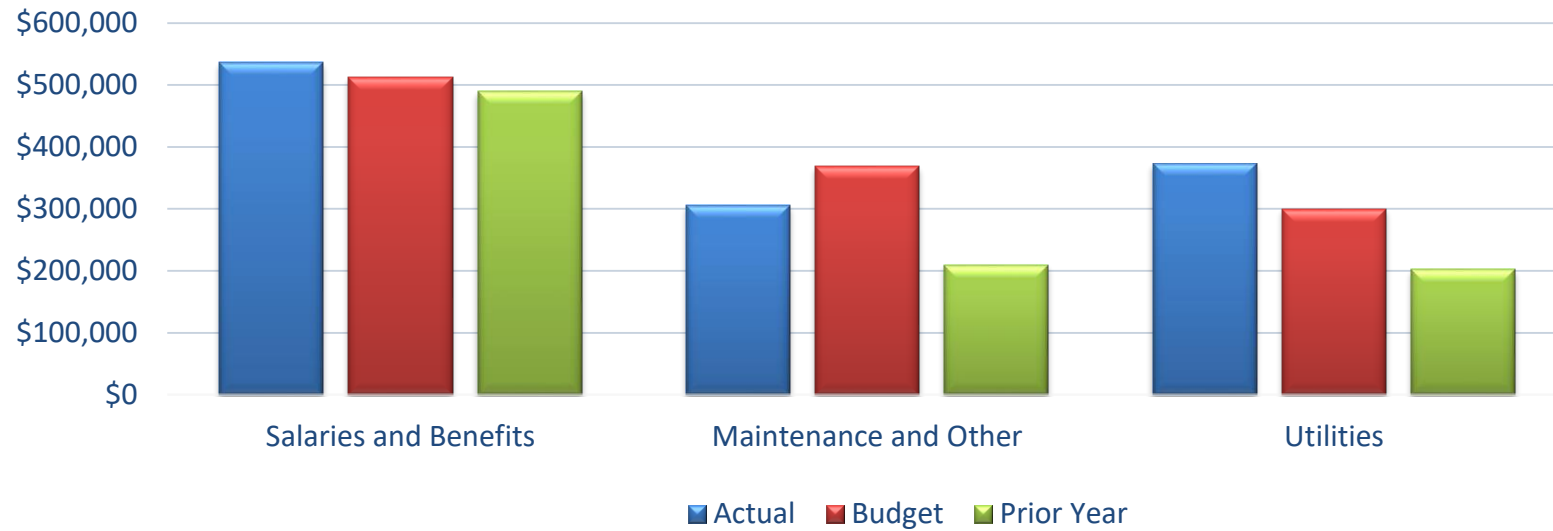
- \$1.0 million gross revenue (before discounts and service provider share)
- \$0.5 million net revenue
- \$0.4 million above budget and \$0.2 million below prior year



LACC August 2021 FINANCIALS

OPERATING EXPENSES:

- \$1.2 million (before approved A & I, Capital Projects, and City reimbursement)
- Consistent with budget and \$0.3 million above prior year



CITY REIMBURSEMENT - \$0.1 million

Capital and Alterations & Improvements

LACC August 2021 OCCUPANCY

Exhibit Hall Occupancy

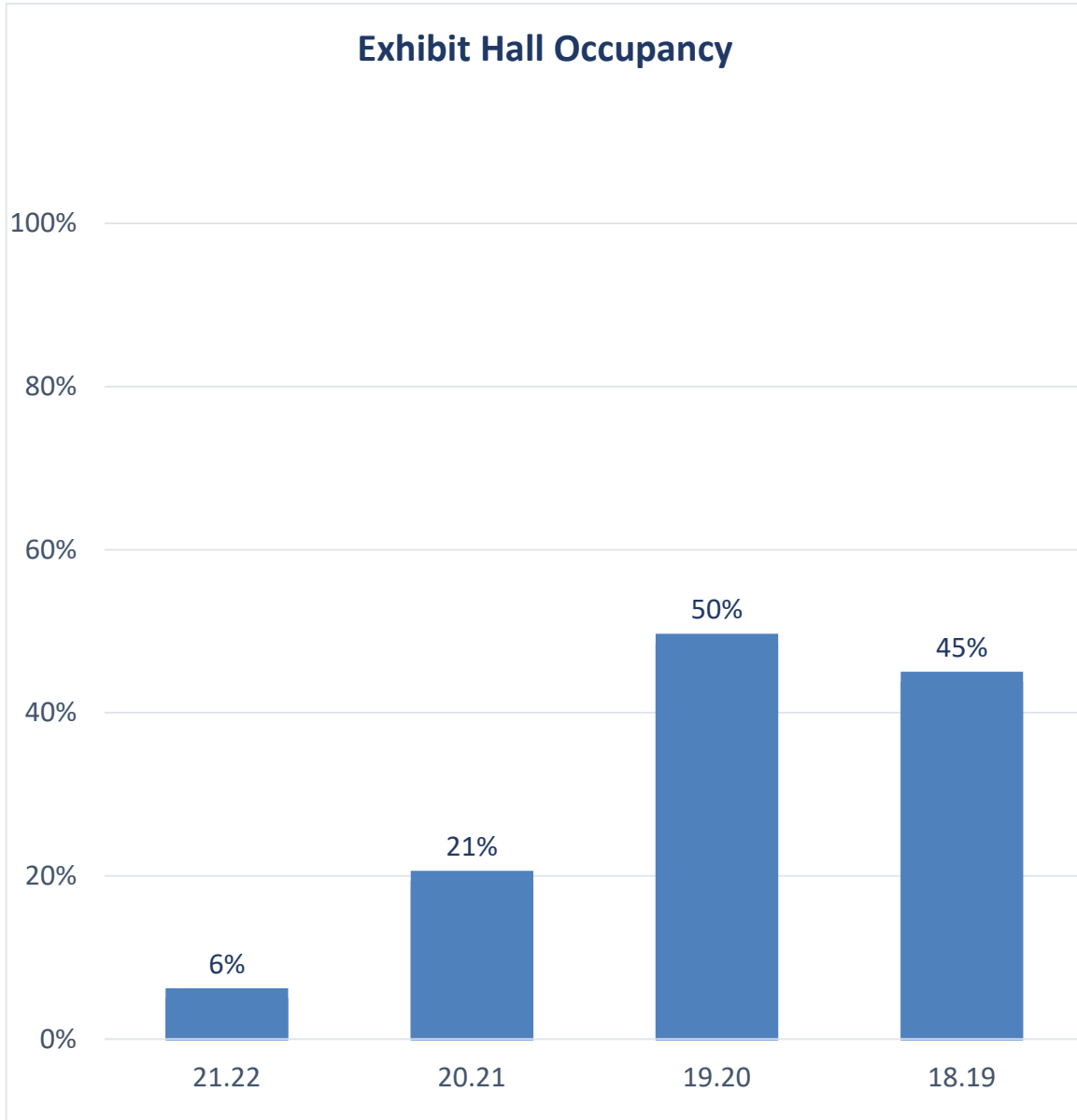
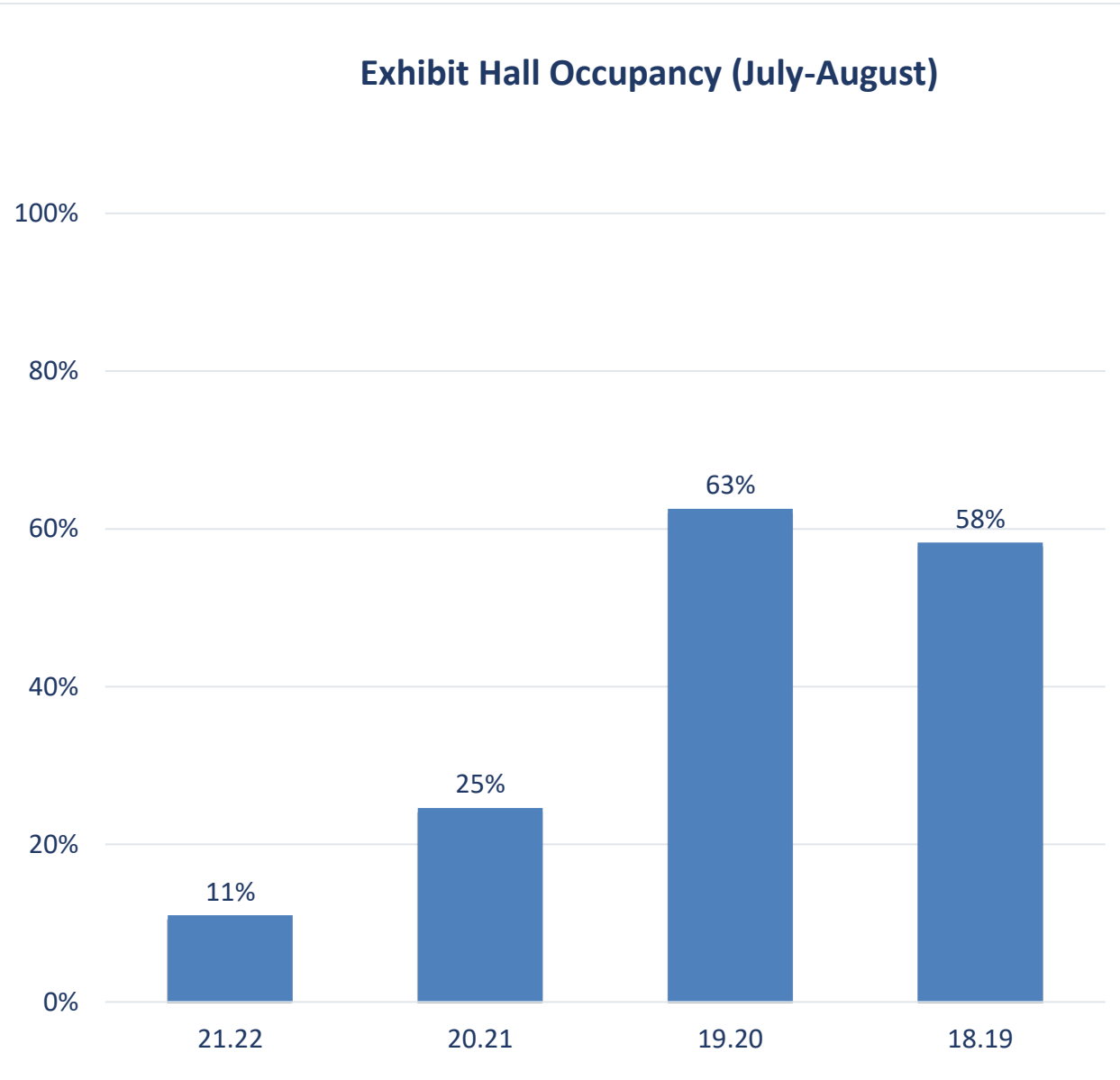
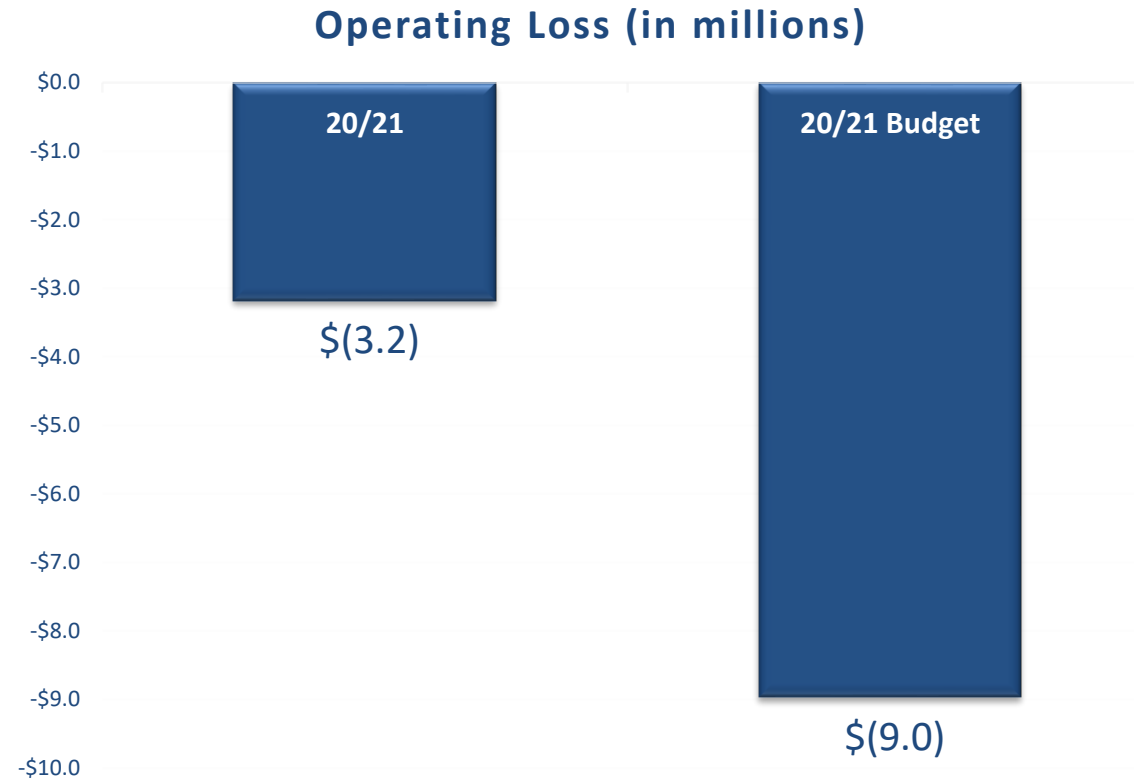


Exhibit Hall Occupancy (July-August)



LACC 2020/2021 FISCAL YEAR-END FINANCIALS

LACC Operating Loss \$3.2 million
(before city reimbursements, and Alterations and Improvements)

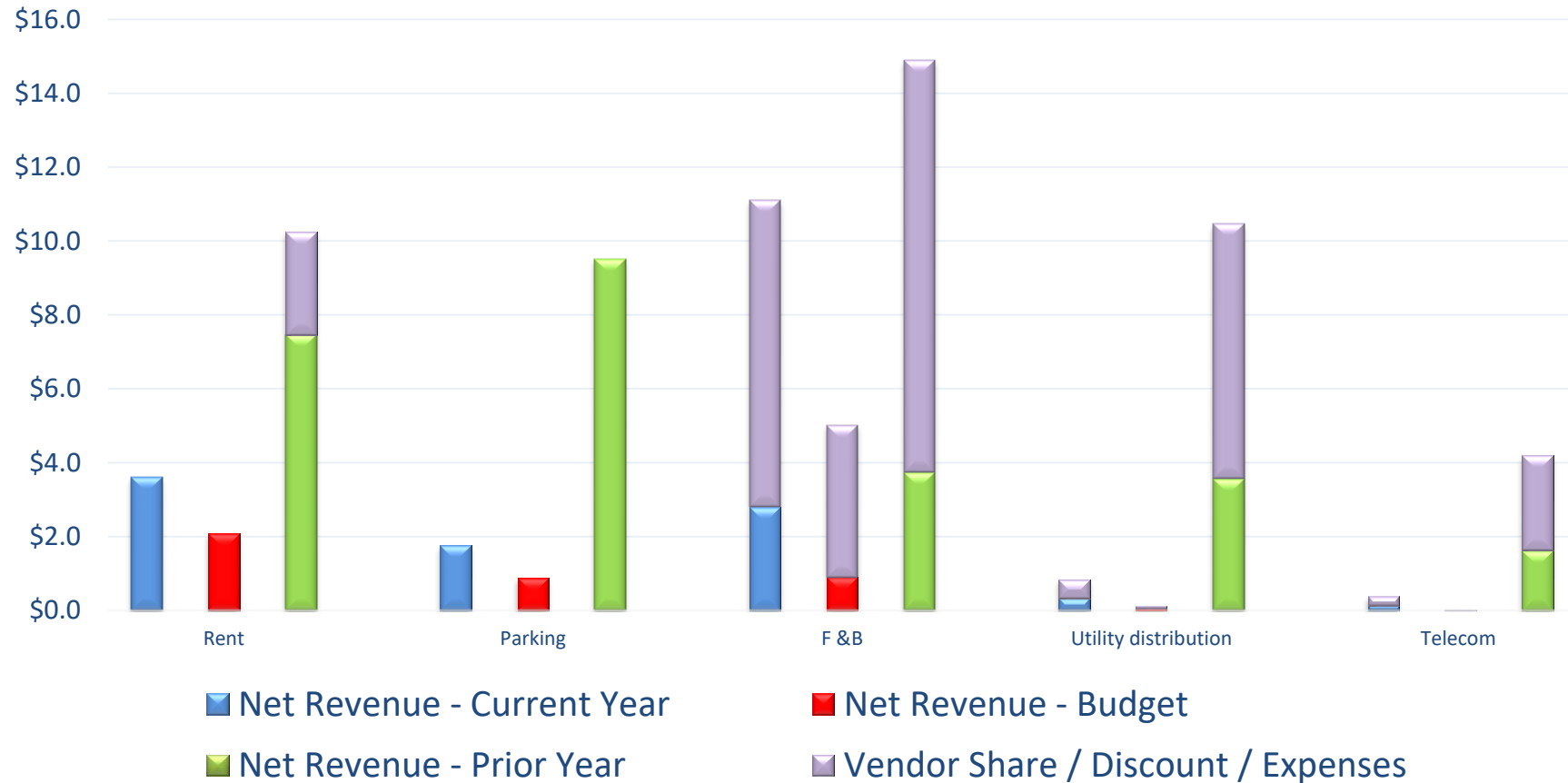


LACC 2020/2021 FISCAL YEAR-END FINANCIALS

Revenues:

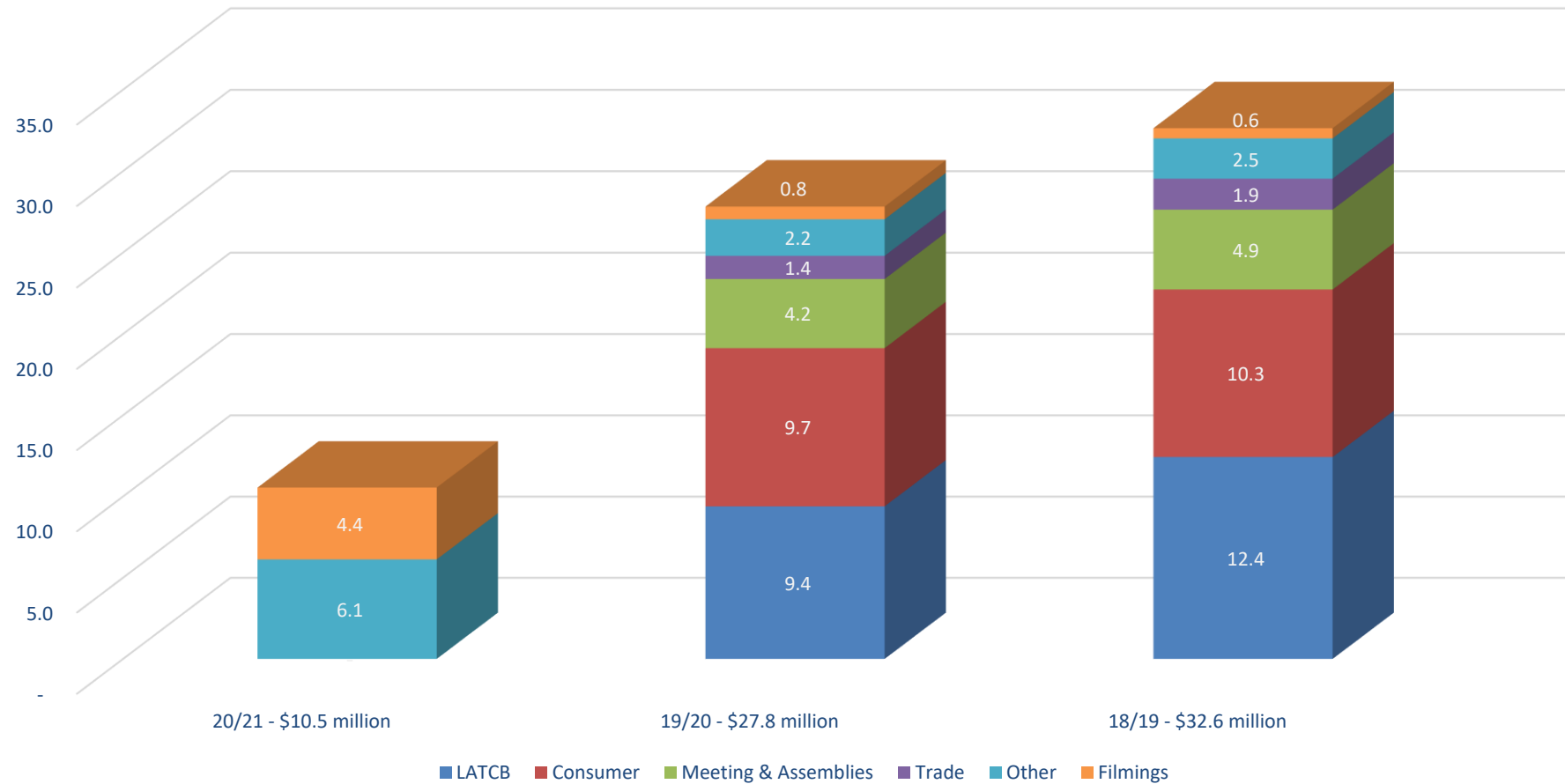
- \$10.5 million vs budget \$5.4 million
- \$5.1 million above budget
- \$17.3 million below prior year

LACC Revenues (in millions)



LACC 2020/2021 FISCAL YEAR-END FINANCIALS

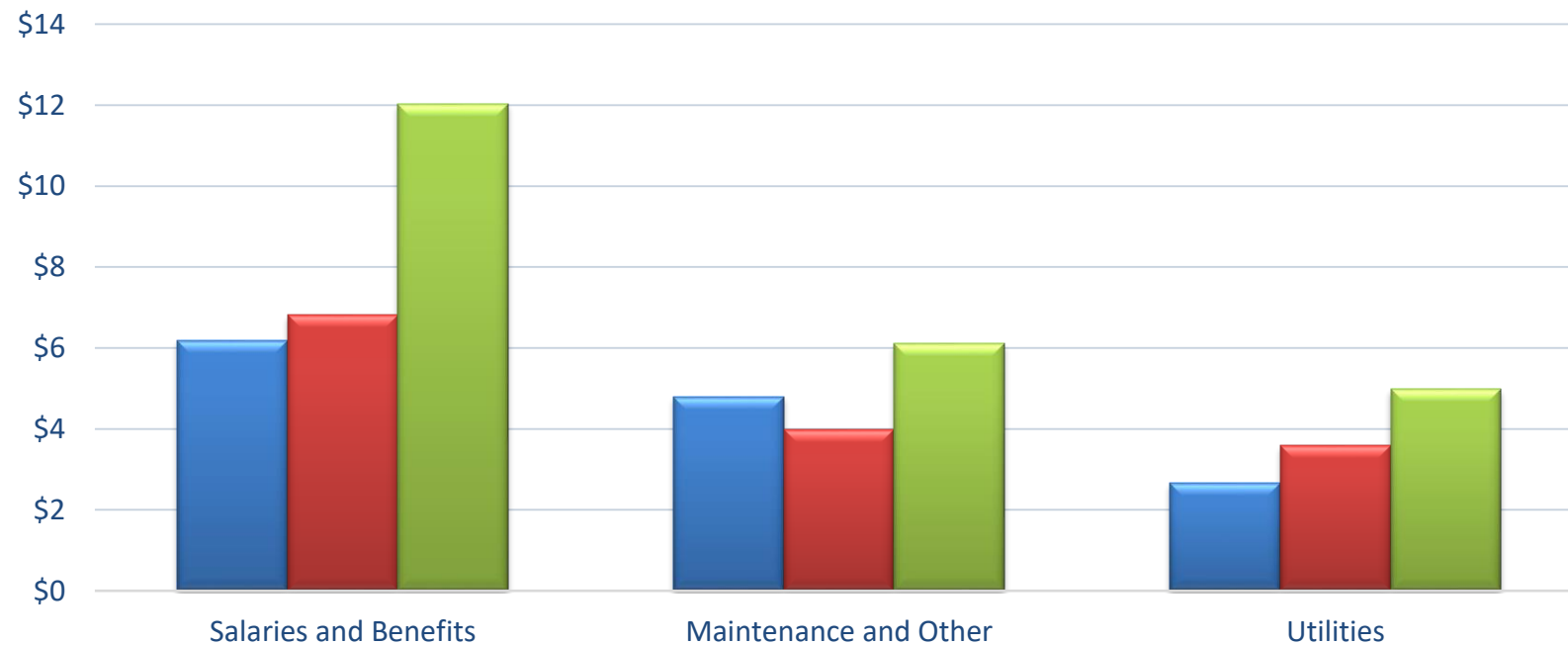
Revenue by Event Type (in millions)



LACC 2020/2021 FISCAL YEAR-END FINANCIALS

OPERATING EXPENSES:

- \$13.6 million (before approved A & I, Capital Projects, and City reimbursement)
- \$0.8 million below budget
- \$9.5 million below prior year

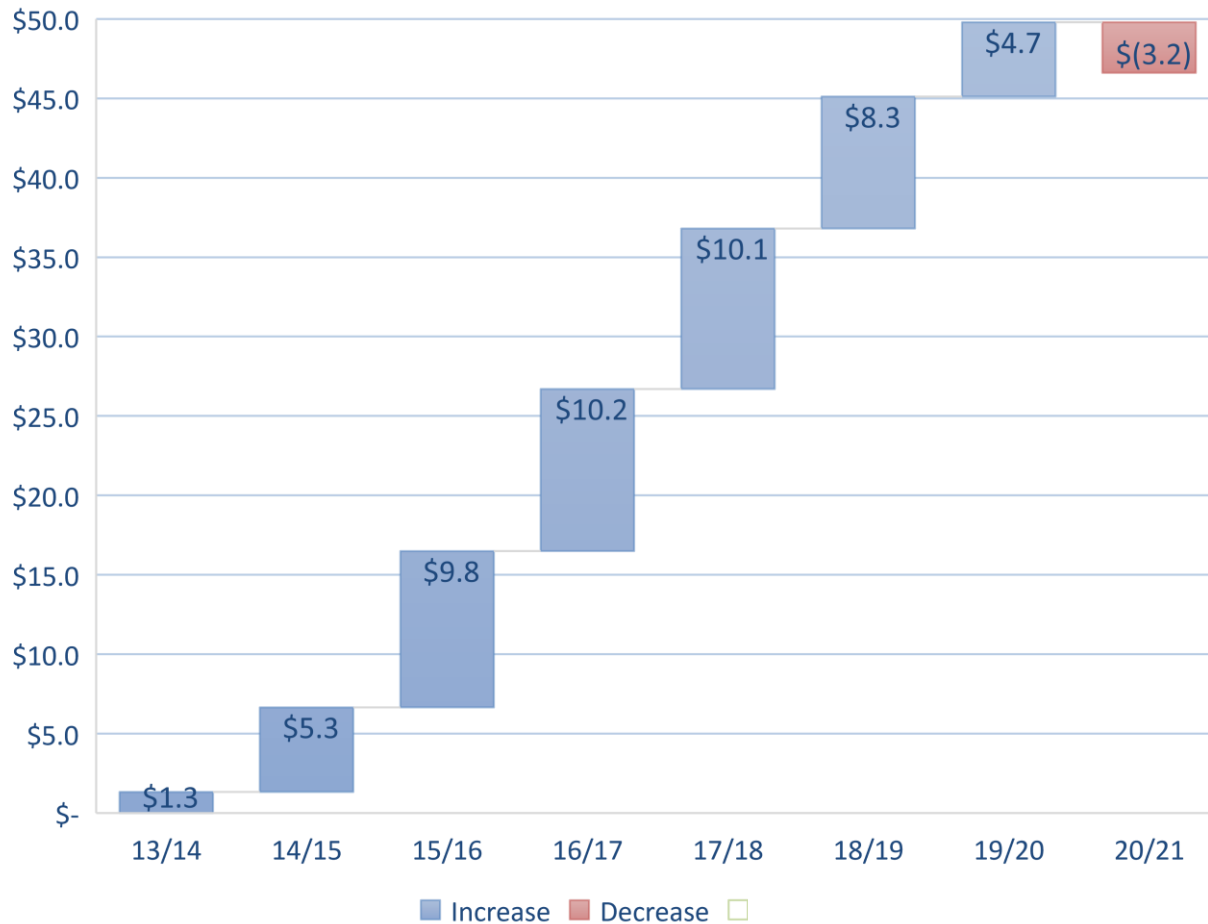


■ Actual ■ Budget ■ Prior Year

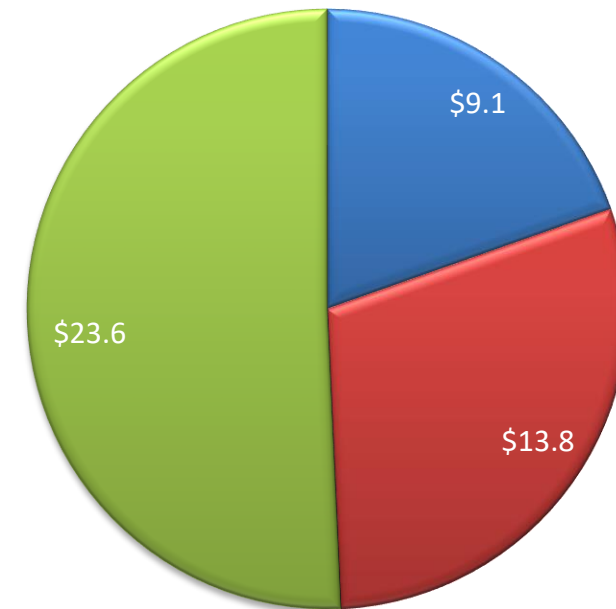
LACC 2020/2021 FISCAL YEAR-END FINANCIALS

Cumulative Operating Surplus/Allocations

\$46.5 million in operating surplus

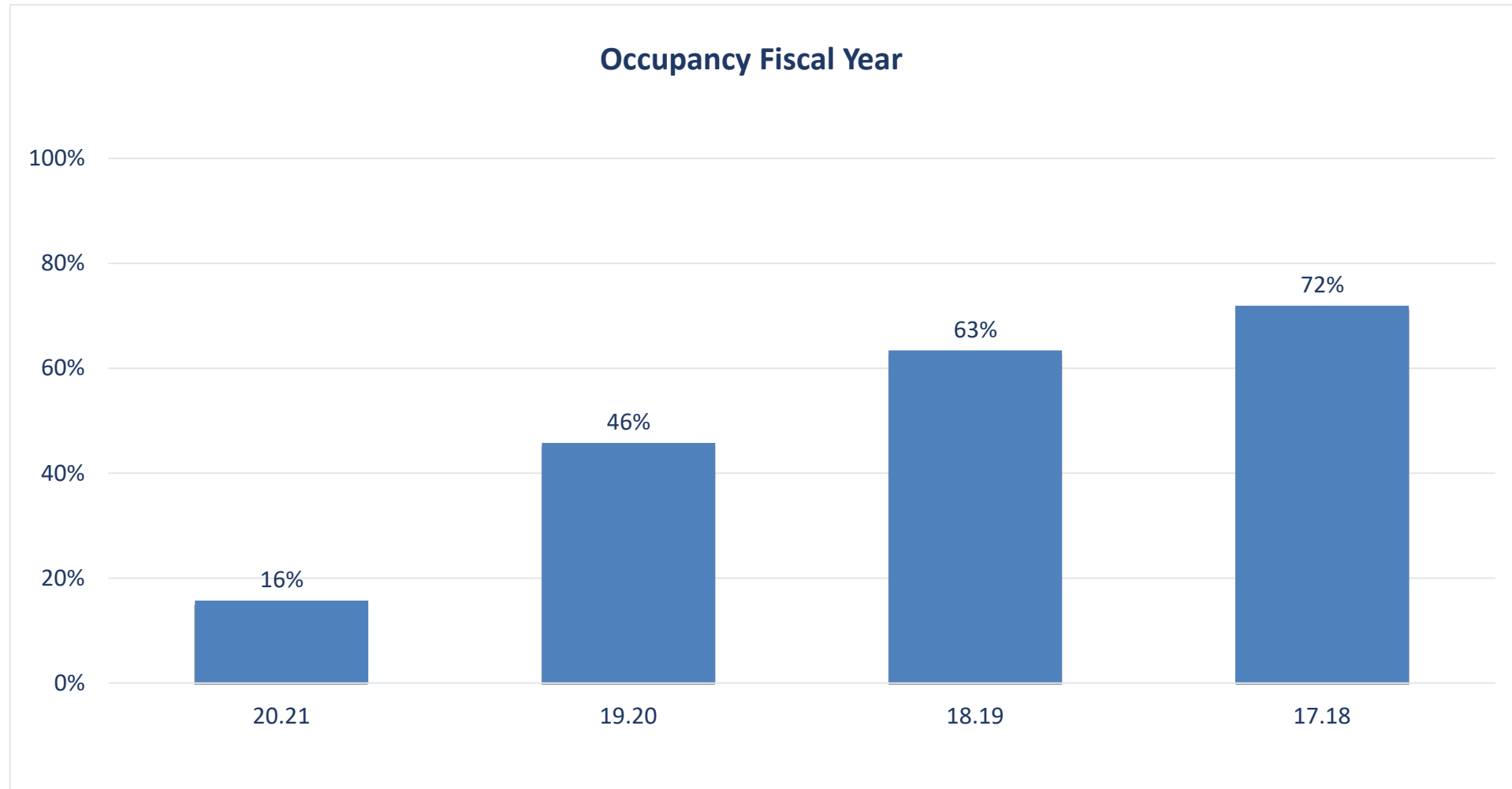


LACC surplus allocation since private management



- Reserve Contribution
- CIP and Alteration and Improvements
- City Reimbursement and Allocation

LACC 2020/2021 FISCAL YEAR-END FINANCIALS



2020–2021 ANNUAL REPORT



FROM THE GENERAL MANAGER

Fiscal Year (FY) 2020–2021—at the risk of both dating and typecasting myself—as the Grateful Dead sang—what a long, strange trip it's been! An entire year of the COVID-19 pandemic. Not one "normal" event.

While the global pandemic was one of the biggest headlines, the other was the LACC pivoting to meet the challenge. A combination of cost reductions, scrupulous attention to spending and finding alternative sources for revenue generation enabled the LACC to have a relatively successful year.

One of our most significant accomplishments was making it through the year without touching our reserve. Achieving this took an unparalleled effort and laser-like focus. The scaled back team had to take on new roles and responsibilities, get creative in all aspects of our operation and navigate through an ever-changing landscape dictated by the pandemic.

This report clearly outlines the activities and results of the fiscal year. What the report is not able to convey are the positive, somewhat intangible benefits of a cohesive team that worked incredibly well together and stayed positive and focused through this difficult year, a chance to revisit and streamline processes and procedures, and a closer collaboration with our CTD and LATCB partners and our vendors.

In the face of the tough times, I could not be more proud or more pleased to share with you this report. We appreciate the support throughout the year and of course look forward to a brighter future.!

Ellen Schwartz
Ellen Schwartz
General Manager of the
Los Angeles Convention Center



LACC MISSION STATEMENT

To serve the city of Los Angeles by providing exemplary facilities and services to our event producers and attendees and to generate significant economic benefits for the Greater Los Angeles region. Additionally, our goal is to leverage our assets within the Sports and Entertainment District to provide event and entertainment opportunities to our citizens.

- 4 Response to COVID-19
- 5 Highlights
- 6 Events
- 8 Financial Performance
- 15 Facility Improvements
- 16 Marketing & Social Media Accomplishments
- 17 Corporate Social Responsibility
- 18 Team Building & Professional Development

Written and edited by:
 Adrienne Hall, Senior Event Manager
 Ellen Schwartz, General Manager
 Nancy Walker, Vice President of Operations
 Ben Zarhoud, Vice President of Finance

Designed by:
 AEG Creative

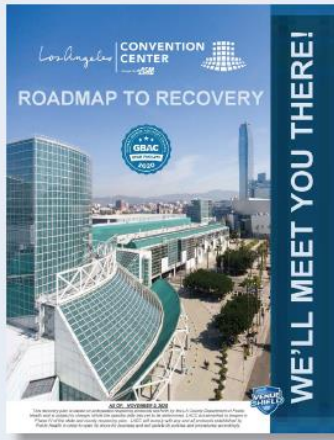
RESPONSE TO COVID-19

During the forced building closure due to public health concerns, the LACC's primary mission was to protect employees and to mitigate revenue losses.

Strategic discussions were held with the Los Angeles City Tourism Department regarding short-term and long-term goals and operational execution and objectives. Cost saving measures such as re-negotiation of vendor contracts, reduction of workforce to meet short-term and long-term strategies, temporary salary reductions and reducing non-essential expenditures were implemented.

All team members pivoted to learn new skills and work across departments. Staff that were able to do so, worked from remote locations for all or most of the fiscal year. Staff unable to work remotely were supplied proper Personal Protective Equipment (PPE) and continuously educated on safety protocols such as physical distancing, frequent handwashing and reporting potential exposure to COVID-19. Employees reporting to the building completed a Daily Health Screening form to facilitate contact tracing. Very limited LACC staff were assigned to film productions or community service events taking place at the facility. Staff deemed necessary to be included in a "filming bubble" were subject to frequent COVID-19 testing based on the production's protocols—up to 3x per week.

Additionally, the LACC was utilized for community initiatives such as meal preparation for senior citizens and people experiencing homelessness, PPE Kit Distribution Center by the LA City Mayor's Office of Budget & Innovation, the Mayor's Toy Distribution Drive, Safe Parking Los Angeles, and as a Federal Medical Station.



The Sales and Event Services teams were in constant and continuous contact with all event organizers to discuss building updates and/or opportunities to move their events.

In preparation for re-opening and to earn the confidence of clients and attendees, the LACC pursued and was awarded the Global Biorisk Advisory Council® (GBAC) STAR™ accreditation—the first facility on West Coast to earn this distinction. ASM Global's elite VenueShield program was implemented simultaneously to ensure the LACC was operating at the highest standard with regard to Health & Safety. The LACC's award-winning Roadmap to Recovery document was created and used by all departments as a reference tool for re-opening guidance.

During the months of July 2020 through June 2021, revenues for the LACC were recognized through space rental and all ancillary services (such as food & beverage, parking, etc.). Key revenue drivers were:

- Motion Picture, Television and Commercial production (filming and still photography shoots)
- F&B operations for the City of Los Angeles and LA County initiatives, preparing meals for senior citizens and people experiencing homelessness
- WNBA's Los Angeles Sparks professional basketball games
- Parking for STAPLES Center events (LA Clippers, LA Lakers)

2020–2021 HIGHLIGHTS



1,000,000+

Over one (1) million meals were prepared and distributed for the senior, home-bound and homeless communities in Los Angeles through three distinct initiatives: the City of LA's **Serving Our Community** Program, LA County's **Great Plate** Program and **Project Room Key**.



GBAC STAR RATING

LACC became the First Convention Center on the West Coast to be awarded Global Biorisk Advisory Council® (GBAC) STAR™ Accreditation



40+ FILM PRODUCTIONS

Over 40 filming productions at the LACC ranging from one day to three weeks .



LEED CERTIFICATION

LACC was awarded LEED certification at the Gold level for Existing Buildings Operations & Maintenance (LEED-EB: O&M) for the third time.



WNBA

Three-month agreement with the LA Sparks transformed the LACC into a WNBA arena.



EVENTS

The Los Angeles Convention Center (LACC) began the 2020–2021 fiscal year just three months after the facility's closure due to the COVID-19 pandemic. While hopes were high that business would return to "normal," the reality was that the building remained closed to traditional events throughout the entire fiscal year.

Ever resourceful, the LACC was able to quickly pivot and work with a myriad of production companies throughout the city of Los Angeles. Our large, flexible halls and unique outdoor spaces filled a need in the city of Los Angeles as TV and film production remained active throughout the pandemic.



SAVAGE X FENTY SEPTEMBER 2020

For three weeks, the LACC's West Hall was unrecognizable once it was dressed as the stage for Rhianna's Savage X Fenty production. The lingerie line's fashion show was staged entirely at the LACC and began streaming on Amazon Prime in October 2020, featuring A-list musicians and models such as Lizzo, Demi Moore, Irina Shayk, Paris Hilton, Willow Smith and more.

MARIAH CAREY'S MAGICAL CHRISTMAS SPECIAL SEPTEMBER–OCTOBER 2020

West Hall was transformed into a magical Winter Wonderland as Mariah Carey brought holiday cheer to the masses through a Christmas musical fantasy. The production, which was filmed throughout September–October, featured Tiffany Haddish, Billy Eichner, Jennifer Hudson, Ariana Grande, Snoop Dogg and Misty Copeland. Ultimately, the special streamed on Apple TV beginning in December 2020.



DICK CLARK'S NEW YEAR'S ROCKIN' EVE WITH RYAN SEACREST 2021

DICK CLARK'S NEW YEAR'S ROCKIN' EVE NOVEMBER 2020

The Los Angeles outpost of the televised New Year's Eve staple was staged at the Los Angeles Convention Center's West Hall. Performers included Ciara, Nelly, Miley Cyrus, Megan Thee Stallion and Doja Cat.

2021 GRAMMY® AWARDS FEBRUARY–MARCH 2021

Historically the site of the GRAMMY® Celebration Dinner and MusiCares Person of the Year Awards, the LACC became the location for the Awards themselves in 2021. Multiple stages were constructed in and around the Convention Center, allowing for high-profile performances to be pre-recorded to air on GRAMMY® night. LACC's outdoor space was transformed for the live Awards presentation on GRAMMY® night.



LOS ANGELES SPARKS APRIL–JUNE 2021

In an LACC first, the facility was converted into a professional basketball arena as the LA Sparks moved the first half of their season to the Los Angeles Convention Center. In all, eleven (11) professional WNBA games were played in, and broadcast from, West Hall B during the fiscal year.



FISCAL YEAR 2020–2021 FINANCIAL PERFORMANCE

Under private management, the Los Angeles Convention Center (LACC) exceeded operational expectations for the eighth consecutive year.

\$9.1 Million
Building Reserve

\$3.2 Million
Operating Loss



OPERATING PROFIT

Due to the COVID-19 pandemic, the LACC concluded the fiscal year with an operating loss of \$3.2 million before reimbursing the City of Los Angeles \$1.9 million.

Since taking over management in December 2013, ASM Global (formerly AEG Facilities) has generated a total operating profit of over \$46.5 million.

(\$3.2M)

7/1/20–6/30/21

\$4.7 Million	\$8.3 Million	\$10.1 Million	\$10.2 Million
7/1/19–6/30/20	7/1/18–6/30/19	7/1/17–6/30/18	7/1/16–6/30/17

2020–2021 figures reflect event cancellations and closure of the facility due to the COVID-19 global pandemic for the entire fiscal year.

2019–2020 figures reflect the same for the period beginning mid-March through June 30, 2020.

REVENUES BY CATEGORY

RENT	FOOD & BEVERAGE	UTILITY COMMISSION	PARKING	OTHER
\$3.6M	\$2.8M	\$0.5M	\$1.7M	\$1.9M
7/1/20–6/30/21	7/1/20–6/30/21	7/1/20–6/30/21	7/1/20–6/30/21	7/1/20–6/30/21
<u>\$7.5 Million</u>	<u>\$3.7 Million</u>	<u>\$5.4 Million</u>	<u>\$9.5 Million</u>	<u>\$1.7 Million</u>
7/1/19–6/30/20	7/1/19–6/30/20	7/1/19–6/30/20	7/1/19–6/30/20	7/1/19–6/30/20
<u>\$6.7 Million</u>	<u>\$4.9 Million</u>	<u>\$7.2 Million</u>	<u>\$12.4 Million</u>	<u>\$1.4 Million</u>
7/1/18–6/30/19	7/1/18–6/30/19	7/1/18–6/30/19	7/1/18–6/30/19	7/1/18–6/30/19
<u>\$8.0 Million</u>	<u>\$4.9 Million</u>	<u>\$7.7 Million</u>	<u>\$12.9 Million</u>	<u>\$0.8 Million</u>
7/1/17–6/30/18	7/1/17–6/30/18	7/1/17–6/30/18	7/1/17–6/30/18	7/1/17–6/30/18
<u>\$7.3 Million</u>	<u>\$4.1 Million</u>	<u>\$7.6 Million</u>	<u>\$12.6 Million</u>	<u>\$0.8 Million</u>
7/1/16–6/30/17	7/1/16–6/30/17	7/1/16–6/30/17	7/1/16–6/30/17	7/1/16–6/30/17

2020–2021 figures reflect event cancellations and closure of the facility due to the COVID-19 global pandemic for the entire fiscal year.
2019–2020 figures reflect the same for the period beginning mid-March through June 30, 2020.

REVENUES BY EVENT TYPE

LATCB/ CITYWIDE	CONSUMER SHOWS	MEETINGS & ASSEMBLIES	TRADE SHOWS	FILMING	OTHER
\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$4.5M	\$6.1M
7/1/20–6/30/21	7/1/20–6/30/21	7/1/20–6/30/21	7/1/20–6/30/21	7/1/20–6/30/21	7/1/20–6/30/21
<u>\$10.1 Million</u>	<u>\$10.3 Million</u>	<u>\$4.5 Million</u>	<u>\$1.5 Million</u>	<u>\$0.8 Million</u>	<u>\$2.2 Million</u>
7/1/19–6/30/20	7/1/19–6/30/20	7/1/19–6/30/20	7/1/19–6/30/20	7/1/19–6/30/20	7/1/19–6/30/20
<u>\$13.6 Million</u>	<u>\$11.1 Million</u>	<u>\$5.6 Million</u>	<u>\$2.0 Million</u>	<u>\$0.6 Million</u>	<u>\$2.5 Million</u>
7/1/18–6/30/19	7/1/18–6/30/19	7/1/18–6/30/19	7/1/18–6/30/19	7/1/18–6/30/19	7/1/18–6/30/19
<u>\$14.3 Million</u>	<u>\$12.2 Million</u>	<u>\$5.1 Million</u>	<u>\$2.9 Million</u>	<u>\$0.8 Million</u>	<u>\$1.6 Million</u>
7/1/17–6/30/18	7/1/17–6/30/18	7/1/17–6/30/18	7/1/17–6/30/18	7/1/17–6/30/18	7/1/17–6/30/18
<u>\$14.4 Million</u>	<u>\$10.8 Million</u>	<u>\$4.6 Million</u>	<u>\$2.0 Million</u>	<u>\$0.8 Million</u>	<u>\$1.7 Million</u>
7/1/16–6/30/17	7/1/16–6/30/17	7/1/16–6/30/17	7/1/16–6/30/17	7/1/16–6/30/17	7/1/16–6/30/17

2020–2021 figures reflect event cancellations and closure of the facility due to the COVID-19 global pandemic for the entire fiscal year.
2019–2020 figures reflect the same for the period beginning mid-March through June 30, 2020.

EXPENSES

WAGES & SALARIES

\$6.2M

7/1/20–6/30/21

\$12.1 Million
7/1/19–6/30/20

\$12.5 Million
7/1/18–6/30/19

\$11.6 Million
7/1/17–6/30/18

\$10.9 Million
7/1/16–6/30/17

UTILITIES

\$2.7M

7/1/20–6/30/21

\$5.0 Million
7/1/19–6/30/20

\$4.9 Million
7/1/18–6/30/19

\$5.2 Million
7/1/17–6/30/18

\$5.1 Million
7/1/16–6/30/17

OPERATING EXPENSES

\$4.7M

7/1/20–6/30/21

\$6.0 Million
7/1/19–6/30/20

\$6.9 Million
7/1/18–6/30/19

\$7.3 Million
7/1/17–6/30/18

\$6.2 Million
7/1/16–6/30/17

2020–2021 figures reflect event cancellations and closure of the facility due to the COVID-19 global pandemic for the entire fiscal year. 2019–2020 figures reflect the same for the period beginning mid-March through June 30, 2020.

BUILDING THE RESERVE

In keeping with convention center management best practices, the LACC set out to build a financial reserve of \$2.1 million within the five years of its initial private management agreement.

While no incremental funds were added to the reserve this year or last, due to the fallout of the COVID-19 pandemic, the reserve remains untouched at \$9.1 million at conclusion of this fiscal year.

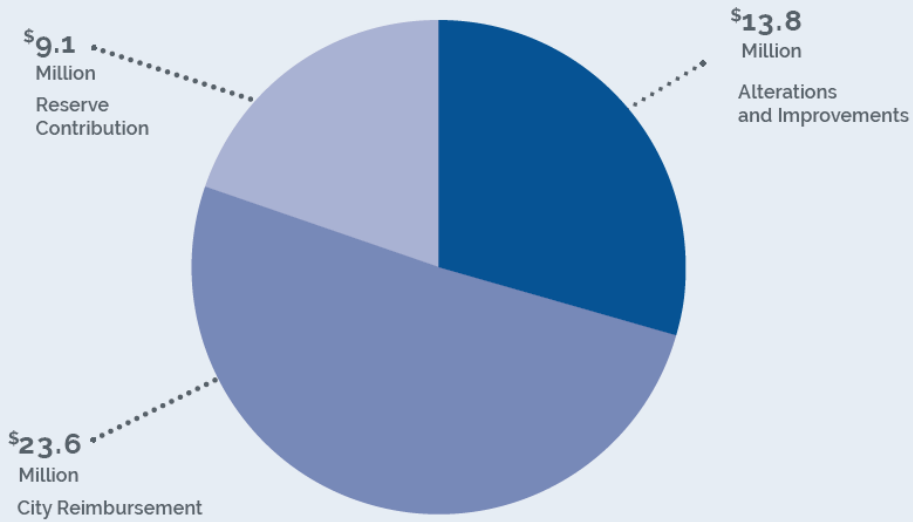
\$9.1M

IN THE RESERVE

<u>\$0.0</u> Million	<u>\$0.0</u> Million	<u>\$1.0</u> Million	<u>\$1.0</u> Million	<u>\$7.1</u> Million
7/1/20– 6/30/21	7/1/19– 6/30/20	7/1/18– 6/30/19	7/1/17– 6/30/18	7/1/13– 6/30/17

2020–2021 figures reflect event cancellations and closure of the facility due to the COVID-19 global pandemic for the entire fiscal year. 2019–2020 figures reflect the same for the period beginning mid-March through June 30, 2020.

PROFIT ALLOCATION SINCE PRIVATE MANAGEMENT



2020–2021 figures reflect event cancellations and closure of the facility due to the COVID-19 global pandemic for the entire fiscal year. 2019–2020 figures reflect the same for the period beginning mid-March through June 30, 2020.

OCCUPANCY

- 16%
7/1/20–6/30/21
- 46%
7/1/19–6/30/20
- 63%
7/1/18–6/30/19
- 72%
7/1/17–6/30/18
- 74%
7/1/16–6/30/17

FACILITY IMPROVEMENTS

Controlling costs was paramount to managing the overall facility budget during the pandemic. As a result, projects during the fiscal year were kept to a minimum. Improvements were made in processes and procedures. Continued training and education played a key role in learning how to work through health department guidelines during the global health crisis.

Improvements in Food and Beverage

- Leveraged strong working relationship with Unite Here Local 11 and the Hospitality Training Academy (HTA) to secure food service contracts with local government (City and County) that provided meals to the local senior and homeless population, generating needed revenue and jobs.
- Worked with Compass (Levy parent company) nutritionist to develop menus for the Senior Meal Program, which allowed the LACC to adhere to strict nutritional guidelines and maintain and extend the senior meal contracts.
- Implemented food waste guidelines to ensure each meal had the proper portions, which helped maintain consistency and margins.
- Optimized processes to maximize production output with a fixed number of employees, which allowed for greater output/servicing of customers and profits.
- Created custom menus for various filmings, following local health department COVID-19 food service guidance.

Improvements in Security, Guest Services and Safety

- Installation of camera intercom at the entrance to the Security Command Center to provide a secure entry point for employees and provide the public a direct line of communication to Security Command.
- Additional training and configuration of security systems which maximized the use of automated alerts to enhance response times and security/safety for our employees, clients, and guests.
- Provided Active Shooter training taught by representatives from the Department of Homeland Security for all employees of the facility and third-party partners.
- Bomb Threat Emergency Preparedness table-top exercise organized for Event Managers, Operations Managers, Security Managers and Senior Staff.
- Conducted the Great California Shakeout training for all employees.
- Security management team participated in various professional development opportunities to include the Johns Hopkins University Contact Tracing Course and Department of Homeland Security Surveillance Detection Counter-Improvised Explosive Device training.
- Security Management completed the Standardized Emergency Management Systems (SEMS G606) course provided by the California Governor's Office of Emergency Services, California Specialized Training Institute.

Improvement in Building Operations

- Strategic development and successful execution of Preventative Maintenance (PM) Lite plan.
- Upgraded the old steam boilers to electric.
- Cross functional duties to assure maximum workforce optimization.

Improvement in Community Relations

- Built a very strong relationship with the LA County Department of Public Health and created a reciprocal sharing of information and insights with regard to the effects of the COVID-19 pandemic on large events.
- Worked with the Mayor's office to provide space for a number of city initiatives such as the Office of Budget of Innovation to build Safer at Home Kits.
- LACC VP of Operations served as California Clear Air Day committee member.

MARKETING & SOCIAL MEDIA ACCOMPLISHMENTS

The LACC social media efforts were redirected to reflect an extended campaign to celebrate the Convention Center's upcoming 50th Anniversary, community service messaging (i.e. LA for Everyone), and recognize major holidays/celebrations (such as National Mental Health Awareness Month and Pride Month) and less well-known celebrations (such as National Pizza Day and National Ugly Sweater Day).

The LACC primarily utilizes Facebook, Twitter, Instagram and LinkedIn. These channels are used to participate in social conversations such as engagement with LA-focused content posted by Discover LA, responding to feedback comments, sharing LACC news and environmental sustainability tips.

facebook

7/1/20: **81,798**
6/30/21: **82,723**
(increase of 11%)

@ConventionLA

twitter

7/1/20: **4,935**
6/30/21: **4,831**
(decrease of 2.1%)

@ConventionLA

Instagram

7/1/20: **4,312**
6/30/21: **4,452**
(increase of 3.2%)

@ConventionCenterLA

LinkedIn

7/1/20: **1,587**
6/30/21: **1,902**
(increase of 19.8%)

/conventioncenterla

WEB ANALYTICS

July 1, 2020–June 30, 2021

- Total Page Views: **200,712**
- Total Users: **83,037** (new and returning)
- Average Session Duration: **1:06**

FISCAL YEAR PRESS RELEASES

- LACC Becomes the First Convention Center on the West Coast to Earn GBAC STAR™ Accreditation.
- Environmental Stewardship Earns the Los Angeles Convention Center LEED Gold Recertification Once Again.
- Los Angeles Convention Center Receives Award for Strategic Communications Plan.

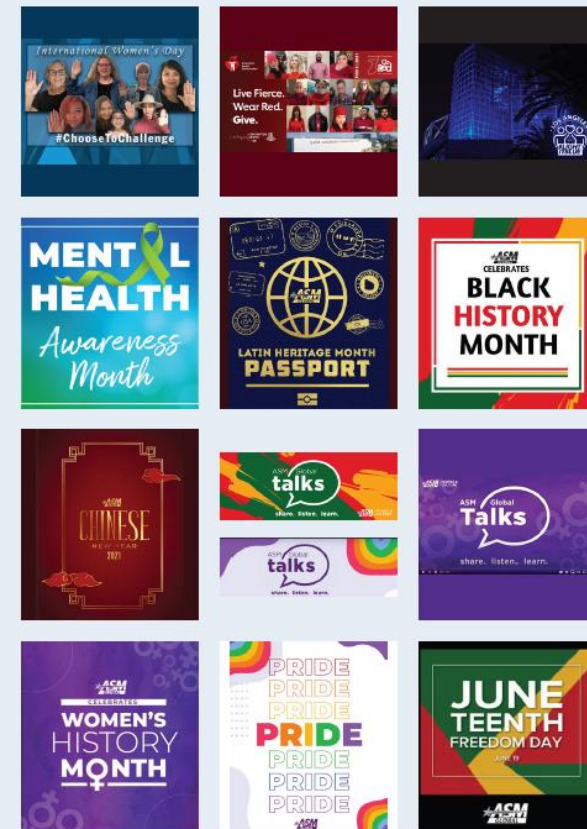
AWARDS & RECOGNITION

- 2020 Prime Site Award (*Facilities & Destinations Magazine*)
- 2021 Centers of Excellence Award (*Exhibitor Magazine*)
- 2021 Platinum MarCom Award for Strategic Communications in the Communications & Public Relations category of *Crisis Communication Plan or Response for the LACC's "Roadmap to Recovery."*
- First Convention Center on the West Coast to be awarded **Global Biorisk Advisory Council® (GBAC) STAR™ accreditation**
- LACC is awarded **LEED certification** at the Gold level for Existing Buildings Operations & Maintenance (LEED-EB: O&M) for the third time.

CORPORATE SOCIAL RESPONSIBILITY

The role we all have as engaged citizens within our community resonates throughout the LACC family, whether onsite or from remote locations. We provide civic outreach and leadership development opportunities to our staff by encouraging participation in numerous volunteer activities. This fiscal year, LACC employees took advantage of a variety of opportunities, both in person and via remote participation.

- LACC Towers were lit for #LIGHTITBLUE for VenueShield and Blue Towers Program (July)
- LACC went Red for #WeMakeEvents #RedAlertRESTART (July)
- LACC participated in ASM Global's Pen Pals for the World Program (August)
- California Clean Air Day pledges were made and executed by LACC staff members & partners (October)
- LACC participated in CA Shake Out program (October)
- LACC Posed in Pink in honor of Breast Cancer Awareness Month (October)
- Thanksgiving Food Drive for St. Francis Center in DTLA (November)
- LACC Toy Drive for St Francis Center in DTLA (December)
- ASM Global celebrated Black History month (February)
- Wore Red in support of American Heart Associations' National Wear Red Day—Go Red for Women (February)
- Recognized International Women's Day to support social, economic, cultural and political achievements of women (March)
- Recognized Autism Awareness Month (April)
- Wore denim to help raise awareness of rape and sexual assault (April)
- ASM Global recognized Mental Health Awareness Month (May)
- LACC recognized Global Meetings Industry Day—GMID 2021 (June)
- ASM Global and the LACC recognized Juneteenth (June)



TEAM BUILDING

Many Corporate Social Responsibility (CSR) events also functioned as team building activities. Team LACC managed to have some fun together, even while separated. Some activities included:

- Quarantine Kitchen with Levy Chef–virtual cooking lesson (September)
- ASM Global’s Salsa Dance Competition during Latin Heritage month (September)
- Holiday Hoopla–virtual crafting and cooking to celebrate the season (November/December)
- Creation of the first-ever LACC video holiday card featuring the entire staff (December)
- ASM Global’s 30 Day step-challenge (January)
- LACC campus Earth Day Beautification Project (April)



PROFESSIONAL DEVELOPMENT

PROFESSIONAL DEVELOPMENT CONFERENCES, WEBINARS, AND VIRTUAL LEARNING EXPERIENCES

PARTICIPATION BY TEAM MEMBERS

- International Association of Exhibitions and Events (IAEE)
- International Association of Venue Managers (IAVM)
- International Association of Venue Managers School of Facility Management (IAVM)
- Meeting Professionals International (MPI)
- Professionals in Human Resource Association (PIHRA)
- Professional Convention Management Association (PCMA)
- Society for Human Resource Management (SHRM)
- Johns Hopkins University Contact Tracing Course
- Department of Homeland Security Surveillance Detection Counter-Improvised Explosive Device training.
- HR California (CalChamber)
- U.S. Department of Labor
- Cal/OSHA
- Standardized Emergency Management Systems (SEMS G606) course provided by the California Governor’s Office of Emergency Services, California Specialized Training Institute.

PERFORMANCE-BASED RECOGNITION:

2020–2021 EMPLOYEE OF THE QUARTER:

John Mendoza, Mechanic
Javier Martinez, Levy Warehouse Attendant
Robert Haro, Painter
Brian Delostrino, Security Officer

2020–2021 LEADER OF THE QUARTER:

Xavier Corral, Assistant Building Superintendent
Janae Conway, Business Process Manager
Nelson Bonilla, Levy Chef
Kitty Silbereich, Senior Sales Manager

LACC management strives to create a workplace that rewards excellence, promotes inclusion and encourages collaboration across departments.



LACCLINK.COM

Item 4c

LACTB Update



CTD Board of Commissioners

October 20, 2021





SALES UPDATES

Darren K Green
Chief Sales Officer



CITYWIDE CONVENTION SALES

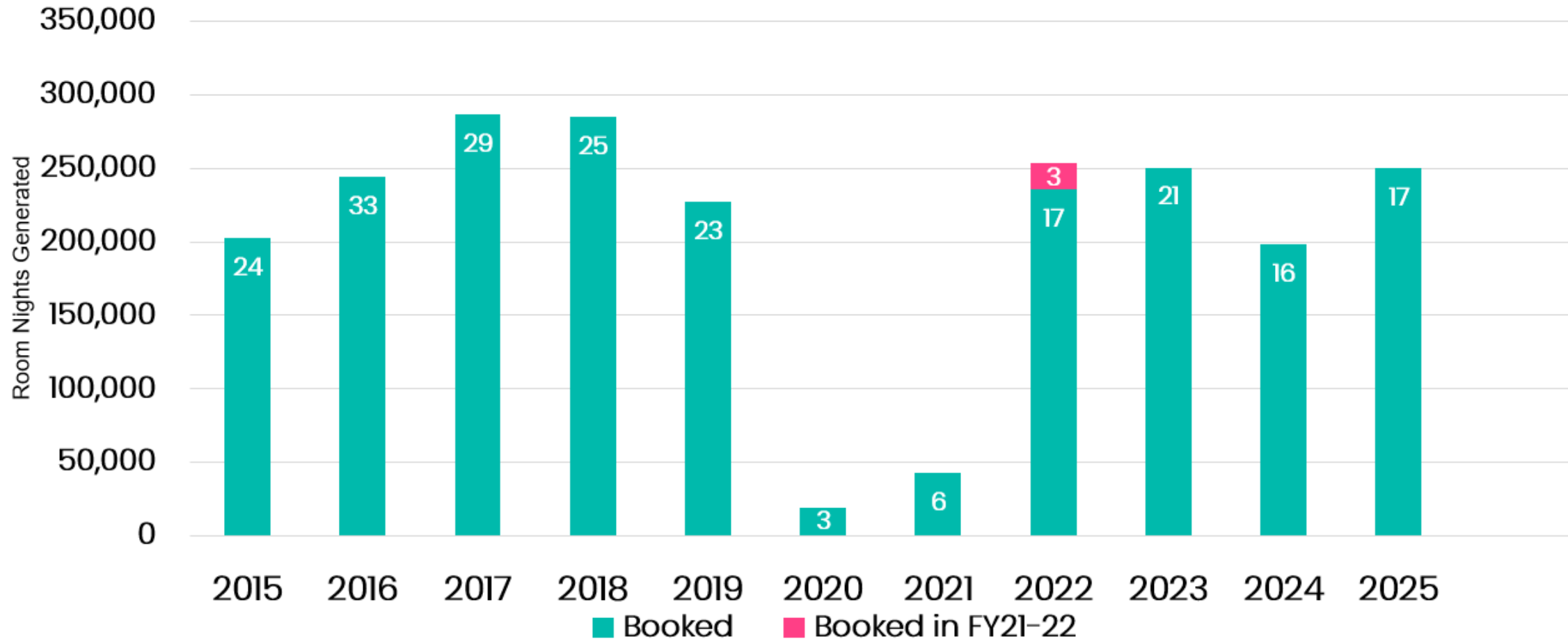
YTD FY21/22 PRODUCTION RESULTS

Lead Production	Leads Actual
FY 21/22 Goal	176
FY 21/22 YTD	32
FY 20/21 STLY	25

Booked Room Nights Produced	RNs Actual
FY 21/22 Goal	225,000
FY 21/22 YTD	17,949
FY 20/21 STLY	68,725

Dated October 14, 2021

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



Dated October 14, 2021

2022 BOOKED GROUPS

GROUP NAME	EVENT DATES	PEAK ROOM NIGHTS	TOTAL ROOM NIGHTS
CA Democratic Party	March 3-6, 2022	1,200	3,000
Neighborworks America	May 23-27, 2022	1,200	6,350
International Myeloma Workshop	August 23-27, 2022	1,950	8,599

CITYWIDE CONVENTIONS 2021 ON THE BOOKS

Company	Arrival Date	Departure Date	Peak	TRNs
American Academy of Otolaryngology Head and Neck Surgery Foundation – Annual Meeting & OTO Expo	10/3/21	10/6/21	2,805	13,719
Linux Foundation – KubeCon + CloudNativeCon	10/13/21	10/15/21	1,946	8,594
GSMA Mobile World Congress	10/26/21	10/28/21	3,341	12,943
The McCourt Foundation - LA Marathon	11/5/21	11/6/21	1,100	2,447
National Science Teaching Association – NSTA Area Conference	12/8/21	12/11/21	650	2,028

KEY SALES MEETINGS & EVENTS

DATE	EVENT	LOCATION
October 15, 2021	Sales/Consumer Media Event	New York City
November 9-12, 2021	IMEX America	Las Vegas, NV
December 6-8, 2021	Visit CA Sales Mission	Chicago & Minneapolis
December 7-9, 2021	IAEE Expo! Expo!	Philadelphia, PA
December 14, 2021	Holiday Showcase 2021 – Association Forum of Chicagoland	Chicago, IL
December 14-15, 2021	CalSAE Seasonal Spectacular	Sacramento, CA



Los Angeles Tailgate Experience in NY

October 15-18, 2021

THIS JUST IN...

NEW YORK POST

"TailGate Outdoor Sports Bar in Williamsburg (86 N. 11th St.; TailGateBK.com) is one of the rare establishments that hasn't had to change a thing due to the pandemic. That's because it was built with COVID-19 expressly in mind.

Bar Activation Itinerary

Fri 10/15	4:00pm to 7:00pm Media, Influencer, Client Preview Event
Sat 10/16	12:00pm to 10:00pm Consumer Activation
Sun 10/17	12:00pm to 5:00pm Consumer Activation

Bird's Eye View of Location



Activations

- Lowrider car photo op
- Football Toss
- Cornhole Games
- Potential Madden Tournament
- Beer, wine and cocktails from LA brands
- Tacos from Enrique Olvera's new LA taqueria
- Promo Giveaways
- Trivia Games hosted by dumbfounded and On the street Trivia
- Comedian Jon Park in attendance & live podcast
- Merch drop from LA Tourism x Obey Clothing by House Industries and Studio Number One.

October 17th



GET READY FOR SOME FOOTBALL!!

We look forward to seeing you in our suite #5-74 to watch the LA Rams vs NY Giants.

The suite will be available beginning at 12:00pm and Kick off is 1:00pm.

You can enter on the West side of the MetLife stadium to easily access our suite. You will be receiving your tickets to the email that we have on file.

October 18th



Confirmation: Private Luncheon at Armani

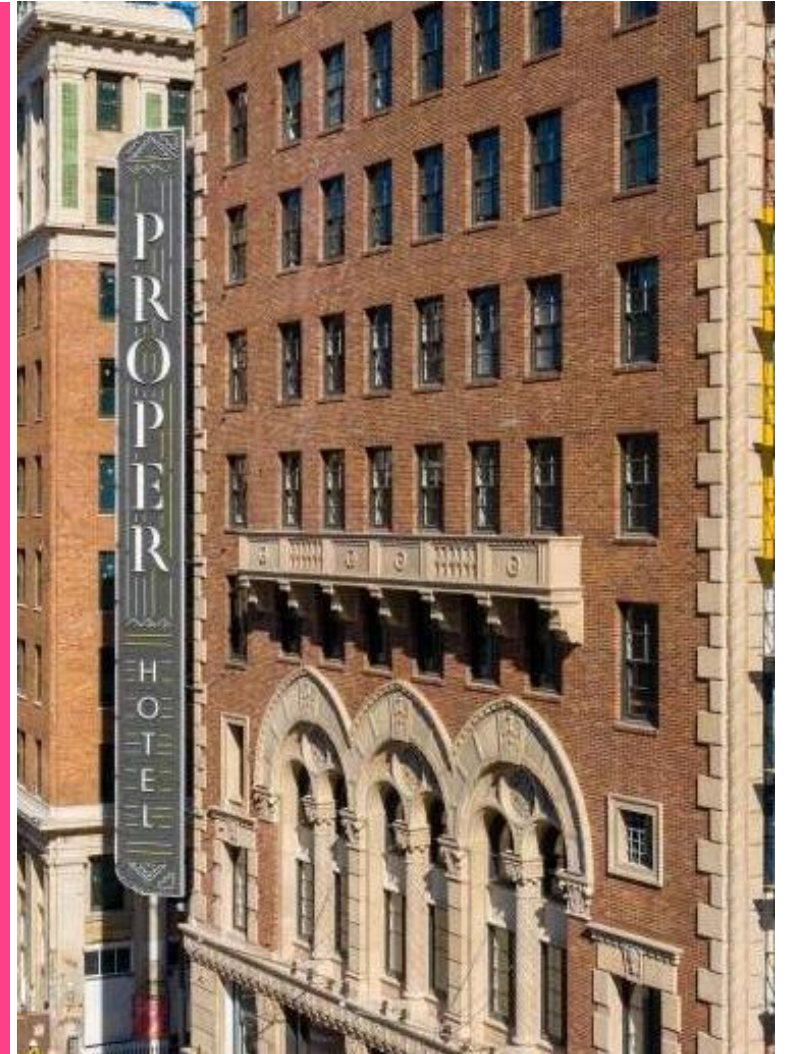
We look forward to seeing you at Armani Ristorante. Our team of experts will also be ready to answer your questions about the latest event guidelines and our commitment to being the safest destination for your next meeting.



SALES OPERATIONS

Jacques Chargois

Director, Sales Operations





LOS ANGELES TOURISM SALES & SERVICES

Simpleview CRM

system & resource for...

LEADS & BOOKINGS

sales productivity

REPORTING & DATA

strategy, insights

CUSTOMERS & ACCOUNTS

history, profiles

EVENTS, SITES

budget, agendas



simpleview 

DATA CLEANSE & ANALYSIS STEPS

DATA QUALITY INITIATIVE

Simpleview Sales Database Clean-Up

Target completion date Dec 2021

Scope: audit records going back to 2010; +20K data records; 57% of database

GOAL: Accurate, complete, consistent, & uniform account data to ensure correct reporting and a reliable database for sales, marketing, and client services

INITIAL PHASE

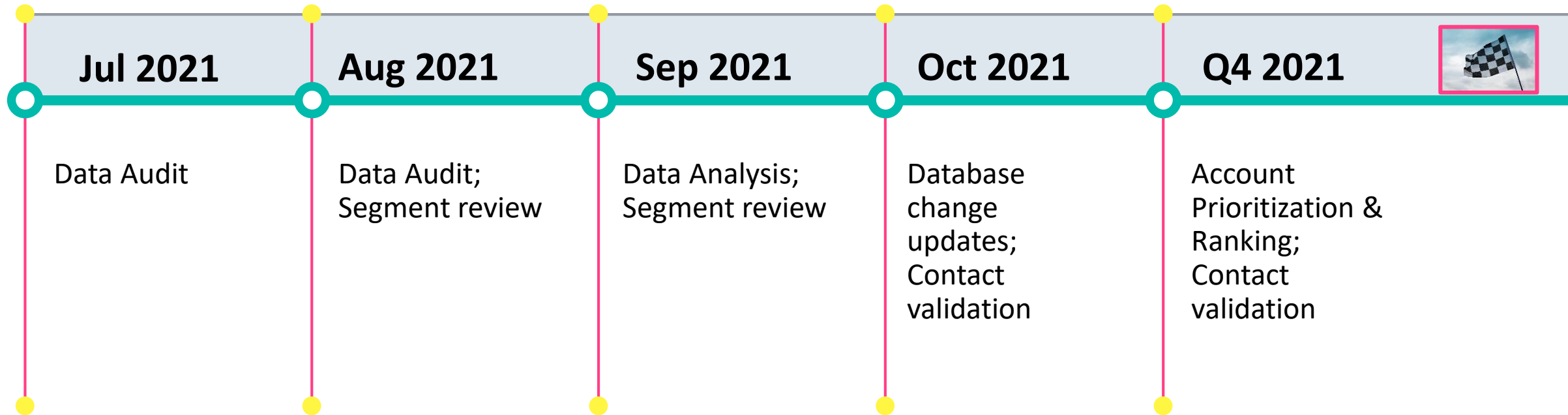
STEPS:

- 1. Audit** – evaluate content/completeness within key fields (segments, sources, tags, EEI, states, lost reasons etc..)
- 2. Cross-field Validation** – ensure logic across related fields to ensure data integrity
- 3. Naming Conventions** – consolidate/enhance for increased intelligence
- 4. Typos** – identify/fix/correct
- 5. Standardize Fields**
- 6. Contact; Email Ping Verification**
- 7. NCOA/Mailing Address Verification**



Simpleview Sales Database Clean-Up

Project Timeline



DATA QUALITY INITIATIVE

Segmentation Realignment

Industry Partners:




Benefits of Making the Changes:

- Data reporting & metrics for key segments
- **Sales deployment strategies**
- Programing, travel, & tradeshow
- **Market updates & insights**


Competitive Destination Benchmarking – Comp Sets

FuturePace
powered by Simpleview


FuturePace delivers innovative and enhanced pace reporting for DMOs. Featuring improved data processing for greater accuracy of the pace targets calculation, FuturePace allows subscribers online access to two types of reporting: long-term (eight year) and short-term (five year same-time last year) booking pace. (Oct 2021; 58 total)



IMPROVED ACCURACY



SECURE, 24/7 ACCESS



DEDICATED SUPPORT

Citywide Primary West <ul style="list-style-type: none">• San Francisco• Anaheim• San Diego• Denver	Hotel Sales Primary West <ul style="list-style-type: none">• San Francisco• Anaheim• Denver• Seattle• Portland
Citywide National <ul style="list-style-type: none">• Austin• Nashville• Phoenix• Orlando• Dallas• Washington, D.C.	Hotel Sales National <ul style="list-style-type: none">• Austin• Nashville• Phoenix• Orlando• Dallas

THANK YOU



Los Angeles Tourism & Convention Board

Item 5a

Findings to Continue Teleconference

Meetings Pursuant to AB 361



Item 5b

FY 2020-21 Discretionary Incentive Fee and Earned Incentive Fee Payments Board Report #21-004



Earned and Discretionary Incentives

- Actuals for Fiscal Year 2020-21
- Goals for Fiscal Year 2021-22

Recommendations for the Board's Consideration

- Approve payment of the Earned and Discretionary Incentive Fees for Fiscal Year 2020-21
- Approve the Discretionary Incentive goals and metrics proposed for Fiscal Year 2021-22

Three Types of Annual Fees

- Base Management Fee – annual fixed fee paid in monthly increments, paid for performance in the amount of \$175,000.00 subject to the annual CPI adjustment (capped at 2%).
- Earned Incentive Fee (EIF) – annual fee that is earned when actual revenues exceed budget. Maximum potential EIF is 50% of the Base Management Fee.
- Discretionary Incentive Fee (DIF) – annual fee eligible for consideration upon satisfying the requirements of the Earned Incentive Fee AND the DIF annual goals. Maximum potential DIF is 50% of the Base Management Fee.

Base Management Fee

(subject to the annual CPI adjustment)

Fiscal Year		Base Management Fee
FY 2013-14	\$	118,078.00
FY 2014-15	\$	177,616.90
FY 2015-16	\$	179,025.28
FY 2016-17	\$	182,298.60
FY 2017-18	\$	185,827.03
FY 2018-19	\$	189,543.60
FY 2019-20	\$	193,334.40
FY 2020-21	\$	195,970.32

Earned Incentive Fee

The Earned Incentive Fee is calculated as 75 % of the amount by which the actual total Operating Revenues exceed budgeted Operating Revenues, capped at 50 % of the Base Management Fee

Budgeted Operating Revenues (Revised)	Actual Operating Revenues	Variance	75% of Variance	Base Management Fee - FY 21	Maximum Earned Incentive Fee
\$5,420,891	\$10,457,492	\$5,036,601	\$3,777,450.75	\$195,970.32	\$97,985.16

Discretionary Incentive Fee – FY 2020-21

The maximum potential Discretionary Incentive Fee for Fiscal Year 2020-21 is \$97,985.16.

Discretionary Incentive Fee – FY 2020-21

- In October 2020, the Board approved the performance goals outlined below.
- Goals and metrics mutually agreed upon by CTD and AEG-LACC.

Category 1 – 40%	Implementation of Enhanced Customer Service	Permanent
Category 2 – 40%	Implementation of Enhanced Facility Maintenance	Permanent
Category 3 – 20%	Alternative Uses of Facility	Flexible

Category 1

Implementation of Enhanced Customer Service

CATEGORY 1		Goals	Result
1a.	Overall client satisfaction (AEG surveys)	4.7	Expectations Met
1b.	Overall client satisfaction (LATCB surveys)	4.0	Expectations Met
1c.	Overall satisfaction with Facility Security (AEG surveys)	4.6	Expectations Met
1d.	Operational improvements that enhanced customer service	Meet Expectations	Expectations Met
1e.	Overall satisfaction with food and beverage (AEG surveys)	4.4	Expectations Met
1f.	Overall satisfaction with food and beverage (LATCB surveys)	4.0	Expectations Met
1g.	Food and beverage profit margin	18% to 24%	25.2%

Category 1

Implementation of Enhanced Customer Service

In prior years the results for certain sections of Category 1 were based on customer surveys conducted by both AEG-LACC and the Los Angeles Tourism & Convention Board (LATCB). Due to the pandemic and the lack of regular event activity during Fiscal Year 2020-21, there are no survey results available. Although there are no survey results for Fiscal Year 2020-21, CTD believes that AEG-LACC has demonstrated satisfactory performance in Category 1.

Category 2

Implementation of Enhanced Facility Maintenance

CATEGORY 2		Goal	Result
2a.	Recycling diversion rate	70%	37%
2b.	Zero waste diversion rate	70%	37%
2c.	Sustainability Initiatives Completed	Meet Expectations	Expectations Met
2d.	Completion of Preventative Maintenance work and quarterly reporting	Pass	Passed
2e.	Operational improvements and efficiencies implemented	Meet Expectations	Expectations Met

Category 2

Implementation of Enhanced Facility Maintenance

Recycling and Zero Waste Diversion Rates - The approved goals for Fiscal Year 2020-21 recognized that due to COVID-19 and the financial situation, the recycling and zero waste diversion rates may be below the Fiscal Year 2020-21 goals.

Category 2

Implementation of Enhanced Facility Maintenance

- **Sustainability Initiatives Completed** – AEG-LACC replaced 700 Rain Bird high flow irrigation nozzles used for the exterior campus landscape with low flow Hunter MPR nozzles. The estimated annualized water savings is 1.56 million gallons of water.
- **Completion of Preventative Maintenance work and quarterly reporting** - CTD believes AEG-LACC demonstrated satisfactory performance for sub-category 2c.
- **Highlights of operational improvements and efficiencies** - AEG-LACC completed the following operational improvements and efficiencies which CTD believes demonstrate satisfactory performance for this sub-category:
 - LACC was awarded the Global Biorisk Advisory Council® (GBAC) STAR™ accreditation on outbreak prevention, response and recovery. Recognized as the gold standard of safe venues, GBAC STAR™ provides third-party validation to ensure the implementation of rigorous protocols in response to biorisk situations.
 - AEG-LACC partnered with South Park Business Improvement District to coordinate the cleanliness around the LA LIVE campus.

Category 3

Alternative Uses of Facility

The operational and marketing strategies put in place during the pandemic allowed LACC to generate \$10.5 million in operating revenues vs budget of \$5.4 million. The following were the alternative uses of the facility during Fiscal Year 2020-21:

- Enterprise Rent-A-Car rental - car storage
- Filming – 44 bookings ranging from one day to three weeks in length
- Federal Medical Station
- Senior and Homeless meal programs generating over one million meals

Recommendation

That the Board approve the payment of the Discretionary Incentive Fee (DIF) and Earned Incentive Fee (EIF) for Fiscal Year 2020-21, in the amount of \$195,970.32.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 20, 2021

To: Board of City Tourism Commissioners

From: Doane Liu, Executive Director *Doane Liu*
Los Angeles City Tourism Department

Subject: **APPROVAL OF FY 2020-21 DISCRETIONARY INCENTIVE FEE (DIF)
AND EARNED INCENTIVE FEE (EIF) PAYMENTS – BOARD REPORT
#21-004**

RECOMMENDATION:

That the Board of City Tourism Commissioners (Board) approves the payment of the Discretionary Incentive Fee (DIF) and Earned Incentive Fee (EIF) for Fiscal Year 2020-21, as referenced in Sections 5.3 and 5.4 of the Management and Operation Agreement, also referred to as Management Agreement (Attachment) between the City of Los Angeles (City) and AEG Management LACC, LLC (AEG-LACC) in the amount of \$195,970.32.

DISCUSSION:

In accordance with the Management Agreement, the City pays AEG-LACC a fee for the management and operation of the Los Angeles Convention Center (LACC). This payment consists of the Base Management Fee and the Earned and Discretionary Incentive Fees. The total potential fee amount for the work performed during Fiscal Year 2020-21 is \$391,940.64. The fee is adjusted annually in accordance with the Consumer Price Index (CPI), and the adjustment is capped at 2 percent. The following is a breakdown of the total potential annual payment for Fiscal Year 2020-21.

Base Management Fee	\$ 195,970.32
Earned Incentive Fee	97,985.16
Discretionary Incentive Fee	97,985.16
TOTAL	\$ 391,940.64

The following is a description of the fees:

1. **Base Management Fee** – An annual fixed fee in the amount of \$195,970.32 for all services provided pursuant to the Management Agreement. The Base Management Fee is paid on a monthly basis upon written authorization from the Executive Director of the Los Angeles City Tourism Department (CTD).

2. **Earned and Discretionary Incentive Fees** – The total potential incentive fees (Earned Incentive Fee + Discretionary Incentive Fee) are not to exceed the Base Management Fee. The Earned Incentive Fee is paid when total actual operating revenues exceed the approved annual operating budget for an agreement year.

a. Earned Incentive Fee – The Earned Incentive Fee is calculated as 75 percent of the amount by which the actual total Operating Revenues exceed budgeted Operating Revenues, capped at 50 percent of the Base Management Fee.

Budgeted Operating Revenues (Revised)	Actual Operating Revenues	Variance	75% of Variance	Base Management Fee - FY 21	Maximum Earned Incentive Fee
\$5,420,891	\$10,457,492	\$5,036,601	\$3,777,450.75	\$195,970.32	\$97,985.16

b. Discretionary Incentive Fee – If AEG-LACC qualifies to receive the EIF above, and if CTD favorably evaluates AEG-LACC’s performance based upon the agreed categories and metrics, AEG-LACC shall be paid a Discretionary Incentive Fee, subject to the approval of the Board. The Discretionary Incentive Fee is capped at 50 percent of the Base Management Fee. The maximum potential Discretionary Incentive Fee for Fiscal Year 2020-21 is \$97,985.16.

2020-21 Discretionary Incentive Fee Evaluation Results

In October 2020, the Board approved the performance goals outlined below for determining payment of the Discretionary Incentive Fee. The following categories were considered in evaluating AEG-LACC’s performance:

- Category 1. Implementation of enhanced customer satisfaction – 40%
- Category 2. Implementation of enhanced facility maintenance – 40%
- Category 3. Alternative Uses of Facility – 20%

Categories 1 and 2 are permanent categories established by the Management Agreement. Category 3 shall be evaluated annually and may be modified or replaced by mutual agreement to reflect the current circumstances and needs at the LACC. Additionally, CTD and AEG-LACC shall annually agree upon the allocation of weight of the three categories to determine the amount to be paid for the satisfactory performance in each category.

CTD recommends that the Board approve the 2020-21 Discretionary Incentive Fee payment in the amount of \$97,985.16. The CTD believes that AEG-LACC has demonstrated satisfactory performance in all categories.

Category 1. - Implementation of enhanced customer satisfaction:

CATEGORY 1		Goals	Result
1a.	Overall client satisfaction (AEG surveys)	4.7	Expectations Met*
1b.	Overall client satisfaction (LATCB surveys)	4.0	Expectations Met*
1c.	Overall satisfaction with Facility Security (AEG surveys)	4.6	Expectations Met*
1d.	Operational improvements that enhanced customer service	Meet Expectations	Expectations Met
1e.	Overall satisfaction with food and beverage (AEG surveys)	4.4	Expectations Met*
1f.	Overall satisfaction with food and beverage (LATCB surveys)	4.0	Expectations Met*
1g.	Food and beverage profit margin	18% to 24%	25.2%

*In prior years the results for certain sections of Category 1 were based on customer surveys conducted by both AEG-LACC and the Los Angeles Tourism & Convention Board (LATCB). Due to the pandemic and the lack of regular event activity during Fiscal Year 2020-21, there are no survey results available. Although there are no survey results for Fiscal Year 2020-21, CTD believes that AEG-LACC has demonstrated satisfactory performance in Category 1.

The operational improvements implemented to enhance customer service for 1d included the following highlights:

- ✓ Leveraged strong working relationship with Unite Here 11 and the Hospitality Training Academy to secure food service contracts with local government (City and County) that provided meals to the local senior and homeless population, which generated needed revenue and jobs.
- ✓ Worked with a nutritionist to develop menus for the Senior Meal Program, which allowed the LACC to adhere to the strict nutritional guidelines and maintain and extend the senior meal contracts.
- ✓ Created custom menus for various filming events at the LACC that followed local health department COVID-19 food service guidance.

- ✓ Developed new processes and enhanced current operational procedures in Ungerboeck (event management software) to prepare for reopening for business.

Category 2. Implementation of enhanced facility maintenance:

There are four performance measures in Category 2. CTD believes AEG-LACC demonstrated satisfactory performance in all four categories.

CATEGORY 2		Goal	Result
2a.	Recycling diversion rate*	70%	37%
2b.	Zero waste diversion rate*	70%	37%
2c.	Sustainability Initiatives Completed	Meet Expectations	Expectations Met
2d.	Completion of Preventative Maintenance work and quarterly reporting	Pass	Passed
2e.	Operational improvements and efficiencies implemented	Meet Expectations	Expectations Met

* The approved goals for Fiscal Year 2020-21 recognized that due to COVID-19 and the financial situation, the recycling and zero waste diversion rates may be below the Fiscal Year 2020-21 goals.

Recycling diversion rate - The following factors contributed significantly to the recycling diversion rate percentages in Fiscal Year 2020-21: no event-generated items/materials; and temporary closure and restricted access of recycling facilities provided by hauling partners (therefore impacting handling of hazardous waste, batteries, food donations, e-waste, bottles and cans, and other recyclables).

Zero waste diversion rate - The zero waste approach strives to reduce the amount of waste generated in the first place by implementing strategies and initiatives to reduce the overall waste stream. AEG-LACC began implementing zero waste practices several years ago, which include adjusted methods of purchasing and disposal, and additional sustainable practices.

Note that the zero waste diversion rate factors in performance at reducing waste generation, while the recycling diversion rate focuses on performance at diverting the waste that is generated.

Due to restrictions on large gatherings placed by the State of California, zero waste activities, such as zero waste event programs and vendor pack in-pack out policies, were suspended thus equating to zero for Fiscal Year 2020-21. The Total Facility Zero Waste Diversion rate, encompassing total diverted waste plus total waste reduction, is 37%.

Sustainability Initiatives Completed – AEG-LACC replaced 700 Rain Bird high flow irrigation nozzles used for the exterior campus landscape with low flow Hunter MPR nozzles. The estimated annualized water savings is 1.56 million gallons of water.

Completion of Preventative Maintenance work and quarterly reporting - CTD believes AEG-LACC demonstrated satisfactory performance for sub-category 2c. AEG-LACC continued to utilize Micromain in tracking and recording preventative maintenance, and submitted quarterly reports to CTD.

Highlights of operational improvements and efficiencies - AEG-LACC completed the following operational improvements and efficiencies which CTD believes demonstrate satisfactory performance for this sub-category:

- ✓ LACC was awarded the Global Biorisk Advisory Council® (GBAC) STAR™ accreditation on outbreak prevention, response and recovery. Recognized as the gold standard of safe venues, GBAC STAR™ provides third-party validation to ensure the implementation of rigorous protocols in response to biorisk situations.
- ✓ AEG-LACC partnered with South Park Business Improvement District to coordinate the cleanliness around the LA LIVE campus.

Category 3. Alternative Uses of Facility:

AEG-LACC was tasked with developing and executing operational and marketing strategies to achieve the revised revenue goal for Fiscal Year 2020-21, and ensure no impact to the City's General Fund. This goal was developed as the pandemic and the state-wide moratorium on large meetings and events had created a state of emergency for the LACC, with a dramatic decline in business and associated revenues.

The operational and marketing strategies put in place during the pandemic allowed LACC to generate \$10.5 million in operating revenues vs budget of \$5.4 million. The following were the alternative uses of the facility during Fiscal Year 2020-21:

- Enterprise Rent-A-Car rental - car storage
- Filming – 44 bookings ranging from one day to three weeks in length
- Federal Medical Station
- Senior and Homeless meal programs generating over one million meals

FISCAL IMPACT:

The EIF and DIF will be paid from the Convention Center Operating Account and have no impact on the General Fund.

ATTACHMENTS:

- A. Management Agreement
- B. Letter from AEG-LACC dated July 30, 2021

DL:ta

Attachment A

Item 5b.

Board Report #21-004

Attachment A

Management Agreement – Contract C-123199

Management Agreement Available upon request, email tourism@lacity.org, or at <https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=c.search&tab=contract>

Attachment B



Mr. Doane Liu
Executive Director
Los Angeles Department of Conventions and Tourism Development
1201 S. Figueroa Street
Los Angeles, California 90015
Via email

July 30, 2021

Dear Doane:

Section 5.4 of the Management Agreement between AEG Management LACC, LLC and City of Los Angeles provides the ability to earn a Discretionary Incentive Fee (DIF) in the event total operating revenues exceed operating revenues projected in the approved annual operating budget. We are pleased to report that we generated \$10.5 million in operating revenues versus the budgeted revenue number of \$5.4 million. As such, we are requesting consideration of the payment of the DIF based on the accomplishments detailed in this letter.

The criteria for the DIF for FY20/21:

- (1) Implementation of enhanced customer service
 - a. Overall client satisfaction (LACC surveys)
 - b. Overall client satisfaction (LATCB surveys)
 - c. Overall satisfaction with facility security (LACC survey)
 - d. Operational improvements that enhance customer service
 - e. Overall satisfaction with food and beverage (LACC surveys)
 - f. Overall satisfaction with food and beverage (LATCB surveys)
 - g. Food and beverage profit margin
- (2) Implementation of enhanced facility maintenance
 - a. Recycling diversion rate
 - b. Zero waste diversion rate
 - c. Sustainability initiatives completed
 - d. Completion of preventative maintenance work and quarterly reporting
 - e. Operational improvements and efficiencies implemented
- (3) Alternative uses of facility

Our accomplishments related to the established criteria for FY 20/21 follow.

Category 1 – Implementation of Enhanced Customer Service

1a – Overall client satisfaction (LACC Surveys):

Not applicable due to the pandemic and the limited activity in the year.

1b – Overall client satisfaction (LATCB surveys):

Not applicable due to the pandemic and the limited activity in the year.

1c – Overall satisfaction with Facility Security (AEG surveys):

Not applicable due to the pandemic and the limited activity in the year.

1d - Operational improvements that enhanced customer service:Improvements in Food and Beverage

- Leveraged strong working relationship with Unite Here 11 and the Hospitality Training Academy to secure food service contracts with local government (City and County) that provided meals to the local senior and homeless population, which generated needed revenue and jobs.
- Worked with Compass (Levy parent company) nutritionist to develop menus for the Senior Meal Program, which allowed us to adhere to the strict nutritional guidelines and maintain and extend the senior meal contracts.
- Implemented food waste guidelines to ensure each meal had the proper portions, which helped maintain consistency and margins.
- Optimized processes to maximize production output with a fixed number of employees, which allowed for greater output/servicing of customers and profits.
- Created custom menus for various filming's that came into the facility that followed local health department COVID-19 food service guidance.

Improvements in Security, Guest Services and Safety

- Installation of camera intercom at the entrance to the Security Command Center to provide a secure entry point for employees and provide the public a direct line of communication to the Security Command.
- Additional training and configuration of security systems which maximized the use of automated alerts to enhance response times and security/safety for our employees, clients, guests.
- Provided Active Shooter training taught by representatives from the Department of Homeland Security for all employees of the facility and third-party partners.
- Bomb Threat Emergency Preparedness table-top exercise organized for Event Managers, Operations Managers, Security Managers and Senior Staff.
- Conducted the Great California Shakeout training for all employees.
- Security management team participated in various professional development opportunities to include the Johns Hopkins University Contact Tracing Course and Department of Homeland Security Surveillance Detection Counter-Improvised Explosive Device training.
- Security Management completed the Standardized Emergency Management Systems (SEMS G606) course provided by the California Governor's Office of Emergency Services, California Specialized Training Institute.

Improvement in Building Operations

- Strategic development and successful execution of Preventative Maintenance (PM) Lite plan.
- Upgrade of the old steam boilers to electric.
- Cross functional duties to assure maximum workforce optimization.

Improvement in Sales and Event Management

Developed new processes and enhanced current operational procedures in Ungerboeck to prepare for reopening for business:

- Implemented paperless, solely digital event file management.
- Expanded the use of Activities and Function Line Levels to heighten communication comprehensively between departments.
- Improved settlement and invoicing process to make it easier for client to understand and allow LACC to more effectively track event billing.
- Automation of event contracts for increased efficiency.
- Flexibility in partnering with our clients during the pandemic to move or cancel their events. Whether local or citywide clients, we worked to accommodate their and built an elevated level of trust through the process.

Though iPlan was not used actively on events this past fiscal year, our ongoing partnership with the iPlan development team resulted in identifying functionality and processes that will enhance the productivity of the Event Services team in the future. With the shortcuts and automation developed, we are now able to automatically set desired distancing between tables/chairs/staging and seamlessly reorient a set-up more quickly and accurately than the previous method, reducing time spent diagramming and editing by 50%. Our team will be able to provide feedback to clients and contractors more succinctly with these improvements.

Event Services stayed in touch with clients and ensured the latest public health guidance was shared in a timely manner via email or virtual meetings and created a COVID-19 Response page on the LACC website which served as the hub of the latest and most pertinent information regarding LACC's recovery.

Through the strong relationship we nurtured with LA County Public Health, LACC was able to connect certain clients directly with public health leaders creating a reciprocal sharing of information and insights. This partnership resulted in the "approval" of the LA Art Show prior to the June 15, 2021 statewide reopening.

In partnership with LATCB, the Event Services team continued to conduct virtual site visits for our citywide clients to support clients ongoing planning process.

In November, LACC's "Roadmap to Recovery" was recognized by the Association of Marketing and Communication Professionals with a platinum MarCom Award for Strategic Communications in the Communications and Public Relations.

1e - Overall satisfaction with food and beverage (LACC surveys):

Not applicable due to the pandemic and the limited activity in the year.

1f - Overall satisfaction with food and beverage (LATCB surveys):

Not applicable due to the pandemic and the limited activity in the year.

1g – Food and beverage profit margin:

Food and Beverage profit margin finished at 25.2% per the financials vs budget of 18% to 24%. Levy had a profitable year at LACC generating \$2.80 million on sales of \$11.1 million.

Category 2 – Implementation of Enhanced Facility Maintenance

2a – Recycling diversion rate

LACC total recycling diversion rate was 37%. Goal for year was 70%.

Due to COVID-19, the following factors contributed significantly to the recycling and zero waste diversion rate percentages in FY2020-21:

- No event-generated items
- Temporary closure and restricted access of recycling facilities provided by Nasa and other hauling partners (i.e., hazardous waste, batteries, food donations, e-waste, bottles & cans, and other recyclables). Under Gov. Newsom’s Safer at Home order and Blueprint for a Safer Economy, many establishments such as recycling centers, donation centers, and large venues were restricted on service provided and accepted.

See attached Enclosure 1 – Total Facility Diversion Report, for further information.

2b – Zero waste diversion rate

Total LACC zero waste diversion rate was 0%. Goal for the year was 70%.

Due to the large gathering event restrictions placed by the State of California, all vendor pack in-pack out policies, recycling of light bulbs, water filling station metrics and rain barrel collections due to drought were halted and thus equating to zero for the past 12 months. Filming that were held at the center fell under the LA City filming guidelines for waste exemptions and were handled exclusively by the filming companies themselves.

The Total Facility Diversion rate, encompassing total diverted waste + total waste reduction is 37%. See attached Enclosure 1 – Total Facility Diversion Report, for further information.

2c – Sustainability initiatives completed

Implement a facility wide sustainability project.

Replaced (700) Rain Bird high flow irrigation nozzles used for the exterior campus landscape with low flow Hunter MPR nozzles. The new Hunter MPR model nozzles provide a higher PSI trajectory and a lower flow Gallons Per Minute (GPM). In comparing both model’s 180-degree trajectory, Hunter MPR provide a flow rate of 0.42 GPM, a 1.43 GPM improvement compared to the Rain Bird 15 Series. The estimated annualized water savings is 1.56 million gallons of water.

Areas of replacement include:

- Gilbert Lindsey Plaza
- North Plaza
- Figueroa Drive

See attached Enclosure 2 – High Flow Nozzle Water Savings Report

2d – Completion of preventative maintenance work and quarterly reporting

Perform comprehensive preventative maintenance and execute all tasks as outlined and scheduled in the Convention Center Preventative Maintenance Plan (PMP)

During Covid 19, the comprehensive PM plan was put on hold, with a PM lite plan submitted to CTD in June 2020. This plan approved by CTD began implementation on July 1, 2020. During this time, the LACC continued to utilize MicroMain to track and record preventative and corrective (work orders) maintenance, based on the approved PM Lite Plan. Key factors in execution include:

- Asset collection/verification
- Inventory entry
- Preventive maintenance schedules
- Routine inspections
- Work request/work orders
- Scheduling/planning
- Vendor/contractors

During the closure due to Covid, the team continued to work with CTD to update the primary PM plan that will go back into full effect once the building is fully occupied with events. Published versions include new formatting of plan, table of content & index of all PM items, provided O & M Reference for all applicable PMs, and schedule of items based on frequency of maintenance.

- Version 1: Original PM plan- With CTD/ASM meeting in Sept 2019
- Version 2: Submitted October 2019
- Version 3: Submitted May 2020
- Version 4: Submitted March 2021
- Version 5: Submitted May 2021 with CTD ASM meeting in January 2021

Submit quarterly summary reports in October, January, April, and July outlining preventative maintenance completed and highlighting accomplishments for the quarterly reporting period. Reports should be generated from MicroMain CMMS Software and present a summary of all preventative maintenance activity performed, followed with a detailed report upon request.

- Preventative Maintenance reports on all preventative activity have been submitted within their responding quarter dates as follows:
- July- September: Submitted October 15th, 2020
- October- December 2019: Submitted January 15th, 2021
- January-March 2020: Submitted April 15th, 2021
- April-June 2021: Submitted July 15th, 2021

2e - Operational improvements and efficiencies implemented

Develop/refine operational methods and procedures to increase service quality and operational efficiencies. Report on the benefits achieved by the creation or refinement of methods and procedures.

- The PM Lite plan was created for the fiscal year beginning July 1, 2020-June 30, 2020, due to the furloughs and layoffs (80% of operations staff) implemented as a response to COVID-19. The plan was submitted to CTD prior to July 1 implementation to discuss the new areas that would be maintained, and those that would be deferred until staff was able to return from layoffs and events were back on the calendar. All areas were reported on in the quarterly submittals. The PM lite plan was approved by CTD and the new quarterly reports reflect

these changes.

Develop strategic inspection plans and inspect each area of the building on a quarterly and annual basis. Provide results of these inspections to CTD to collectively evaluate areas needing future focus.

- The PM lite plan served as the new inspection template and preventative maintenance plan for each area of the building, due to staff restrictions. This plan provided new launch schedules in MicroMain for staff to inspect areas of the building. Corrective maintenance reports were added after discussion with CTD, on request.
- LACC Operations staff has been available for CTD walkthroughs that have occurred during the building closure to answer and questions that come up during these site walks.

Enforce policies and procedures to ensure contractors, guests and employees support and participate with sustainable efforts.

- Under the State mandated Covid 19 orders, large in person events were not permitted in our facility, therefore halting all sustainable programs for outside contractors and guests. Due to budget restrictions and staff reductions, employee sustainable programs were also limited due to remote work. Policies and procedures were reviewed throughout the year to align with ever changing Covid 19 orders and employee safety to comply with LA County Public Health Guidelines and CAL OSHA.
- The LACC achieved Global Biorisk Advisory Council (GBAC) Star Accreditation to combat the sustainable effort of infectious disease prevention, employee wellness, and green supply practices. The GBAC program requires committed compliance of 20 elements. These elements include:
 1. Organizational roles, responsibilities, and authorities
 2. Facility commitment statement
 3. Sustainability and continuous improvement
 4. Conformity and compliance
 5. Goals, Objectives, and targes
 6. Program controls and monitoring
 7. Risk assessment and risk mitigation strategies
 8. Standard operating procedures
 9. Tools and equipment
 10. Cleaning and disinfection chemicals
 11. Inventory control and management
 12. Personal protective equipment (PPE)
 13. Waste management
 14. Personnel training and competency
 15. Emergency preparedness and response
 16. Facility infection disease prevention policies
 17. Worker health program
 18. Audits and inspections
 19. Control of suppliers
 20. Documentation management

- In April 2021, LACC held its first in-person staff event supporting the sustainable efforts at the facility. In accordance with LADPH guidelines, staff was able to interact outdoors, beautifying the grounds by planting and painting areas around the campus. Staff was educated on the landscape vegetation and painting with eco-friendly products.

Partner with business Improvement District Executive Director and the South Park District to coordinate the cleanliness around the LA Live campus after large events held at the Convention Center.

- Attended South Park Bid Annual Meeting on December 17th, 2020, via Zoom.
- Utilize new web-based service request feature for graffiti, trash/ bus stop cleanups, and security matters on their site: Southpark.la/service. This has been primarily used for security requests due to the increased homeless and transient activity surrounding the center.

Category 3 – Alternative uses of Facility

Develop and execute operational and marketing strategies to achieve the revised revenue goal for Fiscal Year 2020-21. Do everything possible to prevent reliance on General Fund subsidy.

Due to Covid-19 and restrictions put in place by Federal, State, and Local authorities, LACC cancelled/postponed all events held after March of 2020. This naturally had an adverse impact on our financials and economic activity. To prevent LACC's reliance on the General Fund Subsidy (\$5M), the following operational/marketing strategies were developed and executed against:

- Development of an operational strategy based on a reduction in resources and funds
 - PM Lite
 - Cross functional training and duties to assure maximum workforce optimization
 - Process optimization
 - Negotiation of vendor contracts
 - Reduction of workforce
 - Energy management strategy
 - Cost saving measures across the board for all non-essential expenditures
 - Continuous evaluation of environment, risks, operations, and short-term and long-term liquidity risk
- Development of an operational/marketing strategy that would allow activity to be held:
 - Roadmap to Recovery
 - Relationship with LA County Public Health
 - Working with clients to update their internal processes to adhere to guidance
 - GBAC

The operational and marketing strategies put in place during covid allowed LACC to generate \$10.5 million in operating revenues vs budget of \$5.4 million. The following were the alternative uses of the facility during Fiscal Year 2020-21:

- Enterprise Car rental - car storage
- Filming – 44 bookings ranging from 1 day to three weeks
- Federal Medical Station

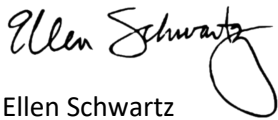
- Senior and Homeless meal programs generating over 1 million meals
- Safe Parking Los Angeles
- Mayor's Toy Drive Distribution Center
- Mayor's Personal Protective Equipment (PPE) Program Distribution Center
- LAPD/LAFD/LACS/CHP Command Center for Chauvin Verdict

As a result of the strategies that were developed and executed, we successfully managed our liquidity and prevented any use of the General Fund. Additionally, our immediate actions also allowed us to keep our reserve balance of \$9.1M fully intact, which will greatly benefit LACC and the City.

We feel given the unusual and extenuating circumstances of this year coupled with accomplishments listed in this letter, we should qualify for 100% of the Management Incentive Fee.

Thank you for your consideration, continued partnership and support.

Sincerely,



Ellen Schwartz
General Manager
Los Angeles Convention Center

Enclosures

- 1) Total Facility Diversion Report
- 2) High Flow Water Nozzle Water Savings Report

Cc: Tigran Avetisyan

Ben Zarhoud
Bob McClintock

Item 5c

FY 2021-22 Incentive Fee Goals

Board Report #21-005



Goals For FY 2021-22

- The Board shall annually set the goals for the Discretionary Incentive Fee.
- Categories defined by both the Management Agreement & staff.
- Goals and metrics mutually agreed upon by CTD and AEG-LACC.
- Quantitative vs. Qualitative.

Category 1 – 40%	Implementation of enhanced customer service	Permanent
Category 2 – 40%	Implementation of enhanced facility maintenance	Permanent
Category 3 – 20%	Re-opening and fiscal responsibility	Flexible

Category 1

Implementation of Enhanced Customer Service

		Goals FY21	Results FY21	Goals FY22
1a	Overall client satisfaction (AEG surveys)	4.7	Expectations Met	4.7
1b	Overall client satisfaction (LATCB surveys)	4.0	Expectations Met	4.0
1c	Overall satisfaction with Facility Security (AEG surveys)	4.6	Expectations Met	4.6
1d	Operational improvements that enhanced customer service	Meet Expectations	Expectations Met	Meet Expectations
1e	Overall satisfaction with food and beverage (AEG surveys)	4.4	Expectations Met	4.4
1f	Overall satisfaction with food and beverage (LATCB surveys)	4.0	Expectations Met	4.0
1g	Food and beverage profit margin	18% to 24%	25.2%	20% to 25%
1h	Overall satisfaction with health and safety environment in response to the pandemic (AEG surveys)	New	N/A	4.5

Category 2

Implementation of Enhanced Facility Maintenance

		Goals FY21	Results FY21	Goals FY22
2a	Recycling diversion rate	70%	37%	65%
2b	Total facility zero waste diversion rate	70%	37%	70%
2c	Sustainability initiatives completed	Meet Expectations	Expectations Met	Meet Expectations
2d	Completion of preventative maintenance, corrective maintenance and quarterly reporting	Pass	Pass	Pass
2e	Operational improvements and efficiencies implemented	Meet Expectations	Expectations Met	Meet Expectations

Category 3

Re-opening and fiscal responsibility

Develop and execute marketing strategies and cost containment to prevent reliance on the City's General Fund and the LACC Reserve Fund. This goal was developed in light of the continued impacts of the pandemic on the meetings and conventions industry.

Category 3

Historical Subject Areas

Fiscal Year	Category 3 Subject Area
2013-14	Implementation of Enhanced Public Safety
2014-15	Implementation of Enhanced Public Safety
2015-16	Capital Improvement Projects, Alterations & Improvements, Capital Equipment Purchases
2016-17	Capital Improvement Projects, Alterations & Improvements, Capital Equipment Purchases
2017-18	Implementation of Food Services
2018-19	Implementation of Food Services
2019-20	Implementation of Food Services
2020-21	Alternative Use of Facility
2021-22	Re-opening and Fiscal Responsibility

Recommendation

That the Board adopt the proposed Discretionary Incentive Fee goals for the 2021-22 Fiscal Year.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 20, 2021

To: Board of City Tourism Commissioners

From: Doane Liu, Executive Director *Doane Liu*
Los Angeles City Tourism Department

Subject: **FY 2021-22 INCENTIVE FEE GOALS – BOARD REPORT #21-005**

SUMMARY

As part of the Management Agreement between the City of Los Angeles (City) and the private operator of the Los Angeles Convention Center (LACC), AEG Management LACC, LLC (AEG-LACC), the Board of City Tourism Commissioners (Board) shall annually set goals for the Discretionary Incentive Fee and a revenue budget goal for the Earned Incentive Fee. **The Los Angeles City Tourism Department (CTD) recommends that the General Fund not be used to fund any incentive fees.**

The following discussion outlines the Fiscal Year 2021-22 metrics mutually agreed upon by CTD and AEG-LACC, in accordance with the Management Agreement for operation of the LACC, for your consideration and approval.

DESCRIPTION

There are three categories with defined goals that help assess the performance of AEG-LACC, including: Category 1, Implementation of Enhanced Customer Service, a permanent category; Category 2, Implementation of Enhanced Facility Maintenance, a permanent category; and Category 3, Re-opening and Fiscal Responsibility. Last year Category 3 was Alternative Uses of Facility, however this category is evaluated annually and may be modified or replaced by mutual agreement to reflect the current circumstances and needs at the LACC.

Additionally, CTD and AEG-LACC shall annually agree upon the allocation of weight of the three categories to determine the amount to be paid for the satisfactory performance in each category. The following category weights are considered for Fiscal Year 2021-22 goals:

- Category 1. Implementation of enhanced customer satisfaction – 40%
- Category 2. Implementation of enhanced facility maintenance – 40%

Category 3. Re-opening and fiscal responsibility – 20%

The following summarizes the Fiscal Year 2021-22 Discretionary Incentive Fee goals:

Category 1 – Implementation of Enhanced Customer Service

		Goals FY21	Results FY21*	Goals FY22
1a	Overall client satisfaction (AEG surveys)	4.7	Expectations Met*	4.7
1b	Overall client satisfaction (LATCB surveys)	4.0	Expectations Met*	4.0
1c	Overall satisfaction with Facility Security (AEG surveys)	4.6	Expectations Met*	4.6
1d	Operational improvements that enhanced customer service	Meet Expectations	Expectations Met	Meet Expectations
1e	Overall satisfaction with food and beverage (AEG surveys)	4.4	Expectations Met*	4.4
1f	Overall satisfaction with food and beverage (LATCB surveys)	4.0	Expectations Met*	4.0
1g	Food and beverage profit margin	18% to 24%	25.2%	20% to 25%
1h	Overall satisfaction with health and safety environment in response to the pandemic (AEG surveys)	New	N/A	4.5

*In prior years the results for certain sections of Category 1 were based on customer surveys conducted by both AEG-LACC and the Los Angeles Tourism & Convention Board (LATCB). Due to the pandemic and the lack of regular event activity during Fiscal Year 2020-21, there are no survey results available.

CTD utilizes annual customer survey results in developing the quantitative goals in Category 1. In addition to the surveys administered by LATCB to citywide clients, AEG-LACC issues performance satisfaction surveys to a majority of its clients after hosting an event. Those clients not surveyed include smaller repeat clients that frequently utilize the building but generate minimal revenue, such as government entities that rent space to proctor hiring exams, to host naturalization events, etc. Other non-surveyed events may include smaller events associated with a single larger event. For example, the Los Angeles Auto Show (Auto Show), one of the LACC's largest clients, has exhibitors that independently manage and sponsor a variety of sub-events throughout the duration of Auto Show. However the client that licenses the space, such as the Auto Show, that has the direct contractual relationship with AEG-LACC, is the client that is surveyed.

CTD and AEG-LACC have agreed that the goal for the rate of return for issued surveys for the purposes of assessing the Discretionary Incentive Fee should be 30 percent. During Fiscal Year 2019-20, the rate of return was 42 percent.

Category 2 – Implementation of Enhanced Facility Maintenance

The following summarizes the Fiscal Year 2021-22 Discretionary Incentive Fee goals:

		Goals FY21	Results FY21	Goals FY22
2a	Recycling diversion rate	70%	37%	65%
2b	Total facility zero waste diversion rate	70%	37%	70%
2c	Sustainability initiatives completed	Meet Expectations	Expectations Met	Meet Expectations
2d	Completion of preventative maintenance, corrective maintenance and quarterly reporting	Pass	Pass	Pass
2e	Operational improvements and efficiencies implemented	Meet Expectations	Expectations Met	Meet Expectations

Recycling diversion rate - The recycling diversion rate is based on a methodology that accounts for the amount of waste diverted from landfills compared to overall waste generated. The following factors contributed significantly to the recycling diversion rate percentages in Fiscal Year 2020-21: no event-generated items/materials; and temporary closure and restricted access of recycling facilities provided by hauling partners (therefore impacting handling of hazardous waste, batteries, food donations, e-waste, bottles and cans, and other recyclables).

Total facility zero waste diversion rate - The zero waste approach strives to reduce the amount of waste generated in the first place by implementing strategies and initiatives to reduce the overall waste stream. AEG-LACC began implementing zero waste practices several years ago, which include adjusted methods of purchasing and disposal, and additional sustainable practices.

The following are goals mutually agreed upon for the remaining sub-categories:

- Sustainability initiative: Implement a facility wide sustainability project.
- Completion of preventative maintenance, corrective maintenance and quarterly reporting.

- o Perform comprehensive preventative maintenance and execute all tasks as outlined and scheduled in the Convention Center Preventative Maintenance Plan (PMP).
- o Submit quarterly summary reports in October, January, April, and July outlining preventative maintenance completed as well as corrective maintenance and highlighting accomplishments for the quarterly reporting period. Reports should be generated from MicroMain CMMS Software and present a summary of all preventative maintenance and corrective maintenance activity performed, followed by a detailed report upon request.
- Facility maintenance, operational improvements, and efficiencies.
 - o Develop/refine operational methods and procedures to increase service quality and operational efficiencies. Report on the benefits achieved by the creation or refinement of methods and procedures.
 - o Conduct strategic inspections for each area of the building on a quarterly and annual basis. Provide results of these inspections to CTD in order to collectively evaluate areas needing future focus.
 - o Enforce policies and procedures to ensure contractors, guests and employees support and participate with sustainable efforts.
 - o Follow the procedures according to VenueShield, which is the culmination of extensive and ongoing work by ASM’s Global Task Force to develop an industry-leading set of protocols that will ensure the highest levels of health and safety for our employees, entertainers, athletes and guests.

Category 3 – Re-opening and fiscal responsibility

Develop and execute marketing strategies and cost containment to prevent reliance on the City’s General Fund and the LACC Reserve Fund. This goal was developed in light of the continued impacts of the pandemic on the meetings and conventions industry.

As stated earlier, Category 3 is a non-permanent category and may be subject to change as mutually agreed upon by both parties. The following lists the historical subject areas for Category 3 since the execution of the Management Agreement.

Fiscal Year	Category 3 Subject Area
2013-14	Implementation of Enhanced Public Safety
2014-15	Implementation of Enhanced Public Safety
2015-16	Capital Improvement Projects, Alterations & Improvements, Capital Equipment Purchases

2016-17	Capital Improvement Projects, Alterations & Improvements, Capital Equipment Purchases
2017-18	Implementation of Food Services
2018-19	Implementation of Food Services
2019-20	Implementation of Food Services
2020-21	Alternative Uses of Facility
2021-22	Re-opening and Fiscal Responsibility

BACKGROUND

The AEG-LACC’s compensation consists of three different fees. The following is a short description of each fee:

- (1) Annual Base Management Fee – The annual base management fee compensates AEG-LACC for all the services provided pursuant to the Management Agreement, including but not limited to operations and management and food and beverage services;
- (2) Earned Incentive Fee – The earned incentive fee is paid when total operating revenues exceed the approved annual operating budget for an agreement year; and,
- (3) Discretionary Incentive Fee – If AEG-LACC qualifies to receive an Earned Incentive Fee, and if CTD favorably evaluates AEG-LACC’s performance based upon the agreed categories and metrics, AEG-LACC shall be paid a Discretionary Incentive Fee determined by the Board.

CTD and AEG-LACC shall annually agree upon the allocation of weight of the three categories to determine the amount to be paid for the satisfactory performance of one or more of the categories. The Management Agreement requires that, to the extent reasonable, the goals should be more quantitative based rather than qualitative. There are certain metrics in which a quantitative based goal would not be feasible as it would be difficult to measure or accurately track. As such, qualitative goals were incorporated in the fee proposal as well.

If AEG-LACC qualifies to receive the Earned Incentive Fee for Fiscal Year 2021-22, CTD will evaluate AEG-LACC’s performance based upon the agreed metrics and goals of the Discretionary Incentive Fee. Staff will provide feedback to the CTD Executive Director, who will provide a final recommendation on the D I F payment amount.

RECOMMENDATION

That the Board adopt the proposed Discretionary Incentive Fee goals for the Fiscal Year 2021-22 Fiscal Year as described above and with an understanding that the City's General Fund cannot be used to pay for either Earned or Discretionary Incentive Fees.

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Item 5d

FY 2021-22 Proposed CTD Budget

Board Report #21-007



FISCAL YEAR 2022-23 PROPOSED BUDGET

Board of City Tourism Commissioners Meeting
October 20, 2021

ITEMS FOR DISCUSSION

1. Process
2. AEG-LACC Operating Budget
3. Overview of Proposed LACC Related Appropriations and Expenditures
4. Proposed CTD Department Budget for 2022-23
5. Proposed Capital Projects for 2022-23

DEADLINES FOR MAYOR'S PROPOSED BUDGET

1. November 19 – Departmental budget requests due to the Mayor's Office
2. February through March – Budget workshops are held with Departments, Mayor's Office and CAO to discuss budget requests
3. April 20 – Charter deadline for the Mayor to submit the Proposed Budget to the Council

DEADLINES FOR ADOPTED BUDGET

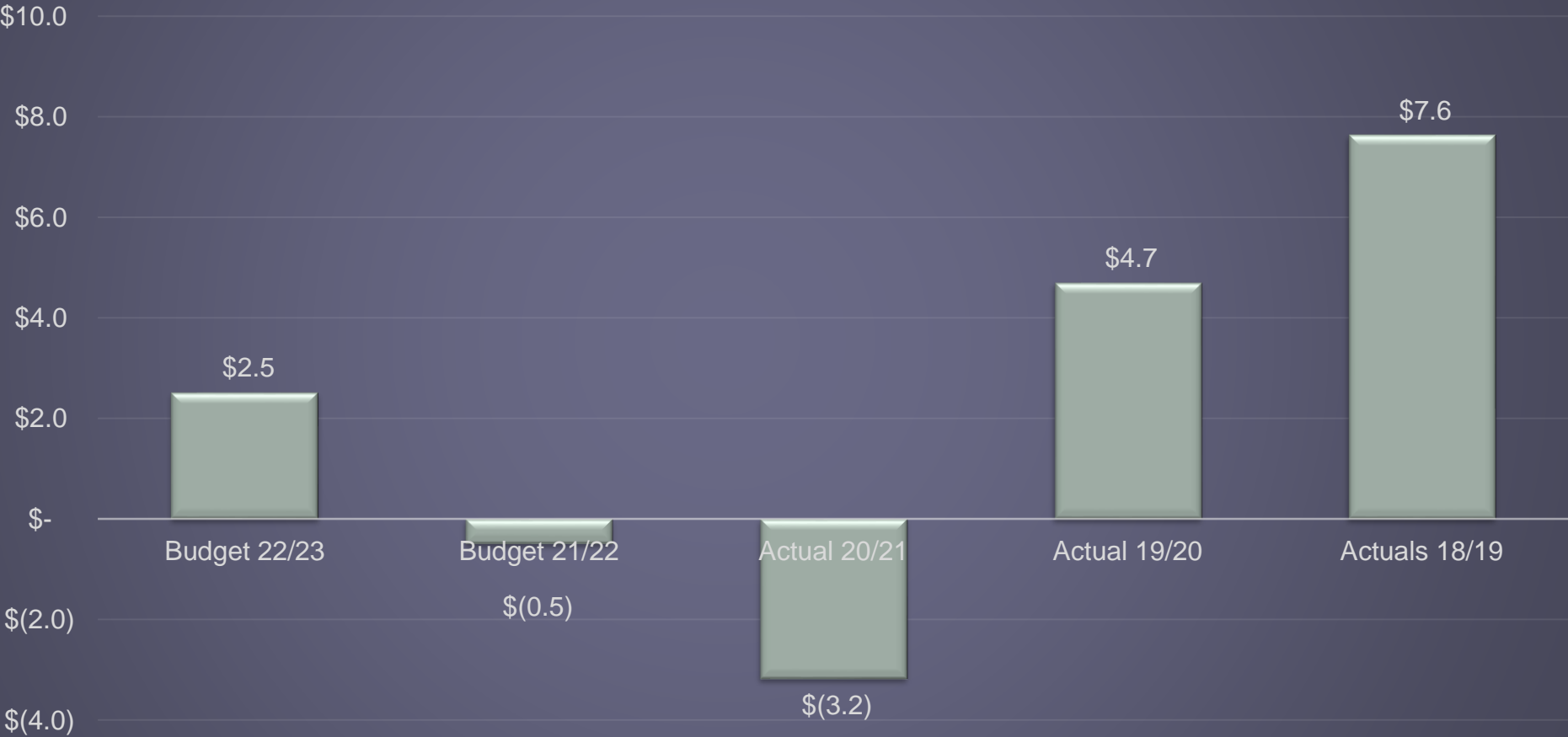
1. April to May – Council’s Budget and Finance Committee reviews the budget and makes recommendations to Council
2. May – Public hearings and Council consideration of the budget and Committee’s recommendations
3. June 1 – Charter deadline for Council to adopt budget as proposed by the Mayor or as modified by Council
4. June 2 – 8 – Mayor has five working days to review any changes made by Council and to approve or veto any items changed
5. June 9 – 15 – Council has five working days to reconsider any Mayor’s vetoes and may sustain or override each veto by a two-thirds vote.
6. Budget is adopted.

OVERVIEW OF AEG-LACC OPERATING BUDGET

(Accrual Basis)

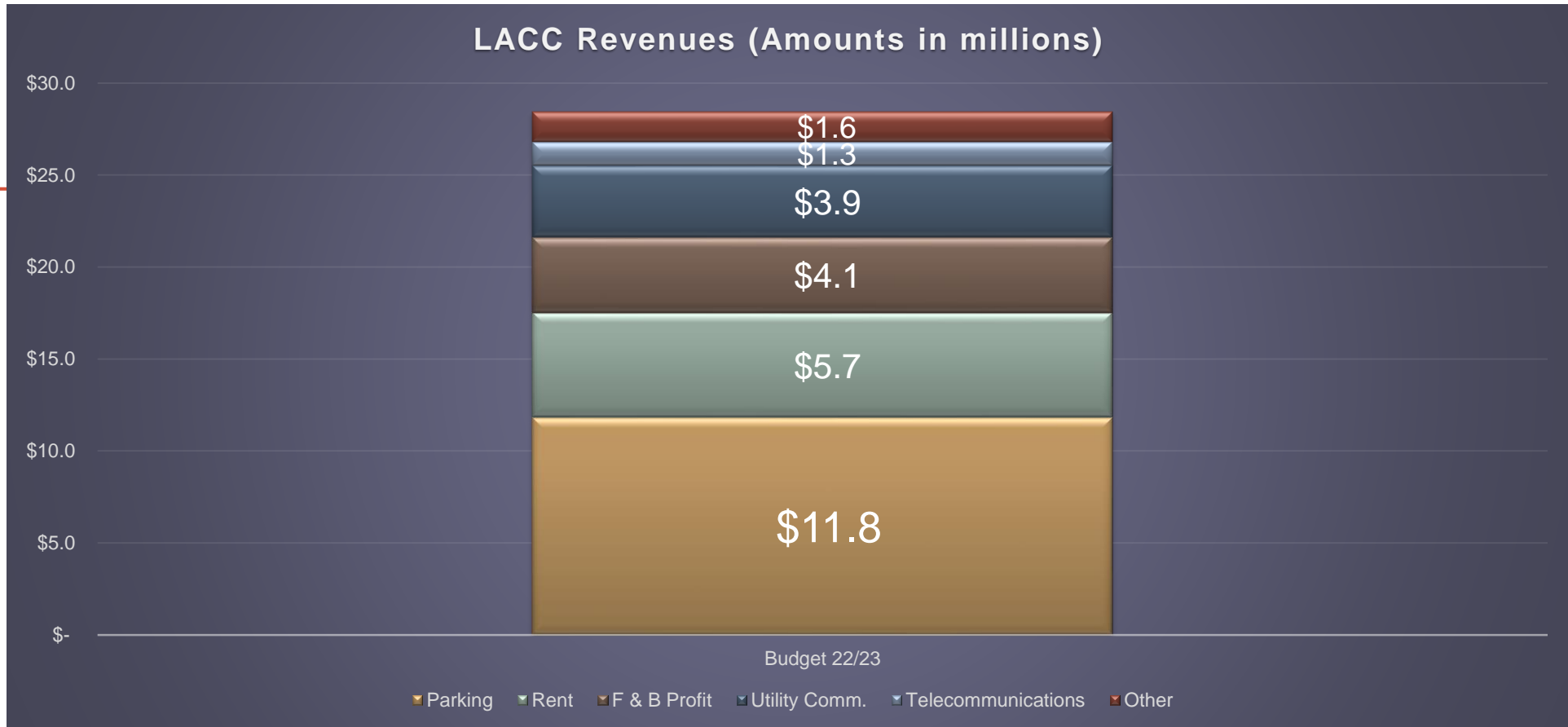
LACC 22/23 BUDGET (Accrual Basis)

Operating Surplus Before City Reimbursements (Amounts in millions)



LACC 22/23 BUDGET (Accrual Basis)

- \$28.4 million in revenue
- Parking revenue accounts for 42% of LACC revenues
- Rent of \$5.7 million, net of \$5.4 million in discounts



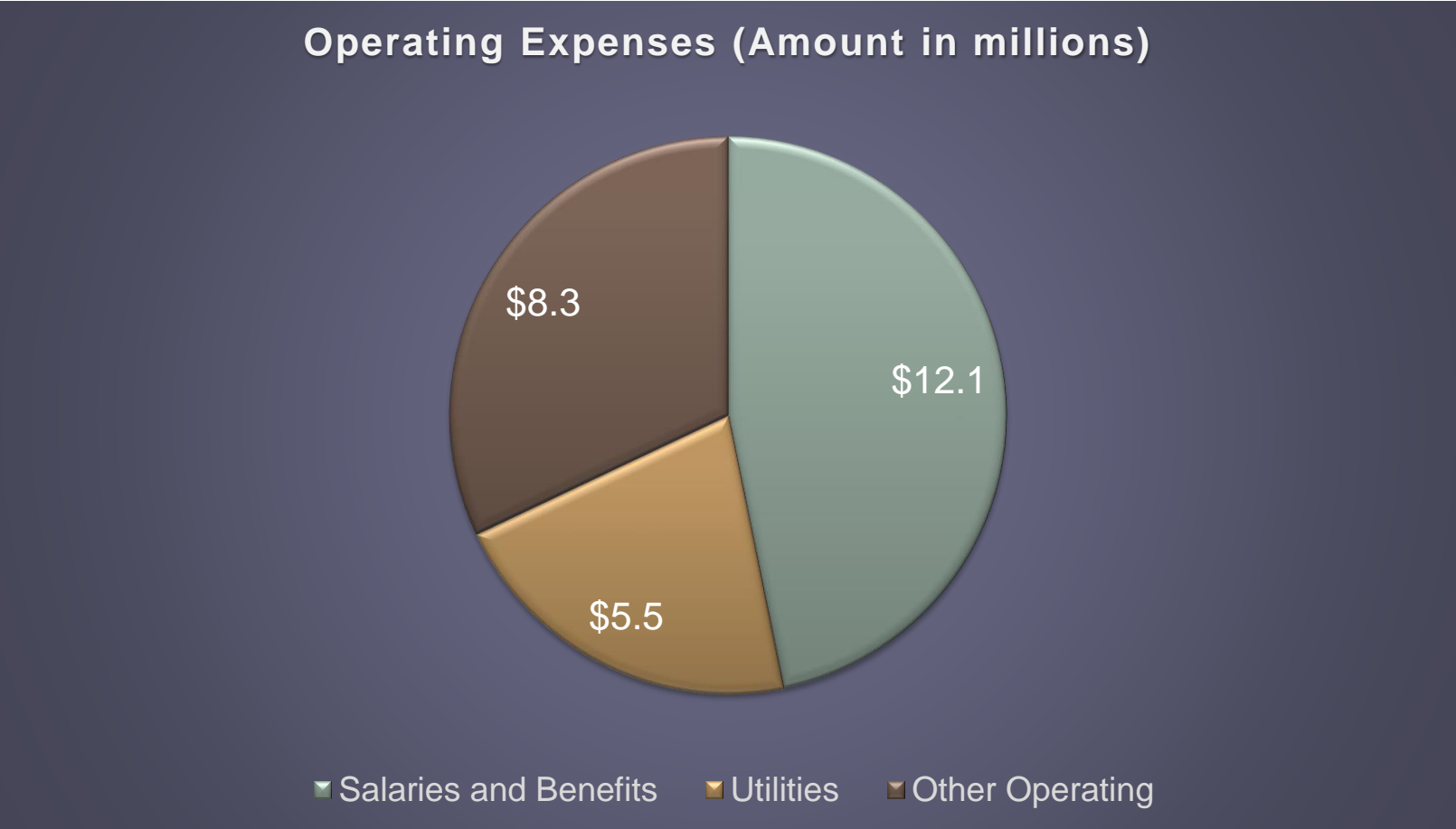
LACC 22/23 BUDGET (Accrual Basis)

222 Events in Fiscal Year 2022/2023



LACC 22/23 BUDGET (Accrual Basis)

- \$25.9 million in operating expenses before City Reimbursements
- 47% Wages and Benefits
- 21% Utilities
- 32% Other (Building Maintenance, Admin, Marketing)



LACC 22/23 BUDGET (Accrual Basis)

Opportunities:

- Increase in bookings (LATCB and LACC short-term)

Risks:

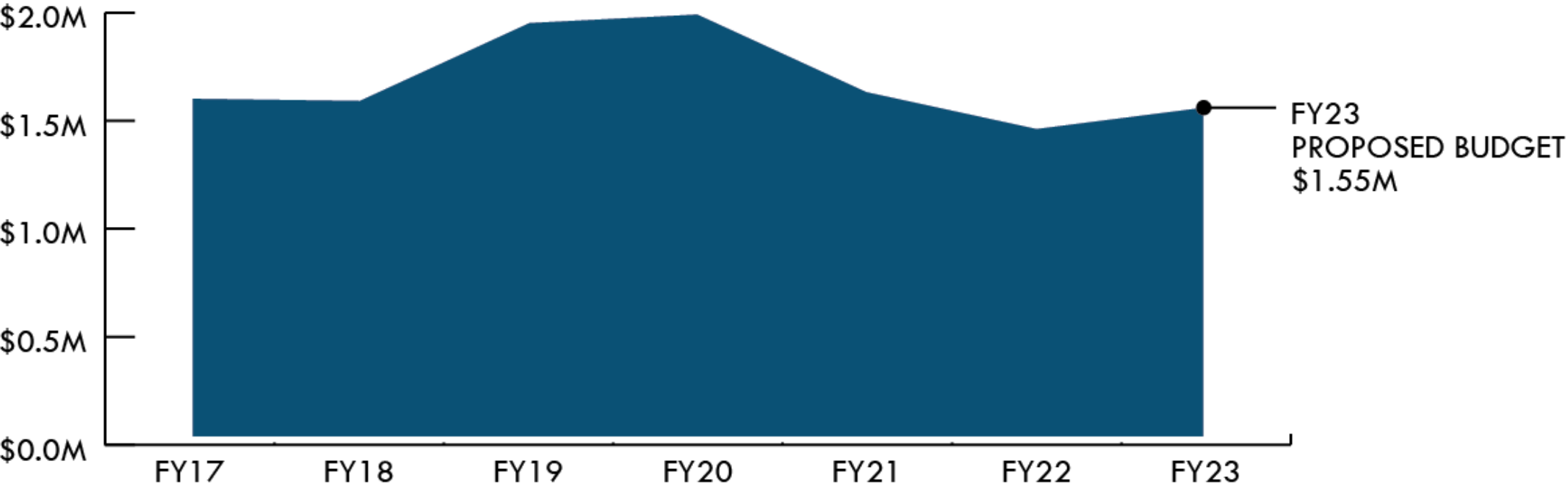
- Unsecured business
- Continued economic uncertainty
- Slower recovery to reach pre-COVID 19 levels
- Increase in utility rates and in prices of good and services/labor

CITY BUDGET OVERVIEW OF PROPOSED LACC RELATED APPROPRIATIONS & EXPENDITURES

CTD-LACC PROPOSED BUDGET REQUESTS

ON-BUDGET EXPENDITURES	AMOUNT	SOURCE OF FUNDS
CTD DEPARTMENT	\$1.55 MILLION	LACC OPERATING REVENUES/CVB TRUST FUND
GENERAL FUND REIMBURSEMENT	\$0.35 MILLION	LACC OPERATING REVENUES
OFF-BUDGET EXPENDITURES	AMOUNT	SOURCE OF FUNDS
LACC AEG OPERATING BUDGET	\$28 MILLION	LACC OPERATING REVENUES
LATCB BUDGET	TBD	TOT/CVB TRUST FUND
CIP EXPENDITURES	AMOUNT	SOURCE OF FUNDS
VARIOUS CAPITAL PROJECTS	\$21.8 MILLION	GENERAL FUND - MICLA

CTD DEPARTMENT BUDGET

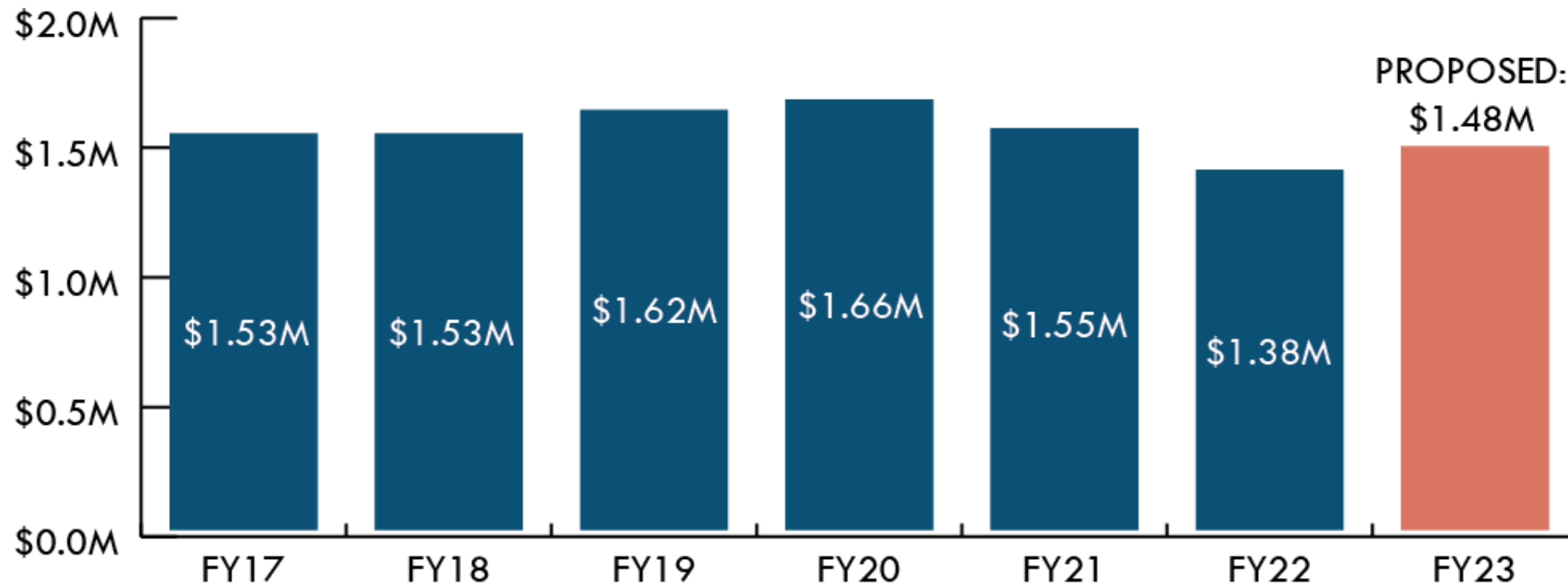


PROPOSED CTD DEPARTMENT BUDGET

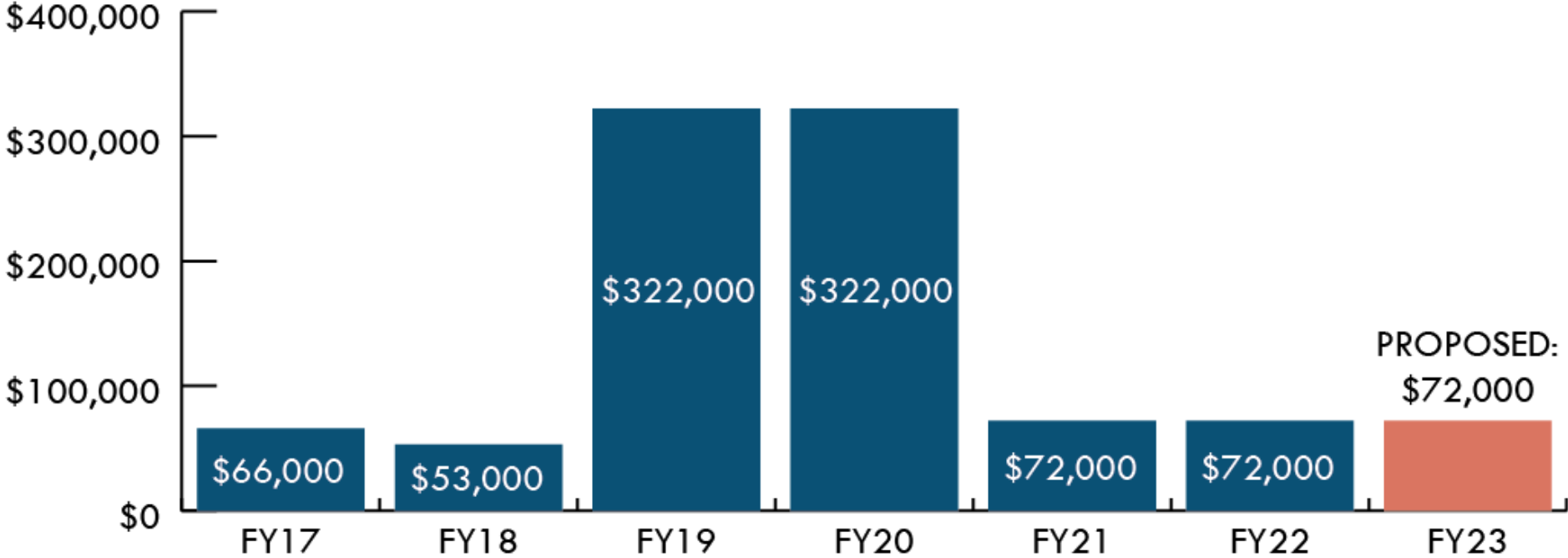
LINE ITEM	FY20 BUDGET	FY21 BUDGET	FY22 BUDGET	FY23 BUDGET*
SALARIES GENERAL	\$1,626,104	\$1,509,763	\$1,340,932	\$1,440,446
SALARIES AS-NEEDED	31,783	31,783	31,783	31,783
OVERTIME	5,000	5,000	5,000	5,000
PRINTING & BINDING	5,000	5,000	5,000	5,000
CONTRACTUAL SERVICES	285,000	35,000	35,000	35,000
TRANSPORTATION EXPENSE	6,000	6,000	6,000	6,000
UTILITIES EXPENSE	6,000	6,000	6,000	6,000
OFFICE & ADMIN	20,000	20,000	20,000	20,000
TOTAL	\$1,984,887	\$1,618,546	\$1,449,715	\$1,549,229

**Salaries General line item and total budget will be adjusted upon receipt of the Wages and Count report from CAO's Office*

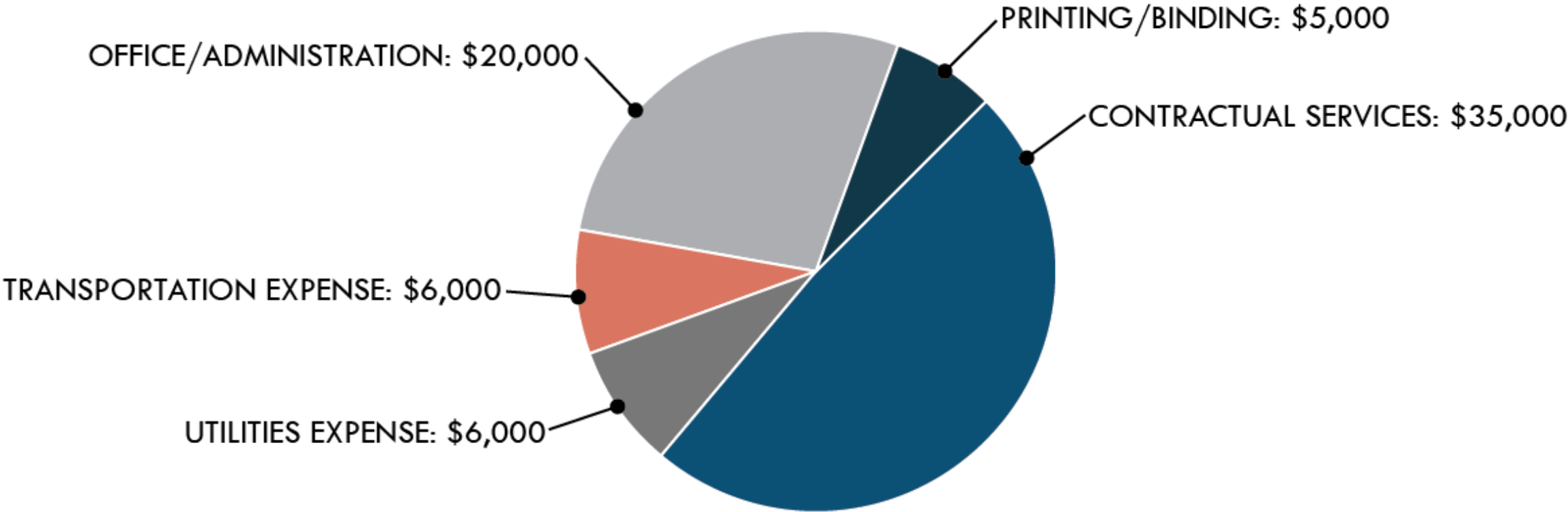
CTD DEPARTMENT BUDGET: TOTAL SALARIES



PROPOSED CTD DEPARTMENT BUDGET: TOTAL OPERATING EXPENSES



PROPOSED CTD DEPARTMENT BUDGET: TOTAL OPERATING EXPENSES \$72,000



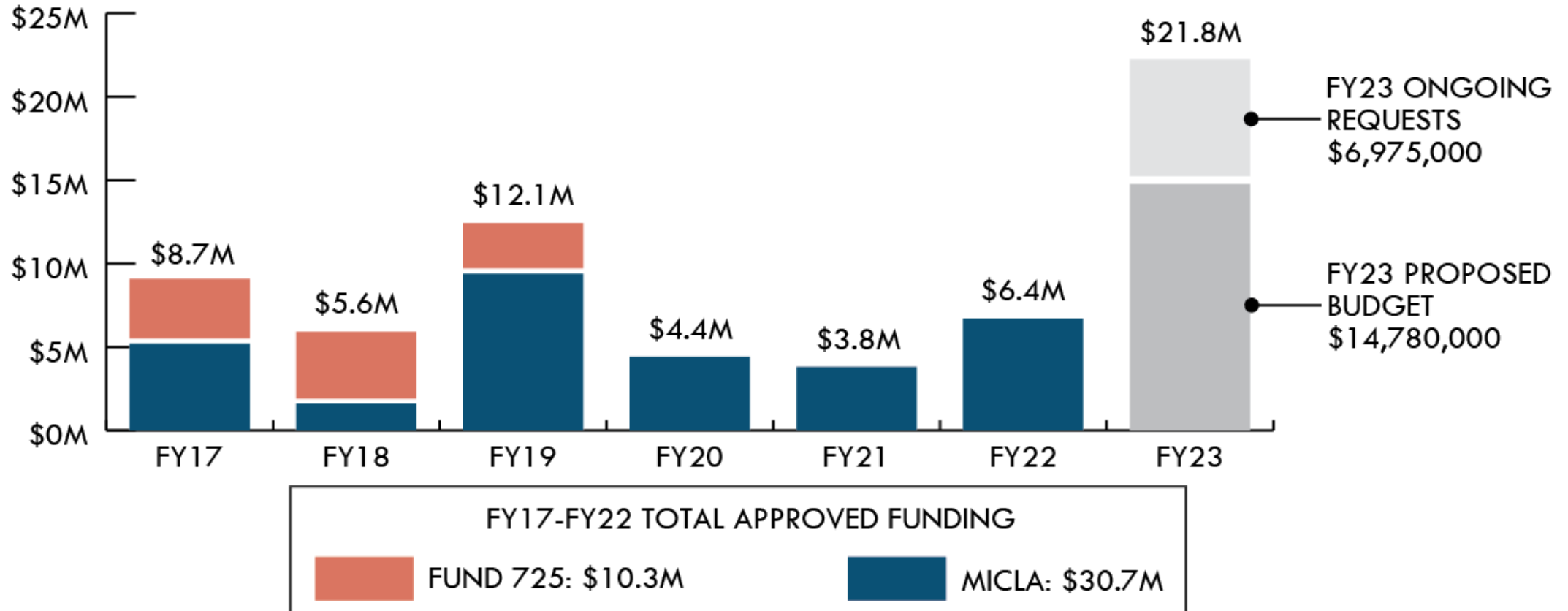
OTHER BUDGET ITEMS

DESCRIPTION	APPROPRIATION	ONE-TIME / ONGOING	NOTES
Credit towards Staples Debt Service Payment*	-	Ongoing until 2022-23	-
General Fund Reimbursement – indirect cost related to CTD	\$354,000	Ongoing	Source – LACC Revenue
Cash Flow Management Fund	\$5,000,000	Ongoing	Source – General Fund

*Note: CTD does not recommend including the \$1 million for Staples debt service payment in the FY 2022-23 budget.

PROPOSED CAPITAL & TECHNOLOGY IMPROVEMENT EXPENDITURE PROGRAM REQUESTS

OVERVIEW OF LACC FACILITY INVESTMENTS: CIP + A&I



SUMMARY OF PROPOSED NEW CAPITAL & TECHNOLOGY IMPROVEMENT EXPENDITURE PROGRAM REQUESTS

PRIORITY NO.	DESCRIPTION	PROPOSED FUNDING SOURCE	2022-23 BUDGET	TO BE COORDINATED WITH EXPANSION	PROJECT PHASE
1.	Campus Lighting Control Upgrade	GENERAL FUND (MICLA)	800,000	N/A	1 of 1
2.	Food Services Renovations and Additions	GENERAL FUND (MICLA)	750,000	N/A	1 of 3
3.	Elevator Upgrades	GENERAL FUND (MICLA)	1,285,000	N/A	1 of multiple
4.	ADA Remediation	GENERAL FUND (MICLA)	2,000,000	Yes	1 of multiple
5.	Chiller Replacement	GENERAL FUND (MICLA)	8,400,000	Yes	1 of 2
6.	Security Access Controls	GENERAL FUND (MICLA)	305,000	N/A	1 of 2
7.	Supply and Return Motor Replacement	GENERAL FUND (MICLA)	885,000	N/A	1 of 3
8.	Exterior Sign LED Retrofit	GENERAL FUND (MICLA)	175,000	N/A	1 of 1
9.	Sliding Door Upgrades	GENERAL FUND (MICLA)	180,000	N/A	1 of 1
TOTAL			\$14,780,000		

SUMMARY OF PROPOSED CONTINUING/ONGOING CAPITAL & TECHNOLOGY IMPROVEMENT EXPENDITURE PROGRAM REQUESTS

PRIORITY NO.	DESCRIPTION	PROPOSED FUNDING SOURCE	2022-23 BUDGET	TO BE COORDINATED WITH EXPANSION	PROJECT PHASE
1.	Escalator/Elevator Modernization	GENERAL FUND (MICLA)	350,000	N/A	6 of multiple
2.	Building Automation System Upgrade	GENERAL FUND (MICLA)	5,400,000	Yes	2 of 3
3.	Security Surveillance System	GENERAL FUND (MICLA)	250,000	N/A	6 of multiple
4.	Escalator Replacement	GENERAL FUND (MICLA)	975,000	Yes	2 of 3
TOTAL			\$6,975,000		

RECOMMENDATION

That the Board of City Tourism Commissioners approve the CTD departmental budget submission for consideration by the Mayor's Office for the FY 2022-23 Proposed Budget.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 20, 2021

To: Board of City Tourism Commissioners

From: Doane Liu, Executive Director *Doane Liu*
Los Angeles City Tourism Department

Subject: **FISCAL YEAR 2022-23 BUDGET PROPOSAL – BOARD REPORT NO. 21-007**

SUMMARY

The Los Angeles City Tourism Department (CTD) Fiscal Year 2022-23 Departmental Budget Request is attached for your consideration, which includes a summary of the operating budget for the Los Angeles Convention Center (LACC) private operator (AEG-LACC), and CTD. Departmental budget requests are due to the Office of the Mayor by Friday, November 19, 2021.

The total revenue budget proposed from LACC-generated business is \$28 million, which assumes several sources of funds, including but not limited to, rent, food and beverage, utility services, parking and communications. The 2022-23 revenue estimate assumes a total of \$4.5 million in discounts for rental revenue related to bookings. The ongoing pandemic continues to have a significant adverse financial impact on the LACC.

2022-23 PROPOSED REVENUE BUDGET

	FY 2022-23 Proposed	FY 2021-22 Adopted
Rent	\$5,286,173	\$4,413,657
Food and Beverage	4,223,294	1,285,693
Utility Services	3,855,057	2,359,905
Parking	11,813,818	8,338,946
Communications	1,282,757	1,168,998
Other	1,636,026	1,958,214
Total	\$28,097,125	\$19,525,413

The revenue budget of \$28 million is the source of funds for several items, including: (1) AEG-LACC's operating budget for the LACC facility, and (2) the CTD operating budget.

In years past, the revenue budget was also the source of funds for a portion of the annual Staples debt service payment. The annual Staples debt service payment of \$1 million

was related to the 1998 agreement between the City of Los Angeles (City) and the LA Arena Land Company regarding the construction of the Staples Sports Arena adjacent to the LACC. CTD recommends not including the \$1 million for Staples debt service payment in the Fiscal Year 2022-23 budget.

AEG-LACC OPERATING BUDGET – ATTACHMENT A

The operating budget proposed by AEG-LACC is approximately \$25.6 million. The AEG-LACC 2022-23 operating budget assumes funding for approximately 101 full-time employees and 120 part-time employees.

As part of the Management Agreement between AEG-LACC and the City, the LACC operating budget must provide for a reserve (LACC Reserve Fund) in an amount equal to ten percent of the operating budget to be used for unanticipated LACC-related expenses or to fund shortfalls caused by lower than expected revenues or higher than expected expenses. As of September 2021, the balance of the LACC Reserve Fund was \$9.1 million (accrual basis). AEG-LACC will draw from the LACC Reserve Fund as needed during Fiscal Year 2021-22 to fund cash flow needs, and will repay back to the LACC Reserve Fund as soon as cash is available. The 2022-23 Budget assumes a contribution to the LACC Reserve Fund in the amount of \$850,000.

Attachment A summarizes AEG-LACC's Operating Budget and provides a line item breakdown of all revenues and expenses.

BOOKINGS – ATTACHMENT B

Attachment B provides information on the 2022-23 booked and pending citywide events and the projected booking numbers for non-citywide events, which includes assemblies, meetings, filmings, consumer shows, and trade shows. Due to the LACC's Booking Policy (Attachment C), non-citywide events are typically not booked beyond a 12-month period from the date of the event. Therefore, non-citywide bookings are projections based on historical trends and new assumptions.

The 2022-23 Budget assumes a total of 222 events, which includes 20 citywide events, 21 trade shows, 37 consumer shows, 43 assemblies, 65 meetings, and 36 filmings.

Although fewer in numbers, citywide bookings are prioritized over other bookings, due to the fact that citywide events have a greater regional economic impact that attract out-of-town visitors and generate local taxes. Further, while making up less than 10

percent of the LACC's total event count, citywide events are anticipated to generate approximately 27 percent of LACC's revenue budget.

CTD – OPERATING BUDGET – ATTACHMENT D

The CTD 2022-23 Departmental Budget Request includes funding for 12 positions and \$72,000 for other expenses. The CTD Budget has two sources of funds, primarily operating revenues generated by LACC activities and special funds from the Los Angeles Convention and Visitors Bureau (LACVB) Trust Fund.

Since CTD is a small City department, some of its administrative and financial functions are outsourced, including services related to financial reporting. CTD has found that it is more efficient to outsource this function and has been doing so since the transition from public to private management of the LACC. By utilizing the Office of the Controller's as-needed list of CPAs, the CTD has contracted with Turner, Warren, Hwang & Conrad AC (TWHC) to perform these services. The 2022-23 Departmental Budget Request assumes a continuation of funding for these services for a total of \$35,000.

Attachment D includes a line item summary of CTD's budget, and a breakdown of the budget by source of funds.

CAPITAL AND TECHNOLOGY IMPROVEMENT EXPENDITURE PROGRAM REQUESTS – ATTACHMENT E

Attachment E summarizes the capital improvement requests, which includes a total of nine new projects for a total of \$14.8 million. Additionally, the Office of the City Administrative Officer (CAO) requested that continuing/ongoing projects be submitted separately from this budget process by August 31, 2021. Therefore, CTD submitted a request for funding for additional phases for four capital projects in August 2021 in the amount of \$7.0 million for projects that were previously approved by this Board during prior fiscal years. According to the Management Agreement, capital improvements continue to remain the responsibility of the City. As such, the source of funds requested is the City's General Fund. The last several years, the City's Adopted Budget included funding for LACC's capital improvement projects, debt financed through the Municipal Corporation of Los Angeles (MICLA). Should the 2022-23 Proposed Budget include funding for LACC capital projects, it is anticipated these projects would again be financed through MICLA.

The capital improvement list was developed based on recommendations submitted as part of AEG-LACC's 2022-23 budget request. CTD reviewed the request and developed the proposed list in accordance to budget instructions.

RECOMMENDATION

That the Board of City Tourism Commissioners approve the FY 2022-23 Los Angeles City Tourism Department Budget submission in consideration of the FY 2022-23 Mayor's Proposed Budget.

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ATTACHMENTS:

ATTACHMENT A – Proposed Budget – AEG-LACC Operations

ATTACHMENT B – Bookings

ATTACHMENT C – Booking Policy

ATTACHMENT D – CTD Department Budget

ATTACHMENT E – Capital & Technology Improvement Expenditure Program Requests

ATTACHMENT A
PROPOSED BUDGET – OPERATIONS

**AEG Management LACC, LLC
Los Angeles Convention Center
22/23 Budget - Assumptions**

22/23 Budget Assumptions

Revenue

Continued economic recovery
Revenue event build based on 222 events
20 City wide events
LA Auto Show is factored into the budget - Net rent of \$1.0M (discount of 10%)
Construction start January 2023

Expenses

Overall expenses increased 4% to FY 18/19
No Staples Bond Payment of \$1 million
General Fund and CTD increase of \$0.15M compared to FY 21/22
A&I expenses are not budgeted
No ASHRAE cost

AEG Management LACC, LLC
Los Angeles Convention Center
22/23 Budget
Accrual Based

	Budget FY23 7/1/22 - 6/30/23	Budget FY22 7/1/21 - 6/30/22	Actual FY21 7/1/20 - 6/30/21	Actual FY20 7/1/19 - 6/30/20	Actuals FY19 7/1/18 - 6/30/19
Revenue's (net of event expenses)					
Rent	11,132,735	9,118,135	3,601,880	10,250,009	11,997,624
Less Discounts	(5,432,783)	(4,704,478)	-	(2,788,982)	(5,296,000)
Net Rent	5,699,953	4,413,657	3,601,880	7,461,027	6,701,624
Food and Beverage Sales	17,434,145	7,095,640	11,103,180	14,900,250	21,715,787
Net Food and Beverage Revenue	4,082,341	1,535,125	2,794,391	3,735,522	4,940,995
Utility Services Gross Billing	11,637,210	9,846,836	840,312	10,469,058	14,966,804
Percent kept by vendor	(7,715,813)	(6,549,968)	(511,742)	(6,909,812)	(9,855,866)
Utility Services Commissions	3,921,397	3,296,868	328,570	3,559,246	5,110,938
Parking receipts	11,813,818	8,338,946	1,751,746	9,510,659	12,414,325
Net Parking Revenue	11,813,818	8,338,946	1,751,746	9,510,659	12,414,325
Event Billing	1,496,818	1,316,107	401,206	1,534,752	2,117,910
Event Expenses	(1,961,192)	(1,346,758)	(97,161)	(1,625,073)	(2,789,844)
Net Event Billing	(464,374)	(30,651)	304,045	(90,321)	(671,934)
Communications	1,285,814	1,357,763	130,380	1,621,450	1,804,529
Cell Towers	1,600,768	1,495,833	1,495,103	1,418,116	1,228,705
Marketing / Advertising	249,100	304,850	31,250	264,693	466,078
AV	184,192	152,926	-	171,334	293,223
Other	70,254	62,500	20,127	158,534	340,818
Total Revenue	28,443,262	20,927,817	10,457,492	27,810,260	32,629,301
Expenses					
Salaries & Wages - Full Time	7,715,459	6,569,833	4,311,693	7,198,879	7,196,943
Salaries & Wages - Part Time	1,213,140	769,595	318,091	1,360,687	1,742,404
Overtime General	90,993	81,585	68,409	196,836	307,704
Parking Wages	736,390	569,360	-	687,394	984,164
Payroll Taxes	715,174	586,948	354,653	673,790	742,659
Fringe Benefits	1,214,090	1,100,554	836,855	1,368,746	1,253,244
Workers Comp	450,980	343,950	302,183	545,307	287,388
Total Wages Salaries and Benefits	12,136,226	10,021,825	6,191,884	12,031,639	12,514,506
Printing and Binding	68,808	60,750	31,109	61,063	93,461
Contracted services	5,501,522	4,129,229	2,719,814	4,029,685	4,707,961
Field Equipment	120,323	114,321	31,320	78,993	88,653
Maintenance Materials & Supplies	771,557	426,158	908,230	382,394	375,885
Transportation Reimbursement	15,600	13,600	200	9,729	17,045
Utilities	5,484,367	4,364,772	2,653,397	4,982,560	5,530,883
Office & Administration	71,655	66,703	19,831	64,059	41,681
Operating Supplies	287,537	255,203	212,458	294,037	357,165
Modifications / Repairs	293,544	160,800	89,021	312,111	312,488
Advertising / Promotions	145,647	125,605	33,014	105,436	115,249
Uniforms	42,990	40,000	782	18,901	51,118
Recruiting	7,000	27,000	2,583	3,159	16,381
Employee Welfare	65,427	54,775	9,753	33,956	102,414
Insurance	503,978	347,978	344,670	352,558	293,833
Management Fee	407,775	399,780	391,941	354,445	370,007
Total Operating Expenses	13,787,730	11,402,882	7,448,123	11,083,086	12,474,224
Total Expenses (Wages and Operating)	25,923,956	21,424,708	13,640,007	23,114,725	24,988,730
Operating Profit (Loss) before City Reimbursement and A & I	2,519,307	(496,890)	(3,182,515)	4,695,535	7,640,571
Parking Staples Bond Contribution	-	-	-	1,000,000	1,000,000
General Fund Reimbursement	354,043	300,398	770,180	1,573,616	1,870,898
CTD Department	1,274,229	1,174,740	1,102,621	1,320,795	1,421,906
Total City Reimbursement	1,628,272	1,475,138	1,872,801	3,894,411	4,292,804
Operating profit(loss) available for Reserve and A & I	891,035	(1,972,028)	(5,055,316)	801,124	3,347,767

**AEG Management LACC, LLC
Los Angeles Convention Center
22/23 Budget
Accrual Based**

**FY23
7/1/22 - 6/30/23**

Revenue's (net of event expenses)

Bureau Booking
Conventions **7,560,933**

LACC Booking

Assembly 1,966,662
Consumer 5,483,463
Trade 1,056,350
Meeting 360,538
Filming 414,000

Profit on LACC Events 9,281,014

Non Event Related Revenue

Parking 11,813,818
Cell Towers 1,600,768
Other Revenue 70,254
Marketing / Sponsorship 249,100

Total Non event Related Revenue 13,733,940

F & B overhead salaries and operating expenses (2,132,624)

Total Revenues (net of event expenses and F & B overhead) 28,443,262

Expenses by Department (AEG Management LACC, LLC)

Finance & Admin 3,778,573
Operations 15,069,642
Event Services 962,424
Guest Services / Security 2,895,103
HR 541,751
Sales and Marketing 785,248
Parking 1,891,215

Total Expenses by department 25,923,956

Operating Profit before City Reimbursement, A & I, and Depreciation 2,519,307

Other Expenses

Depreciation 1,208,667
Staples Bond -
General Fund Reimbursement 354,043
LACC Oversight Group 1,274,229

Total Expenses and Appropriations 28,760,894

Net Income (317,632)

**AEG Management LACC, LLC
 Los Angeles Convention Center
 22/23 Budget - Cash**

	Budget FY23 7/1/22 - 6/30/23
Revenue's (net of event expenses)	
Rent	9,793,534
Less Discounts	(4,507,361)
Net Rent	<u>5,286,173</u>
Net Food and Beverage Revenue	4,223,294
Utility Services Commissions	3,855,057
Parking receipts	11,813,818
Event Billing	1,496,818
Event Expenses	(1,961,192)
Net Event Billing	<u>(464,374)</u>
Communications	1,282,757
Cell Towers	1,600,768
Marketing / Advertising	249,100
AV	180,280
Other	<u>70,254</u>
Total Revenue	28,097,125
Expenses	
Salaries & Wages - Full Time	7,715,459
Salaries & Wages - Part Time	1,213,140
Overtime General	90,993
Parking Wages	736,390
Payroll Taxes	715,174
Fringe Benefits	1,214,090
Workers Comp Insurance - Base coverage	450,980
Total Wages Salaries and Benefits	<u>12,136,226</u>
Printing and Binding	68,808
Contracted services	5,501,522
Field Equipment	120,323
Maintenance Materials & Supplies	771,557
Transportation Reimbursement	15,600
Utilities	5,179,460
Office & Administration	71,655
Operating Supplies	287,537
Modifications / Repairs	293,544
Advertising / Promotions	145,647
Uniforms	42,990
Recruiting	7,000
Employee Welfare	65,427
Insurance	503,978
Management Fee	403,777
Total Operating Expenses	<u>13,478,826</u>
Total Expenses (Wages and Operating)	<u>25,615,052</u>
Operating Profit before A & I and Depreciation	2,482,074
Parking Staples Bond Contribution	-
General Fund Reimbursement	354,043
CTD Department	1,274,229
Total City Reimbursement	<u>1,628,272</u>
Operating profit available for A & I and Reserve	853,802

AEG Management LACC, LLC
Los Angeles Convention Center
Three Year Plan
Accrual Based

	FY23 7/1/22 - 6/30/23	Forecasted 7/1/23 - 6/30/24	Forecasted 7/1/24 - 6/30/25
Revenue's (net of event expenses)			
Rent	11,132,735	11,689,372	12,040,053
Less Discounts	(5,432,783)	(5,871,389)	(6,147,530)
Net Rent	5,699,953	5,817,983	5,892,523
Food and Beverage Sales	17,434,145	19,177,560	20,136,437
Net Food and Beverage Revenue	4,082,341	4,410,839	4,631,381
Utility Services Gross Billing	11,637,210	12,800,931	13,440,978
Percent kept by vendor	(7,715,813)	(8,487,395)	(8,911,764)
Utility Services Commissions	3,921,397	4,313,536	4,529,213
Parking receipts	11,813,818	11,643,259	11,725,422
Net Parking Revenue	11,813,818	11,643,259	11,725,422
Event Billing	1,496,818	1,571,659	1,650,242
Event Expenses	(1,961,192)	(2,059,252)	(2,162,214)
Net Event Billing	(464,374)	(487,593)	(511,972)
Communications	1,285,814	1,414,395	1,555,835
Cell Towers	1,600,768	1,648,791	1,698,255
Marketing / Advertising	249,100	256,573	264,270
AV	184,192	202,611	222,872
Other	70,254	84,305	86,834
Prior Year carryover & Other			
Total Revenue	28,443,262	29,304,700	30,094,633
Expenses			
Salaries & Wages - Full Time	7,715,459	7,946,923	8,185,330
Salaries & Wages - Part Time	1,213,140	1,249,535	1,287,021
Overtime General	90,993	93,723	96,534
Parking Wages	736,390	931,461	938,034
Payroll Taxes	715,174	743,214	765,511
Fringe Benefits	1,214,090	1,250,513	1,288,029
Workers Comp Insurance - Base coverage	450,980	445,929	459,306
Total Wages Salaries and Benefits	12,136,226	12,661,297	13,019,765
Printing and Binding	68,808	70,872	72,998
Contracted services	5,501,522	5,666,567	5,836,564
Field Equipment	120,323	123,933	127,651
Maintenance Materials & Supplies	771,557	794,703	818,544
Transportation Reimbursement	15,600	16,068	16,550
Utilities	5,484,367	5,758,585	6,046,514
Office & Administration	71,655	73,805	76,019
Operating Supplies	287,537	296,163	305,048
Modifications / Repairs	293,544	302,350	311,421
Advertising / Promotions	145,647	150,017	154,517
Uniforms	42,990	44,280	45,608
Recruiting	7,000	7,210	7,426
Employee Welfare	65,427	67,390	69,412
Insurance	503,978	519,097	534,670
Management Fee	407,775	415,931	424,249
Total Operating Expenses	13,787,730	14,306,971	14,847,193
Total Expenses (Wages and Operating)	25,923,956	26,968,268	27,866,958
Operating Profit before A & I, Depreciation, and Staples Bond	2,519,307	2,336,432	2,227,675

Assumptions:

-
Expansion to be underway starting January 2023
No GLP Parking Revenue 23/24 & 24/25
No Clipper parking revenue in 24/25
3% growth in revenue in FY24 & FY25.
3% yearly increase in operating expenses

ATTACHMENT B
BOOKINGS

AEG Management LACC, LLC
Los Angeles Convention Center
22/23 Budget
Bureau Booking

Event Name	Budget per event
Society for the Promotion of Japanese Animation - ANIME EXPO	207,263
2022 MLB All-Star: Play Ball Park	181,910
International Avaya Users Group - Avaya Engage 2022	340,579
American Sociological Association - 2022 Annual Meeting	200,894
SPARGO, Inc. - 2022 International Myeloma Workshop	340,994
GSMA - MWC Los Angeles 2022	677,440
Intelligent Transportation Society of America - ITS World Congress 2022	368,876
National Council of Teachers of Mathematics - 2022 NCTM Annual Meeting & Exposition	226,347
ADOBE MAX	1,391,452
AMERICAN SOCIETY OF HUMAN GENETICS-2022 Annual Meeting	385,664
2023 WrestleMania Axxess	160,553
American Society of Civil Engineers - ASCE Geo-Congress 2023	228,901
Asian American Hotel Owners Association - 2023 AAHOA Annual Convention & Tradeshow	456,461
American Association of Neurological Surgeons - Annual Meeting	447,563
National Council for Behavioral Health - NatCon23	315,982
American Association for Thoracic Surgery - AATS Annual Meeting	246,883
American Society of Gene & Cell Therapy - 2023 ASGCT Annual Meeting	388,248
Society for Information Display - Display Week 2023	233,791
Entertainment Software Association - E3	485,334
BET Experience & Awards 2022	275,800
NOTE: LATCB booked events LA Marathon and KCON are included in Short-term booking	7,560,933

AEG Management LACC, LLC
 Los Angeles Convention Center
 22/23 Budget
 LACC Booking Summary

Year over Year events		Budget 2022/2023
Total LATCB Booked		20
Assembly		43
Consumer		37
Trade		21
Meeting		65
Filming		36
Total		222

2022/2023 Revenue projection by event type - (Unsecured Date input)

		Rent			Settlement Parking	Recovered Services (room set up, misc)			Electrical Revenue			AV			Communications / Smart City			Food and Beverage			Budget per event	
		Gross	Discount	Net Rent		Billed Services	Est. Event wages	Net	Electrical	Contra	Net	Gross	Vendor Share	LACC Revenue	Gross	Vendor Share	LACC Share	Gross F & B	Contra F & B	Net F & B		
Assembly	1	17,500	-	17,500		2,000	(4,500)	(2,500)	1,750	(1,089)	661	6,000	(780)	5,220	1,600	(1,040)	560	4,000	(2,400)	1,600	23,041	
Consumer	2	40,000	-	40,000		3,500	(5,000)	(1,500)	22,500	(14,006)	8,494	2,000	(1,500)	500	4,500	(2,925)	1,575	12,000	(7,200)	4,800	53,869	
Trade	3	25,000	-	25,000		1,500	(2,700)	(1,200)	26,500	(16,496)	10,004	1,600	(1,200)	400	4,500	(2,925)	1,575	22,500	(13,500)	9,000	44,779	
Meeting	4	4,000	-	4,000		300	(500)	(200)	-	-	-	-	-	-	-	-	-	-	-	-	3,800	
Filming	7	9,500	-	9,500	3,500	3000	(1,000)	2000	-	-	-	-	-	-	-	-	-	500	-	500	15,500	
Revenue by Month - July																						
Assembly	400 1 1	70,020	-	70,020		21,600	(21,100)	500	9,900	(6,163)	3,737	32,804	(24,931)	7,873	6,400	(4,160)	2,240	31,295	(20,215)	11,080	95,450	
Consumer	410 1 2	81,125	-	81,125		11,905	(13,043)	(1,138)	16,700	(10,396)	6,304	4,000	(3,120)	880	9,000	(5,850)	3,150	72,678	(46,946)	25,732	116,054	
Trade	420 1 3	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Meeting	430 1 4	25,558	-	25,558		2,640	(3,705)	(1,065)	6,612	(4,116)	2,496	-	-	-	-	-	-	8,100	(5,232)	2,868	29,857	
Filming	440 1 7	47,500	-	47,500		15,000	(5,000)	10,000	-	-	-	-	-	-	-	-	-	-	-	-	57,500	
		224,203	-	224,203		51,145	(42,848)	8,298	33,212	(20,674)	12,538	36,804	(28,051)	8,753	15,400	(10,010)	5,390	112,073	(72,393)	39,680	298,861	
Revenue by Month - August																						
Assembly	400 2 1	95,500	-	95,500		23,600	(24,600)	(1,000)	7,000	(4,358)	2,643	40,604	(30,859)	9,745	8,000	(5,200)	2,800	4,000	(2,584)	1,416	111,104	
Consumer	410 2 2	188,120	-	188,120		24,625	(27,000)	(2,375)	109,250	(68,008)	41,242	6,000	(4,560)	1,440	61,100	(39,715)	21,385	180,000	(116,271)	63,729	313,541	
Trade	420 2 3	160,940	-	160,940		13,000	(11,400)	1,600	53,000	(32,993)	20,008	3,200	(2,432)	768	9,000	(5,850)	3,150	39,325	(25,402)	13,923	200,389	
Meeting	430 2 4	21,086	-	21,086		2,440	(3,480)	(1,040)	-	-	-	-	-	-	-	-	-	-	-	-	20,046	
Filming	440 2 7	47,500	-	47,500		15,000	(5,000)	10,000	-	-	-	-	-	-	-	-	-	-	-	-	57,500	
		513,146	-	513,146		78,665	(71,480)	7,185	169,250	(105,358)	63,892	49,804	(37,851)	11,953	78,100	(50,765)	27,335	223,325	(144,256)	79,069	702,580	
Revenue by Month - September																						
Assembly	400 3 1	180,150	-	180,150		28,970	(36,925)	(7,955)	50,250	(31,281)	18,969	51,404	(39,067)	12,337	16,400	(10,660)	5,740	752,000	(485,753)	266,247	475,498	
Consumer	410 3 2	219,320	-	219,320		23,445	(47,438)	(23,993)	168,000	(104,580)	63,420	7,600	(5,776)	1,824	33,500	(21,775)	11,725	385,400	(248,948)	136,452	408,748	
Trade	420 3 3	75,000	-	75,000		19,500	(17,100)	2,400	79,500	(49,489)	30,011	4,800	(3,648)	1,152	13,500	(8,775)	4,725	74,870	(48,362)	26,508	139,796	
Meeting	430 3 4	34,250	-	34,250		2,340	(3,205)	(865)	6,612	(4,116)	2,496	-	-	-	-	-	-	-	-	-	35,881	
Filming	440 3 7	38,000	-	38,000		12,000	(4,000)	8,000	-	-	-	-	-	-	-	-	-	-	-	-	46,000	
		546,720	-	546,720		86,255	(108,668)	(22,413)	304,362	(189,465)	114,897	63,804	(48,491)	15,313	63,400	(41,210)	22,190	1,212,270	(783,063)	429,207	1,105,914	
Revenue by Month - October																						
Assembly	400 4 1	72,033	-	72,033		12,000	(21,400)	(9,400)	11,650	(7,252)	4,398	18,000	(13,680)	4,320	7,300	(4,745)	2,555	77,500	(50,061)	27,439	101,344	
Consumer	410 4 2	82,900	-	82,900		17,000	(21,800)	(4,800)	90,000	(56,025)	33,975	2,000	(1,520)	480	18,000	(11,700)	6,300	10,000	(6,459)	3,541	122,396	
Trade	420 4 3	101,000	-	101,000		21,000	(19,800)	1,200	106,000	(65,985)	40,015	6,400	(4,864)	1,536	18,000	(11,700)	6,300	102,500	(66,210)	36,290	186,341	
Meeting	430 4 4	43,308	-	43,308		3,800	(5,050)	(1,250)	13,224	(8,232)	4,992	-	-	-	15,000	(9,750)	5,250	7,500	(4,845)	2,655	54,955	
Filming	440 4 7	28,500	-	28,500		9,000	(3,000)	6,000	-	-	-	-	-	-	-	-	-	-	-	-	34,500	
		327,740	-	327,740		62,800	(71,050)	(8,250)	220,874	(137,494)	83,380	26,400	(20,064)	6,336	58,300	(37,895)	20,405	197,500	(127,575)	69,925	499,537	
Revenue by Month - November																						
Assembly	400 5 1	35,000	-	35,000		8,000	(11,400)	(3,400)	3,500	(2,179)	1,321	12,000	(9,120)	2,880	3,200	(2,080)	1,120	8,000	(5,168)	2,832	39,754	
Consumer	410 5 2	1,124,125	(112,413)	1,011,713		165,350	(237,950)	(72,600)	4,800,000	(3,408,000)	1,392,000	5,270	(4,005)	1,265	730,000	(474,500)	255,500	1,822,983	(1,177,552)	645,431	3,233,308	
Trade	420 5 3	25,000	-	25,000		1,500	(2,700)	(1,200)	26,500	(16,496)	10,004	1,600	(1,216)	384	4,500	(2,925)	1,575	22,500	(14,534)	7,966	43,729	
Meeting	430 5 4	36,000	-	36,000		2,000	(3,225)	(1,225)	6,612	(4,116)	2,496	-	-	-	7,500	(4,875)	2,625	-	-	-	39,896	
Filming	440 5 7	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		1,220,125	(112,413)	1,107,713		176,850	(255,275)	(78,425)	4,836,612	(3,430,791)	1,405,821	18,870	(14,341)	4,529	745,200	(484,380)	260,820	1,853,483	(1,197,254)	656,229	3,356,687	
Revenue by Month - December																						
Assembly	400 6 1	67,500	-	67,500		19,600	(22,200)	(2,600)	7,000	(4,358)	2,643	40,604	(30,859)	9,745	8,000	(5,200)	2,800	79,000	(51,030)	27,970	108,058	
Consumer	410 6 2	89,560	-	89,560		15,500	(20,950)	(5,450)	54,000	(33,615)	20,385	5,280	(4,013)	1,267	17,000	(11,050)	5,950	42,000	(27,130)	14,870	126,582	
Trade	420 6 3	25,000	-	25,000		4,500	(4,500)	-	26,500	(16,496)	10,004	1,600	(1,216)	384	4,500	(2,925)	1,575	40,000	(25,838)	14,162	51,125	
Meeting	430 6 4	26,156	-	26,156		3,240	(4,705)	(1,465)	6,612	(4,116)	2,496	-	-	-	-	-	-	14,488	(9,358)	5,130	32,316	
Filming	440 6 7	47,500	-	47,500		15,000	(5,000)	10,000	-	-	-	-	-	-	-	-	-	-	-	-	57,500	
		255,716	-	255,716		57,840	(57,355)	485	94,112	(58,585)	35,527	47,484	(36,088)	11,396	29,500	(19,175)	10,325	175,488	(113,356)	62,132	375,581	

AEG Management LACC, LLC
 Los Angeles Convention Center
 22/23 Budget
 LACC Booking Summary

Year over Year events		Budget 2022/2023
Total		20
LATCB Booked		43
Assembly		37
Consumer		21
Trade		65
Meeting		36
Filming		22
Total		222

2022/2023 Revenue projection by event type - (Unsecured Date input)

			Rent			Settlement Parking	Recovered Services (room set up, misc)			Electrical Revenue			AV			Communications / Smart City			Food and Beverage			Budget per event																					
			Gross	Discount	Net Rent		Billed Services	Est. Event wages	Net	Electrical	Contra	Net	Gross	Vendor Share	LACC Revenue	Gross	Vendor Share	LACC Share	Gross F & B	Contra F & B	Net F & B																						
Revenue by Month - January																						7																					
Assembly	400	7 1	159,435	-	159,435		70,325	(41,000)	29,325	248,150	(154,473)	93,677	26,804	(20,371)	6,433	37,800	(24,570)	13,230	858,750	(554,708)	304,042	606,142																					
Consumer	410	7 2	277,200	-	277,200		22,230	(29,980)	(7,750)	207,500	(129,169)	78,331	4,000	(3,040)	960	22,500	(14,625)	7,875	150,000	(96,892)	53,108	409,724																					
Trade	420	7 3	15,125	-	15,125		1,500	(2,700)	(1,200)	26,500	(16,496)	10,004	1,600	(1,216)	384	4,500	(2,925)	1,575	-	-	-	25,888																					
Meeting	430	7 4	27,500	-	27,500		2,040	(2,705)	(665)	6,612	(4,116)	2,496	-	-	-	7,500	(4,875)	2,625	-	-	-	31,956																					
Filming	440	7 7	38,000	-	38,000		12,000	(4,000)	8,000	-	-	-	-	-	-	-	-	-	-	-	-	46,000																					
			517,260	-	517,260		108,095	(80,385)	27,710	488,762	(304,254)	184,508	32,404	(24,627)	7,777	72,300	(46,995)	25,305	1,008,750	(651,600)	357,150	1,119,710																					
Revenue by Month - February																						8																					
Assembly	400	8 1	22,000	-	22,000		11,600	(4,200)	7,400	-	-	-	16,604	(12,619)	3,985	1,600	(1,040)	560	2,500	(1,615)	885	34,830																					
Consumer	410	8 2	128,320	-	128,320		20,794	(27,600)	(6,806)	128,102	(79,743)	48,359	5,160	(3,922)	1,238	20,660	(13,429)	7,231	22,163	(14,316)	7,847	186,189																					
Trade	420	8 3	16,000	-	16,000		1,500	(2,700)	(1,200)	26,500	(16,496)	10,004	1,600	(1,216)	384	4,500	(2,925)	1,575	3,500	(2,261)	1,239	28,002																					
Meeting	430	8 4	9,129	-	9,129		1,240	(1,480)	(240)	-	-	-	-	-	-	-	-	-	-	-	-	8,889																					
Filming	440	8 7	38,000	-	38,000		12,000	(4,000)	8,000	-	-	-	-	-	-	-	-	-	-	-	-	46,000																					
			213,449	-	213,449		47,134	(39,980)	7,154	154,602	(96,240)	58,362	23,364	(17,757)	5,607	26,760	(17,394)	9,366	28,163	(18,192)	9,971	303,910																					
Revenue by Month - March																						9																					
Assembly	400	9 1	72,875	-	72,875		13,220	(9,740)	3,480	160,000	(99,600)	60,400	22,604	(17,179)	5,425	31,600	(20,540)	11,060	4,500	(2,907)	1,593	154,833																					
Consumer	410	9 2	53,120	-	53,120		13,605	(19,680)	(6,075)	90,000	(56,025)	33,975	6,000	(4,560)	1,440	18,000	(11,700)	6,300	14,000	(9,043)	4,957	93,717																					
Trade	420	9 3	25,000	-	25,000		6,500	(5,700)	800	26,500	(16,496)	10,004	1,600	(1,216)	384	4,500	(2,925)	1,575	35,000	(22,608)	12,392	50,155																					
Meeting	430	9 4	28,040	-	28,040		3,040	(4,155)	(1,115)	19,836	(12,348)	7,488	-	-	-	22,500	(14,625)	7,875	-	-	-	42,288																					
Filming	440	9 7	9,500	-	9,500		3,000	(1,000)	2,000	-	-	-	-	-	-	-	-	-	-	-	-	11,500																					
			188,535	-	188,535		39,365	(40,275)	(910)	296,336	(184,469)	111,867	30,204	(22,955)	7,249	76,600	(49,790)	26,810	53,500	(34,558)	18,942	352,493																					
Revenue by Month - April																						10																					
Assembly	400	10 1	62,520	-	62,520		19,600	(15,400)	4,200	8,150	(5,073)	3,077	26,804	(20,371)	6,433	5,700	(3,705)	1,995	19,500	(12,596)	6,904	85,129																					
Consumer	410	10 2	47,140	-	47,140		10,500	(15,000)	(4,500)	67,500	(42,019)	25,481	6,000	(4,560)	1,440	13,500	(8,775)	4,725	15,000	(9,689)	5,311	79,597																					
Trade	420	10 3	73,000	-	73,000		11,000	(13,800)	(2,800)	106,000	(65,985)	40,015	6,400	(4,864)	1,536	18,000	(11,700)	6,300	60,000	(38,757)	21,243	139,294																					
Meeting	430	10 4	18,750	-	18,750		1,740	(2,205)	(465)	6,612	(4,116)	2,496	-	-	-	7,500	(4,875)	2,625	10,000	(6,459)	3,541	26,947																					
Filming	440	10 7	19,000	-	19,000		6,000	(2,000)	4,000	-	-	-	-	-	-	-	-	-	-	-	-	23,000																					
			220,410	-	220,410		48,840	(48,405)	435	188,262	(117,193)	71,069	39,204	(29,795)	9,409	44,700	(29,055)	15,645	104,500	(67,502)	36,998	353,966																					
Revenue by Month - May																						11																					
Assembly	400	11 1	28,000	-	28,000		13,600	(8,700)	4,900	1,750	(1,089)	661	22,604	(17,179)	5,425	3,200	(2,048)	1,152	2,500	(1,615)	885	41,023																					
Consumer	410	11 2	203,400	-	203,400		14,644	(20,300)	(5,656)	75,102	(46,751)	28,351	5,800	(4,408)	1,392	24,160	(15,304)	8,856	300,000	(193,784)	106,216	342,559																					
Trade	420	11 3	37,000	-	37,000		3,000	(5,400)	(2,400)	53,000	(32,993)	20,008	3,200	(2,432)	768	9,000	(5,850)	3,150	30,000	(19,378)	10,622	69,147																					
Meeting	430	11 4	17,250	-	17,250		11,440	(7,705)	3,735	6,612	(4,116)	2,496	-	-	-	7,500	(4,875)	2,625	-	-	-	26,106																					
Filming	440	11 7	9,500	-	9,500		3,000	(1,000)	2,000	-	-	-	-	-	-	-	-	-	-	-	-	11,500																					
			295,150	-	295,150		45,684	(43,105)	2,579	136,464	(84,949)	51,515	31,604	(24,019)	7,585	43,860	(28,077)	15,783	332,500	(214,778)	117,722	490,334																					
Revenue by Month - June																						12																					
Assembly	400	12 1	89,500	-	89,500		24,400	(18,925)	5,475	11,862	(7,384)	4,478	34,604	(26,299)	8,305	13,900	(9,035)	4,865	2,500	(1,615)	885	113,508																					
Consumer	410	12 2	40,000	-	40,000		5,500	(5,000)	500	22,500	(14,006)	8,494	2,000	(1,520)	480	4,500	(2,925)	1,575	-	-	-	51,049																					
Trade	420	12 3	36,000	-	36,000		10,300	(12,750)	(2,450)	140,000	(87,150)	52,850	-	-	-	7,000	(4,550)	2,450	95,000	(61,365)	33,635	122,485																					
Meeting	430	12 4	12,000	-	12,000		900	(1,500)	(600)	-	-	-	-	-	-	-	-	-	-	-	-	11,400																					
Filming	440	12 7	19,000	-	19,000		6,000	(2,000)	4,000	-	-	-	-	-	-	-	-	-	-	-	-	23,000																					
			196,500	-	196,500		47,100	(40,175)	6,925	174,362	(108,540)	65,822	36,604	(27,819)	8,785	25,400	(16,510)	8,890	97,500	(62,980)	34,520	321,442																					
Totals																																											
Assembly			954,533	-	954,533		266,515	(235,590)	30,925	519,212	(323,209)	196,003	345,440	(262,534)	82,906	143,100	(92,983)	50,117	1,842,045	(1,189,865)	652,180	1,966,662																					
Consumer			2,534,330	(112,413)	2,421,918		345,098	(485,740)	(140,642)	5,828,654	(4,048,337)	1,780,317	59,110	(45,004)	14,106	971,920	(631,348)	340,572	3,014,224	(1,947,032)	1,067,192	5,483,463																					
Trade			589,065	-	589,065		93,300	(98,550)	(5,250)	670,000	(417,075)	252,925	32,000	(24,320)	7,680	97,000	(63,050)	33,950	502,695	(324,715)	177,980	1,056,350																					
Meeting			299,028	-	299,028		36,860	(43,120)	(6,260)	79,344	(49,392)	29,952	-	-	-	67,500	(43,875)	23,625	40,088	(25,895)	14,193	360,538																					
Filming			342,000	-	342,000		108,000	(36,000)	72,000	-	-	-	-	-	-	-	-	-	-	-	-	414,000																					
			4,718,955	(112,413)	4,606,543		849,773	(899,000)	(49,227)	7,097,210	(4,838,013)	2,259,197	436,550	(331,858)	104,692	1,279,520	(831,256)	448,264	5,399,052	(3,487,507)	1,911,545	9,281,014																					

ATTACHMENT C
BOOKING POLICY

[Print](#)

Los Angeles Charter and Administrative Code

Sec. 8.149.7. Booking Policy.

The Board may contract with a not for profit entity established as a tourism and convention bureau to assist the department with the responsibility for booking conventions and meetings into Los Angeles Convention Center facilities. Conventions are defined as any events that are not normally open to the general public and that generate primary attendance from outside of the Los Angeles area. The tourism and convention bureau shall have the authority to book these events one year or more in advance of the event's move-in date.

The department shall have sales responsibility for booking public shows, meetings, special events, banquets, entertainment events, consumer shows and other activities that draw attendees primarily from the Los Angeles area and region, and that appeal to the general public. The Center may book these events up to one (1) year in advance of an event's move-in date.

The Los Angeles Auto Show shall be exempt from the above-stated policy and Auto Show dates may be booked and held by the department on the Convention Center's Master Calendar more than one (1) year in advance.

The department shall be responsible for the management and control of the Master Calendar, but may assign this responsibility to the private management contractor, if any. Nothing in this Chapter shall be construed in such a manner as to prevent the tourism and convention bureau from booking dates for all or a portion of the Center's available facilities less than one (1) year in advance of an event's move-in date, upon written approval of the Executive Director.

SECTION HISTORY

Added by Ord. No. 183,008, Eff. 6-9-14.

ATTACHMENT D
CTD DEPARTMENT BUDGET

**LOS ANGELES CITY TOURISM DEPARTMENT
RECAPITULATION BY ACCOUNT
2022-2023 BUDGET REQUEST**

ACCOUNT NO. - TITLE	ACTUAL	ADOPTED	BUDGET	Change	% Change
	2020-21	2021-22	REQUEST 2022-2023	From Prior Year	From Prior Year
SALARIES					
1010 - General*	1,314,753	1,340,932	1,440,446	99,514	7.4%
1070 - As Needed	-	31,783	31,783	-	0.0%
1090 - Overtime	33,302	5,000	5,000	-	0.0%
Subtotal Salaries	1,348,055	1,377,715	1,477,229	99,514	7.2%
EXPENSES					
2120 - Printing & Binding	175	5,000	5,000	-	0.0%
2130 - Travel	-	-	-	-	0.0%
3040 - Contractual Services	17,845	35,000	35,000	-	0.0%
3310 - Transportation Expense	5,750	6,000	6,000	-	0.0%
3330 - Utilities Expense Private Co. (Verizon)	1,725	6,000	6,000	-	0.0%
6010 - Office & Administrative Expense	11,528	20,000	20,000	-	0.0%
Subtotal Expenses	37,023	72,000	72,000	-	0.0%
Total Fund 100 CTD Expenses	1,385,078	1,449,715	1,549,229	99,514	6.9%
Sources of Funds					
Staples Incremental Parking	-	-	-	-	0.0%
CTD Exp. Transferred from AEG-LACC	1,102,622	1,174,740	1,274,229	99,489	8.5%
Reimbursement of General Fund Costs*	770,179	300,398	354,043	53,645	17.9%
Total From AEG-LACC*	1,872,801	1,475,138	1,628,272	153,134	10.4%
LA Convention & Visitors Bureau Fund*	309,515	274,975	275,000	25	0.0%
Grand Total	2,182,316	1,750,113	1,903,272	153,159	8.8%

*Note: Amounts will be adjusted based on the Wages and Count report from the CAO.

ATTACHMENT E
CAPITAL & TECHNOLOGY IMPROVEMENT
EXPENDITURE PROGRAM REQUEST

FISCAL YEAR 2022-23

SUMMARY OF PROPOSED CAPITAL & TECHNOLOGY IMPROVEMENT EXPENDITURE PROGRAM REQUESTS

PRIORITY NO.	DESCRIPTION	PROPOSED FUNDING SOURCE	2022-23 BUDGET	TO BE COORDINATED WITH EXPANSION	PROJECT PHASE
1.	Campus Lighting Control Upgrade	GENERAL FUND (MICLA)	800,000	N/A	1 of 1
2.	Food Services Renovations and Additions	GENERAL FUND (MICLA)	750,000	N/A	1 of 3
3.	Elevator Upgrades	GENERAL FUND (MICLA)	1,285,000	N/A	1 of multiple
4.	ADA Remediation	GENERAL FUND (MICLA)	2,000,000	Yes	1 of multiple
5.	Chiller Replacement	GENERAL FUND (MICLA)	8,400,000	Yes	1 of 1
6.	Security Access Controls	GENERAL FUND (MICLA)	305,000	N/A	1 of 2
7.	Supply and Return Motor Replacement	GENERAL FUND (MICLA)	885,000	N/A	1 of 1
8.	Exterior Sign LED Retrofit	GENERAL FUND (MICLA)	175,000	N/A	1 of 1
9.	Sliding Door Upgrades	GENERAL FUND (MICLA)	180,000	N/A	1 of 1
TOTAL			\$14,780,000		

The following continuing/ongoing projects were submitted in August 2021:

PRIORITY NO.	DESCRIPTION	PROPOSED FUNDING SOURCE	2022-23 BUDGET	TO BE COORDINATED WITH EXPANSION	PROJECT PHASE
1.	Escalator/Elevator Modernization	GENERAL FUND (MICLA)	350,000	N/A	6 of multiple
2.	Building Automation System Upgrade	GENERAL FUND (MICLA)	5,400,000	Yes	2 of 3
3.	Security Surveillance System	GENERAL FUND (MICLA)	250,000	N/A	6 of multiple
4.	Escalator Replacement	GENERAL FUND (MICLA)	975,000	Yes	2 of 3
TOTAL			\$6,975,000		

Item 5e

FY 2021-22 LATCB Appendix E

Board Report #21-007



OVERVIEW OF 2021-22 APPENDIX E LATCB CONTRACT

BOARD OF CITY TOURISM COMMISSIONERS
OCTOBER 20, 2021



LATCB BACKGROUND

LATCB (Los Angeles Tourism & Convention Board)

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

Services Provided

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

Constituents

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

LATCB FUNCTIONAL OVERVIEW

SALES

MARKETING

**OPERATIONS/
MEMBERSHIP**

BUSINESS AFFAIRS

CITYWIDE SALES

BRAND MARKETING

FINANCE

**CONVENTION &
TOURISM
DEVELOPMENT**

CLIENT SERVICES

**DIGITAL
MARKETING**

**INFORMATION
TECHNOLOGY**

**TOURISM
MARKETING DISTRICT**

HOTEL SALES

**COMMUNICATIONS
(P.R.)**

**HUMAN
RESOURCES**

**LOS ANGELES WORLD
AIRPORTS**

**DESTINATION
SERVICES**

**INTERNATIONAL
TOURISM**

**MEMBERSHIP &
dineL.A.**

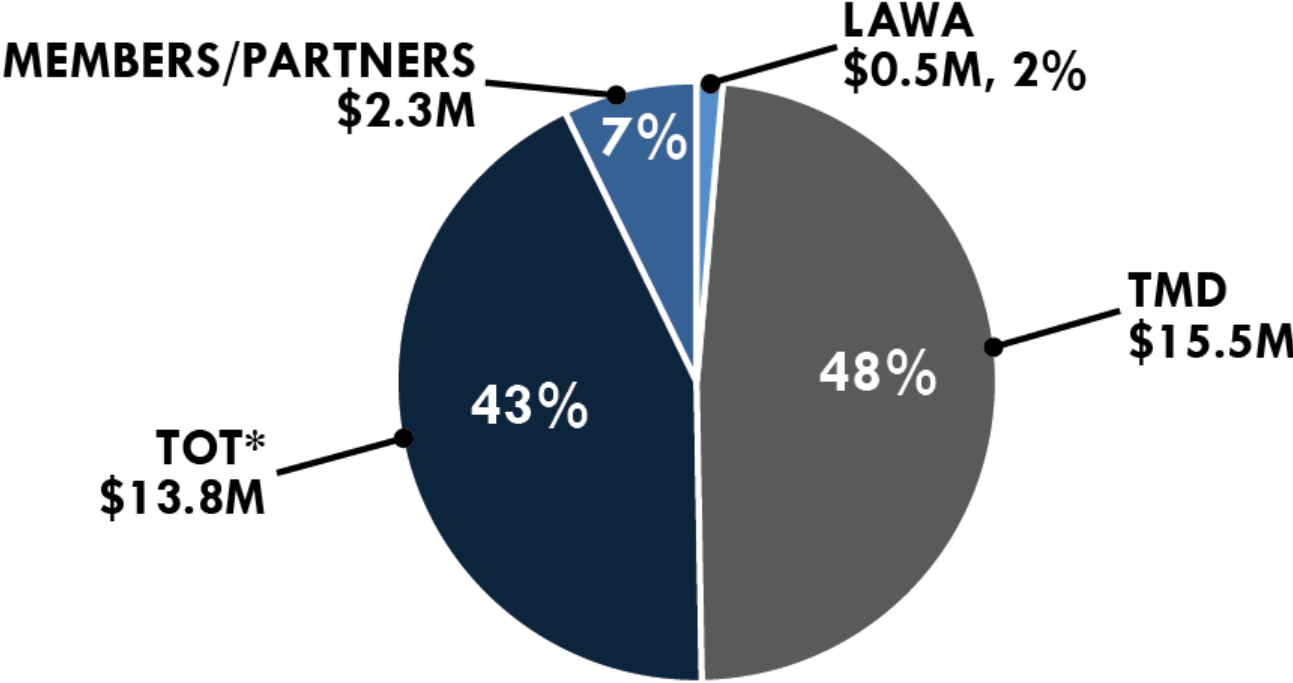
**OTHER CITY &
INDUSTRY
STAKEHOLDERS**

**TOURISM INSIGHTS
(RESEARCH)**

**VICs & DIGITAL
KIOSKS**

LATCB RESOURCES FY 2021-22

Source: LATCB Revised Budget, as of October 2021



TOTAL BUDGET = \$32.1M

*Gross collections less City Services

TOT FUNDS FOR LATCB CONTRACT

14% hotel occupancy tax collected by hotel/motel operators and short-term rentals and remitted to the City

- 1 percentage point - Los Angeles Tourism & Convention Board
- 13 percentage points - City's General Fund
 - 1 percentage point - Department of Cultural Affairs
 - 3.5 percentage points - Allocated towards LACC Debt Service

NET TOT ALLOCATION TO LATCB		
Actual 2019-20	Actual 2020-21	LATCB Revised Budget 2021-22
\$18,887,222	\$7,774,195	\$13,775,025

PRIMARY GOAL OF LATCB CONTRACT

- TO GROW THE LOCAL ECONOMY BY PROMOTING THE CITY
- Four core objectives outlined in Appendix E to assist with achieving this goal.

CORE OBJECTIVES

1. Increase number of people visiting LA as both a convention and tourist destination to increase economic benefits derived from out-of-town visitors to the City;
2. Measure economic impact from citywide conventions and the tourism and hospitality sector;
3. Facilitate and track engagement with those visiting LA for conventions and leisure travel to enhance visitor experience with the intent of encouraging repeat visitation and longer stays; and
4. Effectively leverage TOT funds with other sources of funds to promote conventions and tourism to maximize yield from City's investment.

FISCAL YEAR 2021-22 APPROACH

Typical approach:

- Goals set while considering actuals, trends and changes
- LATCB performance is measured by metrics

Fiscal Year 2021-22 approach, due to the pandemic:

- Metrics and outcomes are still materially influenced by the pandemic
- Use qualitative analysis of services and deliverables to measure LATCB's performance

METRICS HIGHLIGHTS

Objective 1: Increase the number of visitors to LA	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Forecast
Total visitors to LA County	50.3 M	39.2 M	34.4 M	42.1 M
Total overnight domestic visitors	25.5 M	20.2 M	18.8 M	22.5 M
Total international visitors	7.4 M	4.6 M	2.1 M	2.9 M
Citywide/center events hosted at the LACC				
Number of events	23	12	0	11
Reported number of delegates	362,442	227,059	0	119,100
Total number of room nights	226,608	121,158	0	127,993

METRICS HIGHLIGHTS

Objective 2: Measure the economic impact of citywide conventions and tourism	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Forecast
City of LA TOT revenue	\$318.9 M	\$253.5 M	\$110.4 M	\$183.3 M
Number of room nights sold (LA County)	30.4 M	24.5 M	21.0 M	26.9 M
Hotel average daily rate (LA County)	\$180.28	\$170.52	\$142.20	\$157.26
Visitor direct spending	\$24.3 B	\$17.4 B	\$13.0 B	\$16.6 B
Jobs from Leisure and Hospitality sector	541,317	491,958	374,642	412,692

RECOMMENDATION

That the Board of City Tourism Commissioners approve the proposed Appendix E for Fiscal Year 2021-22 to the Agreement between CTD and LATCB.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 20, 2021

To: Board of City Tourism Commissioners

From: Doane Liu, Executive Director *Doane Liu*
Los Angeles City Tourism Department

Subject: **PROPOSED FY2021-22 APPENDIX E OF THE AGREEMENT BETWEEN
THE CITY TOURISM DEPARTMENT AND THE LOS ANGELES TOURISM
& CONVENTION BOARD - BOARD REPORT #21-006**

SUMMARY

The Los Angeles Tourism & Convention Board (LATCB) provides a variety of services, including marketing the City of Los Angeles (City) as a premier tourist destination and booking citywide events at the Los Angeles Convention Center (LACC). The City Tourism Department (CTD) administers the LATCB Agreement (Agreement). Appendix E of the Agreement, however, is updated annually and is attached to this report for the consideration of the Board of City Tourism Commissioners (Board).

DISCUSSION

The primary goal of the City's engagement with LATCB is to grow the local economy by promoting the City as a destination for leisure travel and a site for citywide conventions, business meetings and trade shows. As such, the Agreement defines four core objectives to assist with achieving that goal. Appendix E outlines services, deliverables and performance metrics that align with each of the four core objectives to help the City evaluate how well these goals are being met. The objectives and metric categories for tracking performance, developed in collaboration with CTD and LATCB, remain the same during the term of the Agreement. However, due to the ongoing impacts related to the novel coronavirus (COVID-19) pandemic, LATCB's contractual performance shall be measured by a qualitative analysis of their ability to execute contractual services and deliverables, rather than the quantitative measure of performance metrics.

In addition, LATCB tracks and updates specific market data in a separate category as part of the annual Appendix E review. This market data provides the City with comprehensive information on external convention and tourism industry trends and statistics to keep policymakers current on the status of tourism as an economic driver. Although not specifically related to LATCB's performance, this market data ensures Los Angeles stays competitive and is thus considered important and directly relevant to the four objectives identified in the Agreement.

In addition to this annual review process, the Board receives monthly sales updates from LATCB and reports from CTD that include status updates on metrics and revised forecasts where applicable.

RECOMMENDATION

That the Board of City Tourism Commissioners approve the proposed Appendix E for Fiscal Year 2021-22 to the Agreement between CTD and LATCB.

ATTACHMENT

DL:kn

Attachment

APPENDIX E

Services to be Provided by Contractor In Contract Fiscal Year 2021-22

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 of Los Angeles (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.

Under normal circumstances, performance metrics that align with each core objective 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 was the case for Fiscal Year 2020-21, the ongoing novel coronavirus (COVID-19) pandemic continues to have a significant and unprecedented impact on the travel and tourism sector. As a result, there are a number of material variables that make it impractical to accurately project operating results or set goals for many of the performance metrics included in Appendix E for Fiscal Year 2021-22, including:

- While meetings, conventions and tradeshows are now permitted, there are still impediments to the recovery of group travel, including event and travel restrictions related to disease containment, risk aversion by participants, corporate travel policies that restrict travel, economic uncertainty, budget constraints, and potential for hybrid events impacting in-person attendance levels. Cancellations are still a factor for 2022 across the industry.
- A number of international countries, including some of Los Angeles' top-performing inbound markets, have ongoing prohibitions against travel to the United States.
- Consumers in Los Angeles' top feeder markets continue to have concerns about travel, including health and safety concerns, financial hardship, and the sustained local and state public health restrictions which impact many of Los Angeles' traditional "demand drivers" (e.g. – meetings, conventions and tradeshows, professional sports and entertainment venues, theme parks and cultural attractions, and indoor dining).

Because of the significant and on-going impacts of the pandemic on the metrics tracked in this document, the City has determined that measuring LATCB's performance by these metrics will not properly attribute accomplishments due to their efforts. Therefore, for Fiscal Year 2021-22, LATCB's performance shall be measured by the qualitative analysis of their execution of services and deliverables; their adaptation and agility in the face of pandemic-related restrictions and rapidly changing environment; and the execution of their Fiscal Year 2021-22 Recovery Plan (Exhibit 1).

The foregoing notwithstanding, it remains critical that LATCB continue to track and report all the performance metrics to the best of their ability in Appendix E in order to properly assess the pace of Los Angeles' economic recovery.

To achieve the objectives stipulated in the Agreement, the City encourages LATCB to leverage these contract funds with other sources of funding to drive paid room demand yielding increased transient occupancy tax (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 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.
- l. Metrics for Objective 1:

Objective 1 Performance Metrics	Reporting Frequency	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Forecast
1.1 Number of Citywide/Center Events Sales Leads (combined)	Month	221	160	88	176
1.2 Number of Citywide/Center Events Booked for future years (track separately)	Month	27	30	19	15
1.3 Number of Room Nights Booked for future years	Month	428,374	460,331	313,571	225,000
1.4 Number of Citywide/Center Events Hosted (track separately)	Month	23	12	0	11
1.5 Reported Number of Delegates from Hosted Citywide/Center Event	Quarter	362,442	227,059	0	119,100
1.6 Total Number of Room Nights from Hosted Citywide/Center Events (convention actuals)	Quarter	226,608	121,158	0	127,993
Objective 1 LA County Market Data Source: October 2021 Tourism Economics Estimates					
1.a Total Visitors to L.A. County	Annual	50.3 million	39.2 million	34.4 million	42.1 million
1.b Total Overnight Domestic Visitors	Annual	25.5 million	20.2 million	18.8 million	22.5 million
1.c Total International Visitors	Annual	7.4 million	4.6 million	2.1 million	2.9 million
1.d Total Day Visitors	Annual	17.4 million	14.4 million	13.4 million	16.6 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 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 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	\$8.7 million	\$4.2 million	\$0.0	\$4.0 million
2.2 TOT revenue for the City Source: City of Los Angeles	Month	\$318.9 million	\$253.5 million	\$110.4 million	\$183.3 million
L.A. COUNTY LODGING PERFORMANCE Sources: STR Actuals, October 2021 Tourism Economics Estimates and Secondary Data Sources					
	Frequency of Reporting	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Forecast
2.3 Hotel Room Night Demand (Sold)	Month	30.4 million	24.5 million	21.0 million	26.9 million
2.4 Hotel Occupancy Rates	Month	79.8%	65.9%	54%	TBD
2.5 Hotel Average Daily Rates	Month	\$180.28	\$170.52	\$142.20	\$157.26
2.6 Revenue Per Available Hotel Room	Month	\$143.12	\$112.33	\$76.79	TBD
2.7 Jobs from Leisure and Hospitality Sector Sources: CA EDD, LAEDC	Month	541,317	491,958	374,642	412,692
Objective 2 L.A. County Market Data Source: Tourism Economics Estimates (FY)					
	Frequency of Reporting	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Forecast
2.a Visitor Direct Spending	Annual	\$24.31 billion	\$17.40 billion	\$13.01 billion	\$16.57 billion
2.b Visitor Indirect/Induced Spending	Annual	\$12.91 billion	\$9.26 billion	\$6.2 billion	N/A
2.c Local Tax Revenue from LA County Visitors	Annual	\$1.77 billion	\$1.26 billion	\$923 million	N/A
2.d Overnight Visitor Average Trip Spend in LA County	Annual	\$701	\$662	\$622	\$650

Objective 2 City Market Data <i>Source: DMAI Impact Calculator</i>	Frequency of Reporting	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Forecast
2.e Local Business Sales based on direct spending from Citywide/Center Events	Annual	\$282.2 million	\$168.0 million	\$0.0	\$112.5 million
2.f Local Tax Revenue based on total economic impact from Citywide/Center Events (track separately)	Annual	\$17.2 million	\$9.5 million	\$0.0	\$8.3 million
2.g Fulltime Equivalent (FTE) Jobs based on total economic impact from Citywide/Center Events(track separately)	Annual	3,667	2,180	0	1,301

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 Board (CAB) meetings 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. Next CAB scheduled for February 2022.
- c. Enhance the visitor experience through an integrated network of visitor information resources including digital channels, interactive digital wayfinding and visitor service kiosks (pending public/private agreements), visitor information publications (digital or print) and in-market servicing of group clients providing convenient and relevant destination information and resources. Note: Physical visitor information centers are currently closed due to pandemic with future plans pending due to financial and safety concerns related to pandemic environment.
- 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, including interactive digital wayfinding, and visitor service kiosks (pending public/private approvals), 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 digitally provide L.A. Tourism Calendar of Events.

i. Metrics for Objective 3:

Objective 3 Performance Metrics <i>Source: LATCB Post-Con Surveys</i>	Frequency of Reporting	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Forecast
3.1 Overall Host City Rating Citywide Client Satisfaction (5-point scale)	Semi-Annual	4.3	4.2	-	4.2
3.2 Overall LACC Rating Citywide Client Satisfaction (5-point scale)	Semi-Annual	3.9	3.9	-	3.9 (goal)
3.3 Overall LATCB Client Services Rating Citywide Client Satisfaction (5-point scale)	Semi-Annual	5.0	5.0	-	5.0 (goal)
3.4 Number of visitor impressions from publications, digital guides (visitor centers closed, kiosks pending)	Quarter	1.0 million*	0.7 million	N/A	1.0 million
3.5 Number of unique visitors to web site and e-comm <i>As of FY 21/22: social platforms moved to 3.6</i>	Quarter	17.8 million	15.2 million	4.8 million	5.4 million
3.6 Social media activity – social platforms, social channels (Facebook, Twitter, Instagram, WeChat and Weibo followers)	Quarter	5.0 million	5.2 million	5.0 million	5.0 million
Objective 3 Market Data	Frequency of Reporting	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Forecast
3.a Visitor Satisfaction Ratings from Visitor Profile Study <i>Source: Destination Analysts FY20 (Funded by non-TOT resources)</i>	Every 3 years or when conducted	N/A	89%	N/A	N/A
3.b Average Length of Stay of Overnight Visitors <i>Source: Tourism Economics</i>	Annual	3.6 nights	3.5 nights	TBD	N/A
3.c Percent of Repeat Visitors from Visitor Profile Study <i>Source: Destination Analysts Preliminary Data from FY20 (Funding by non-TOT resources)</i>	Every 3 years or when conducted	N/A	73%	N/A	N/A

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. Note: for Fiscal Year 2021-22, LATCB and CTD agreed to delay delivery of these statements until December 15, 2021. Due to continued impacts from the pandemic, LATCB has requested an extension for FY 2021-22 to December 15, 2022.
- 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	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Forecast
4.1 Percent of Rental Income from Citywides Retained After Discounts <i>Source: LACC Operator</i>	Quarter	14.1%	26.0%	0.0%	16.9%
4.2 Non-TOT Funds <i>Note: FY22 is LATCB Budget</i>	Quarter	\$34.7 million	\$24.6 million	\$8.1 million	\$18.2 million
4.3 Total Paid Advertising Value from multiple funding sources	Annual	\$9.6 million	\$2.0 million	\$5.0 million	\$13.8 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	70%	78%	87%	46%
Objective 4 Market Data	Frequency of Reporting	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Forecast
4.a Rental Income Retained from Citywides <i>Source: LACC Operator</i>	Quarter	\$859,820	\$944,972	\$0.0	\$957,939

CTD Approval _____
Signature
Title
Date

LATCB Approval _____
Signature
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Date

LATCB Approval _____
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Title
Date

EXHIBIT 1

LATCB FISCAL YEAR 2021-22 RECOVERY STRATEGY

PHASE 1 – STABILIZATION (FY 2020-21)

1. Manage cash flow and expenses to maximize operating capacity
2. Serve as a trusted resource to keep stakeholders up-to-date on key developments
3. Continue group sales efforts to retain bookings and secure future business
4. Leverage social/digital and PR to support the local business community
5. Develop virtual networking opportunities to create industry alignment

PHASE 2 – PREPARATION (FY 2020-21) (FY 2021-22)

1. Identify budget requirements to support future programming in anticipation of recovery
2. Create turn-key solutions to enable Members to quickly ramp up once recovery begins
3. Develop detailed programming timelines and deliverables for all key target audiences
4. Continue to evolve brand positioning to drive competitive differentiation
5. Build communications plan to inform stakeholders of recovery programming and timing

PHASE 3 – RECOVERY (FY 2021-22)

1. Leverage multiple funding sources to increase reach and frequency
2. Remain agile and strategically deploy programming based on market/segment recovery
3. Reevaluate staffing to ensure necessary organizational capacity and expertise
4. Continue to utilize the umbrella campaign of “Everyone is Welcome” to support recovery messaging and programming
5. Execute major PR activations with Members and civic leaders to amplify messaging