

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

Regular Meeting Minutes
October 21, 2020

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a regular meeting on Wednesday, October 21, 2020 at 9:00 a.m. via Zoom.

PRESENT:

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

ABSENT:

Vice President Otto Padron

PRESENTERS:

Ellen Schwartz, ASM
Ben Zarhoud, ASM
Doane Liu, CTD
Tigran Avetisyan, CTD
Kim Nakashima, CTD
Darren Green, LATCB
Patti MacJennett, LATCB
Kathy McAdams, LATCB
Kevin Roberts, MacFarlane Partners

Item 1. Call to Order / Roll Call

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

Item 2a. Public Comment

None

Item 2b. Neighborhood Council

None

Item 3a. Approval of the regular meeting minutes from September 16, 2020

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

Item 4a. Presentation - Angels Landing, MacFarlane Partners

Mr. Kevin Roberts presented a project overview and an update on the anticipated timeline targeting project delivery at the end of 2027. The mixed use development will include: two hotels, with a total of 515 rooms; over 430 residential units, 5% of which will be affordable housing; and 72,091 sq. ft. of commercial, retail, and civic use.

Item 5a. Executive Director Report

Mr. Doane Liu provided an overview of his activities since the last Board meeting, which included: monthly meeting with Deputy Mayor Chun; expansion and modernization meetings; meetings about NFL and FIFA regarding upcoming major events, with the Planning Department regarding the Downtown Community plan, and with LATCB regarding wayfinding and Appendix E; and moderated the “Reimagining Tourism & Hospitality” panel at the LA Chamber State of LA Business event.

Item 5b. ASM Monthly Update

Ms. Ellen Schwartz introduced Mr. Bob McClintock, COO and Senior Vice President, Convention Centers, ASM Global. Ms. Schwartz reported one filming for the month of August and that Levy. Ms. Schwartz also reported the LACC was once again awarded LEED Gold-EB and if the pandemic had provided the food and beverage for the event as well as continuing the senior meals program. Ms. Schwartz presented several pages of the LACC 2019-20 annual report. Mr. Ben Zarhoud presented the financial data for August, reporting an operating loss of \$0.18M for the month, \$1.0M in gross revenue 82% of which was generated by Levy, and \$0.72M in net revenue which is \$1.99M below prior year. Mr. Zarhoud reported \$0.9M in operating expenses. Mr. Zarhoud reported a 14% occupancy rate for August, noting the FMS was only on-site for one-half the month and a year-to-date occupancy of 21%, driven down by the cancellations/postponement of 50 events. Mr. Zarhoud also presented the Fiscal Year End financials including an operating surplus of \$4.7M; \$27.8M in revenue, driven by citywide and consumer events; operating expenses of \$23.1M; and a \$9.1M reserve, which was designed for crisis situations and due the implementation of cost saving measures and alternate revenue sources should last past the end of this fiscal year. Mr. Zarhoud noted that the fiscal year economic impact of the events that did occur was \$436M, which is below prior years due to the loss of citywide events.

Item 5c. LATCB Monthly Update

Mr. Darren Green reported that LATCB processed 26 leads YTD and have booked 68,725 room nights, with year-end goals of 176 leads and projected 362,725 room nights, noting that the sales team is focused on rebooking which takes as much or more time/effort to complete that a new lead. Mr. Green noted that 17 events cancelled in 2020 and 4 in 2021, which will increase due to the unknowns of the City and the industry, while future years' events are increasing due to the rebookings and anticipation of the expansion. Ms. Kathy McAdams provided an update on the status of the 2021 citywide events. Ms. Patti MacJennett provided an overview of the industry collaboration to re-opening and the status of LA County. Ms. MacJennett reported on the actions of the “Hospitality working group” which is working to separate meetings from conventions for consideration from the State.

Item 6a. Policy Recommendations for the LACC – Board Report #20-007

Ms. Kim Nakashima presented the policy recommendations to the LACC for the Board's approval, including a background on the COVID-19 impacts, reason for the recommendations, and setting rates & discounting. Ms. Nakashima reported on the recommended changes to the LAAC, including the Executive Director's temporary ability to adjust the Flexible Demand Based Space Rental Pricing and the ability to establish a schedule of rates for equipment and special event/marketing spaces.

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

Item 6b. 2019-20 Earned & Discretionary Incentive Fee Payments – Board Report #20-005

Mr. Tigran Avetisyan presented the 2019-20 earned and discretionary incentive fees for the Board's approval, including an overview of the types of fees noting that the EIF has been prorated to 10 of 12 months due to COVID and that the DIF's maximum has been adjusted to COVID. Mr. Avetisyan noted that ASM has achieved all three goal categories and that staff recommends the earned and discretionary incentive fees in the amount of \$161,112.

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

Item 6b. 2020-21 Incentive Goals – Board Report #20-006

Mr. Tigran Avetisyan presented the 2020-21 incentive goals for the Board's approval, including an overview of the three goal categories, which have been updated to reflect current industry conditions. Mr. Avetisyan reported that while Category 1 and 2 are fixed, slight modifications have been implemented and Category 3 has been updated to reflect the alternative use facility. Mr. Avetisyan noted that staff recommends that the approval of the proposed incentive goals.

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

ADJOURNMENT

The meeting was adjourned at 10:41 a.m. without objection.