



**BOARD OF LOS ANGELES DEPARTMENT OF
CONVENTION AND TOURISM DEVELOPMENT COMMISSIONERS**

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

Comments by the public on matters not identified on the agenda, but within the subject matter jurisdiction of the Commission, will be heard only during the item designated as "Public Comment." Public speaking will be limited to three minutes per speaker.

Regular Meeting
Wednesday, November 4, 2020
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 Board of Los Angeles Department of Convention and Tourism Development Commissioners
3. **APPROVE MINUTES:**
 - a. Approval of the regular meeting minutes from October 21, 2020
4. **REPORTS:**
 - a. Executive Director Report
 - b. ASM Update
 - c. LATCB Update
5. **ACTION ITEMS:**
 - a. FY 2020-21 AEG-LACC Budget Revision – Board Report #20-008
 - b. FY 2021-21 Budget Proposal – Board Report #20-009
 - c. Proposed 2020-21 Appendix E of the Agreement Between CTD & LATCB – Board Report # 20-010
6. **ADJOURNMENT**

Materials related to an item on this agenda submitted to the Board of Los Angeles Convention and Tourism development after distribution of the agenda packet are available for public inspection in the Executive Office of the Los Angeles Convention Center, 1201 S. Figueroa Street, Los Angeles, CA 90015, during normal business hours.

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

Item 3a

Approval of the minutes



**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.

Item 4a

Executive Director's Report



Item 4b

ASM Update



LOS ANGELES CONVENTION CENTER MONTHLY UPDATE FOR

SEPTEMBER 2020

ELLEN SCHWARTZ



SEPTEMBER FILMING

| <u>DATES</u> | <u>NAME</u> | <u>LOCATION</u> | <u>AMOUNT</u> | |
|--------------------|-----------------------------------|---|---------------|------------------|
| Sept. 2 - 3 | UCSD | South Lobby, Compass Terrace Concourse Walkway, Kentia, Pico Dr. | \$23,500 | |
| Sept. 10 | Omaze | Kentia Hall | \$6,500 | |
| Sept. 16 – Oct. 14 | Mariah Carey Christmas Special | West Hall AB, North and South Plazas, Petree Hall | \$485,970 | |
| Sept. 29 | Omaze | Kentia Hall | \$6,500 | |
| | | | TOTAL: | \$522,470 |

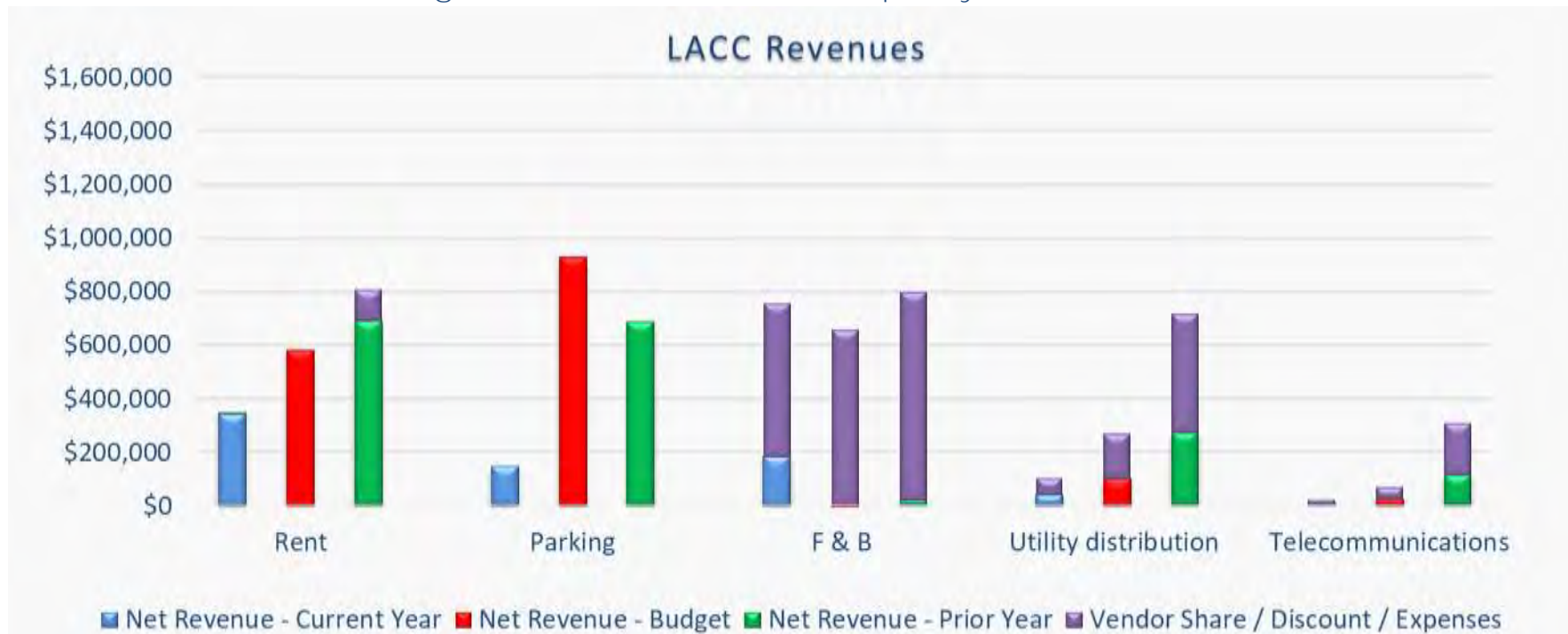
LACC September 2020 FINANCIALS

OPERATING SURPLUS (LOSS):

- (\$0.16) million (before approved City Reimbursements, A & I and Capital Projects)
- \$0.26 million above budget
- \$0.11 million below prior year

REVENUES:

- \$1.6 million gross revenue (before discounts and service provider share)
- \$0.93 million net revenue
- \$0.76 million below budget and \$1.05 million below prior year



LACC September 2020 FINANCIALS

OPERATING EXPENSES:

- \$1.1 million (before approved A & I, Capital Projects, and City reimbursement)
- \$1.02 million below budget and \$0.94 million below prior year



CITY REIMBURSEMENT - \$0.26 million

Capital and Alterations & Improvements

Item 4c

LATCB Update

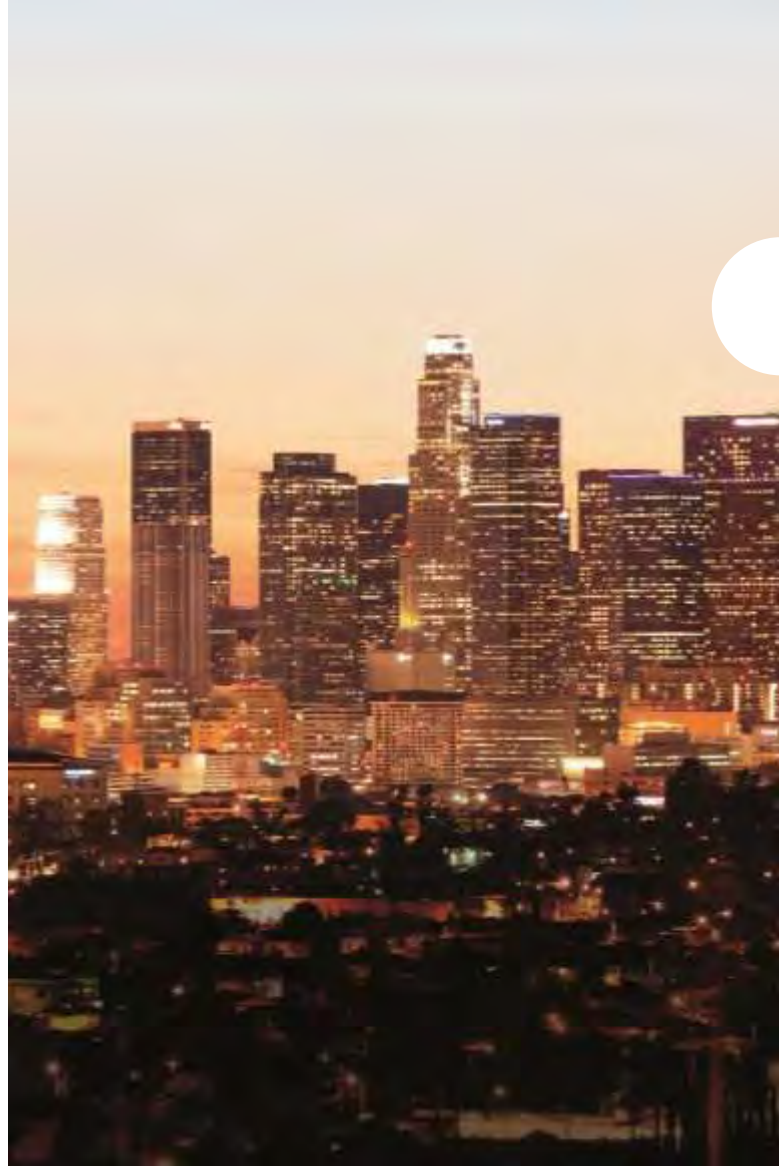


CTD BOARD OF COMMISSIONERS MEETING

November 4, 2020

*Los Angeles*TM

Los Angeles Tourism & Convention Board



CITYWIDE CONVENTION SALES UPDATE

Darren Green

Senior Vice President, Sales



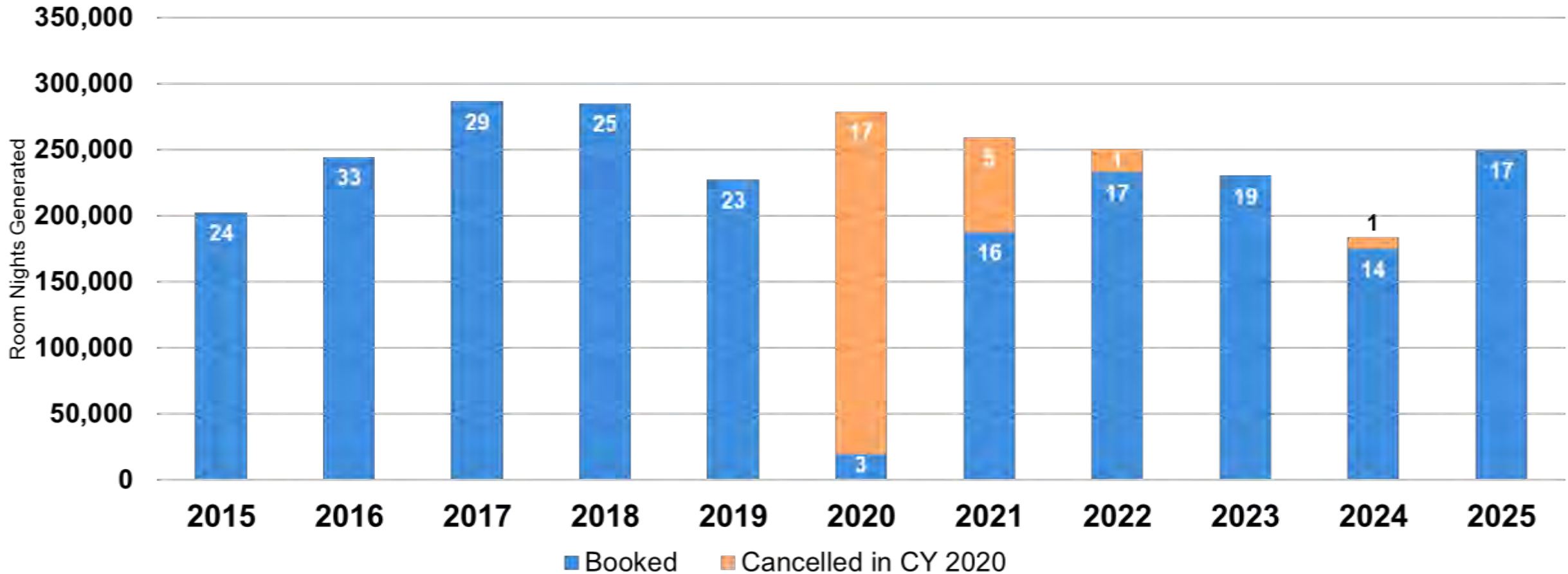
CITYWIDE CONVENTION SALES YTD FY20/21 PRODUCTION RESULTS

| Lead Production | Leads Actual |
|-----------------|--------------|
| FY 20/21 Goal | 176 |
| FY 20/21 YTD | 27 |
| FY 19/20 STLY | 58 |

| Booked Room Nights Produced | RNs Actual |
|-----------------------------|----------------|
| FY 20/21 Goal | 362,725 |
| FY 20/21 YTD | 103,404 |
| FY 19/20 STLY | 94,685 |

Dated October 27, 2020

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



Dated October 27, 2020

RECENT REBOOKINGS – 34,679 TRNs



The Trade Desk
2023 Trade Desk Palooza
January 31 – February 3, 2023
11,600 Room Nights



American Psychiatric Association - APA
2025 APA Annual Meeting
May 17-21, 2025
23,079 Room Nights

FuturePace

powered by Simpleview

Current Subscribers

| | | | | | | | | | |
|---|------------|----|------------|----|-----------------|----|--------------|----|----------------|
| 1 | Anaheim | 8 | Cincinnati | 15 | Fort Lauderdale | 23 | New Orleans | 31 | San Antonio |
| 2 | Atlanta | 9 | Cleveland | 16 | Fort Worth | 24 | Omaha | 32 | Seattle |
| 3 | Austin | 10 | Columbus | 17 | Grand Rapids | 25 | Orlando* | 33 | Spokane |
| 4 | Baltimore | 11 | Dallas | 18 | Hawaii | 26 | Palm Beach | 34 | St. Louis* |
| 5 | Birmingham | 12 | Denver | 19 | Louisville | 27 | Palm Springs | 35 | Tampa Bay |
| 6 | Boise | 13 | Des Moines | 20 | Los Angeles | 28 | Phoenix | 36 | Toronto |
| 7 | Charlotte | | | 21 | Miami | 29 | Puerto Rico | 37 | Washington, DC |
| | | | | 22 | Milwaukee | 30 | Sacramento | | |

* CRM go live targeted in Q1

San Francisco in 2021

OVERALL US RECOVERY ASSUMPTIONS

Covid-19 and group event assumptions

2020

- Very low levels of group events are anticipated for the remainder of 2020 (e.g., essential meetings, other small meetings, limited hybrid events).

2021

- In 2021 Q1 and Q2, gradual resumption of small groups and hybrid events are anticipated in some markets.
- In 2021 Q3, a progressive resumption of group events is expected to occur with recovery in some markets moving more quickly than others.
- By the end of 2021 Q3, restrictions on group events are assumed to be **lifted across almost all markets**, though with some risk mitigation requirements continuing.
- In 2021 Q4, in a US environment that is "**safe from Covid-19**", group event demand is expected to return strongly.
- Room night levels will still be well below activity during 2019 Q4, as a result of lingering recession, risk aversion on the part of participants and organizers, meeting facility space constraints, and lags in event planning and production.

2022 to 2024

- Assumes strong recovery in group demand as the economy steadily rebuilds, and as event planning and corporate spending horizons improve.

RECOVERY ASSUMPTIONS

Group demand recovery

- Positive factors contributing to the recovery of group demand:
 - Pent-up demand (postponed events, desire to reconnect)
 - Importance of meetings to organizations such as associations (**primary revenue source**,
 - Potential to host some events in modified formats (e.g., **hybrid**, reduced attendance)
 - **Flexibility on the part of venues and hotel facilities** seeking to facilitate professionally managed events where safe and legally permitted
 - Many events are already scheduled for **2022**
- Impediments to the recovery of group demand:
 - Event and travel restrictions related to disease containment
 - **Risk aversion** by participants
 - Organization travel policies and legal considerations that restrict travel
 - **International travel policies**
 - Economic uncertainty and budget constraints (particularly exhibitors and participants)
 - Potential for **hybrid events to reduce physical attendance** during transition period

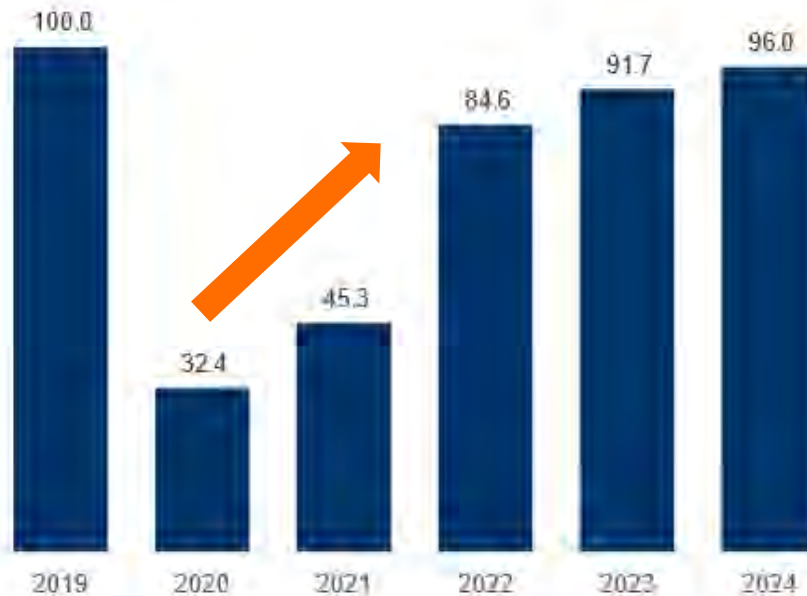
DEFINITIONS AND METHODS FOR DMO GROUP ROOM DEMAND

- Not all DMOs are expected to recover to 2019 levels at the same rate.
- **Size and complexity matters.** Large gateway markets are expected to recover more slowly than smaller, regional markets.
 - Citywide events are typically more complex, requiring coordination of exhibit space, hotel room blocks across multiple convention hotel properties, and long booking windows.
 - Large events in gateway markets typically draw national and **international attendance**, with heavy reliance on air travel.
 - In contrast, smaller destinations depend on regional meetings and events that have shorter booking cycles, less complexity of coordinating venues and hotels, and require less travel.
- **Market-specific factors are also important.**
 - Local restrictions
 - Local and regional views on travel and events (i.e., greater risk aversion in some areas)
 - Composition of events (association groups, outdoor activities, certain industries)
 - Importance of international visitors

KEY RESULTS

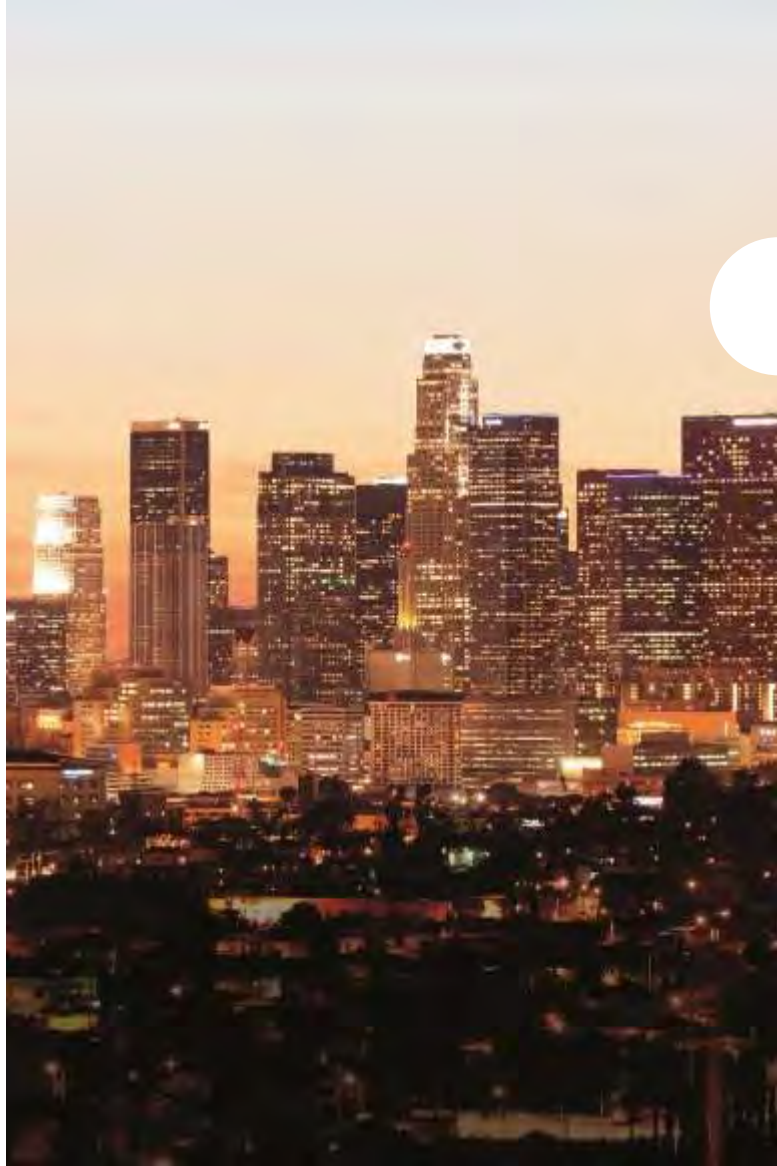
Group demand benchmark

Group demand benchmark: US aggregate
Index (2019=100)



Source: ZSynergize FuturePace; Tourism Economics

- Relative to a base index of 100 in 2019, the group demand benchmark is estimated to decline to 32.4 in 2020.
- The analysis assumes 2021 remains a transition year for many markets. With group demand improving strongly by 2021 Q4.
- The group demand benchmark is forecast to increase to 84.6 by 2022. This is consistent with group room nights about 15% below 2019 levels.



STATE OF THE BUSINESS

Adam Burke
President & CEO





MAJOR THEMES

- DMOs have become go-to resource for trusted information
- Expectation of honest, proactive communications, including advertising
- Many destinations don't have resources to compete
- Heightened focus on critical importance of “demand drivers”



MAJOR THEMES

- Ongoing need/opportunity to educate about enhanced infrastructure, product & events
- Despite safety concerns, tremendous pent-up demand & desire to travel remains high
- Higher awareness regarding economic importance of tourism
- Group customers/planners remain committed to L.A. – but flexibility & timing critical



MAJOR THEMES

- Hybrid meetings here to stay, but still strong demand for in-person meetings & events
- Increased awareness/concern about homelessness
- Expectation of active community engagement & support
- Need to educate broader range of civic stakeholders

THANK YOU

*Los Angeles*TM

Los Angeles Tourism & Convention Board

Item 5a
FY 2020-21 AEG-LACC Budget
Revision – Board Report #20-008



FISCAL YEAR 2020-21 AEG-LACC BUDGET REVISION

BOARD OF LOS ANGELES CONVENTION AND TOURISM DEVELOPMENT
BOARD OF COMMISSIONERS MEETING
NOVEMBER 4, 2020



CITY OF
Los Angeles
DEPARTMENT OF
CONVENTION & TOURISM DEVELOPMENT

SUMMARY

With the ongoing moratorium on large gatherings and events due to the pandemic, the LACC has not hosted any regular events since the month of April 2020, and as a consequence, the loss of economic activity and business has necessitated a revision to the Adopted Budget for AEG-LACC for Fiscal Year 2020-21.

AEG-LACC REVENUE BUDGET

| LINE ITEM | FY 21 ADOPTED BUDGET | FY 21 PROPOSED REVISION |
|-------------------|----------------------|-------------------------|
| Rent | \$5,396,610 | \$2,083,470 |
| Food and Beverage | 4,518,891 | 891,272 |
| Utility Services | 4,700,347 | 42,899 |
| Parking | 12,340,610 | 876,377 |
| Communications | 1,564,860 | 11,047 |
| Other | 1,666,405 | 1,515,826 |
| Rent | \$30,187,723 | \$5,420,891 |

RECOMMENDATION

That the CTD Board of Commissioners approve the AEG-LACC revised budget for Fiscal Year 2020-21.



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 30, 2020

To: Board of Los Angeles Department of Convention and Tourism Development Commissioners

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

Subject: **FISCAL YEAR 2020-21 AEG-LACC BUDGET REVISION – BOARD REPORT NO. 20-008**

The AEG Management LACC, LLC (AEG-LACC) Fiscal Year 2020-21 Budget Revision is attached for your consideration. With the ongoing moratorium on large gatherings and events due to the novel coronavirus (COVID-19) pandemic, the Los Angeles Convention Center (LACC) has not hosted any regular events since the month of April 2020, and as a consequence, the loss of economic activity and business has necessitated revision to the Adopted Budget for AEG-LACC for Fiscal Year 2020-21.

2020-21 AEG-LACC REVENUE BUDGET

| | FY 2020-21 Adopted Budget | FY 2020-21 Revised Budget |
|-------------------|------------------------------|------------------------------|
| Rent | \$5,396,610 | \$2,083,470 |
| Food and Beverage | 4,518,891 | 891,272 |
| Utility Services | 4,700,347 | 42,899 |
| Parking | 12,340,610 | 876,377 |
| Communications | 1,564,860 | 11,047 |
| Other | 1,666,405 | 1,515,826 |
| Total | \$30,187,723 | \$5,420,891 |

The revised revenue budget of \$5.4 million, supplemented by the LACC Reserve Fund, is the source of funds for several items, including: (1) AEG-LACC's operating budget for the LACC facility, (2) the CTD operating budget, and (3) a portion of the annual Staples debt service payment. Due to a revenue shortfall, AEG-LACC will draw from the LACC Reserve Fund as needed during Fiscal Year 2020-21 to fund critical operations of the LACC.

The Staples debt service payment of \$1 million is related to the 1998 agreement between the City of Los Angeles (City) and the LA Arena Land Company (Developer) regarding the construction of the Staples Sports Arena (Arena) adjacent to the LACC. The City entered into various agreements with the Arena Developer to advance funds toward the project. The Developer is obligated to fully offset the City's cost for debt service on bonds

issued for the Arena. The Agreement specifies certain credits that will offset the Developer's obligations to the City, which includes incremental LACC parking revenue receipts.

RECOMMENDATION

That the Board of Los Angeles Department of Convention and Tourism Development Commissioners approve the AEG-LACC Fiscal Year 2020-21 Budget Revision.

DL: ta

ATTACHMENT

AEG Management LACC, LLC
Los Angeles Convention Center
21/22 Budget
Accrual Based

| | Budget (Adj.) | Budget | Actual | Actuals |
|--|--------------------|-------------------|-------------------|-------------------|
| | FY21 | FY21 | FY20 | FY19 |
| | 7/1/20 - 6/30/21 | 7/1/20 - 6/30/21 | 7/1/19 - 6/30/20 | 7/1/18 - 6/30/19 |
| Revenue's (net of event expenses) | | | | |
| Rent | 2,083,470 | 12,063,907 | 10,250,009 | 11,997,624 |
| Less Discounts | - | (6,667,297) | (2,788,982) | (5,296,000) |
| Net Rent | 2,083,470 | 5,396,610 | 7,461,027 | 6,701,624 |
| Food and Beverage Sales | 5,011,310 | 19,979,641 | 14,900,250 | 21,715,787 |
| Net Food and Beverage Revenue | 891,272 | 4,518,891 | 3,735,522 | 4,940,995 |
| Utility Services Gross Billing | 108,790 | 13,851,746 | 10,469,058 | 14,966,804 |
| Percent kept by vendor | (65,891) | (9,151,399) | (6,909,812) | (9,855,866) |
| Utility Services Commissions | 42,899 | 4,700,347 | 3,559,246 | 5,110,938 |
| Parking receipts | 876,377 | 12,340,610 | 9,510,659 | 12,414,325 |
| Net Parking Revenue | 876,377 | 12,340,610 | 9,510,659 | 12,414,325 |
| Event Billing | 86,500 | 1,366,514 | 1,534,752 | 2,117,910 |
| Event Expenses | (6,193) | (1,879,282) | (1,625,073) | (2,789,844) |
| Net Event Billing | 80,307 | (512,768) | (90,321) | (671,934) |
| Communications | 11,047 | 1,564,860 | 1,621,450 | 1,804,529 |
| Cell Towers | 1,420,952 | 1,324,159 | 1,418,116 | 1,228,705 |
| Marketing / Advertising | - | 390,300 | 264,693 | 466,078 |
| AV | - | 220,660 | 171,334 | 293,223 |
| Other | 14,567 | 244,054 | 158,534 | 340,818 |
| Total Revenue | 5,420,891 | 30,187,723 | 27,810,260 | 32,629,301 |
| Expenses | | | | |
| Salaries & Wages - Full Time | 4,845,675 | 8,361,438 | 7,198,879 | 7,196,943 |
| Salaries & Wages - Part Time | 231,368 | 1,359,384 | 1,360,687 | 1,742,404 |
| Overtime General | 55,452 | 256,255 | 196,836 | 307,704 |
| Parking Wages | - | 826,184 | 687,394 | 984,164 |
| Payroll Taxes | 406,004 | 798,667 | 673,790 | 742,659 |
| Fringe Benefits | 1,034,153 | 1,311,438 | 1,368,746 | 1,253,244 |
| Workers Comp | 247,324 | 214,478 | 545,307 | 287,388 |
| Total Wages Salaries and Benefits | 6,819,977 | 13,127,844 | 12,031,639 | 12,514,506 |
| Printing and Binding | 10,616 | 66,545 | 61,063 | 93,461 |
| Contracted services | 2,485,508 | 5,057,379 | 4,029,685 | 4,707,961 |
| Post Covid Incremental | 50,574 | - | 39,525 | - |
| Field Equipment | 22,649 | 129,675 | 78,993 | 88,653 |
| Maintenance Materials & Supplies | 395,256 | 529,584 | 362,687 | 375,885 |
| Transportation Reimbursement | 4,800 | 17,200 | 9,729 | 17,045 |
| Utilities | 3,585,092 | 5,846,062 | 4,982,560 | 5,530,883 |
| Office & Administration | 19,006 | 67,053 | 67,119 | 41,681 |
| Operating Supplies | 27,265 | 319,725 | 294,037 | 357,165 |
| Modifications / Repairs | 123,303 | 148,000 | 312,111 | 312,488 |
| Advertising / Promotions | 35,445 | 191,830 | 105,436 | 115,249 |
| Uniforms | 384 | 63,000 | 18,901 | 51,118 |
| Recruiting | 263 | 7,500 | 3,159 | 16,381 |
| Employee Welfare | 19,989 | 79,275 | 33,956 | 102,414 |
| Insurance | 399,201 | 330,207 | 332,740 | 293,833 |
| Management Fee | 394,915 | 394,402 | 354,445 | 370,007 |
| Total Operating Expenses | 7,574,266 | 13,247,437 | 11,086,146 | 12,474,224 |
| Total Expenses (Wages and Operating) | 14,394,244 | 26,375,281 | 23,117,785 | 24,988,730 |
| Operating Profit (Loss) before City Reimbursement and A & I | (8,973,352) | 3,812,442 | 4,692,475 | 7,640,571 |
| Parking Staples Bond Contribution | 1,000,000 | 1,000,000 | 1,320,795 | 1,000,000 |
| General Fund Reimbursement | 770,184 | 1,384,627 | 1,573,616 | 1,870,898 |
| CTD Department | 1,299,456 | 1,427,815 | 1,000,000 | 1,421,906 |
| Total City Reimbursement | 3,069,640 | 3,812,442 | 3,894,411 | 4,292,804 |
| Operating profit(loss) available for Reserve and A & I | (12,042,992) | - | 798,064 | 3,347,767 |
| Allocation to A & I | - | - | 798,064 | 2,347,767 |
| Allocation to Reserve | - | - | - | 1,000,000 |

Item 5b
FY 2020-21 Budget Proposal –
Board Report # 20-009



FISCAL YEAR 2021-22 PROPOSED BUDGET

BOARD OF LOS ANGELES CONVENTION AND TOURISM DEVELOPMENT
BOARD OF COMMISSIONERS MEETING
NOVEMBER 4, 2020



CITY OF
Los Angeles
DEPARTMENT OF
CONVENTION & TOURISM DEVELOPMENT

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 2021-22
5. Proposed CIP for 2021-22

DEADLINES FOR MAYOR'S PROPOSED BUDGET

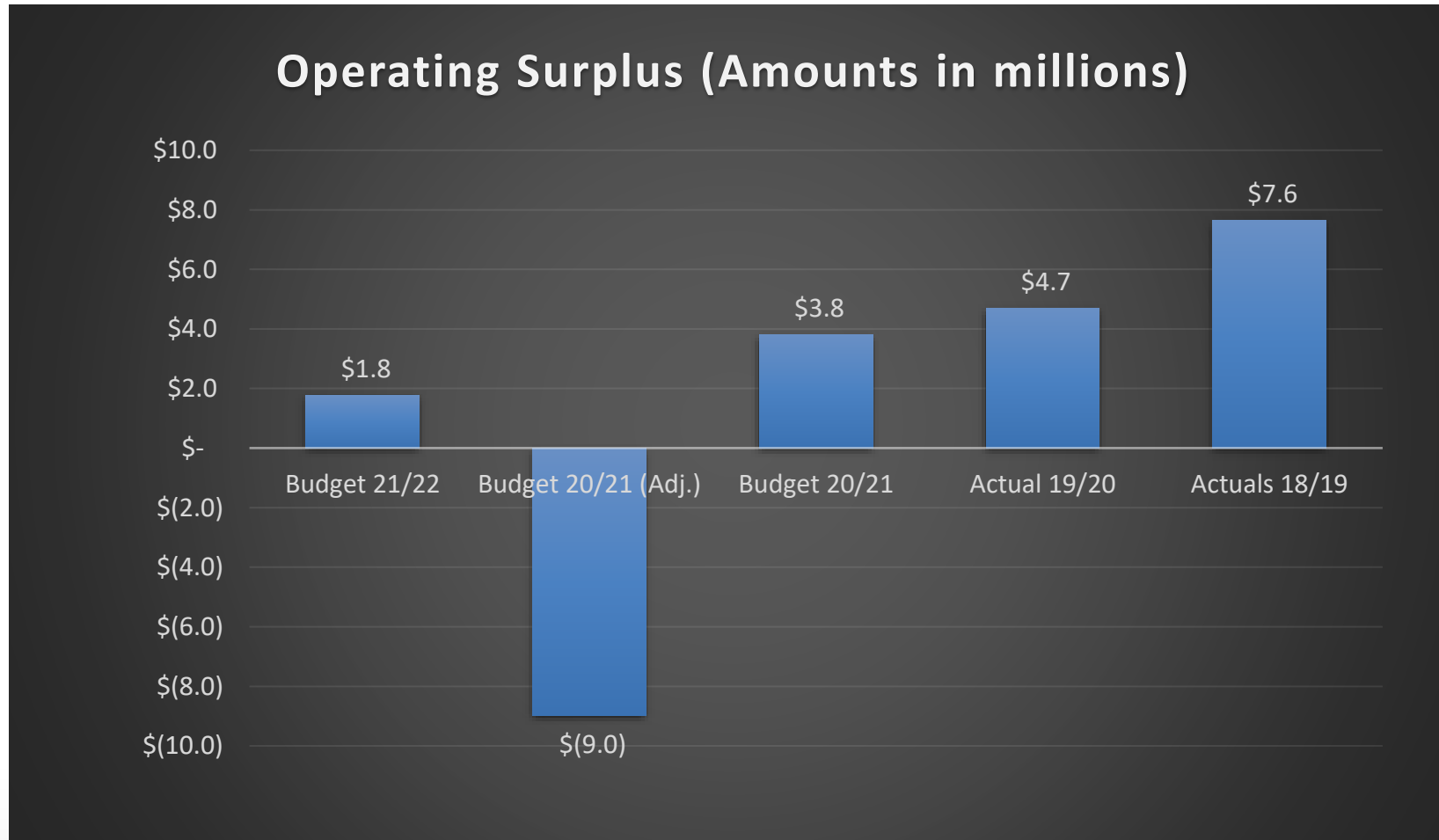
1. November 20 – Departmental budget requests due to CAO
2. February through March – Budget workshops are held with Departments, Mayor's Office and CAO to discuss budget requests
3. April 20 – Charter deadline for the Mayor to submit the Proposed Budget to the Council

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.

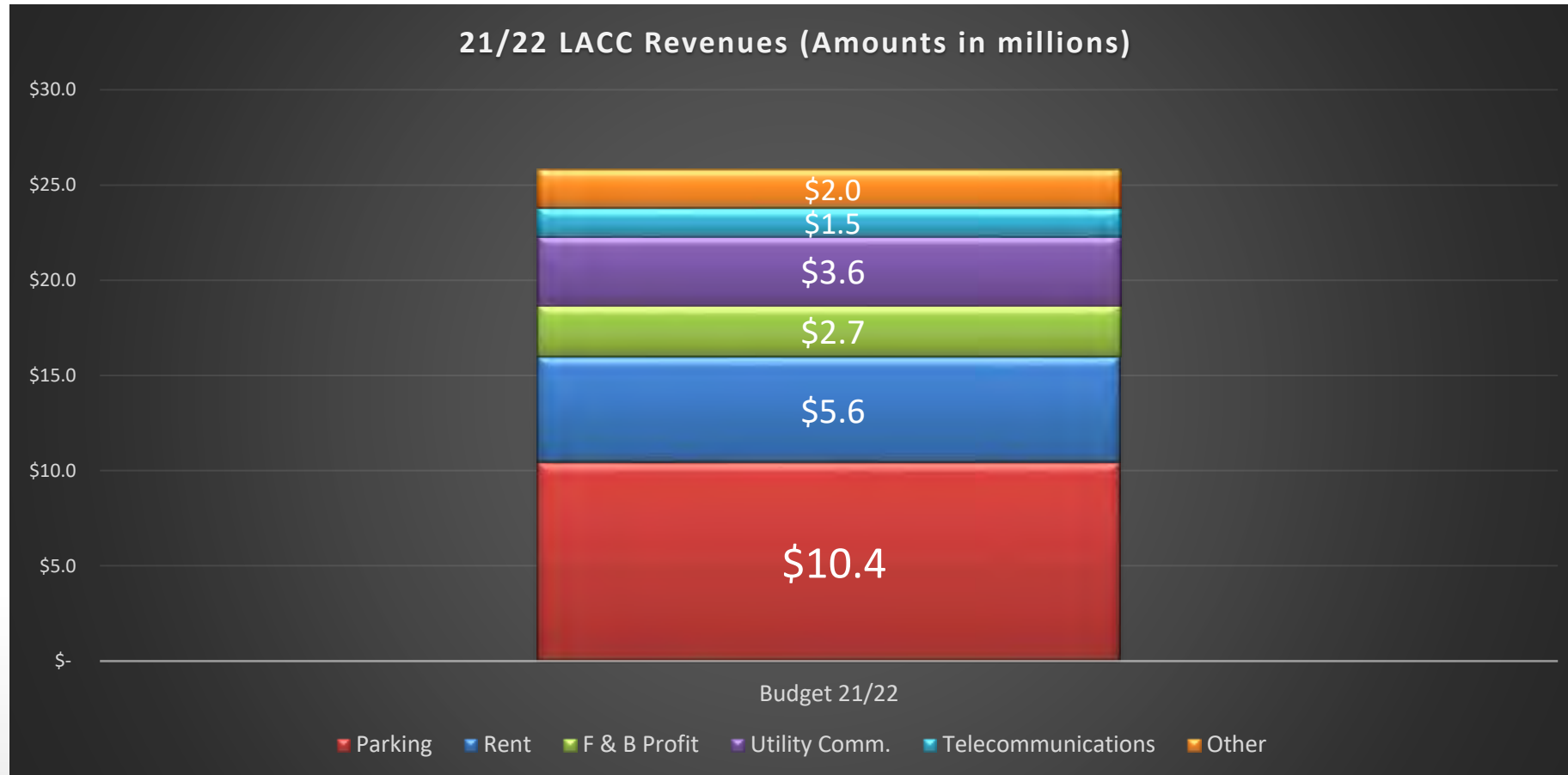
OVERVIEW OF AEG-LACC OPERATING BUDGET

LACC 21 /22 BUDGET



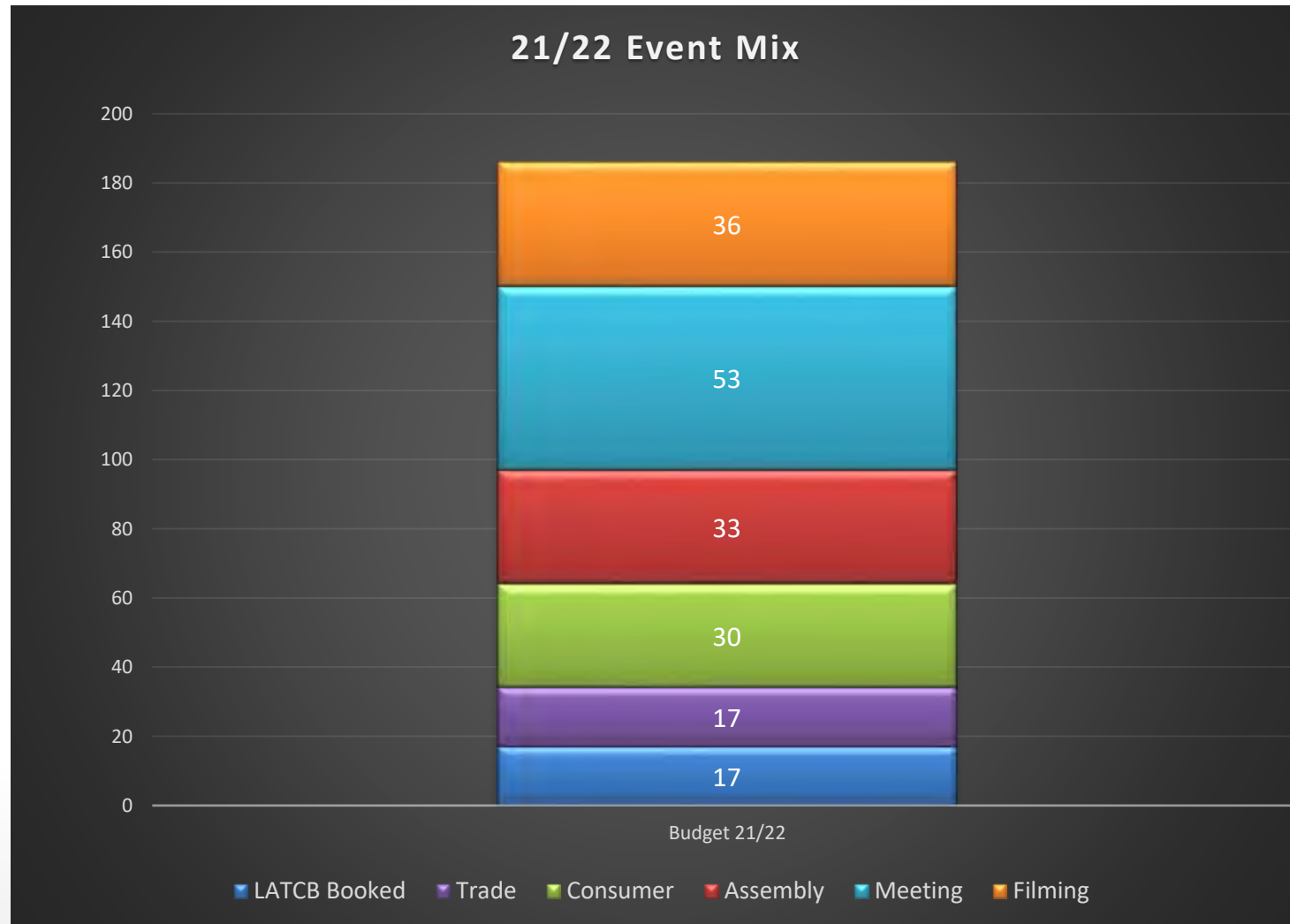
LACC 21 /22 BUDGET

- \$25.8 million in revenue
- Parking revenue accounts for 40% of LACC revenues
- Rent of \$5.6 million, net of \$5.9 million in discounts



LACC 21 /22 BUDGET

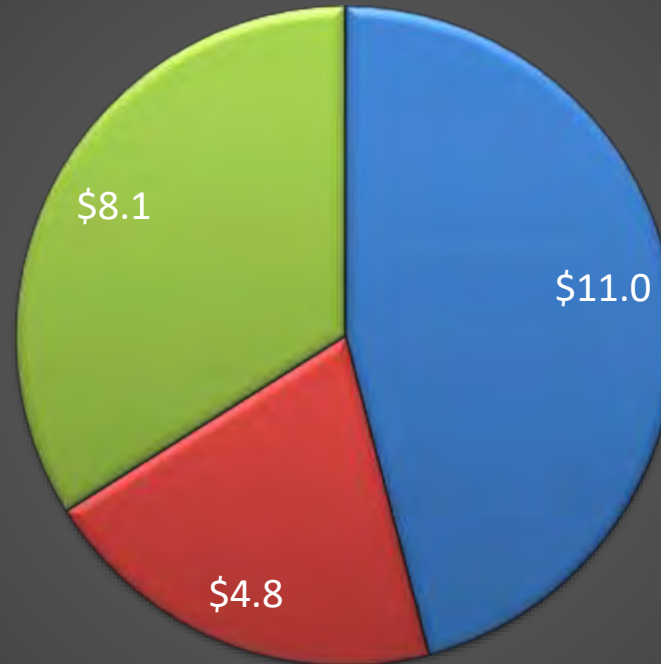
186 Events in Fiscal Year 2021/2022



LACC 21 / 22 BUDGET

- \$24 million in operating expenses
- 46% Wages and Benefits
- 20% Utilities
- 34% Other (Building Maintenance, Admin, Marketing)

21/22 Operating Expenses (Amount in millions)



■ Salaries and Benefits ■ Utilities ■ Other Operating

LACC 21 / 22 BUDGET

Opportunities:

- Fast recovery
- Increase in booking (LATCB and LACC short-term)

Risks:

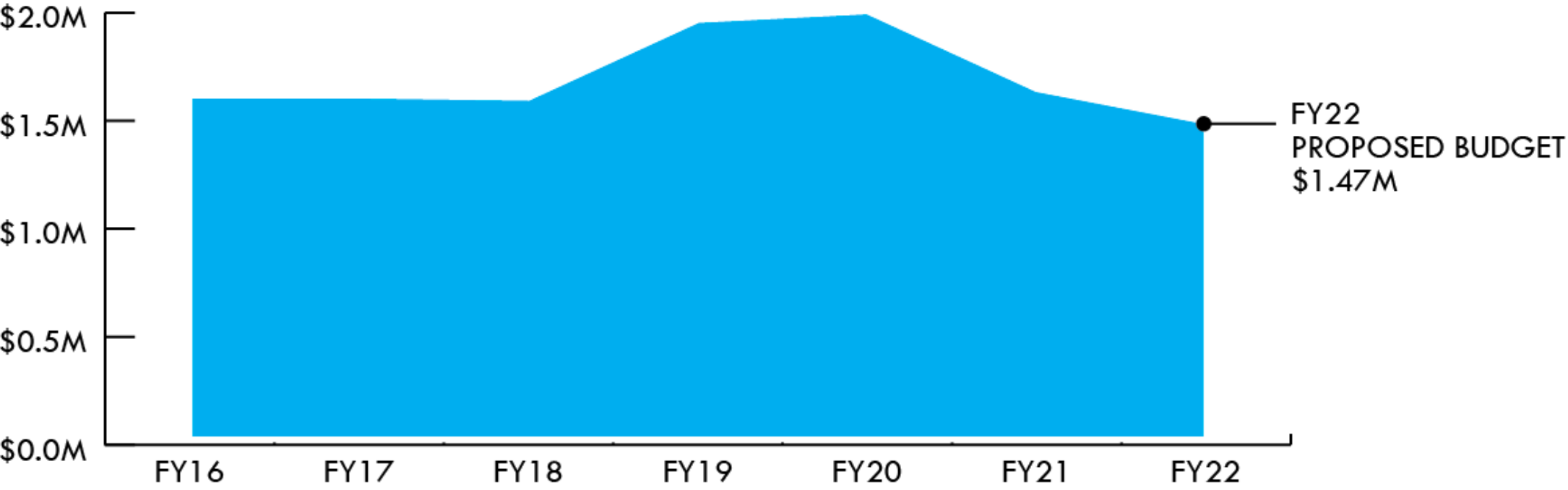
- Unsecured business
- Continued economic uncertainty
- Increase in utility rates

CITY BUDGET OVERVIEW OF PROPOSED LACC RELATED APPROPRIATIONS & EXPENDITURES

CTD-LACC PROPOSED BUDGET REQUESTS

| ON-BUDGET EXPENDITURES | AMOUNT | SOURCE OF FUNDS |
|--------------------------------|---------------|--|
| CTD DEPARTMENT | \$1.5 MILLION | LACC OPERATING REVENUES/CVB TRUST FUND |
| GENERAL FUND REIMBURSEMENT | \$0.6 MILLION | LACC OPERATING REVENUES |
| OFF-BUDGET EXPENDITURES | AMOUNT | SOURCE OF FUNDS |
| LACC AEG OPERATING BUDGET | \$24 MILLION | LACC OPERATING REVENUES |
| LATCB BUDGET | TBD | TOT/CVB TRUST FUND |
| CIP EXPENDITURES | AMOUNT | SOURCE OF FUNDS |
| VARIOUS CAPITAL PROJECTS | \$6.8 MILLION | GENERAL FUND - MICLA |

CTD DEPARTMENT BUDGET

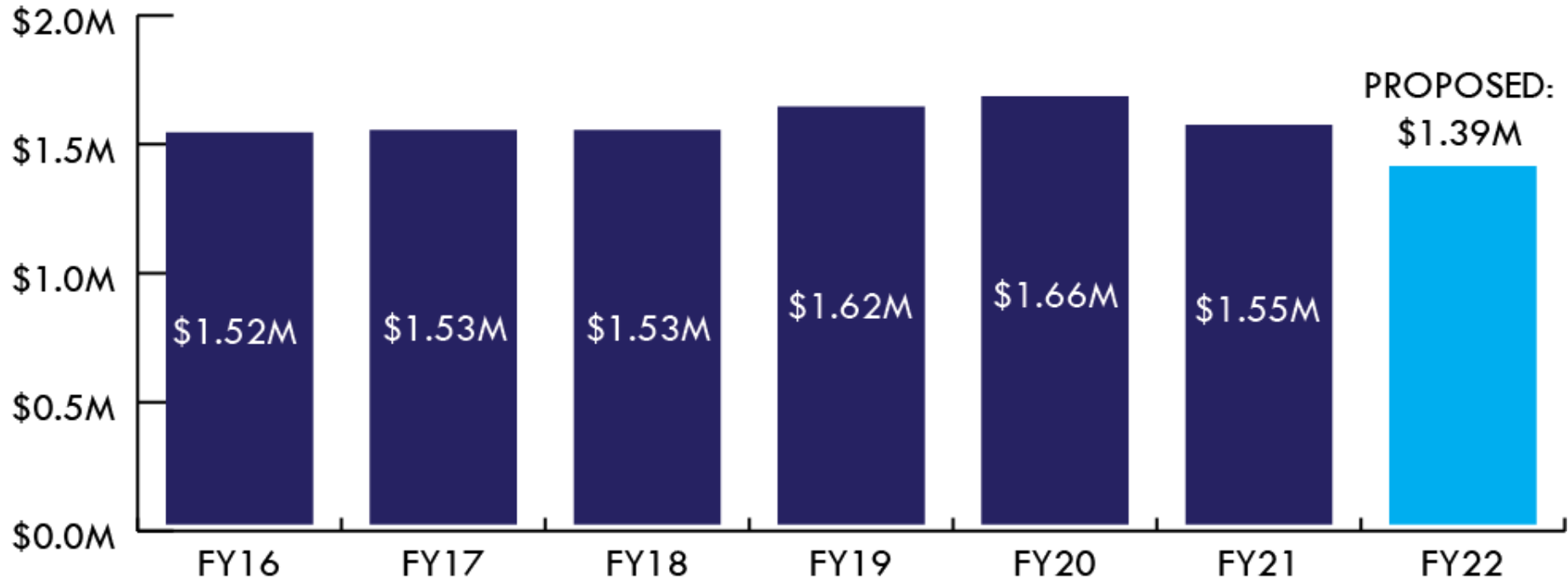


PROPOSED CTD DEPARTMENT BUDGET

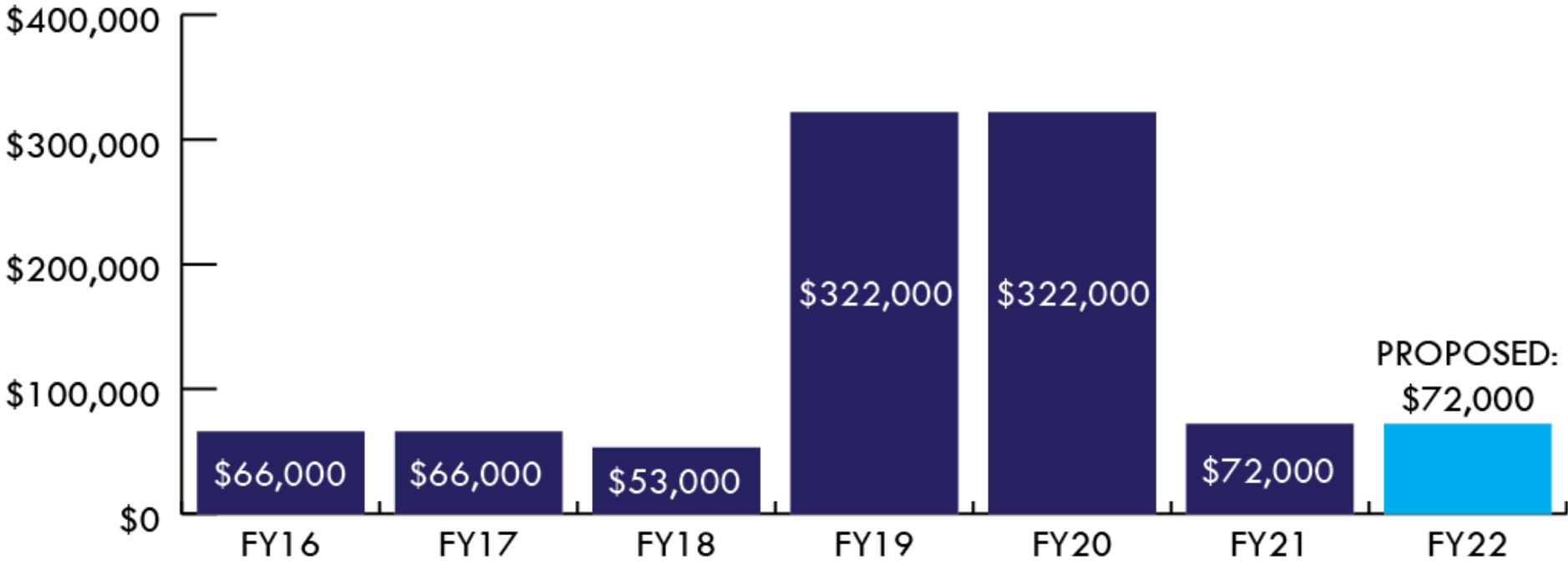
| LINE ITEM | FY19 BUDGET | FY20 BUDGET | FY21 BUDGET | FY22 BUDGET* |
|------------------------|--------------------|--------------------|--------------------|--------------------|
| SALARIES GENERAL | \$1,579,625 | \$1,626,104 | \$1,509,763 | \$1,356,283 |
| SALARIES AS-NEEDED | 31,783 | 31,783 | 31,783 | 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 | 285,000 | 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 | \$1,938,408 | \$1,984,887 | \$1,618,546 | \$1,465,066 |

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

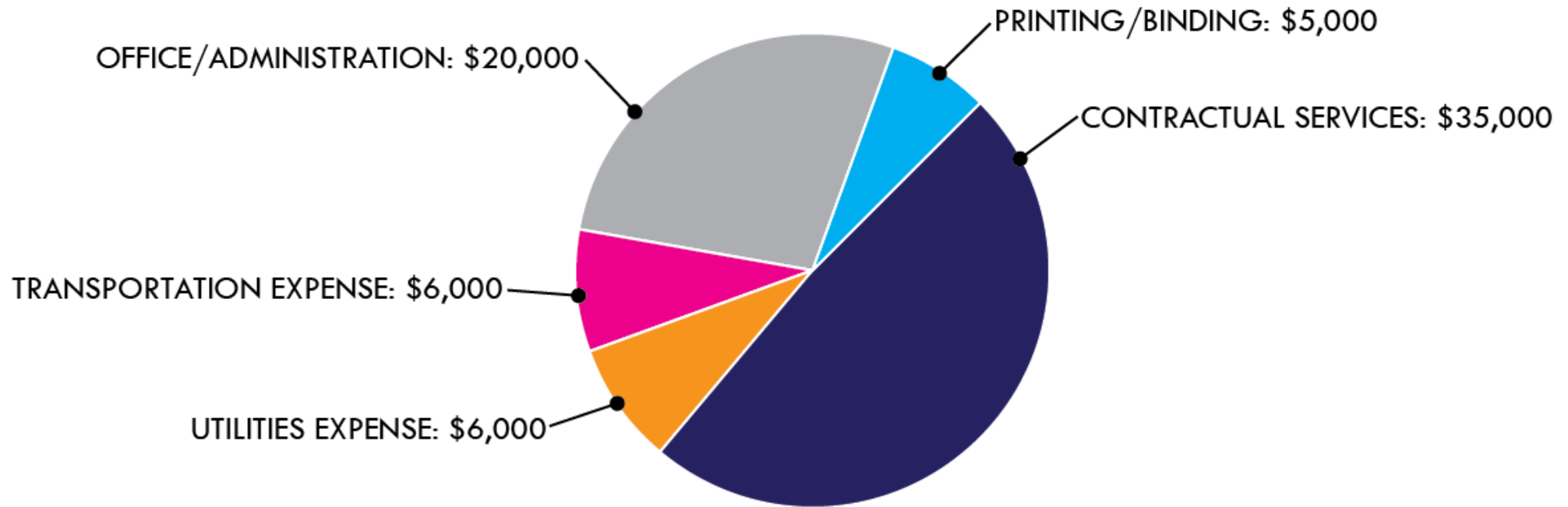
CTD DEPARTMENT BUDGET: TOTAL SALARIES



PROPOSED CTD DEPARTMENT BUDGET: TOTAL OPERATING EXPENSES



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



OTHER BUDGET ITEMS

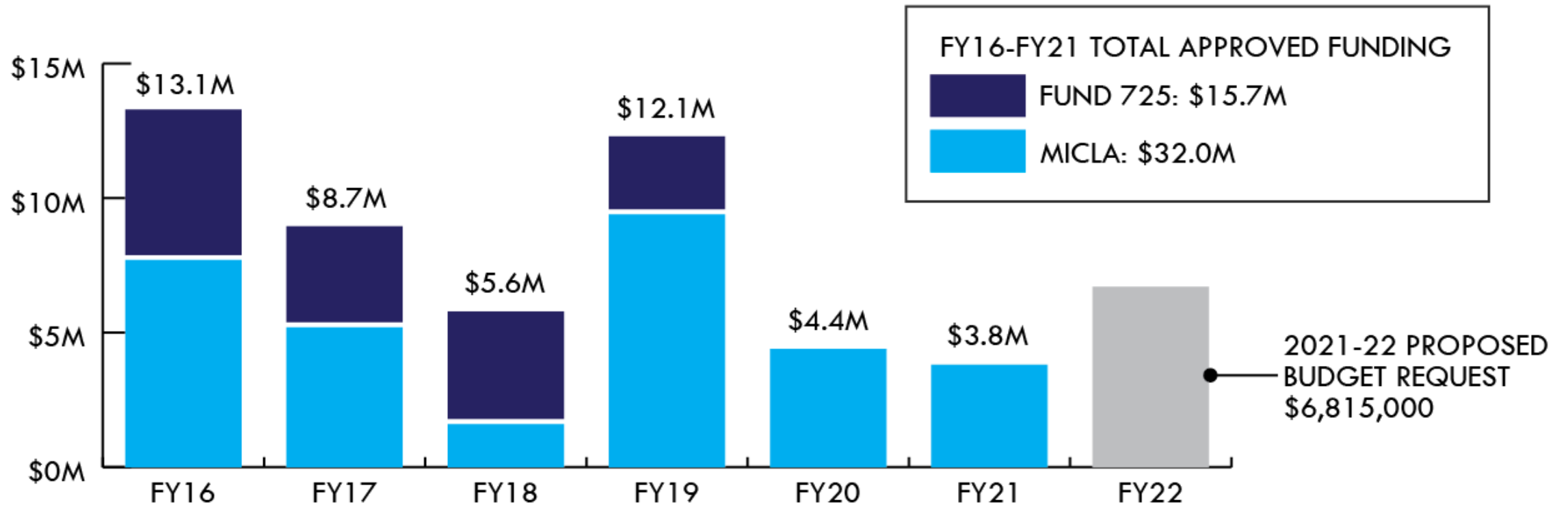
| DESCRIPTION | APPROPRIATION | ONE-TIME / ONGOING | NOTES |
|---|---------------|-----------------------|-----------------------|
| Credit towards Staples Debt Service Payment* | - | Ongoing until 2022-23 | - |
| General Fund Reimbursement – indirect cost related to CTD | \$616,000 | Ongoing | Source – 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 2021-22 budget.

PROPOSED CAPITAL IMPROVEMENT PROGRAM REQUESTS



OVERVIEW OF LACC FACILITY INVESTMENTS: CIP + A&I



SUMMARY OF PROPOSED CAPITAL IMPROVEMENT PROGRAM REQUESTS

| PRIORITY NO. | DESCRIPTION | PROPOSED FUNDING SOURCE | 2021-22 BUDGET | TO BE COORDINATED WITH EXPANSION | PROJECT PHASE |
|--------------|---|-------------------------|--------------------|----------------------------------|---------------|
| 1. | Waterproofing Upgrades | GENERAL FUND (MICLA) | 4,000,000 | N/A | 2 of 2 |
| 2. | Gilbert Lindsay Plaza Demolition | GENERAL FUND (MICLA) | 2,000,000 | Yes | 1 of 2 |
| 3. | Generator Controls Upgrade | GENERAL FUND (MICLA) | 150,000 | N/A | 1 of 1 |
| 4. | Fire Pump Controller Replacement | GENERAL FUND (MICLA) | 135,000 | N/A | 1 of 1 |
| 5. | HVAC Boiler Pump Motor Replacement | GENERAL FUND (MICLA) | 130,000 | N/A | 1 of 1 |
| 6. | Purchase of Lifts | GENERAL FUND (MICLA) | 100,000 | N/A | 1 of 1 |
| 7. | Escalator/Elevator Modernization and Repair | GENERAL FUND (MICLA) | 300,000 | N/A | 6 of 6 |
| TOTAL | | | \$6,815,000 | | |

RECOMMENDATION

That the CTD Board of Commissioners approve the CTD departmental budget submission for consideration by the Mayor's Office for the 2021-22 Proposed Budget.

Item 5c

Proposed 2020-21 Appendix E of the
Agreement between CTD & LATCB –
Board Report #20-010



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 30, 2020

To: Board of Los Angeles Department of Convention and Tourism Development
Commissioners

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

Subject: **FISCAL YEAR 2021-22 BUDGET PROPOSAL – BOARD REPORT NO.
20-009**

SUMMARY

The Los Angeles Department of Convention and Tourism Development (CTD) Fiscal Year 2021-22 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 the CTD Department. Departmental budget requests are due to the Office of the Mayor by Friday, November 20, 2020.

The total revenue budget proposed from LACC-generated business is \$25.8 million, which assumes several sources of funds, including but not limited to, rent, food and beverage, utility services, parking and communications. The 2021-22 revenue estimate assumes a total of \$5.9 million in discounts for rental revenue related to bookings. With the ongoing moratorium on large gatherings and events due to the novel coronavirus (COVID-19) pandemic, the Los Angeles Convention Center (LACC) has not hosted any regular events since the month of April 2020, and as a consequence, the loss of economic activity and business has had a significant adverse financial impact on the LACC.

2021-22 PROPOSED REVENUE BUDGET

| | FY 2021-22 Proposed | FY 2020-21 Revised | FY 2020-21 Adopted |
|-------------------|------------------------|-----------------------|-----------------------|
| Rent | \$5,554,907 | \$2,083,470 | \$5,396,610 |
| Food and Beverage | 2,691,482 | 891,272 | 4,518,891 |
| Utility Services | 3,612,236 | 42,899 | 4,700,347 |
| Parking | 10,425,318 | 876,377 | 12,340,610 |
| Communications | 1,518,133 | 11,047 | 1,564,860 |
| Other | 1,999,031 | 1,515,826 | 1,666,405 |
| Total | \$25,801,107 | \$5,420,891 | \$30,187,723 |

The revenue budget of \$25.8 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 2021-22 budget.

AEG-LACC OPERATING BUDGET – ATTACHMENT A

The operating budget proposed by AEG-LACC is approximately \$24 million. The AEG-LACC 2021-22 operating budget assumes funding for approximately 98 full-time employees and 100 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 2020 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 2020-21 to fund critical operations of the LACC due to the pandemic. The 2021-22 Budget assumes no contribution to the LACC Reserve Fund.

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 2021-22 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.

The 2021-22 Budget assumes a total of 186 events, which includes 17 citywide events, 17 trade shows, 30 consumer shows, 33 assemblies, 53 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 25 percent of LACC's revenue budget.

CTD – OPERATING BUDGET – ATTACHMENT D

The CTD 2021-22 Departmental Budget Request includes funding for 11 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 2021-22 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, an organizational chart, 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 seven projects for a total of \$6.8 million. According to the Management Agreement, capital improvements continue to remain the responsibility of the City. As such, the source of funds requested is 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 2021-22 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 2021-22 budget request. CTD reviewed the request and developed the proposed list in accordance to budget instructions.

RECOMMENDATION

That the Board of Los Angeles Department of Convention and Tourism Development Commissioners approve the 2021-22 Convention and Tourism Development

Departmental Budget submission in consideration of the 2021-22 Mayor's Proposed Budget.

DL: ta

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
21/22 Budget
Accrual Based

| | Budget FY22 7/1/21 - 6/30/22 | Budget (Adj.) FY21 7/1/20 - 6/30/21 | Budget 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 | 11,483,956 | 2,083,470 | 12,063,907 | 10,250,009 | 11,997,624 |
| Less Discounts | (5,929,049) | - | (6,667,297) | (2,788,982) | (5,296,000) |
| Net Rent | 5,554,907 | 2,083,470 | 5,396,610 | 7,461,027 | 6,701,624 |
| Food and Beverage Sales | 10,250,890 | 5,011,310 | 19,979,641 | 14,900,250 | 21,715,787 |
| Net Food and Beverage Revenue | 2,691,482 | 891,272 | 4,518,891 | 3,735,522 | 4,940,995 |
| Utility Services Gross Billing | 10,678,936 | 108,790 | 13,851,746 | 10,469,058 | 14,966,804 |
| Percent kept by vendor | (7,066,700) | (65,891) | (9,151,399) | (6,909,812) | (9,855,866) |
| Utility Services Commissions | 3,612,236 | 42,899 | 4,700,347 | 3,559,246 | 5,110,938 |
| Parking receipts | 10,425,318 | 876,377 | 12,340,610 | 9,510,659 | 12,414,325 |
| Net Parking Revenue | 10,425,318 | 876,377 | 12,340,610 | 9,510,659 | 12,414,325 |
| Event Billing | 1,630,252 | 86,500 | 1,366,514 | 1,534,752 | 2,117,910 |
| Event Expenses | (1,823,764) | (6,193) | (1,879,282) | (1,625,073) | (2,789,844) |
| Net Event Billing | (193,512) | 80,307 | (512,768) | (90,321) | (671,934) |
| Communications | 1,518,133 | 11,047 | 1,564,860 | 1,621,450 | 1,804,529 |
| Cell Towers | 1,495,833 | 1,420,952 | 1,324,159 | 1,418,116 | 1,228,705 |
| Marketing / Advertising | 425,300 | - | 390,300 | 264,693 | 466,078 |
| AV | 198,156 | - | 220,660 | 171,334 | 293,223 |
| Other | 73,254 | 14,567 | 244,054 | 158,534 | 340,818 |
| Total Revenue | 25,801,107 | 5,420,891 | 30,187,723 | 27,810,260 | 32,629,301 |
| Expenses | | | | | |
| Salaries & Wages - Full Time | 7,033,559 | 4,845,675 | 8,361,438 | 7,198,879 | 7,196,943 |
| Salaries & Wages - Part Time | 949,631 | 231,368 | 1,359,384 | 1,360,687 | 1,742,404 |
| Overtime General | 88,781 | 55,452 | 256,255 | 196,836 | 307,704 |
| Parking Wages | 740,640 | - | 826,184 | 687,394 | 984,164 |
| Payroll Taxes | 636,388 | 406,004 | 798,667 | 673,790 | 742,659 |
| Fringe Benefits | 1,208,690 | 1,034,153 | 1,311,438 | 1,368,746 | 1,253,244 |
| Workers Comp | 371,311 | 247,324 | 214,478 | 545,307 | 287,388 |
| Total Wages Salaries and Benefits | 11,029,000 | 6,819,977 | 13,127,844 | 12,031,639 | 12,514,506 |
| Printing and Binding | 66,840 | 10,616 | 66,545 | 61,063 | 93,461 |
| Contracted services | 4,972,221 | 2,485,508 | 5,057,379 | 4,029,685 | 4,707,961 |
| Post Covid Incremental | 971,283 | 50,574 | - | 39,525 | - |
| Field Equipment | 114,321 | 22,649 | 129,675 | 78,993 | 88,653 |
| Maintenance Materials & Supplies | 524,584 | 395,256 | 529,584 | 362,687 | 375,885 |
| Transportation Reimbursement | 15,600 | 4,800 | 17,200 | 9,729 | 17,045 |
| Utilities | 4,849,120 | 3,585,092 | 5,846,062 | 4,982,560 | 5,530,883 |
| Office & Administration | 66,703 | 19,006 | 67,053 | 67,119 | 41,681 |
| Operating Supplies | 274,811 | 27,265 | 319,725 | 294,037 | 357,165 |
| Modifications / Repairs | 160,800 | 123,303 | 148,000 | 312,111 | 312,488 |
| Advertising / Promotions | 125,605 | 35,445 | 191,830 | 105,436 | 115,249 |
| Uniforms | 40,000 | 384 | 63,000 | 18,901 | 51,118 |
| Recruiting | 7,000 | 263 | 7,500 | 3,159 | 16,381 |
| Employee Welfare | 54,775 | 19,989 | 79,275 | 33,956 | 102,414 |
| Insurance | 347,978 | 399,201 | 330,207 | 332,740 | 293,833 |
| Management Fee | 399,780 | 394,915 | 394,402 | 354,445 | 370,007 |
| Total Operating Expenses | 12,991,420 | 7,574,266 | 13,247,437 | 11,086,146 | 12,474,224 |
| Total Expenses (Wages and Operating) | 24,020,420 | 14,394,244 | 26,375,281 | 23,117,785 | 24,988,730 |
| Operating Profit (Loss) before City Reimbursement and A & I | 1,780,687 | (8,973,352) | 3,812,442 | 4,692,475 | 7,640,571 |
| Parking Staples Bond Contribution | - | 1,000,000 | 1,000,000 | 1,320,795 | 1,000,000 |
| General Fund Reimbursement | 615,851 | 770,184 | 1,384,627 | 1,573,616 | 1,870,898 |
| CTD Department | 1,164,836 | 1,299,456 | 1,427,815 | 1,000,000 | 1,421,906 |
| Total City Reimbursement | 1,780,687 | 3,069,640 | 3,812,442 | 3,894,411 | 4,292,804 |
| Operating profit(loss) available for Reserve and A & I | (0) | (12,042,992) | - | 798,064 | 3,347,767 |
| Allocation to A & I | - | - | - | 798,064 | 2,347,767 |
| Allocation to Reserve | - | - | - | - | 1,000,000 |

AEG Management LACC, LLC
Los Angeles Convention Center
21/22 Budget
Accrual Based

FY22

7/1/21 - 6/30/22

| | |
|--|--------------------|
| Revenue's (net of event expenses) | |
| Bureau Booking | |
| Conventions | 7,096,767 |
| LACC Booking | |
| Assembly | 1,848,962 |
| Consumer | 5,236,194 |
| Trade | 874,487 |
| Meeting | 340,156 |
| Filming | 414,000 |
| Profit on LACC Events | 8,713,799 |
| Non Event Related Revenue | |
| Parking | 10,425,318 |
| Cell Towers | 1,495,833 |
| Other Revenue | 73,254 |
| Marketing / Sponsorship | 425,300 |
| Total Non event Related Revenue | 12,419,705 |
| F & B overhead salaries and operating expenses | (2,429,165) |
| Total Revenues (net of event expenses and F & B overhead) | 25,801,107 |
| Expenses by Department (AEG Management LACC, LLC) | |
| Finance & Admin | 3,393,860 |
| Operations | 14,768,002 |
| Event Services | 736,396 |
| Guest Services / Security | 2,458,482 |
| HR | 424,439 |
| Sales and Marketing | 698,375 |
| Parking | 1,540,865 |
| Total Expenses by department | 24,020,420 |
| Operating Profit before City Reimbursement, A & I, and Depreciation | 1,780,687 |
| Other Expenses | |
| Depreciation | 1,208,667 |
| Staples Bond | - |
| General Fund Reimbursement | 615,851 |
| LACC Oversight Group | 1,164,836 |
| | 2,989,354 |
| Total Expenses and Appropriations | 27,009,774 |
| Net Income | (1,208,667) |

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

| | FY22 7/1/21 - 6/30/22 | Forecasted 7/1/22 - 6/30/23 | Forecasted 7/1/23 - 6/30/24 |
|--|--|--|--|
| Revenue's (net of event expenses) | | | |
| Rent | 11,483,956 | 12,632,351 | 12,083,638 |
| Less Discounts | (5,929,049) | (6,521,954) | (6,289,604) |
| Net Rent | 5,554,907 | 6,110,397 | 5,794,034 |
| Food and Beverage Sales | 10,250,890 | 13,326,157 | 12,963,465 |
| Net Food and Beverage Revenue | 2,691,482 | 3,464,801 | 3,370,501 |
| Utility Services Gross Billing | 10,678,936 | 12,814,723 | 11,177,668 |
| Percent kept by vendor | (7,066,700) | (8,480,040) | (7,194,048) |
| Utility Services Commissions | 3,612,236 | 4,334,683 | 3,983,620 |
| Parking receipts | 10,425,318 | 11,467,850 | 11,788,028 |
| Net Parking Revenue | 10,425,318 | 11,467,850 | 11,788,028 |
| Event Billing | 1,630,252 | 1,793,277 | 1,790,720 |
| Event Expenses | (1,823,764) | (2,006,140) | (1,945,009) |
| Net Event Billing | (193,512) | (212,863) | (154,289) |
| Communications | 1,518,133 | 1,669,946 | 1,555,891 |
| Cell Towers | 1,495,833 | 1,540,708 | 1,586,929 |
| Marketing / Advertising | 425,300 | 438,059 | 451,201 |
| AV | 198,156 | 217,972 | 239,769 |
| Other | 73,254 | 87,905 | 90,542 |
| Prior Year carryover & Other | | | |
| Total Revenue | 25,801,107 | 29,119,458 | 28,706,225 |
| Expenses | | | |
| Salaries & Wages - Full Time | 7,033,559 | 8,088,592 | 8,493,022 |
| Salaries & Wages - Part Time | 949,631 | 1,044,595 | 1,075,932 |
| Overtime General | 88,781 | 91,444 | 94,187 |
| Parking Wages | 740,640 | 917,428 | 943,042 |
| Payroll Taxes | 636,388 | 737,970 | 760,110 |
| Fringe Benefits | 1,208,690 | 1,244,951 | 1,282,300 |
| Workers Comp Insurance - Base coverage | 371,311 | 442,782 | 463,831 |
| Total Wages Salaries and Benefits | 11,029,000 | 12,567,763 | 13,112,424 |
| Printing and Binding | 66,840 | 68,845 | 70,911 |
| Contracted services | 4,972,221 | 5,121,387 | 5,275,029 |
| Post Covid | 971,283 | 1,000,421 | 1,030,434 |
| Field Equipment | 114,321 | 117,750 | 121,283 |
| Maintenance Materials & Supplies | 524,584 | 540,322 | 556,531 |
| Transportation Reimbursement | 15,600 | 16,068 | 16,550 |
| Utilities | 4,849,120 | 5,334,032 | 5,867,435 |
| Office & Administration | 66,703 | 68,704 | 70,765 |
| Operating Supplies | 274,811 | 283,056 | 291,547 |
| Modifications / Repairs | 160,800 | 165,624 | 170,593 |
| Advertising / Promotions | 125,605 | 129,373 | 133,254 |
| Uniforms | 40,000 | 41,200 | 42,436 |
| Recruiting | 7,000 | 7,210 | 7,426 |
| Employee Welfare | 54,775 | 54,775 | 56,418 |
| Insurance | 347,978 | 358,417 | 369,170 |
| Management Fee | 399,780 | 411,773 | 424,126 |
| Total Operating Expenses | 12,991,420 | 13,718,958 | 14,503,909 |
| Total Expenses (Wages and Operating) | 24,020,420 | 26,286,720 | 27,616,333 |
| Operating Profit before A & I, Depreciation, and Staples Bond | 1,780,687 | 2,832,738 | 1,089,892 |

Assumptions:

-
No LA Auto Show starting 23/24
Expansion to be underway in FY23/24
Continued Post Incremental Covid-19 expenses
No GLP Parking Revenue 23/24
13% growth in revenue in FY23. FY24 flat due to expansion.
3% yearly increase in operating expenses

ATTACHMENT B
BOOKINGS

AEG Management LACC, LLC
 Los Angeles Convention Center
 21/22 Budget
 Bureau Booking

Total 21/22 17

| Event Name | Month Code | Start Date | End Date | Status | EBMS ID | Rent | | | Event Services | | | Electrical | | |
|---|------------|------------|----------|----------------|---------|-----------|-------------|-----------|-----------------|---------------------|-----------------------|------------|-------------|-----------|
| | | | | | | Gross | Discount | Net Rent | Billed Services | Est. Event Expenses | Net on recovered exp. | Electrical | Contra | Net |
| The Society for the Promotion of Japanese Animation- Anime Expo | 1 | 07/01/21 | 07/04/21 | Pending (40) | 23482 | 469,130 | (468,130) | 1,000 | 122,000 | (237,121) | (115,121) | 125,000 | (77,500) | 47,500 |
| The Trade Desk - 2021 Trade Desk Palooza | 1 | 07/19/21 | 07/23/21 | Pending (40) | 37435 | 134,496 | - | 134,496 | 17,500 | (29,450) | (11,950) | 125,000 | (77,500) | 47,500 |
| Association for Computing Machinery - SIGGRAPH | 2 | 08/02/21 | 08/06/21 | Tentative (30) | 23750 | 384,728 | (383,728) | 1,000 | 14,400 | (25,800) | (11,400) | 125,000 | (77,500) | 47,500 |
| Association for Talent Management | 2 | 08/26/21 | 09/01/21 | Licensed (50) | 27229 | 456,713 | (372,713) | 84,000 | 15,700 | (28,100) | (12,400) | 125,000 | (77,500) | 47,500 |
| American Academy of Otolaryngology - Head & Neck Surgery: 2021 AAO - NBSF Annual Meeting & O | 4 | 10/01/21 | 10/07/21 | Licensed (50) | 32995 | 395,508 | (325,508) | 70,000 | 15,700 | (28,100) | (12,400) | 125,000 | (77,500) | 47,500 |
| Linux Foundation - KubeCon & CloudNativeCon NA 2021 | 4 | 10/11/21 | 10/15/21 | Pending (40) | 37939 | 462,304 | (231,304) | 231,000 | 26,400 | (33,550) | (7,150) | 125,000 | (77,500) | 47,500 |
| GSMA - MWC Los Angeles 2021 | 4 | 10/22/21 | 10/30/21 | Tentative (30) | 32705 | 710,640 | (639,640) | 71,000 | 33,200 | (34,300) | (1,100) | 600,000 | (372,000) | 228,000 |
| National Science Teachers Association- 2021 NSTA December Area Conference | 6 | 12/09/21 | 12/11/21 | Licensed (50) | 31212 | 125,191 | (60,191) | 65,000 | 17,500 | (29,450) | (11,950) | 125,000 | (77,500) | 47,500 |
| Society for Simulation in Healthcare - 2022 Annual Meeting | 7 | 01/12/22 | 01/19/22 | Licensed (50) | 28459 | 248,096 | (155,727) | 92,369 | 17,500 | (29,450) | (11,950) | 125,000 | (77,500) | 47,500 |
| National Football League- Super Bowl LVI 2022 | 8 | 02/04/22 | 02/13/22 | Tentative (30) | 31704 | 1,511,340 | (1,510,340) | 1,000 | 368,643 | (168,047) | 200,596 | 150,000 | (93,000) | 57,000 |
| International Avaya Users Group - Avaya Engage 2022 | 8 | 02/26/22 | 03/03/22 | Pending (40) | 37905 | 189,969 | (129,969) | 60,000 | 17,500 | (29,450) | (11,950) | 150,000 | (93,000) | 57,000 |
| International Health, Racquet and Sportsclub Association - 2022 IHRSA International Convention & Tr | 9 | 03/12/22 | 03/18/22 | Tentative (30) | 38868 | 293,350 | (175,350) | 118,000 | 16,500 | (28,700) | (12,200) | 150,000 | (93,000) | 57,000 |
| United States and Canadian Academy of Pathology- 2022 Annual Meeting | 9 | 03/19/22 | 03/24/22 | Licensed (50) | 29592 | 208,538 | (207,538) | 1,000 | 42,000 | (181,000) | (139,000) | 350,000 | (217,000) | 133,000 |
| Herbalife International of America, Inc.- 2022 Herbalife Honors | 10 | 04/03/22 | 04/06/22 | Tentative (30) | 33696 | 118,700 | (102,900) | 15,800 | 18,010 | (20,886) | (2,876) | 150,000 | (93,000) | 57,000 |
| Institute for Educational Leadership - 2022 Rise Up for Equity: A National Summit on Community Sch | 12 | 06/01/22 | 06/03/22 | Licensed (50) | 38816 | 147,549 | (57,131) | 90,418 | 15,700 | (28,100) | (12,400) | 275,000 | (170,500) | 104,500 |
| Entertainment Software Association - E3 2021 | 12 | 06/14/22 | 06/16/21 | Tentative (30) | 30509 | 1,109,880 | (1,108,880) | 1,000 | 86,945 | (91,200) | (4,255) | 2,100,000 | (1,428,000) | 672,000 |
| BET Experience & Awards 2022 | 12 | 06/22/22 | 06/26/22 | Prospect (19) | 38303 | 141,352 | - | 141,352 | 15,700 | (28,100) | (12,400) | 350,000 | (217,000) | 133,000 |
| | | | | | | | | | | | | | | |
| | | | | | | 7,107,484 | (5,929,049) | 1,178,435 | 860,898 | (1,050,804) | (189,906) | 5,275,000 | (3,396,500) | 1,878,500 |

NOTE: LATCB booked events LA Marathon and KCON are included in Short-term booking

**AEG Management LACC, LLC
Los Angeles Convention Center
21/22 Budget
Bureau Booking**

| Event Name | AV | | | Smart City | | | Food and Beverage | | | Budget per event |
|--|---------|--------------|-----------|--------------|----------------|--------------|-------------------|--------------|-----------|------------------|
| | Gross | Vendor Share | LACC Rev. | Gross | Vendor | LACC Revenue | Concessions and | Contra F & B | Net F & B | |
| The Society for the Promotion of Japanese Animation- Anime Expo | 400 | (300) | 100 | 125,000 | (81,250) | 43,750 | 592,500 | (296,527) | 295,973 | 273,202 |
| The Trade Desk - 2021 Trade Desk Palooza | 40,000 | (30,000) | 10,000 | 65,000 | (42,250) | 22,750 | 157,500 | (78,824) | 78,676 | 281,472 |
| Association for Computing Machinery - SIGGRAPH | 25,000 | (18,750) | 6,250 | 65,000 | (42,250) | 22,750 | 387,500 | (193,931) | 193,569 | 259,669 |
| Association for Talent Management | 35,000 | (26,250) | 8,750 | 80,000 | (52,000) | 28,000 | 1,012,500 | (506,724) | 505,776 | 661,626 |
| American Academy of Otolaryngology - Head & Neck Surgery: 2021 AAO - NHSF Annual Meeting & O | 35,000 | (26,250) | 8,750 | 80,000 | (52,000) | 28,000 | 270,000 | (135,126) | 134,874 | 276,724 |
| Linux Foundation - KubeCon & CloudNativeCon NA 2021 | 16,000 | (12,000) | 4,000 | 350,000 | (227,500) | 122,500 | 257,500 | (128,871) | 128,629 | 526,479 |
| GSMA - MWC Los Angeles 2021 | 30,000 | (22,500) | 7,500 | 700,000 | (455,000) | 245,000 | 380,000 | (190,178) | 189,822 | 740,222 |
| National Science Teachers Association- 2021 NSTA December Area Conference | 40,000 | (30,000) | 10,000 | 65,000 | (42,250) | 22,750 | 275,000 | (137,629) | 137,371 | 270,671 |
| Society for Simulation in Healthcare - 2022 Annual Meeting | 40,000 | (30,000) | 10,000 | 65,000 | (42,250) | 22,750 | 320,000 | (160,150) | 159,850 | 320,519 |
| National Football League- Super Bowl LVI 2022 | 40,000 | (30,000) | 10,000 | 240,000 | (156,000) | 84,000 | 412,500 | (206,443) | 206,057 | 558,653 |
| International Avaya Users Group - Avaya Engage 2022 | 40,000 | (30,000) | 10,000 | 88,000 | (57,200) | 30,800 | 307,500 | (153,894) | 153,606 | 299,456 |
| International Health, Racquet and Sportsclub Association - 2022 IHRSA International Convention & T | 21,000 | (15,750) | 5,250 | 88,000 | (57,200) | 30,800 | 320,000 | (160,150) | 159,850 | 358,700 |
| United States and Canadian Academy of Pathology- 2022 Annual Meeting | 400 | (300) | 100 | 150,000 | (97,500) | 52,500 | 320,000 | (160,150) | 159,850 | 207,450 |
| Herbalife International of America, Inc.- 2022 Herbalife Honors | - | - | - | 218,000 | (141,700) | 76,300 | 325,000 | (162,652) | 162,348 | 308,572 |
| Institute for Educational Leadership - 2022 Rise Up for Equity: A National Summit on Community Sch | 35,000 | (26,250) | 8,750 | 125,000 | (78,750) | 46,250 | 320,000 | (160,150) | 159,850 | 397,368 |
| Entertainment Software Association - E3 2021 | - | - | - | 235,000 | (145,700) | 89,300 | 320,000 | (160,150) | 159,850 | 917,895 |
| BET Experience & Awards 2022 | 35,000 | (26,250) | 8,750 | 125,000 | (78,750) | 46,250 | 242,500 | (121,364) | 121,136 | 438,088 |
| | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| | 432,800 | (324,600) | 108,200 | 2,864,000.00 | (1,849,550.00) | 1,014,450.00 | 6,220,000 | (3,112,912) | 3,107,088 | 7,096,767 |

NOTE: LATCB booked events LA Marathon and KCON are included in Short-term booking

AEG Management LACC, LLC
 Los Angeles Convention Center
 21/22 Budget
 LACC Booking Summary

| | Budget 2021/2022 |
|--------------|------------------|
| Total | 186 |
| LATCB Booked | 17 |
| Assembly | 33 |
| Consumer | 30 |
| Trade | 17 |
| Meeting | 53 |
| Filming | 36 |
| Total | 186 |

| | | | 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 | | |
| Food Service | | | | | | | | | | | | | | | | | | | | | | | |
| Filming | 440 | 9 5 9 7 | 28,500 | - | 28,500 | | 9,000 | (3,000) | 6,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | 34,500 |
| | | | 204,835 | - | 204,835 | | 37,560 | (35,095) | 2,465 | 273,836 | (170,463) | 103,373 | 30,204 | (22,955) | 7,249 | 72,100 | (46,865) | 25,235 | 46,250 | (23,147) | 23,103 | 366,260 | |
| 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 | 13,250 | (6,631) | 6,619 | 84,843 | |
| Consumer | 410 | 10 2 | 32,260 | - | 32,260 | | 14,000 | (20,000) | (6,000) | 90,000 | (56,025) | 33,975 | 8,000 | (6,080) | 1,920 | 18,000 | (11,700) | 6,300 | 30,500 | (15,264) | 15,236 | 83,691 | |
| Trade | 420 | 10 3 | 157,000 | - | 157,000 | | 19,500 | (20,400) | (900) | 120,500 | (75,011) | 45,489 | 9,200 | (6,992) | 2,208 | 22,500 | (14,625) | 7,875 | 70,500 | (35,283) | 35,217 | 246,889 | |
| Meeting | 430 | 10 4 | 22,750 | - | 22,750 | | 2,040 | (2,705) | (665) | 6,612 | (4,116) | 2,496 | - | - | - | 7,500 | (4,875) | 2,625 | 20,000 | (10,009) | 9,991 | 37,197 | |
| Food Service | | 10 5 | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Filming | 440 | 10 7 | 38,000 | - | 38,000 | | 12,000 | (4,000) | 8,000 | - | - | - | - | - | - | - | - | - | - | - | - | 46,000 | |
| | | | 312,530 | - | 312,530 | | 67,140 | (62,505) | 4,635 | 225,262 | (140,226) | 85,036 | 44,004 | (33,443) | 10,561 | 53,700 | (34,905) | 18,795 | 134,250 | (67,188) | 67,062 | 498,620 | |
| 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 | 1,750 | (876) | 874 | 41,012 | |
| Consumer | 410 | 11 2 | 155,400 | - | 155,400 | | 7,650 | (8,000) | (350) | 52,000 | (32,370) | 19,630 | 4,800 | (3,648) | 1,152 | 20,000 | (12,600) | 7,400 | 180,000 | (90,084) | 89,916 | 273,148 | |
| Trade | 420 | 11 3 | 120,000 | - | 120,000 | | 16,500 | (15,000) | 1,500 | 67,500 | (42,019) | 25,481 | 6,000 | (4,560) | 1,440 | 13,500 | (8,775) | 4,725 | 67,500 | (33,782) | 33,718 | 186,865 | |
| Meeting | 430 | 11 4 | 21,250 | - | 21,250 | | 11,740 | (8,205) | 3,535 | 6,612 | (4,116) | 2,496 | - | - | - | 7,500 | (4,875) | 2,625 | 5,000 | (2,502) | 2,498 | 32,404 | |
| Food Service | | 11 5 | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Filming | 440 | 11 7 | 28,500 | - | 28,500 | | 9,000 | (3,000) | 6,000 | - | - | - | - | - | - | - | - | - | - | - | - | 34,500 | |
| | | | 353,150 | - | 353,150 | | 58,490 | (42,905) | 15,585 | 127,862 | (79,594) | 48,268 | 33,404 | (25,387) | 8,017 | 44,200 | (28,298) | 15,902 | 254,250 | (127,244) | 127,006 | 567,928 | |
| Revenue by Month - June | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 12 | | | | | | | | | | | | | | | | | | | | |
| Assembly | 400 | 12 1 | 74,500 | - | 74,500 | | 23,600 | (17,700) | 5,900 | 5,250 | (3,268) | 1,982 | 34,604 | (26,299) | 8,305 | 6,400 | (4,160) | 2,240 | 13,750 | (6,881) | 6,869 | 99,795 | |
| Consumer | 410 | 12 2 | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Trade | 420 | 12 3 | 120,000 | - | 120,000 | | 16,500 | (15,000) | 1,500 | 67,500 | (42,019) | 25,481 | 6,000 | (4,560) | 1,440 | 13,500 | (8,775) | 4,725 | 67,500 | (33,782) | 33,718 | 186,865 | |
| Meeting | 430 | 12 4 | 12,000 | - | 12,000 | | 900 | (1,500) | (600) | - | - | - | - | - | - | - | - | - | 15,000 | (7,507) | 7,493 | 18,893 | |
| Food Service | | 12 5 | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Filming | 440 | 12 7 | 19,000 | - | 19,000 | | 6,000 | (2,000) | 4,000 | - | - | - | - | - | - | - | - | - | - | - | - | 23,000 | |
| | | | 225,500 | - | 225,500 | | 47,000 | (36,200) | 10,800 | 72,750 | (45,287) | 27,463 | 40,604 | (30,859) | 9,745 | 19,900 | (12,935) | 6,965 | 96,250 | (48,170) | 48,080 | 328,553 | |
| Totals | | | | | | | | | | | | | | | | | | | | | | | |
| Assembly | | | 818,033 | - | 818,033 | | 248,715 | (193,765) | 54,950 | 496,850 | (309,289) | 187,561 | 285,840 | (217,238) | 68,602 | 121,200 | (78,748) | 42,452 | 1,356,000 | (678,635) | 677,365 | 1,848,962 | |
| Consumer | | | 2,464,823 | - | 2,464,823 | | 316,499 | (441,810) | (125,311) | 4,464,802 | (3,085,589) | 1,379,213 | 58,510 | (44,548) | 13,962 | 1,187,660 | (771,579) | 416,081 | 2,176,890 | (1,089,464) | 1,087,426 | 5,236,194 | |
| Trade | | | 539,084 | - | 539,084 | | 66,380 | (68,490) | (2,110) | 396,000 | (246,510) | 149,490 | 30,800 | (23,408) | 7,392 | 76,500 | (49,725) | 26,775 | 308,000 | (154,144) | 153,856 | 874,487 | |
| Meeting | | | 212,532 | - | 212,532 | | 29,760 | (32,895) | (3,135) | 46,284 | (28,812) | 17,472 | - | - | - | 52,500 | (34,125) | 18,375 | 190,000 | (95,089) | 94,911 | 340,156 | |
| Food Service | | | - | - | - | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Filming | | | 342,000 | - | 342,000 | | 108,000 | (36,000) | 72,000 | - | - | - | - | - | - | - | - | - | - | - | - | 414,000 | |
| | | | 4,376,472 | - | 4,376,472 | | 769,354 | (772,960) | (3,606) | 5,403,936 | (3,670,200) | 1,733,736 | 375,150 | (285,194) | 89,956 | 1,437,860 | (934,177) | 503,683 | 4,030,890 | (2,017,332) | 2,013,558 | 8,713,799 | |

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 DEPARTMENT OF CONVENTION AND TOURISM DEVELOPMENT
RECAPITULATION BY ACCOUNT
2021-2022 BUDGET REQUEST**

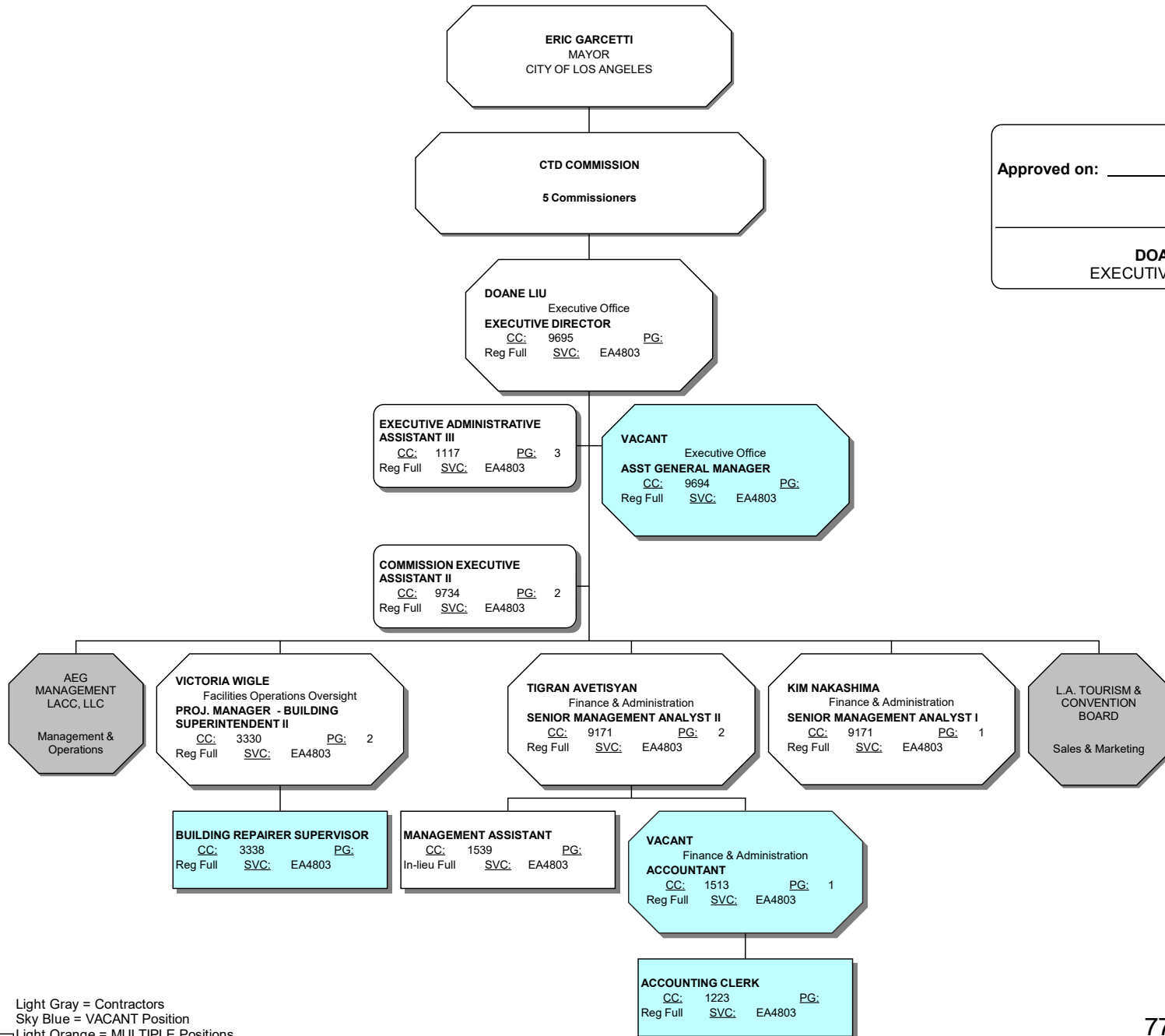
| ACCOUNT NO. - TITLE | ACTUAL 2019-20 | ADOPTED 2020-21 | BUDGET | Change | % Change |
|---|-------------------|--------------------|----------------------|--------------------|--------------------|
| | | | REQUEST 2021-2022 | From Prior Year | From Prior Year |
| SALARIES | | | | | |
| 1010 - General* | 1,384,280 | 1,509,763 | 1,356,283 | (153,480) | -10.2% |
| 1070 - As Needed | - | 31,783 | 31,783 | - | 0.0% |
| 1090 - Overtime | - | 5,000 | 5,000 | - | 0.0% |
| Subtotal Salaries | 1,384,280 | 1,546,546 | 1,393,066 | (153,480) | -9.9% |
| EXPENSES | | | | | |
| 2120 - Printing & Binding | 1,525 | 5,000 | 5,000 | - | 0.0% |
| 2130 - Travel | 29,416 | - | - | - | 0.0% |
| 3040 - Contractual Services | 363,036 | 35,000 | 35,000 | - | 0.0% |
| 3310 - Transportation Expense | 6,000 | 6,000 | 6,000 | - | 0.0% |
| 3330 - Utilities Expense Private Co. (Verizon) | 3,824 | 6,000 | 6,000 | - | 0.0% |
| 6010 - Office & Administrative Expense | 10,304 | 20,000 | 20,000 | - | 0.0% |
| Subtotal Expenses | 414,105 | 72,000 | 72,000 | - | 0.0% |
| Total Fund 100 CTD Expenses | 1,798,385 | 1,618,546 | 1,465,066 | (153,480) | -9.5% |
| Sources of Funds | | | | | |
| Staples Incremental Parking | 1,000,000 | 1,000,000 | - | - | -100.0% |
| CTD Exp. Transferred from AEG-LACC** | 1,320,795 | 1,260,474 | 1,164,836 | (95,638) | -7.6% |
| Reimbursement of General Fund Costs* | 1,573,616 | 770,179 | 615,851 | (154,328) | -20.0% |
| Total From AEG-LACC | 3,894,411 | 3,030,653 | 1,780,687 | (1,249,966) | -41.2% |
| LA Convention & Visitors Bureau Fund** | 567,395 | 309,515 | 300,230 | (9,285) | -3.0% |
| Grand Total | 4,461,806 | 3,340,169 | 2,080,917 | (1,259,252) | -37.7% |

*Note: The 1010 and General Fund costs amounts will be adjusted based on the Wages and Count report from the CAO.

**Note: The 2021 adopted amount was reduced by 3%.



CITY OF LOS ANGELES
 DEPARTMENT OF CONVENTION AND TOURISM DEVELOPMENT (CTD)
 FY 2021-22 ORGANIZATION CHART



Approved on: _____

DOANE LIU
EXECUTIVE DIRECTOR

Legends

Supervisor Assistant Staff

Light Gray = Contractors
 Sky Blue = VACANT Position
 Light Orange = MULTIPLE Positions
 Yellow = PROPOSED/CHANGED Position

ATTACHMENT E
CAPITAL & TECHNOLOGY IMPROVEMENT
EXPENDITURE PROGRAM REQUEST

SUMMARY OF PROPOSED CAPITAL & TECHNOLOGY IMPROVEMENT EXPENDITURE PROGRAM REQUESTS

| PRIORITY NO. | DESCRIPTION | PROPOSED FUNDING SOURCE | 2021-22 BUDGET | TO BE COORDINATED WITH EXPANSION | PROJECT PHASE |
|--------------|---|-------------------------|--------------------|----------------------------------|---------------|
| 1. | Waterproofing Upgrades | GENERAL FUND (MICLA) | 4,000,000 | N/A | 2 of 2 |
| 2. | Gilbert Lindsay Plaza Demolition | GENERAL FUND (MICLA) | 2,000,000 | Yes | 1 of 2 |
| 3. | Generator Controls Upgrade | GENERAL FUND (MICLA) | 150,000 | N/A | 1 of 1 |
| 4. | Fire Pump Controller Replacement | GENERAL FUND (MICLA) | 135,000 | N/A | 1 of 1 |
| 5. | HVAC Boiler Pump Motor Replacement | GENERAL FUND (MICLA) | 130,000 | N/A | 1 of 1 |
| 6. | Purchase of Lifts | GENERAL FUND (MICLA) | 100,000 | N/A | 1 of 1 |
| 7. | Escalator/Elevator Modernization and Repair | GENERAL FUND (MICLA) | 300,000 | N/A | 6 of 6 |
| TOTAL | | | \$6,815,000 | | |

Item 5c

Proposed 2020-21 Appendix E of the
Agreement between CTD & LATCB –
Board Report #20-010



OVERVIEW OF 2020-21 APPENDIX E LATCB CONTRACT

BOARD OF LOS ANGELES CONVENTION AND TOURISM DEVELOPMENT
BOARD OF COMMISSIONERS MEETING
NOVEMBER 4, 2020



CITY OF
Los Angeles
DEPARTMENT OF
CONVENTION & TOURISM DEVELOPMENT

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

CITYWIDE SALES

CLIENT SERVICES

HOTEL SALES

DESTINATION SERVICES

MARKETING

BRAND MARKETING

DIGITAL MARKETING

COMMUNICATIONS (P.R.)

INTERNATIONAL TOURISM

TOURISM INSIGHTS (RESEARCH)

**OPERATIONS/
MEMBERSHIP**

FINANCE

INFORMATION TECHNOLOGY

HUMAN RESOURCES

MEMBERSHIP & dineL.A.

VICs & DIGITAL KIOSKS

BUSINESS AFFAIRS

CONVENTION & TOURISM DEVELOPMENT

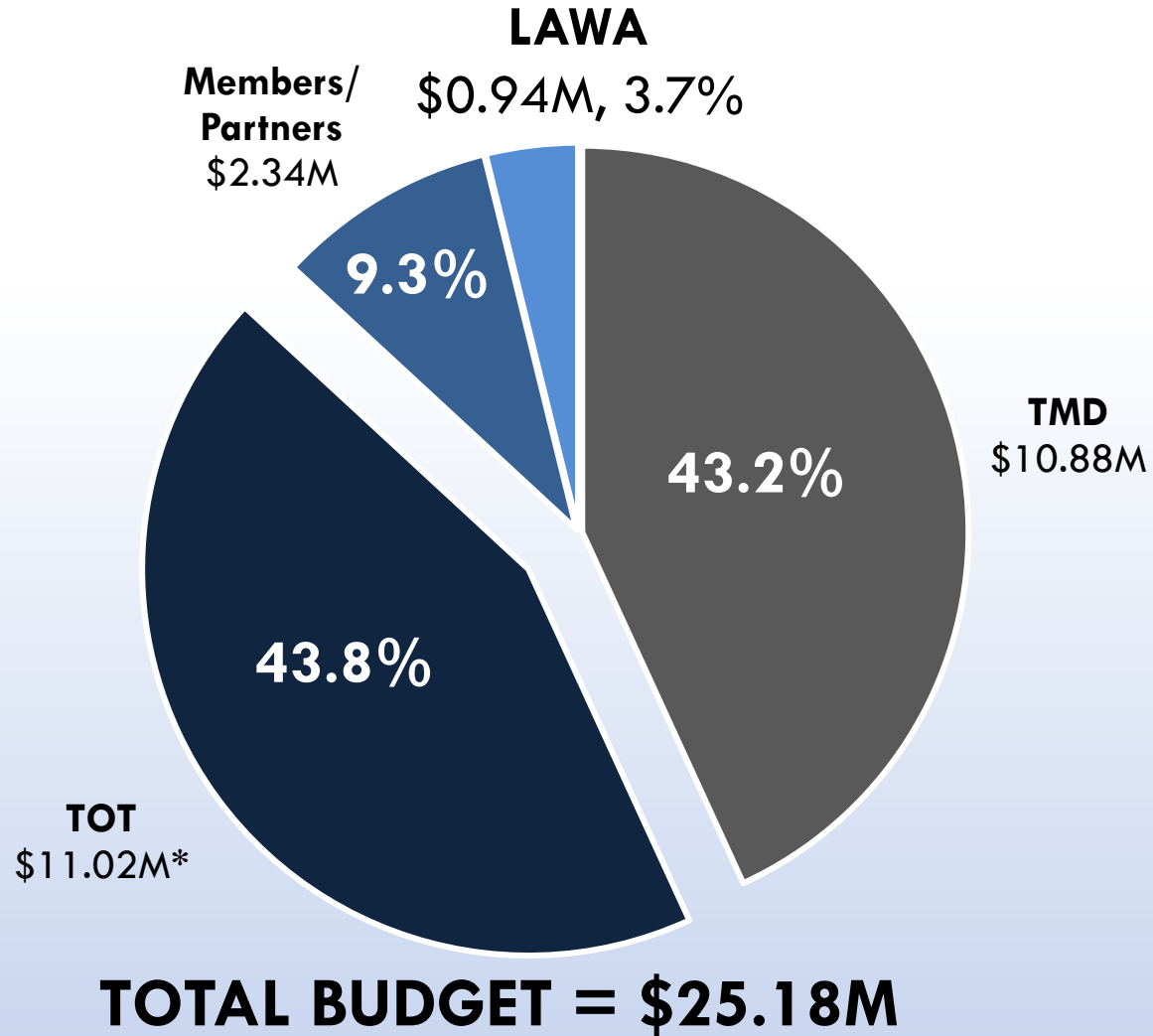
TOURISM MARKETING DISTRICT

LOS ANGELES WORLD AIRPORTS

OTHER CITY & INDUSTRY STAKEHOLDERS

LATCB RESOURCES FY 2020-21

Source: LATCB Revised Budget, as of September 2020



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

| NET TOT ALLOCATION TO LATCB | | |
|-----------------------------|-------------------|---------------------------------|
| Actual 2018-19 | Actual 2019-20 | LATCB Revised Budget 2020-21 |
| \$23,968,278 | \$18,887,222 | \$11,021,000 |

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 2020-21 APPROACH

Typical approach:

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

Fiscal Year 2020-21 approach, due to the pandemic:

- Metrics and outcomes are 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 Forecast |
|---|------------------------------|------------------------------|--------------------------------|
| Total visitors to LA County | 50.3 M | 39.2 M | 33.9 M |
| Total overnight domestic visitors | 25.5 M | 20.2 M | 17.1 M |
| Total international visitors | 7.4 M | 4.6 M | 2.8 M |

| Objective 2: Measure the economic impact of citywide conventions and tourism | FY 2018-19 Actual | FY 2019-20 Actual | FY 2020-21 Forecast |
|---|------------------------------|------------------------------|--------------------------------|
| TOT revenue for the City of Los Angeles | \$318.9 M | \$253.5 M | |
| Number of room nights sold (LA County) | 30.4 M | 24.5 M | 20.4 M |
| Hotel occupancy rate (LA County) | 79.8% | 65.9% | 54.7% |
| Hotel average daily rate (LA County) | \$180.28 | \$170.52 | \$136.20 |
| Jobs from Leisure and Hospitality sector | 541,275 | 489,858 | |

RECOMMENDATION

That the Board of Los Angeles Convention and Tourism Development Commissioners approve the proposed Appendix E for Fiscal Year 2020-21 to the Agreement between the CTD Department and LATCB.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 30, 2020

To: Board of Los Angeles Convention and Tourism Development
Commissioners

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

Subject: **PROPOSED 2020-21 APPENDIX E OF THE AGREEMENT BETWEEN
THE DEPARTMENT OF CONVENTION AND TOURISM DEVELOPMENT
AND THE LOS ANGELES TOURISM & CONVENTION - BOARD REPORT
#20-010**

SUMMARY

The Los Angeles Tourism & Convention Board (LATCB) provides a variety of services, including marketing the City of Los Angeles (City) as a premiere tourist destination and booking citywide events at the Los Angeles Convention Center (LACC). The Department of Convention and Tourism Development (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 Los Angeles Convention and Tourism Development Commissioners (Board).

DISCUSSION

The primary goal of the City's engagement with LATCB is to grow the local economy by promoting the City. 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.

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

RECOMMENDATION

That the Board of Los Angeles Convention and Tourism Development Commissioners approve the proposed Appendix E for Fiscal Year 2020-21 to the Agreement between the CTD Department and LATCB.

ATTACHMENT

DL:kn

APPENDIX E

Services to be Provided by Contractor In Contract Fiscal Year 2020 – 2021

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 tradeshow 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. This is the case for Fiscal Year 2020-21, as the ongoing novel coronavirus (COVID-19) pandemic has had 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 2020-21, including:

- Meetings, conventions and tradeshow are not currently permitted in the State of California and there is no clear timeline for when this sector will be reopened.
- 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 partial or full closure of many of Los Angeles' traditional "demand drivers" (e.g. – meetings, conventions and tradeshow, professional sports and entertainment venues, theme parks and cultural attractions, and indoor dining).
- Due to current case counts and other risk indicators, Los Angeles County's status on the State of California's Blueprint for a Safer Recovery is in the "widespread" category, which indicates the highest level of COVID-19-related restrictions on permitted activities and businesses in the Governor's plan.

Because of the significant 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 2020-21, 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 2020-21 Recovery Plan (Exhibit 1).

The foregoing notwithstanding, it remains critical that LATCB continue to track and report all the performance metrics 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 17/18 Actual | FY 18/19 Actual | FY 19/20 Actual | FY 20/21 Reporting |
|---|--------------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| CITYWIDE / CENTER EVENTS | | | | | |
| 1.1 Number of Citywide/Center Events Sales Leads (combined) | Month | 222 | 221 | 160 | |
| 1.2 Number of Citywide/Center Events Booked for future years (track separately) | Month | 27 | 27 | 30 | |
| 1.3 Number of Room Nights Booked for future years | Month | 440,812 | 428,374 | 460,331 | |
| 1.4 Number of Citywide/Center Events Hosted (track separately) | Month | 27 | 23 | 12 | |
| 1.5 Reported Number of Delegates from Hosted Citywide/Center Event | Quarter | 440,634 | 362,442 | 227,059 | |
| 1.6 Total Number of Room Nights from Hosted Citywide/Center Events (convention actuals) | Quarter | 283,798 | 226,608 | 121,158 | |
| Objective 1 LA County Market Data <i>Source: October 2020 Tourism Economics Estimates</i> | | | | | |
| | Reporting Frequency | FY 17/18 Actual | FY 18/19 Actual | FY 19/20 Actual | FY 20/21 Forecast |
| 1.a Total Visitors to L.A. County | Annual | 49.2 million | 50.3 million | 39.2 million | 33.9 million |
| 1.b Total Overnight Domestic Visitors | Annual | 25.0 million | 25.5 million | 20.2 million | 17.1 million |
| 1.c Total International Visitors | Annual | 7.4 million | 7.4 million | 4.6 million | 2.8 million |
| 1.d Total Day Visitors | Annual | 16.9 million | 17.4 million | 14.4 million | 14.0 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 17/18 Actual | FY 18/19 Actual | FY 19/20 Actual | FY 20/21 Reporting |
|---|---------------------------|--------------------|--------------------|--------------------|----------------------------|
| ECONOMIC IMPACT OF CITYWIDE / CENTER EVENTS Sources: Tourism Economics/CBRE/LATCB | | | | | |
| 2.1 TOT from Hosted Citywide/Center Events 14% (track separately) Source: CBRE Hotel Audits | Quarter | \$10.3 million | \$8.7 million | \$4.2 million | |
| 2.2 TOT revenue for the City Source: City of Los Angeles | Month | \$299.1 million | \$318.9 million | \$253.5 million | |
| L.A. COUNTY LODGING PERFORMANCE Sources: STR Actuals, October 2020 Tourism Economics Estimates and Secondary Data Sources | | | | | |
| | Frequency of Reporting | FY 17/18 Actual | FY 18/19 Actual | FY 19/20 Actual | FY 20/21 Forecast |
| 2.3 Hotel Room Night Demand (Sold) | Month | 29.8 million | 30.4 million | 24.5 million | 20.4 million |
| 2.4 Hotel Occupancy Rates | Month | 79.4% | 79.8% | 65.9% | 54.7% |
| 2.5 Hotel Average Daily Rates | Month | \$178.08 | \$180.28 | \$170.52 | \$136.20 |
| 2.6 Revenue Per Available Hotel Room | Month | \$141.47 | \$143.12 | \$112.33 | \$74.57 |
| 2.7 Jobs from Leisure and Hospitality Sector Source: CA EDD | Month | 531,433 | 541,275 | 489,858 | |
| Objective 2 L.A. County Market Data Source: Tourism Economics Estimates (FY) | | | | | |
| | Frequency of Reporting | FY 17/18 Actual | FY 18/19 Actual | FY 19/20 Actual | FY 20/21 Forecast |
| 2.a Visitor Direct Spending | Annual | \$23.29 billion | \$24.31 billion | \$17.40 billion | \$13.28 billion |
| 2.b Visitor Indirect/Induced Spending | Annual | \$12.42 billion | \$12.91 billion | \$9.26 billion | \$7.03 billion |
| 2.c Local Tax Revenue from LA County Visitors | Annual | \$1.70 billion | \$1.77 billion | \$1.26 billion | \$0.95 billion |
| 2.d Overnight Visitor Average Trip Spend in LA County | Annual | \$686 | \$701 | \$662 | \$598 |

| Objective 2 City Market Data <i>Source: DMAI Impact Calculator</i> | Frequency of Reporting | FY 17/18 Actual | FY 18/19 Actual | FY 19/20 Actual | FY 20/21 Reporting |
|---|-------------------------------|------------------------|------------------------|------------------------|---------------------------|
| 2.e Local Business Sales based on direct spending from Citywide/Center Events | Annual | \$352.8 million | \$282.2 million | \$168.0 million | |
| 2.f Local Tax Revenue based on total economic impact from Citywide/Center Events (track separately) | Annual | \$21.0 million | \$17.2 million | \$9.5 million | |
| 2.g Fulltime Equivalent (FTE) Jobs based on total economic impact from Citywide/Center Events(track separately) | Annual | 4,773 | 3,667 | 2,180 | |

OBJECTIVE 3

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

Services and Deliverables Related to Objective 3:

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

i. Metrics for Objective 3:

| Objective 3 Performance Metrics <i>Source: LATCB Post-Con Surveys</i> | Frequency of Reporting | FY 17/18 Actual | FY 18/19 Actual | FY 19/20 Actual | FY 20/21 Reporting |
|--|---------------------------------|------------------------|------------------------|------------------------|---------------------------|
| 3.1 Overall Host City Rating Citywide Client Satisfaction (5-point scale) | Semi-Annual | 4.1 | 4.3 | 4.2 | |
| 3.2 Overall LACC Rating Citywide Client Satisfaction (5-point scale) | Semi-Annual | 3.7 | 3.9 | 3.9 | 4.0 (goal) |
| 3.3 Overall LATCB Client Services Rating Citywide Client Satisfaction (5-point scale) | Semi-Annual | 4.6 | 5.0 | 5.0 | 4.6 (goal) |
| 3.4 Number of Visitor Impressions at Visitor Centers, Kiosks and Publications (track separately) | Quarter | 1.2 million | 1.0 million* | 0.7 million | |
| 3.5 Number of Unique Visitors to web site, social platforms, e-comms | Quarter | 16.4 million | 17.8 million | 15.2 million | |
| 3.6 Social Media Activity (Facebook, Twitter, Instagram, WeChat and Weibo followers) | Quarter | 4.5 million | 5.0 million | 5.2 million | |
| Objective 3 Market Data | Frequency of Reporting | FY 17/18 Actual | FY 18/19 Actual | FY 19/20 Actual | FY 20/21 Reporting |
| 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 | N/A | 89% | N/A |
| 3.b Average Length of Stay of Overnight Visitors <i>(Marketing & Planning Resource)</i> | Annual | 4.1 nights | 3.6 nights | 3.5 nights | |
| 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 | N/A | 73% | 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 2020-21, LATCB and CTD have agreed to delay the delivery of these statements until February 2021 due to impacts stemming from the pandemic.*
- 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 17/18 Actual | FY 18/19 Actual | FY 19/20 Actual | FY 20/21 Reporting |
|--|-----------------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| 4.1 Percent of Rental Income from Citywides Retained After Discounts <i>Source: LACC Operator</i> | Quarter | 18.9% | 14.1% | 26.0% | |
| 4.2 Non-TOT Funds <i>Note: FY21 is LATCB Budget</i> | Quarter | \$33.1 million | \$34.7 million | \$24.6 million | 14.16 million |
| 4.3 Total Paid Advertising Value from multiple funding sources | Annual | \$8.1 million | \$9.6 million | \$2.0 million | |
| 4.4 Earned Media Feature Stories* as Percentage of Total Earned Media <i>*Note –Feature Story is defined as any story where at least 3/4 of the content is about L.A.</i> | Annual | 50% | 70% | 78% | |
| | | | | | |
| Objective 4 Market Data | Frequency of Reporting | FY 17/18 Actual | FY 18/19 Actual | FY 19/20 Actual | FY 20/21 Reporting |
| 4.a Rental Income Retained from Citywides <i>Source: LACC Operator</i> | Quarter | \$1,409,891 | \$859,820 | \$944,972 | |

CTD Approval _____
Signature
Title
Date

LATCB Approval _____
Signature
Title
Date

LATCB Approval _____
Signature
Title
Date

EXHIBIT 1

LATCB FISCAL YEAR 2020-21 RECOVERY STRATEGY

PHASE 1 – STABILIZATION

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

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

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. Adapt “Everyone is Welcome” campaign to support recovery messaging and programming
5. Execute major PR activations with Members and civic leaders to amplify messaging