

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

Regular Meeting Minutes
November 4, 2020

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a regular meeting on Wednesday, November 4, 2020 at 9:00 a.m. via Zoom.

PRESENT:

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

ABSENT:

PRESENTERS:

Ellen Schwartz, ASM
Ben Zarhoud, ASM
Doane Liu, CTD
Tigran Avetisyan, CTD
Kim Nakashima, CTD
Adam Burke, LATCB
Darren Green, LATCB

Item 1. Call to Order / Roll Call

President Vein called the meeting to order at 9:01 a.m.

Item 2a. Public Comment

None

Item 2b. Neighborhood Council

None

Item 3a. Approval of the regular meeting minutes from October 21, 2020

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

Item 4a. Executive Director Report

Mr. Doane Liu provided an overview of his activities since the last Board meeting, which included: participating in several meetings, Safe Parking LA kick off meeting, LACC budget meeting, LATCB Board meeting, meet and confer with AFSCME, monthly meeting with Deputy Mayor Chun, and meeting with the Mayor's Budget Director; and attending the LATCB Industry Update and Outlook Webinar.

Item 4b. ASM Monthly Update

Ms. Ellen Schwartz reported four filmings for the month of September and the continuing of the senior meals program. Mr. Ben Zarhoud presented the financial data for September, reporting an operating loss of \$0.16M for the month, \$1.6M in gross revenue driven by filming and F&B, noting that staff continues to look for alternative uses of the building. Mr. Zarhoud reported \$1.1M in operating expenses, which is \$1.02M below the pre-COVID projected budget and includes continued investment in the building.

Item 4c. LATCB Monthly Update

Mr. Darren Green reported that LATCB has processed 27 leads YTD and booked 103,404 room nights, with year-end goals of 176 leads and projected 362,725 room nights, noting that while leads are down it is to be expected, but that production is up, mostly due to rebookings. Mr. Green noted that they expect 2021 cancellations to continue to rise, that clients are waiting for any cancellation penalties and/or insurance issues to be resolved before rebooking. Mr. Green provided an overview of FuturePace Year-end Goal Forecast including overall US recovery assumptions which: expect a hybrid component of most future events; travel restrictions and attendee safety comfort level to be impediments to recovery for most groups; and expect groups to be smaller. Mr. Adam Burke provided a State of the Business report noting the need to continue to sell future years during the downturn and that based on a Resonance “Best of Cities” report Los Angeles has moved to #2 best in the US and is in the top 10 worldwide for the first time ever. Mr. Burke also discussed DMO’s and their role in supporting members, clients, hotels, and the industry as the economic importance of tourism becomes widely recognized, noting that tourism is the 3rd largest employment sector in Los Angeles.

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

Mr. Tigran Avetisyan presented the proposed budget revision, due to the loss of economic activity as a result of COVID, reducing from \$30M to \$5.5M based on the assumptions; no events, limited revenue streams and the use of the \$9.1M reserve to meet the current year deficit. Mr. Avetisyan provided the staff recommendation that the Board approve the AEG-LACC revised budget for FY 2020-21.

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

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

Mr. Tigran Avetisyan presented an overview of the budget process and deadlines noting that the budget would be adopted in mid-June. Mr. Ben Zarhoud reported on the LACC proposed budget which assumes: 186 events resulting in \$25.8M in revenue led by parking; a 40% reduction of Citywide events and 30% in consumer events; and \$24M in

operating expenses, including post COVID environment requirements. Mr. Zarhoud reviewed the opportunities and risks for the budget year. Mr. Avetisyan reported on the proposed CTD-LACC \$1.5M budget which assumes: the retirement of two staff positions that can not be backfilled, \$6.8M for seven CIP's, which were reviewed; a 3% decreased in expenditures required by the Mayor; and operating expenses similar to last year. Mr. Avetisyan stated that staff recommends a hold on the annual transfer of \$1M Staples Debt Service payment. Mr. Avetisyan provided the staff recommendation that the Board approve the CTD department budget submission for consideration by the Mayor's Office for the 2021-22 Proposed Budget.

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

Item 5c. Proposed 2020-21 Appendix E of the Agreement Between CTD & LATCB – Board Report #20-0010

Ms. Kim Nakashima provided a background and functional overview of the LATCB contract which has been extended to June 2030, noting that 43.8%, or \$11.02M, of LATCB's budget is from Transient Occupancy tax which is a 21% reduction from prior year with the expectation of continued reduction. Ms. Nakashima highlighted the core objectives of Appendix E which have been adjusted due to COVID noting that the move from quantitative metric measurements to a qualitative analysis of services and deliverables to measure performance. Ms. Nakashima provided the recommendation that the Board approved the proposed Appendix E for FY 2020-21 to the Agreement between the CTD Department and LATCB.

UNANIMOUSLY APPROVED BY ROLL CALL VOTE

ADJOURNMENT

The meeting was adjourned at 10:08 a.m. without objection.