



**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, December 2, 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 November 4, 2020

4. REPORTS:

- a. Executive Director Report
- b. ASM Update
- c. LATCB Update

5. ACTION ITEMS:

- a. Proposed Contract Amendment to Agreement C-136003 with LATCB - Board Report #20-011

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
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.

Item 4a

Executive Director's Report



Item 4b

ASM Update



LOS ANGELES CONVENTION CENTER MONTHLY UPDATE FOR

OCTOBER 2020

ELLEN SCHWARTZ



OCTOBER FILMING

<u>DATES</u>	<u>NAME</u>	<u>LOCATION</u>	<u>AMOUNT</u>
Oct. 2 - 14	Done + Dusted	West Hall A&B, Petree Hall	\$375,650
			TOTAL: \$375,650

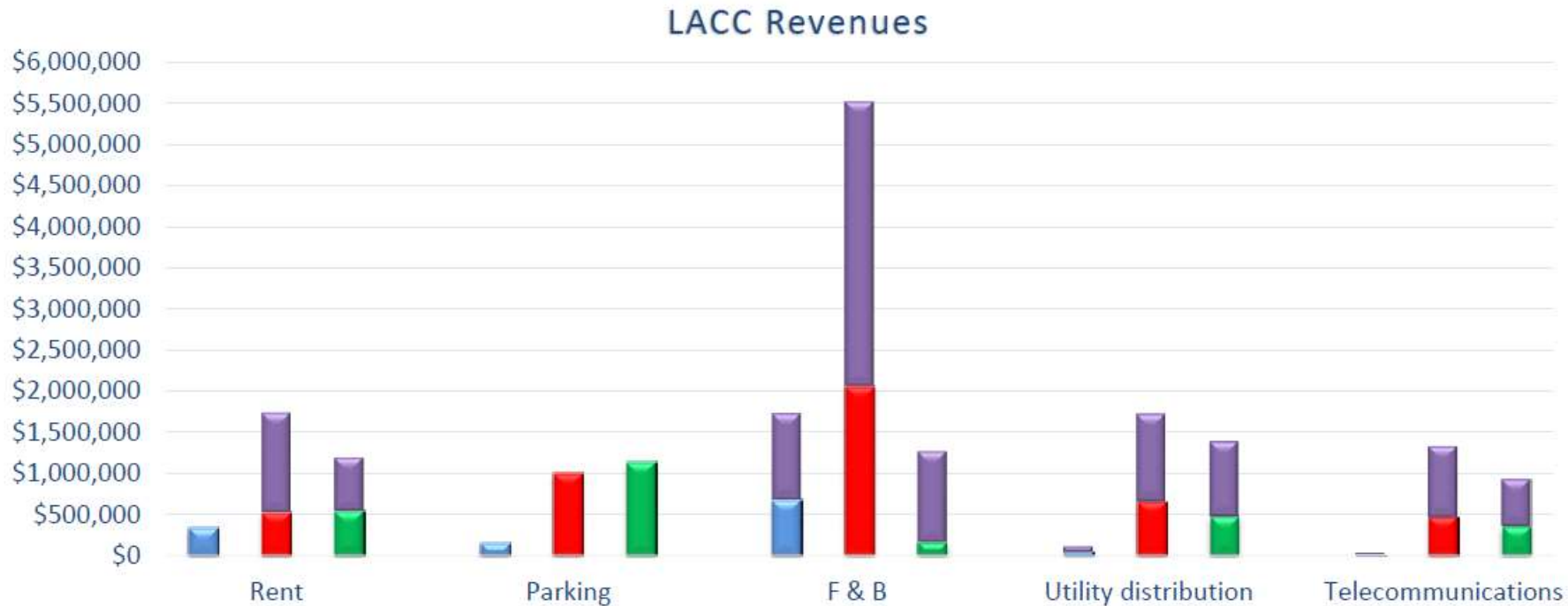
LACC October 2020 FINANCIALS

OPERATING SURPLUS (LOSS):

- \$0.16 million (before approved City Reimbursements, A & I and Capital Projects)
- \$2.47 million below budget
- \$0.67 million below prior year

REVENUES:

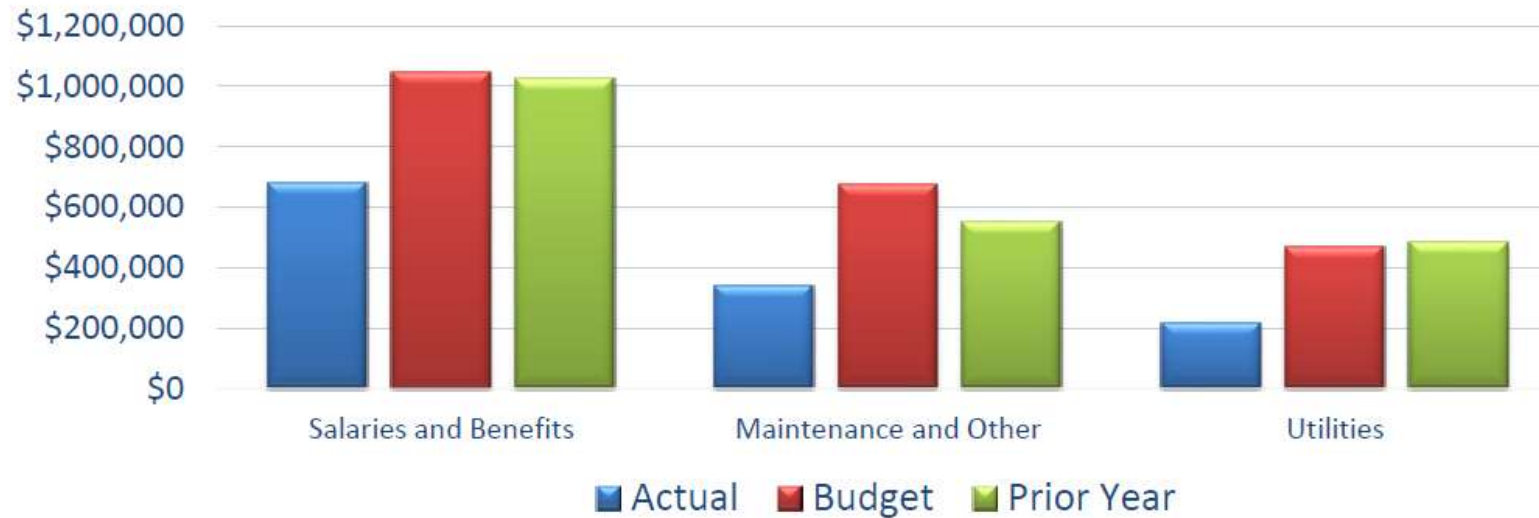
- \$2.6 million gross revenue (before discounts and service provider share)
- \$1.4 million net revenue
- \$3.4 million below budget and \$1.5 million below prior year



LACC October 2020 FINANCIALS

OPERATING EXPENSES:

- \$1.2 million (before approved A & I, Capital Projects, and City reimbursement)
- \$0.96 million below budget and \$0.83 million below prior year



CITY REIMBURSEMENT - \$0.26 million

Capital and Alterations & Improvements

Item 4c

LATCB Update



CTD Board of Commissioners

December 2, 2020

*Los Angeles*TM

Los Angeles Tourism & Convention Board



SALES UPDATES

Darren K Green

SVP, Sales



CITYWIDE CONVENTION SALES

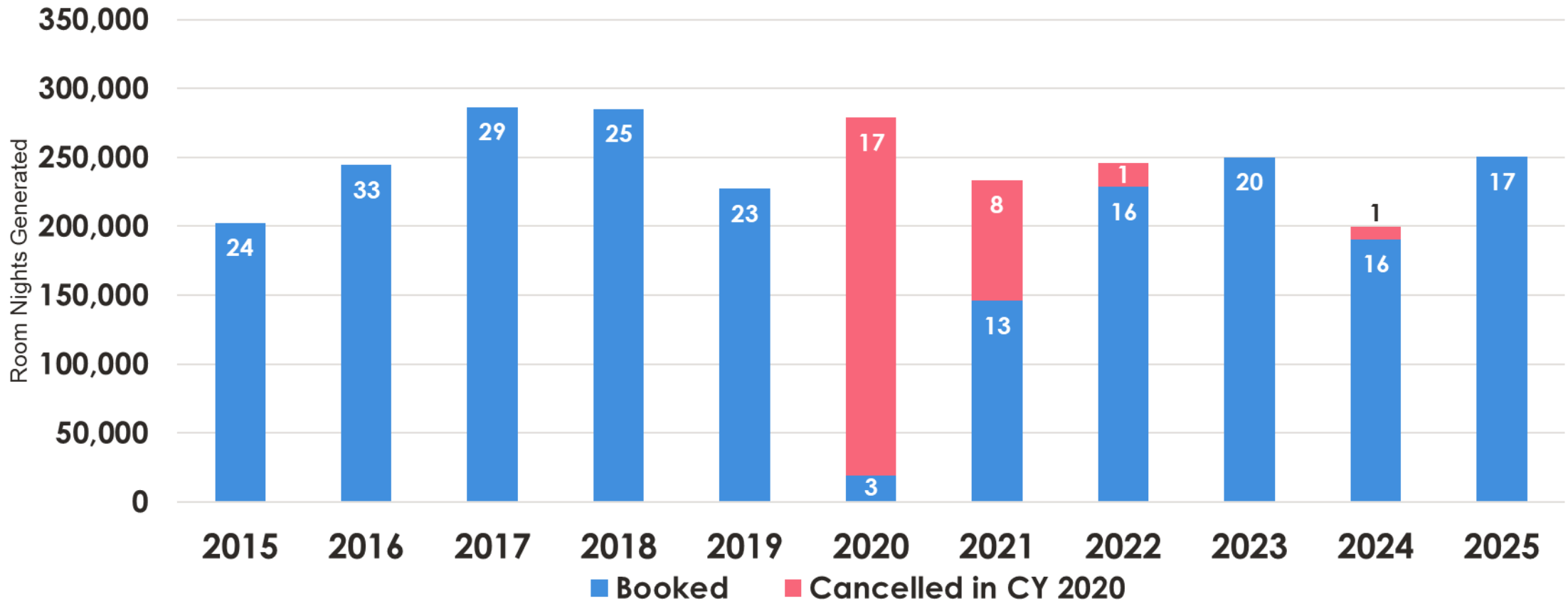
YTD FY20/21 PRODUCTION RESULTS

Lead Production	Leads Actual
FY 20/21 Goal	176
FY 20/21 YTD	33
FY 19/20 STLY	66

Booked Room Nights Produced	RNs Actual
FY 20/21 Goal	362,725
FY 20/21 YTD	151,669
FY 19/20 STLY	120,663

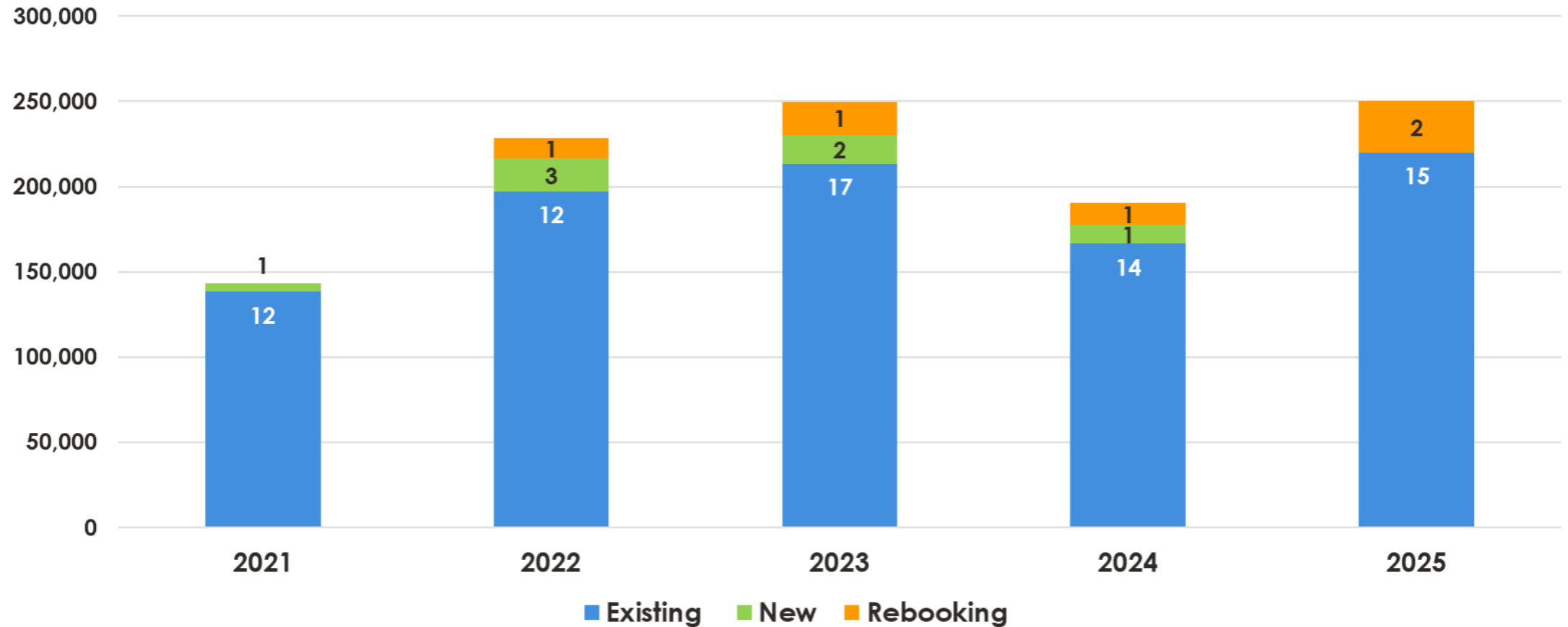
Dated November 23, 2020

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



Dated November 23, 2020

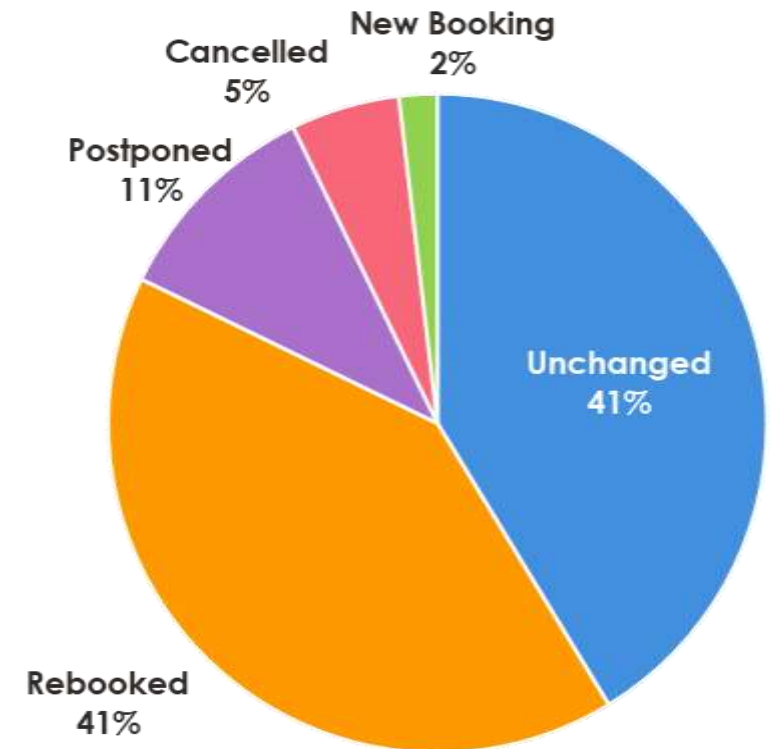
CITYWIDE CONVENTION BOOKED ROOM NIGHTS 2021-2025 CALENDAR YEAR ARRIVAL DATE



Dated November 23, 2020

THIRTEEN CITYWIDE CONVENTIONS IN 2021 IMPACTED BY COVID-19

- Four events postponed to later dates in 2021
- Nine events cancelled
 - **Seven rebooked to a future year** (Citrix- 2024; WWE- 2023; ACMG -2025; APA -2025; SIGGRAPH- 2023; APhA 2026; Adobe MAX 2026-2030)
 - **One new booking** (IHRSA) replaced the APEX cancellation
 - **92% retention**, includes the four events successfully moved to later in 2021, and the new booking to replace APEX



2021 Total Room Nights

CITYWIDE CONVENTION RETENTION & REBOOKING PROCESS

1

Identify new dates & availability at LACC & headquarter hotel

2

Communicate to contracted venues their availability for new dates & ability to issue addendums

3

Confirm LACC rental over new dates & process required paperwork for City discount

4

Submit to client proposal with new space, dates, rental at LACC, & overall hotel package

5

Once confirmed, issue Letter Of Intent (LOI) updating all terms & concessions for the new dates

RECENT REBOOKINGS

48,265 Total Room Nights



Association for Computing Machinery

Annual SIGGRAPH Conference 2023
July 30 –Aug 3, 2023
19,498 Room Nights



Citrix Systems, Inc.

Summit 2024
January 8-11, 2024
12,900 Room Nights



American College of Medical Genetics
and Genomics

ACMG 2025 Annual Clinical Genetics Meeting
March 18-22, 2025
7,155 Room Nights



American Pharmacists Association
Annual Meeting 2026
March 27-30, 2026
8,712 Room Nights

CONFERENCE DIRECT APM

- October 26-29, 2020
- Caesars Forum
- Las Vegas, NV
- 150 attendees



MPI WEC

- November 3-6, 2020
- Gaylord Texan
- Grapevine, TX
- 650 attendees



MPI WEC 2020

Grapevine, TX

MPI WEC 2020

Grapevine, TX





SALES CUSTOMER ADVISORY BOARD

- Thursday, December 3, 2020
- JW Marriott L.A. LIVE / SoFi Stadium
- Moderator: Brad Weaber
- 22 Top Meeting Planners

PARTICIPANTS

Name	Organization	Title
Aimee Gabel	Solar Energy Trade Shows, LLC	VP, Organizational Dev, Education & Operations
Cait Goldberg	Society for Science & the Public	Director of Events
Christine Hilgert	Meeting Expectations	Senior, Vice President
Colleen Connor	Cetera Financial Group	VP, Head of Conferences
David Coray	The Optical Society - OSA	Deputy Senior Director, Meetings & Exhibits Ops
Ellen Shortill	American Speech-Language-Hearing Association	Director of Conventions & Meetings
Jennifer Krsanac (N)	North American Spine Society	Director of Meeting Services
Josh Adams, CMP	Streamlinevents, Inc.	Industry Relations Strategist
Julie Martin	Adobe Systems Incorporated	Sr. Director, Corporate Events
Kimberley Gishler	Corporate Event Marketing Association	CEO & President
Linda Lazo	National Basketball Association	Director, Event Management
Marc Gagnon	International Health, Racquet & Sportsclub Assoc	Associate Vice President - Meetings & Trade Shows
Mary Dolaher	Dolaher Events	Founder/CEO
Pam Ballinger	American Association for Cancer Research, Inc.	Senior Director of Meetings & Exhibits
Pam Hoffmann	American Association of Orthodontists	Sr. Meeting Manager
Paula Schneider	American Psychiatric Association	Director, Meetings & Conventions
Ray Chiang	Society for the Promotion of Japanese Animation	Chief Executive Officer
Jerry Horan	ConferenceDirect	President & Chief Operating Officer
Vicki Hawarden	ESA	Vice President, Exposition Management (E3)
Erich Hermanns	GSMA, Ltd	Head of Events
Windy Christner	Apha	Associate Vice President, Meetings & Expositions

CAB AGENDA

START	END	SPEAKER
8:00 AM	8:10 AM	Brad Weaber
8:10 AM	8:30 AM	Darren K. Green
8:30 AM	8:45 AM	Javier Cano
8:45 AM	9:00 AM	Doane Liu
9:00 AM	9:15 AM	Brad Weaber
9:15 AM	9:30 AM	Ellen Schwartz & Kathy McAdams
9:30 AM	9:45 AM	Adam Burke
9:45 AM	10:00 AM	Rmax Goodwin
10:00 AM	10:10 AM	Brad Weaber
10:10 AM	11:00 AM	Break/Lunch
11:00 AM	11:10 AM	Todd Goldstein
11:10 AM	11:15 AM	Brad Weaber
11:15 AM	11:20 AM	Darren K. Green
11:20 AM	11:35 AM	Jason Gannon & Adolfo Romero
11:35 AM	11:45 AM	Bryan Churchill
11:45 AM	12:00 PM	PSAV Representative
12:00 PM	12:50 PM	Brad Weaber
12:50 PM	1:00 PM	Darren K. Green

THANK YOU

*Los Angeles*TM

Los Angeles Tourism & Convention Board

Item 5a
Proposed LATCB Contract
Amendment – BR #02-011



CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: November 25, 2020

To: Board of Los Angeles Convention and Tourism Development
Commissioners

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

Subject: **PROPOSED CONTRACT AMENDMENT TO AGREEMENT C-136003
WITH THE LOS ANGELES TOURISM & CONVENTION BOARD –
BOARD REPORT #20-011**

BACKGROUND

The City of Los Angeles (City) has contracted with the Los Angeles Tourism & Convention Board (LATCB) since 1976 to promote and sell Los Angeles as a destination for conventions, meetings and leisure travel since 1976, with the most recent contract (Agreement) executed on July 1, 2020 (C-136003).

The City annually appropriates an amount equivalent to 1/14 (one fourteenth) of the transient occupancy tax (TOT), based off the forecast in the annual approved Budget, to the Greater Los Angeles Visitors and Convention Bureau Trust Fund (Trust Fund) to provide funding for this contract. This appropriation is called the Annual Contractor Allocation, and it is prepaid on a quarterly basis. In the event that TOT exceeds or comes in below budget projections, LATCB obtains the actual one percentage point of the TOT the City receives.

At the time of this report, safety protocols and guidance in response to the unique coronavirus (COVID-19) pandemic has resulted in significant decreases in visitation to Los Angeles. Although the current status of the travel industry appears grim, LATCB is actively working with clients and stakeholders to help with stabilization and to prepare for recovery. The unpredictable nature of the pandemic and decrease in visitors has resulted considerable shortfalls in actual General Fund TOT receipts compared to Budget. The Office of Finance has reported that current Fiscal Year 2020-21 year-to-date (July through October) TOT already has a shortfall of 34.3% or \$16.9 million below Budget. It has become apparent that the City will substantially overpay LATCB by the end of the current

Fiscal Year if the quarterly payments are not revised to meet a more realistic Annual Contractor Allocation.

PROPOSED AMENDMENT

Both CTD and LATCB wish to adjust the Annual Contractor Allocation amount in order to reduce the remaining quarterly payments for Fiscal Year 2020-21. In the Agreement, there is a mechanism in Section 4.d. that allows for the adjustment of the last quarterly payment in the event the projected TOT receipts are lower than the Budget originally anticipated. Staff is recommending that this mechanism be temporarily altered, so that the earlier quarterly payments during the Fiscal Year can also be adjusted if appropriate, according to updated TOT projections.

In order to stabilize LATCB's cash flow under the Agreement for improved budgeting and operational efficiencies, staff is recommending that this amendment be temporary, to coincide with the uncertainty surrounding the COVID-19 pandemic and early recovery, as it will be markedly difficult to accurately forecast TOT receipts in the approved Budget during those years. Upon the expiration of this Amendment at the end of Fiscal Year 2021-22, the language in Section 4.d. will revert to the original version.

RECOMMENDATION

Staff recommends that the Board of Los Angeles Convention and Tourism Development Commissioners:

1. Approve an Amendment to Agreement C-136003 with the Los Angeles Tourism & Convention Board to adjust the Annual Contractor Allocation, subject to the approval of the City Attorney as to form and legality.

Attachments:

Attachment A Proposed Amendment to Agreement C-136003

Attachment B [Via link] Agreement C-136003

https://clkrep.lacity.org/onlinecontracts/2020/C-136003_c_7-6-20.pdf

cc: William Chun, Deputy Mayor of Economic Development
Angeline Buenaventura, Mayor's Office of Economic Development
Kimberly Miera, Deputy City Attorney
Derik Pearson, Senior Administrative Analyst
John Wickham, Office of the Chief Legislative Analyst
Patti MacJennett, Sr. Vice-President, Business Affairs,

**AMENDMENT NO. 1
TO AGREEMENT NO. C-136003 BETWEEN
THE CITY OF LOS ANGELES AND
LOS ANGELES TOURISM & CONVENTION BOARD**

THIS AMENDMENT (“Amendment”) is made and entered into, commencing upon its execution (the “Effective Date”), by and between the City of Los Angeles, a municipal corporation (“City”), and Los Angeles Tourism & Convention Board, a California 501(c)6 nonprofit corporation (“Contractor”), together the “Parties”, and is hereby incorporated into and made part of the Agreement No. C-136003 (“Agreement”).

RECITALS

- A. WHEREAS, the City and Contractor entered into the Agreement to promote the City of Los Angeles as a convention and tourism destination;
- B. WHEREAS, the novel coronavirus (“COVID-19”) pandemic continues to significantly impact visitation to Los Angeles and actual Transient Occupancy Tax (“TOT”) receipts, making it challenging to accurately forecast the Annual Contractor Allocation;
- C. WHEREAS, the Parties wish to amend the Annual Contractor Allocation so it aligns with the projected receipts to the Trust Fund so as to prevent the substantial overpayment of Contractor by the end of the Fiscal Year; and
- D. WHEREAS, the COVID-19-related uncertainty and inability to accurately forecast the Annual Contractor Allocation is likely to continue through Fiscal Year 2021-22.

NOW THEREFORE, in consideration of the mutual promises, covenants, representations and agreements set forth below, the Parties hereby amend the Agreement as follows:

- 1. Section 4.d, under “Payments by the City”, is hereby temporarily amended to read in full as follows:

Prior to each Advance Billing, if the City’s projected receipts to the Trust Fund through the end of the fiscal year will be less than originally anticipated, the amount paid to Contractor in the following Quarterly Prepayments shall be adjusted so that total payments for that fiscal year shall not exceed the amount of receipts projected to be deposited into the Trust Fund.

- 2. Due to the need for Contractor’s services to be provided continuously on an ongoing basis, any Advance Billings and subsequent Quarterly Prepayments made in accordance with the terms and conditions of this Amendment prior to the execution of the Amendment are hereby ratified.

3. This Amendment shall be operative until June 30, 2022, upon which Section 4.d. shall revert to its original language in Agreement C-136003.
4. Capitalized terms used in this Amendment shall have the meaning provided for in the Agreement unless the context otherwise requires.
5. Except as modified by this Amendment, all other terms and conditions contained in the Agreement No. C-136003 remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

THE CITY OF LOS ANGELES
a municipal corporation

LOS ANGELES TOURISM &
CONVENTION BOARD a California
nonprofit corporation

By: _____
DOANE LIU
Executive Director, CTD

By: _____
ADAM BURKE
President & CEO

Dated: _____

Dated: _____

APPROVED AS TO FORM AND
LEGALITY

ATTEST: HOLLY WOLCOTT
City Clerk

MICHAEL N. FEUER
City Attorney

By: _____
KIMBERLY MIERA
Deputy City Attorney

By: _____

Dated: _____

Dated: _____