



CITY TOURISM COMMISSION

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



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 one minute per speaker.

Regular Meeting
Wednesday, December 15, 2021
9:00 a.m.

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

1. CALL TO ORDER / ROLL CALL

2. COMMENTS FROM THE PUBLIC

- a. General and Agenda Item Public Comments
To make a public comment, dial the number again, enter the meeting ID#, then press *9.
Limit is one minute per speaker, per item.
- b. Neighborhood Council representatives on any Neighborhood Council Resolution or Community Impact Statement filed with the City Clerk which relate to any agenda item listed or being considered on this agenda for the City Tourism Commission.

3. APPROVE MINUTES

- a. Approval of the regular meeting minutes from November 17, 2021

4. REPORTS

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

5. ACTION ITEMS

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

6. ADJOURNMENT

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

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



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NOTICE TO PAID REPRESENTATIVES

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

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Item 3a

Approval of the

November 17, 2021 Minutes



CITY TOURISM COMMISSION

Regular Meeting Minutes
November 17, 2021

The Board of City Tourism Commissioners (Board) convened a regular meeting on Wednesday, November 17, 2021 at 9:00 a.m. via Zoom.

PRESENT:

President Jon F. Vein (arrived 9:12 am)
Commissioner Bricia Lopez
Commissioner David Stone (presided until President Vein arrived)
Commissioner Germonique Ulmer

ABSENT:

Vice President Otto Padron

PRESENTERS:

Ellen Schwartz, ASM
Ben Zarhoud, ASM
Kimberly Miera, Deputy City Attorney
Tigran Avetisyan, CTD
Doane Liu, CTD
Darren Green, LATCB
Kathy Smits, LATCB

Item 1. Call to Order / Roll Call

Commissioner David Stone, presiding, called the meeting to order at 9:05 a.m.

Item 2a. Public Comment

None

Item 2b. Neighborhood Council

None

Item 3a. Approval of the regular meeting minutes from October 20, 2021

UNANIMOUSLY APPROVED

Item 4a. Executive Director Report

Mr. Doane Liu provided an overview of his activities since the last Board meeting, which included: meetings with the LA Chapter of American Council of Engineering Companies, Super Bowl Transportation and Public Safety Working Group, the White House and Mayor Garcetti to discuss Summit of Americas, Councilmember Monica Rodriguez, Royal Caribbean Cruises who returns to L.A. after 10 years, and Netflix regarding a comedy festival; attending the LATCB member mixer, the inaugural LACC Career Academy at GSMA, IMEX in Las Vegas with LATCB, a LAX tour of their modernization and expansion, and a Global LA press conference to discuss foreign direct investments. Mr. Liu welcomed Germinique Ulmer

to the CTD Commission, and ended his report by sharing a video of the LACC Career Academy and thanked LATCB for their participation.

Item 4b. ASM Monthly Update

Ms. Ellen Schwartz reported three events with 7,000 attendees and five filmings for the month of September resulting in over \$238,000 in revenue, noting the month was light in comparison to a normal event schedule that usually includes the Emmy's Governor's Ball and a citywide event. Ms. Schwartz reported that Mayor Garcetti participated in the 9/11 National Service Day of Remembrance which was a successful event. Mr. Ben Zarhoud presented the financial data for September, reporting an operating loss of \$0.6M, which is \$0.6M below budget projection, and \$1M in gross revenue: 23% from rental, 28% from F&B, and 20% from parking. Mr. Zarhoud stated that in prior years, September had big filmings and larger food and beverage footprint. Mr. Zarhoud reported \$1.2M in operating expenses, \$0.2M below budget, and noted management of overall costs by doing more with less and the benefits of solar power which generated 1.1 GW of energy. Mr. Zarhoud reported the September Exhibit Hall occupancy was 16%.

Item 4c. LATCB Monthly Update

Mr. Darren Green reported that LATCB has processed 34 leads YTD and booked 18,622 room nights, with year-end goals of 176 leads and 225,000 projected room nights, noting that leads are activating, but we have to make up on room nights. Mr. Green reported that in the next few years there's an estimated 300K room nights in the pipeline. Mr. Green also reported on the post citywide convention quotes, the delay of the JW Marriott expansion and its impact on events that are currently on the books, and the IMEX event in Las Vegas where California was marketed as a lead destination for professionals to host meetings and conventions. Ms. Kathy Smits, Sr. VP of Global Tourism Development at LATCB, provided an update on international tourism and its importance in L.A.'s full recovery to pre-pandemic levels; the strategic priorities which includes air service recovery, focus on key markets; LATCB's global team structure and how well versed they are on L.A.; market timing and approach; and recent initiatives.

Item 5: Discussion Items

Mr. Tigran Avetisyan provided an overview of the services provided by Turner, Warren, Hwang & Conrad AC (TWHC), contracted to provide a financial assessment of LACC's private operator, AEG Mgmt. LACC, LLC (AEG-LACC). Mr. Avetisyan presented TWHC's observations and recommendations, noting that the Board Report is informational only and requires no action by the Board. Mr. Avetisyan reported that CTD staff is working closely with AEG-LACC, TWHC, City Controller, and the Office of Finance on recommendations identified in the assessment.

Item 6: Findings to Continue Teleconference Meetings Pursuant to AB 361

Ms. Kimberly Miera informed the Board that the Brown Act included teleconference provisions and that Governor Newsom eased the requirements during the pandemic. Ms.

Miera stated that AB 361 allows legislative bodies to consider circumstances that impact the ability of members to meet safely in person and that the item must be considered every 30 days.

THE BOARD UNANIMOUSLY APPROVED CONTINUING THE ABILITY TO HAVE VIRTUAL COMMISSION MEETINGS.

ADJOURNMENT

The meeting was adjourned at 10:17 a.m. without objection.

Item 4a

Executive Director's Report



Item 4b

ASM Update



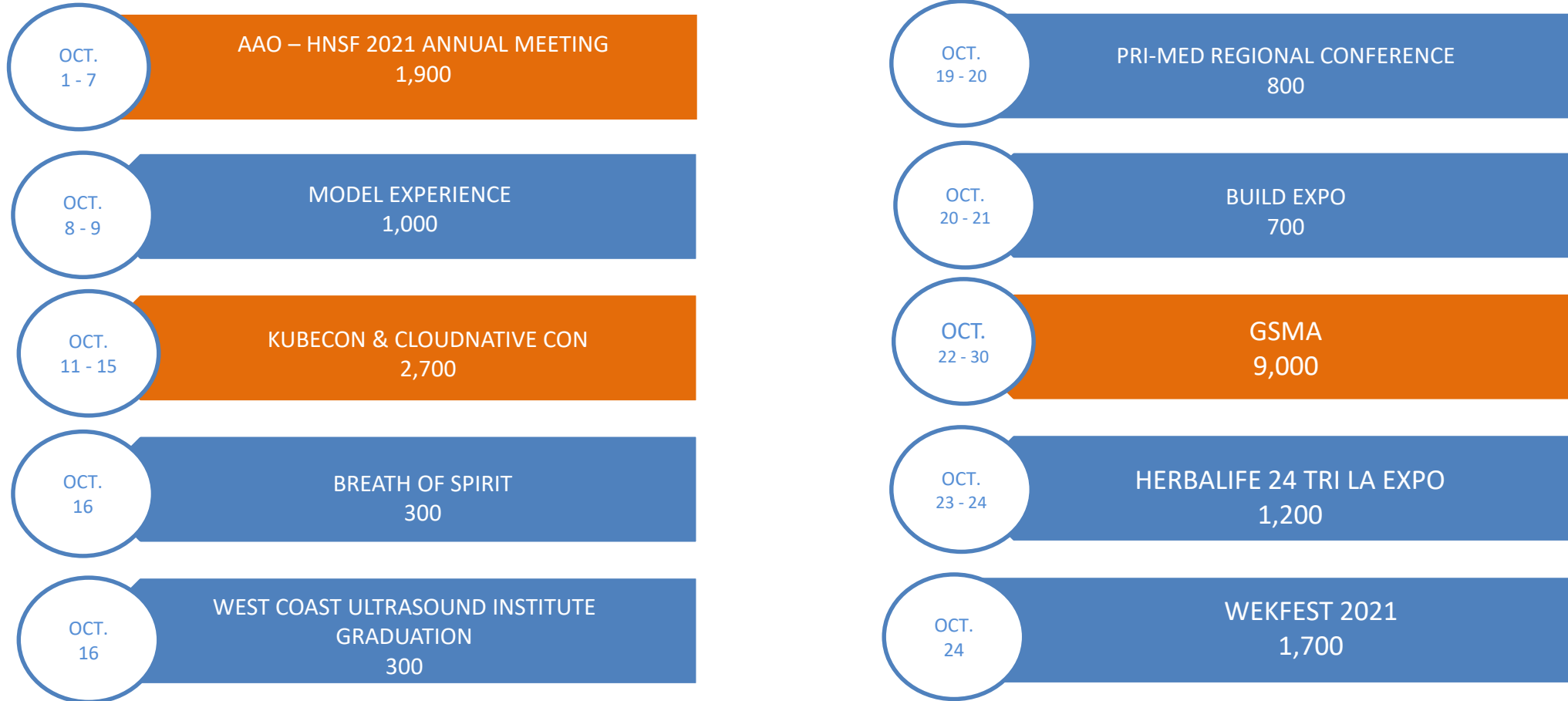
LOS ANGELES CONVENTION CENTER MONTHLY UPDATE FOR

OCTOBER 2021

ELLEN SCHWARTZ



LACC OCTOBER 2021 EVENTS



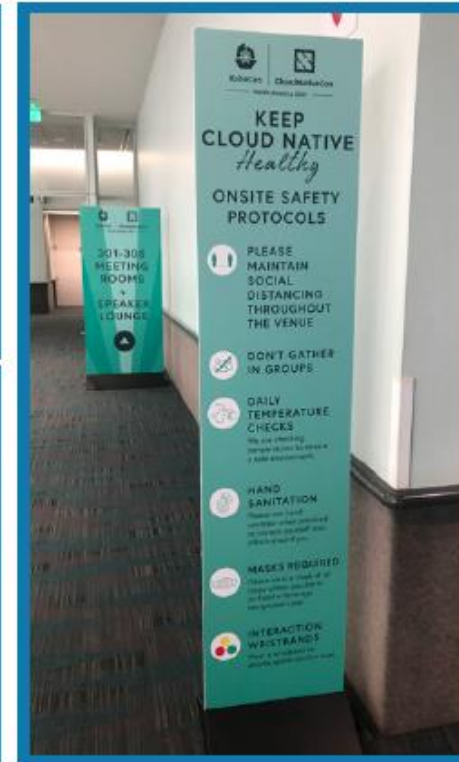
*CITYWIDE

EVENT SAFETY MEASURES

The entrance to the event has been re-defined and all attendees must first go through a vaccination / health-screening process prior to receiving their event badges. A similar set-up takes place back-of-house for all of the vendors entering the building.

Signage, signage, everywhere!

With rules changing constantly, it is important to provide attendees with clear and frequent communication. Friendly reminders are always helpful for all!



LACC OCTOBER 2021 FILMING & PARKING

<u>DATES</u>	<u>NAME</u>	<u>LOCATION</u>	<u>AMOUNT</u>
Oct. 1 - 5	Wild Chickens	South Garage, Bond Lot	\$17,800
Oct. 13 - 16	Minx Season 1	Venice Garage, Bond Lot	\$12,387
Oct. 17 - 19	Lakers Trucks Parking	Petree Plaza	\$10,500
Oct. 22 - 27	Somesuch, Inc.	West Hall B, South Apron	\$43,174
TOTAL:			\$83,861

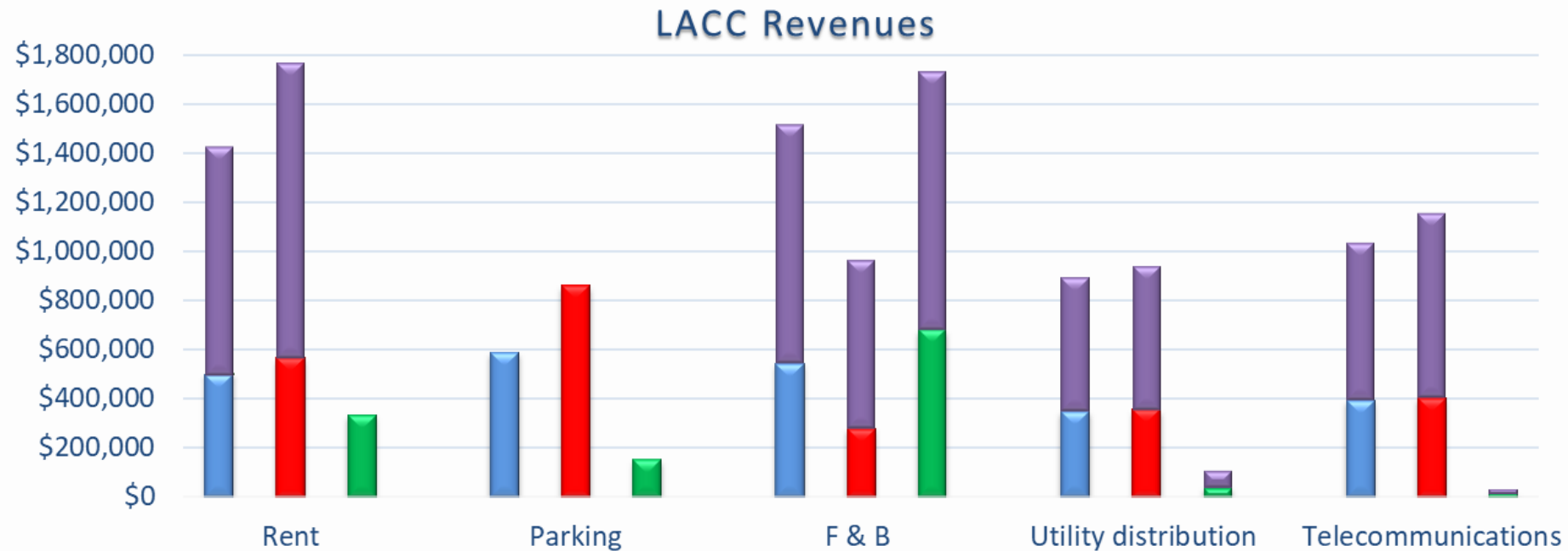
LACC OCTOBER 2021 FINANCIALS

OPERATING SURPLUS (LOSS):

- \$1.1 million (before approved City Reimbursements, A & I and Capital Projects)
- \$0.5 million above budget
- \$1.0 million above prior year

REVENUES:

- \$5.7 million gross revenue (before discounts and service provider share)
- \$2.5 million net revenue
- \$0.1 million below budget and \$1.1 million above prior year

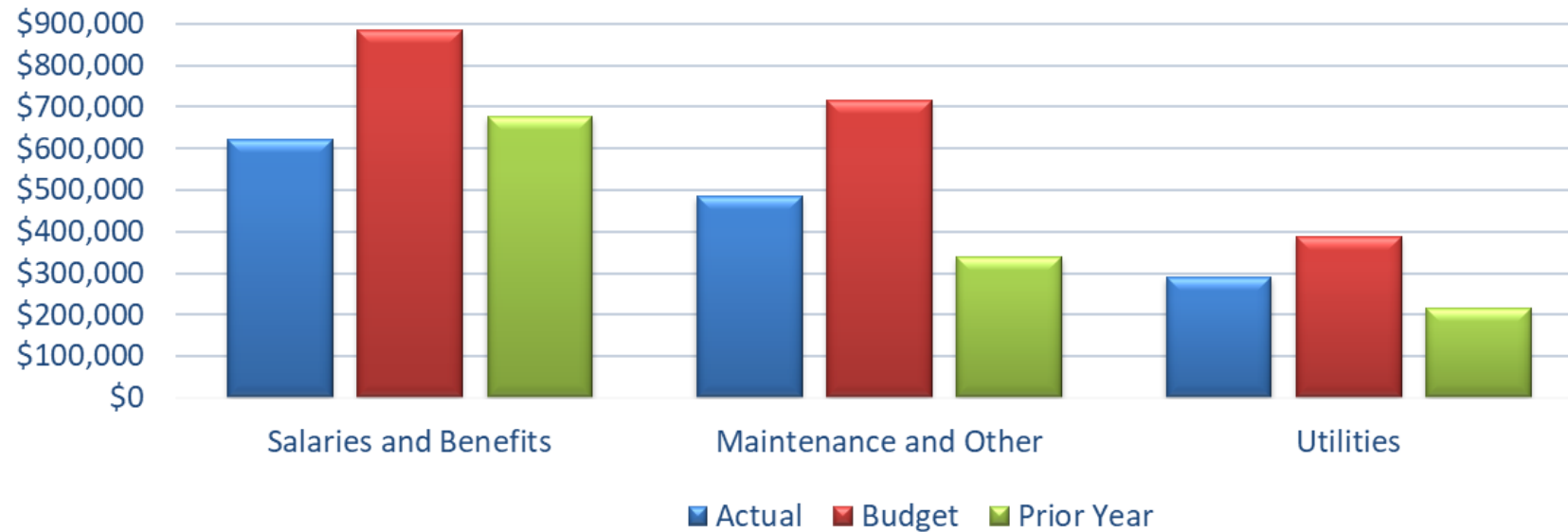


■ Net Revenue - Current Year ■ Net Revenue - Budget ■ Net Revenue - Prior Year ■ Vendor Share / Discount / Expenses

LACC OCTOBER 2021 FINANCIALS

OPERATING EXPENSES:

- \$1.4 million (before approved A & I, Capital Projects, and City reimbursement)
- \$0.6 million below budget and \$0.2 million above prior year



CITY REIMBURSEMENT - \$0.1 million

Capital and Alterations & Improvements

LACC OCTOBER 2021 OCCUPANCY

Exhibit Hall Occupancy

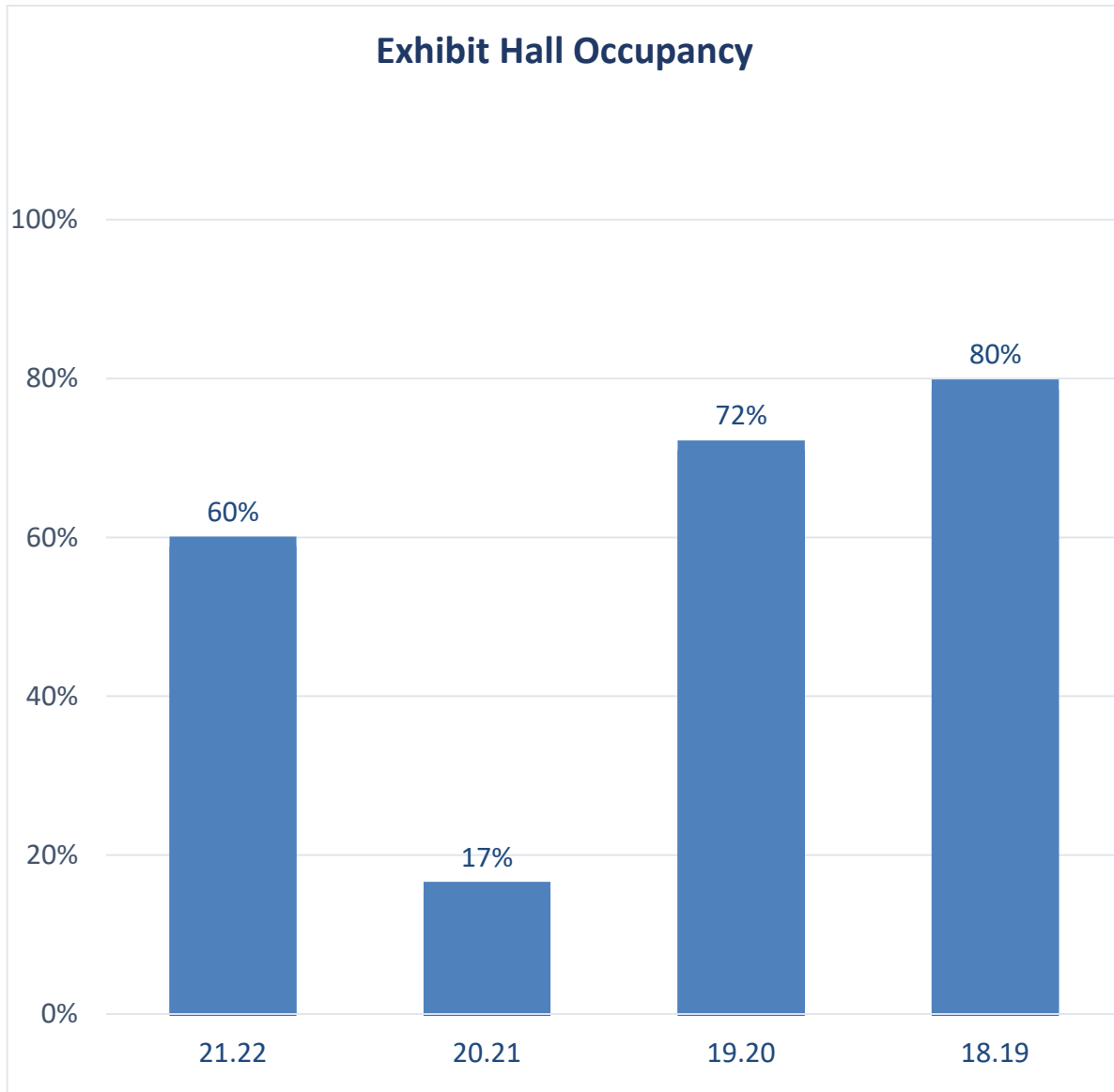
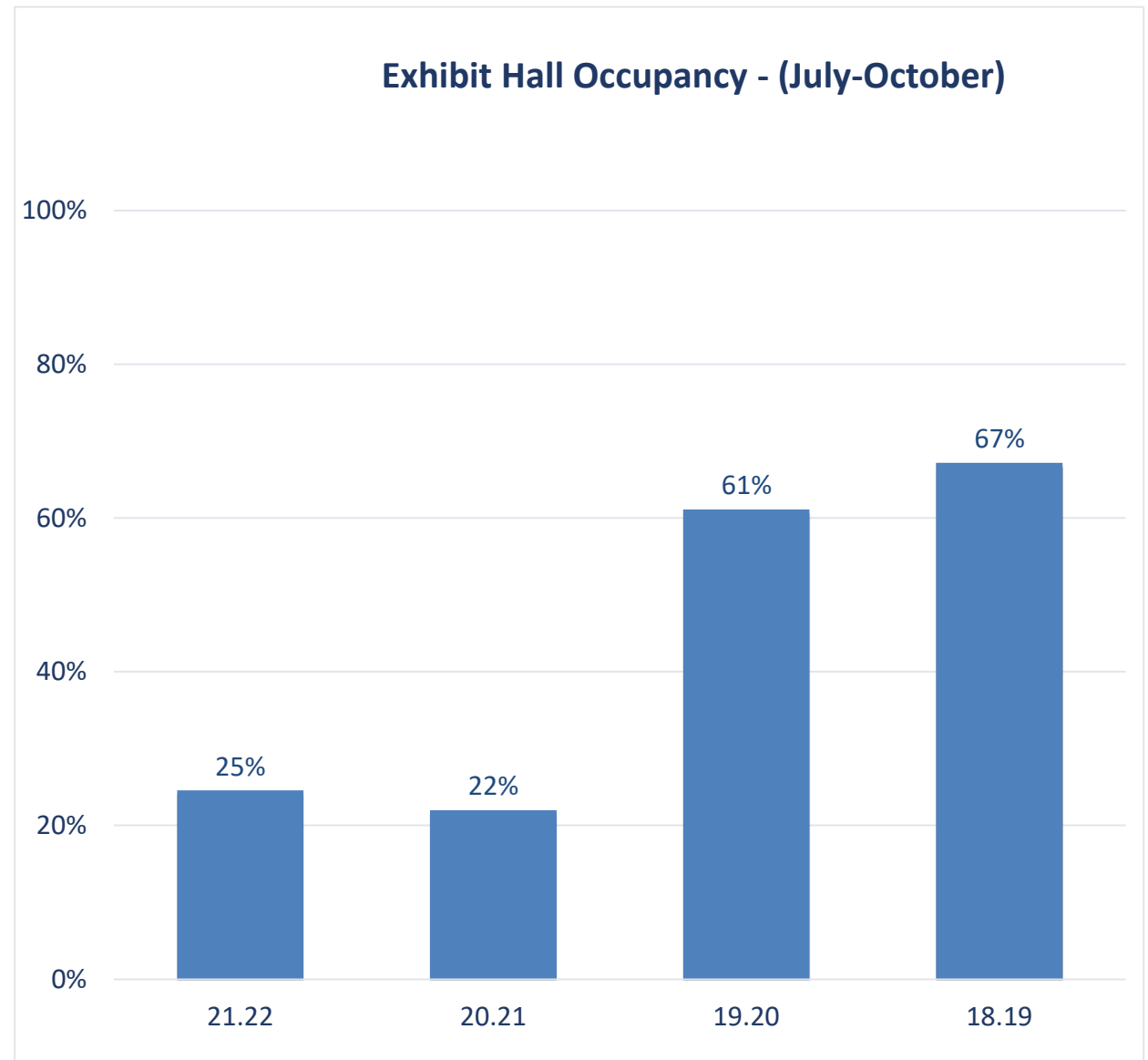


Exhibit Hall Occupancy - (July-October)



Item 4c

LATCB Update



CTD Board of Commissioners

December 15, 2021

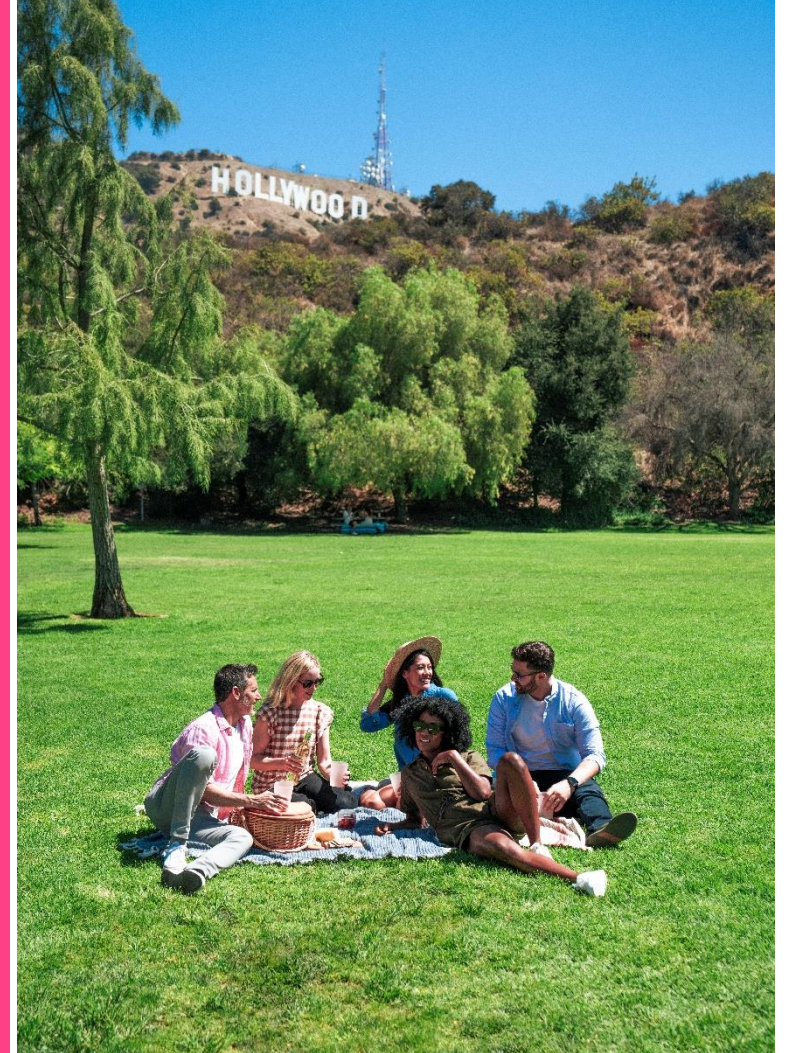


Los Angeles Tourism & Convention Board



SALES UPDATES

Darren K Green
Chief Sales Officer



CITYWIDE CONVENTION SALES

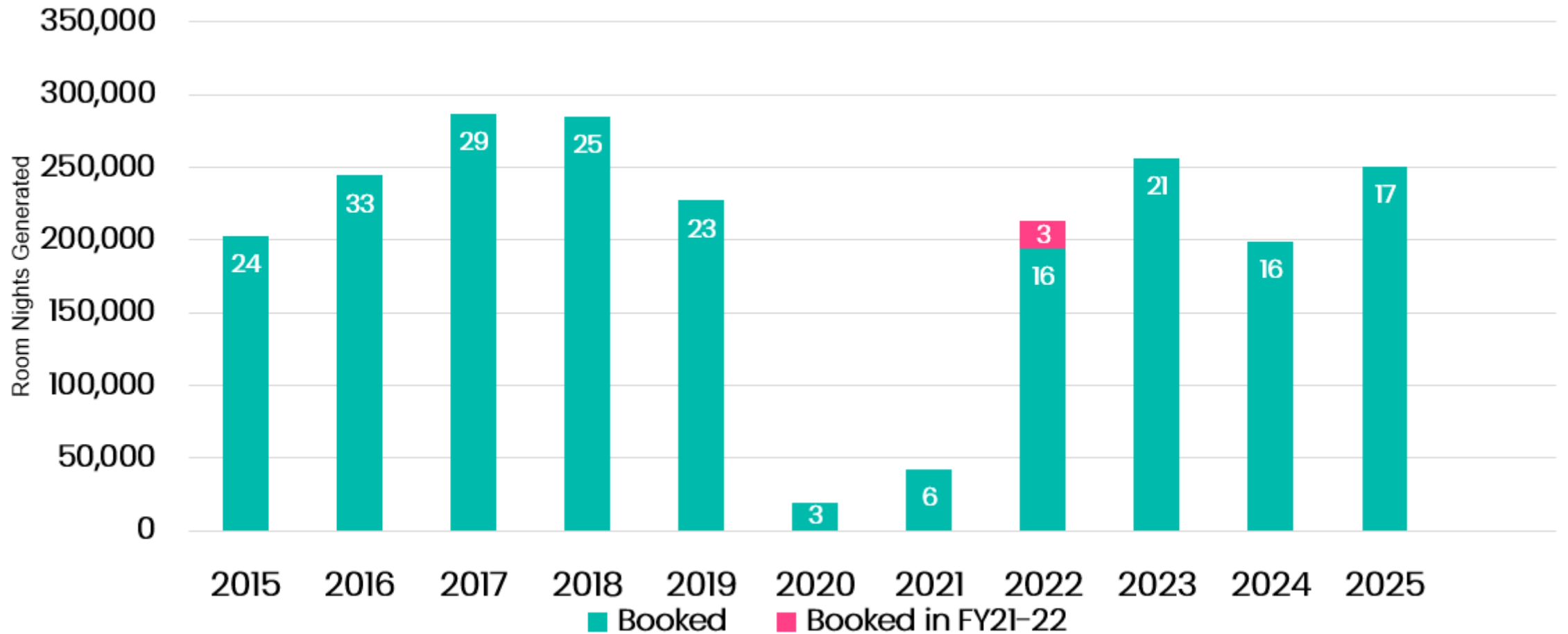
YTD FY21/22 PRODUCTION RESULTS

Lead Production	Leads Actual
FY 21/22 Goal	176
FY 21/22 YTD	43
FY 20/21 STLY	37

Booked Room Nights Produced	RNs Actual
FY 21/22 Goal	225,000
FY 21/22 YTD	44,060
FY 20/21 STLY	153,467

Dated December 8, 2021

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



Dated December 8, 2021

CITYWIDE CONVENTION PIPELINE

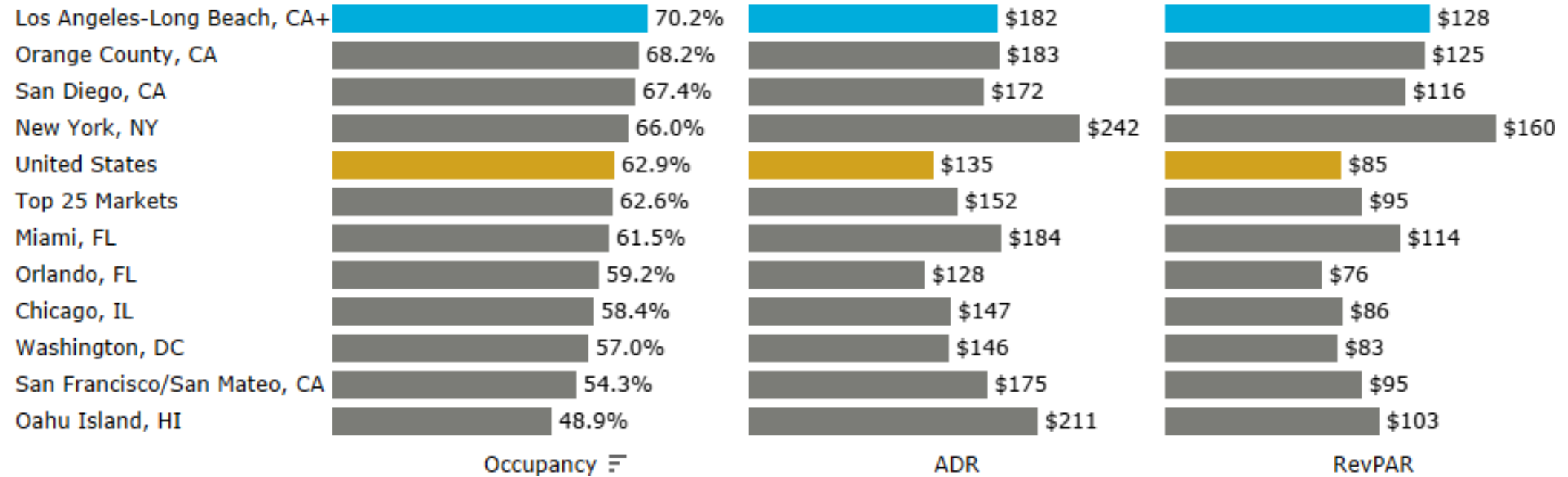
YEAR	RNs	Last Update Variance
2022	52,005	-21,777
2023	70,749	-18,350
2024	163,444	8,923

YEAR	RNs	Last Update Variance
2025	133,939	0
2026	132,516	13,627
2027	206,128	0

Dated December 8, 2021

And the hotel market in Los Angeles is outperforming its comp-set

October 2021, National Hotel KPIs, Total



Source: STR

OCTOBER LODGING REPORT

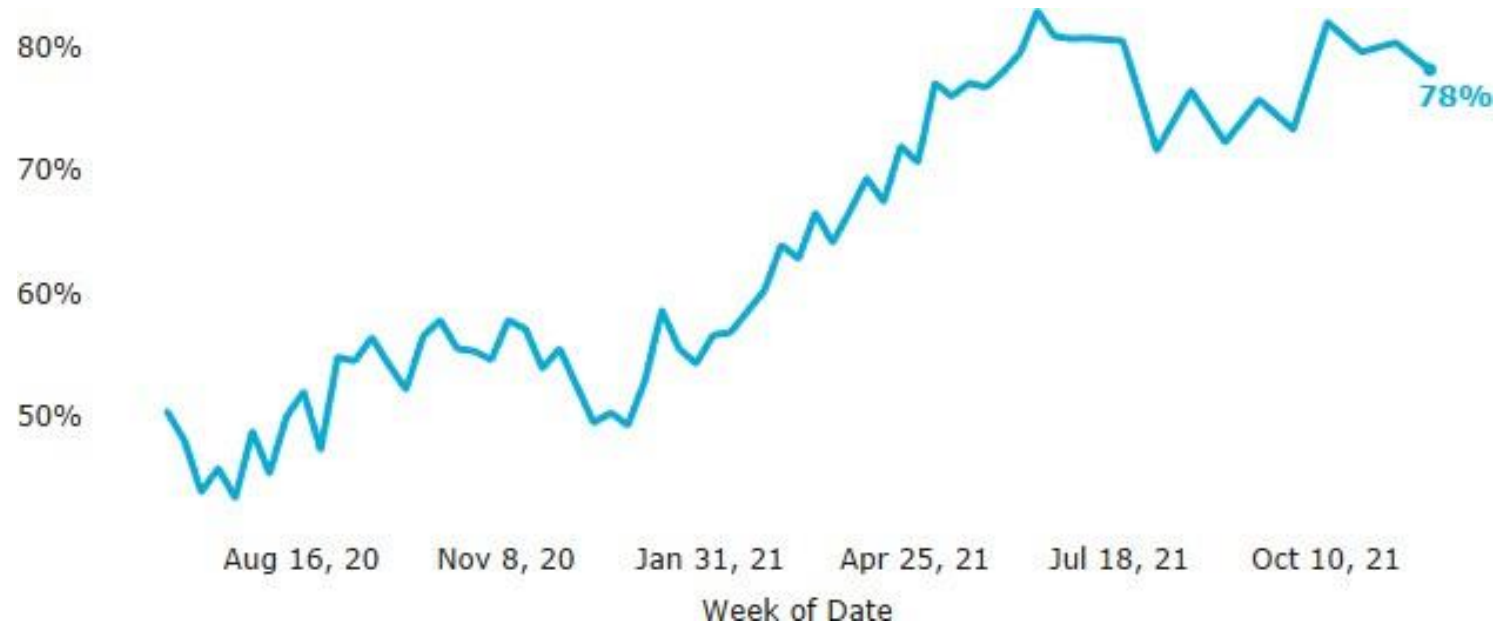
THE POWER OF COMPRESSION

	<u>City</u>	<u>County</u>
Occupancy	70.7%	70.2%
ADR	\$184.95	\$182.18
RevPAR	\$130.83	\$127.92

Travel confidence fell during delta-variant then quickly recovered

Consumer Travel Sentiment

Percent of US travelers that say they are ready to travel



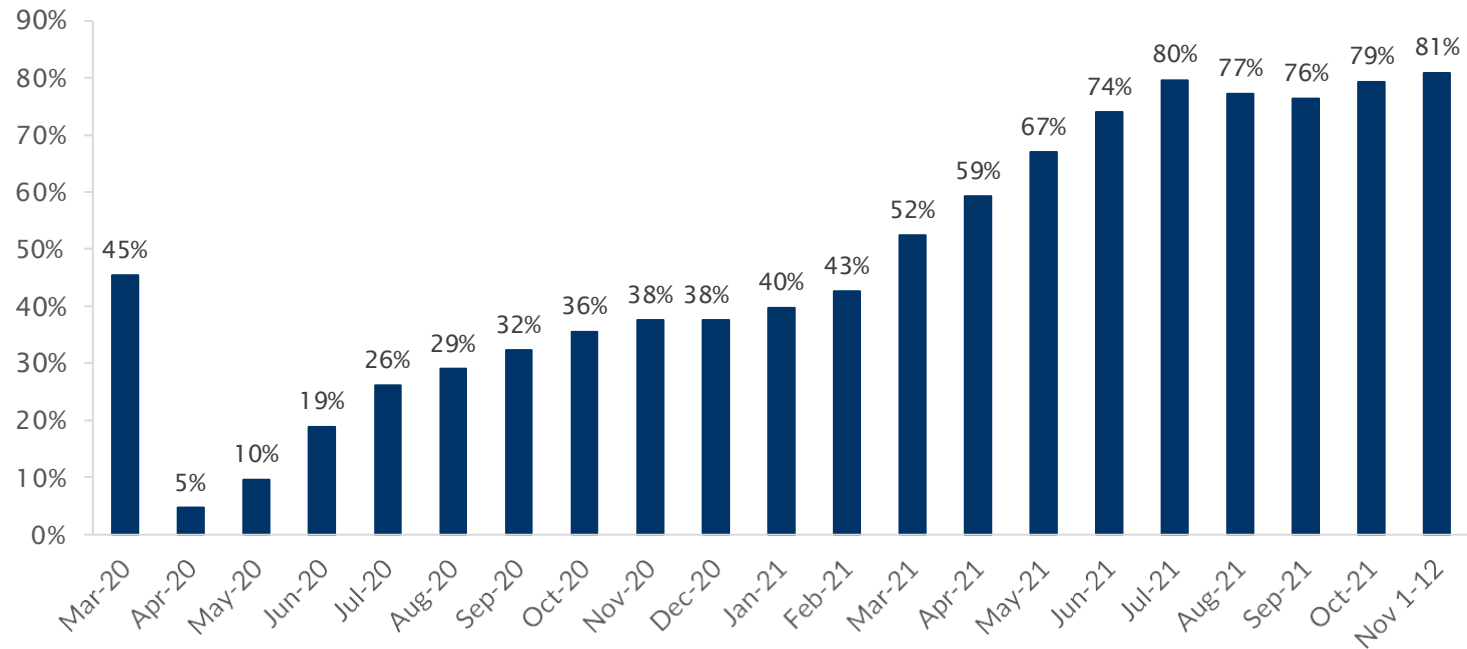
**8-in-10 consumers
are ready to travel
now!**

Source: Destination Analysts

National air travel has been holding steady (-20%)

Air Passenger Volume

% of 2019 level



Source: TSA

FOUR MAJOR FACTORS IMACTING RECOVERY

- RISK #1: Covid-19 Resurgence
- RISK #2: Supply Chain Bottlenecks
- RISK #3: Persistent Inflation
- RISK #4: Labor Shortages



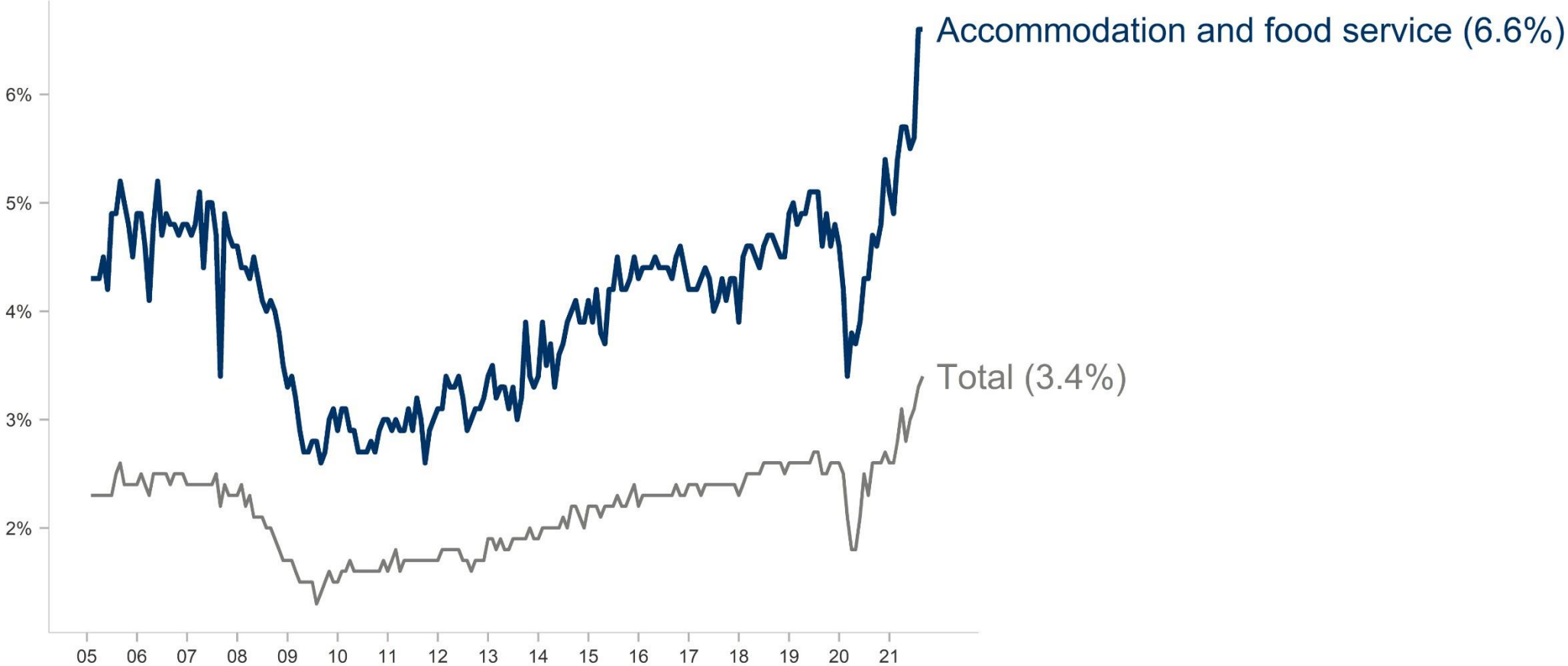
THE MAIN POINT: COVID, SUPPLY CHAIN
ISSUES, INFLATION, LABOR FORCE
CONSTRAINTS....

ALL REPRESENT HEADWINDS AND RISKS
YET ALSO ARE LIKELY TO IMPROVE IN 2022

People quitting jobs, especially in hospitality

Quits

Quits rate, US

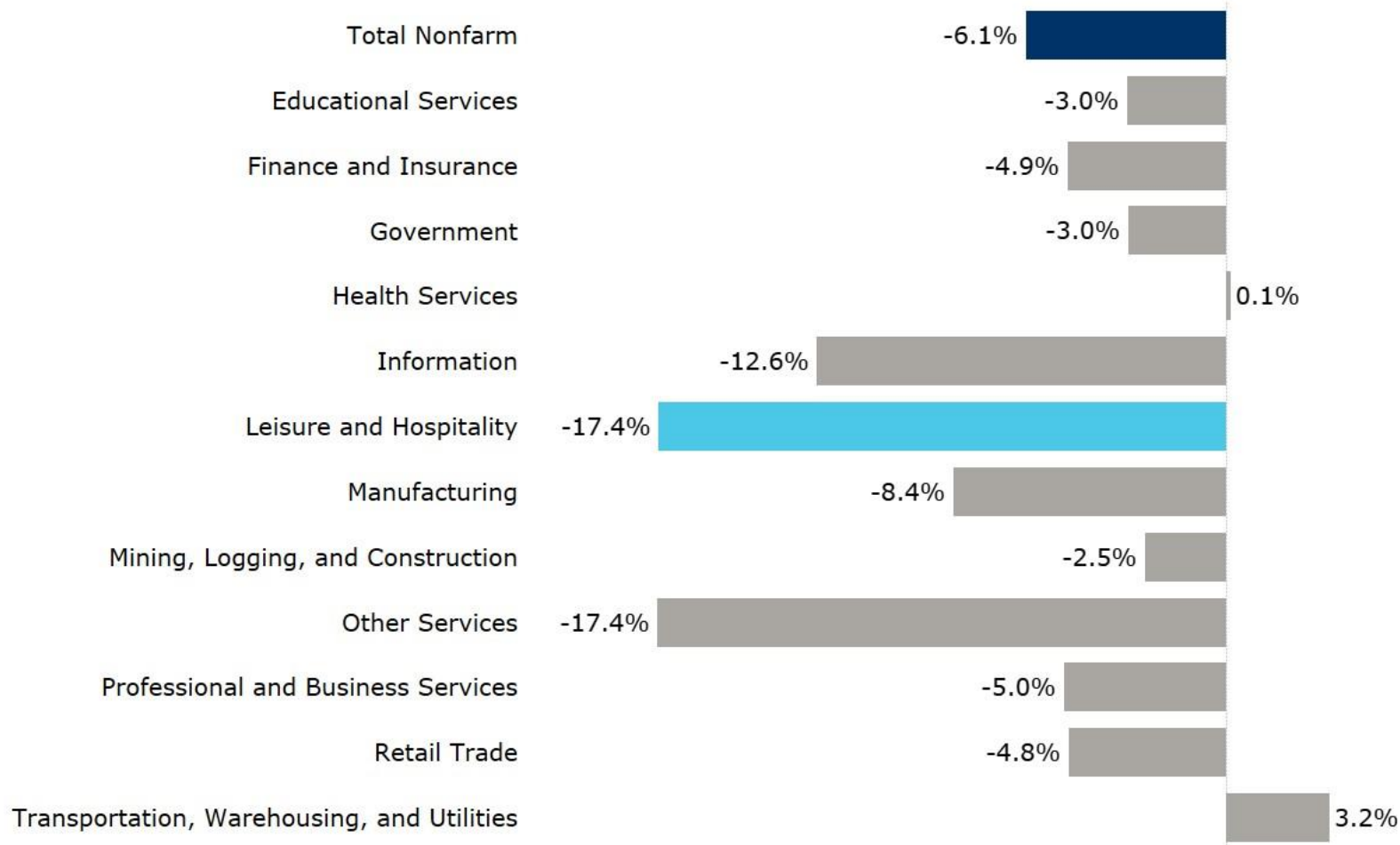


Note: The quits rate is the number of quits during the entire month as a percent of total employment. Data through September 2021. Seasonally adjusted. Source: Bureau of Labor Statistics

No sector has been hit as hard at travel

Employment Loss

Employment loss relative to same period in 2019, Los Angeles County

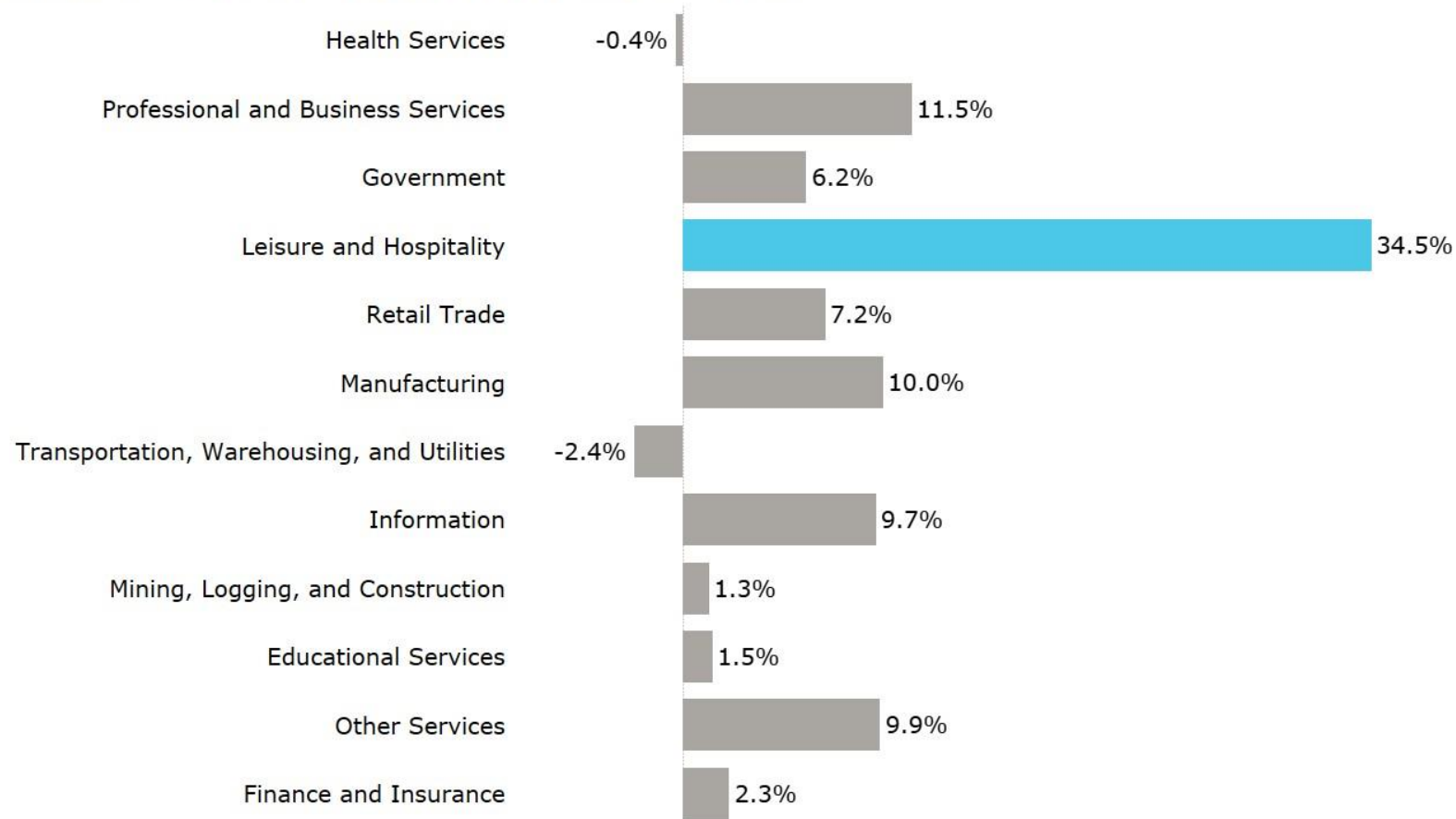


Source: BLS

Travel must be the focus for an economic recovery

Share of Los Angeles Employment Loss by Industry

% of total jobs lost since February 2020, Los Angeles County



National Initiatives

U.S. TRAVEL ASSOCIATION®

The U.S. Travel Association has taken a significant leadership role in addressing this issue, starting at their 2021 Summer Board Meeting in Colorado. An entire afternoon was dedicated to this topic (Recap Attached) and U.S. Travel Association is working on the following:

- Developing a white paper outlining the issue and potential solutions.
- Developing branding and messaging for the "Let's Work There" campaign.



The American Hotel & Lodging Association has always been a leader in workforce development:

- "Hospitality is Working" is an AHLA national awareness campaign that highlights the hotel industry's strong commitment to investing in our workforce, protecting our employees and guests, and supporting local communities across the country.

Local Initiatives

We have to ask, what can we do locally and how can we learn from the good existing work happening across the industry? Below are examples of organizations that have already implemented local initiatives:



- Experience Columbus — using the TDM Apprenticeship model, engaging the state and other stakeholders for significant funding support, and rolling out an impressive 2-year plan that will significantly impact the diversity of the workforce and leadership pipeline. They have also collaborated with their local Urban League and many neighborhood groups/associations.



- Visit Anaheim – Telling our industries story at the high school level with a Motorcoach Tour (pre-COVID).



- Little Rock – Produced a “Faces of Travel” video to combat the perception that our industry has no growth or future.



- Los Angeles Tourism & Convention Board – Los Angeles Convention Center Career Academy, partnering with the City’s Tourism Department and the Center to bring high school students to citywide conventions to provide industry exposure, including meeting with tourism and event executives.

THANK YOU



Los Angeles Tourism & Convention Board

Item 5a

Findings to Continue Teleconference Meetings

Pursuant to AB361

