

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

Regular Meeting Minutes
November 6, 2019

The Board of Los Angeles Convention and Tourism Development Commission (Board) convened a regular meeting on Wednesday, November 6, 2019 at 9:00 a.m. at the Los Angeles Convention Center (LACC), located at 1201 S. Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room.

PRESENT:

President, Jon F. Vein
Vice President, Otto Padron
Commissioner David Stone

ABSENT:

Commissioner Bricia Lopez
Commissioner Noel Hyun Minor

PRESENTERS:

Ellen Schwartz, AEG
Ben Zarhoud, AEG
Doane Liu, CTD
Tom Fields, CTD
Diana Mangioglu, CTD
Darren Green, LATCB
Paige Cram, LATCB

Item 1. Call to Order / Roll Call

President Vein called the meeting to order at 9:02 a.m.

Item 2a. Public Comment

None

Item 2b. Neighborhood Council

None

Item 3a. Approval of the regular meeting minutes from October 16, 2019

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 future clients, including a host committee tour with Mobile World Congress; attending the LATCB Board of Directors meeting, LATCB Strategic Planning session, and the Tourism Master Plan Steering Committee meeting; and meeting with Mayor's staff regarding the LA Original brand and opportunities for offering merchandise in the Business Center.

Item 4b. AEG Monthly Update – September

Ms. Ellen Schwartz reported that LACC had hosted 13 events, one of which was a hybrid citywide event, resulting in over 43,200 attendees. In addition, LACC hosted five filmings. Mr. Ben Zarhoud presented the financial data for September, reporting an operating loss of \$50,000 for the month, \$1M above budget, which was driven by the lack of citywide events and the increased utility expenses. Mr. Zarhoud also reported \$3.7M in gross revenue, and \$2M in operating expenses, which was above prior year and driven by maintenance and operating supplies. Mr. Zarhoud reported a 47% occupancy rate for September, lower than past years and due to timing and size of events which were smaller compared to prior years. Mr. Zarhoud also reported \$27M in economic impact, \$22.2 of which was generated from the events booked by LATCB.

Item 4c. LATCB Monthly Update – September

Mr. Darren Green reported that LATCB processed 58 leads YTD and have booked 95,190 room nights, with year-end goals of 220 leads and projected 390,000 room nights, noting that while leads are behind last year the room nights are ahead of last year. Mr. Green reported on recent site visits and provided an overview of the Sales Department structure and digital marketing campaign.

Item 4ci. LATCB Sales Marketing Update

Ms. Paige Cram presented an overview of the Sales Marketing functions including messaging, focus, new digital ads, and media strategies (member newsletter, partner newsletter, and insights web page).

Item 4d. CIP Update

Mr. Tom Fields provided an update of the current projects, seven of which are in progress, three are on hold to be coordinated with the expansion, and ten are completed. Mr. Fields also provided a summary of the FY 2019-20 MICLA funded projects.

Item 5a. Discussion

None

Item 6a. LATCB FY 19-20 Appendix E – Board Report # 19-005

Ms. Diana Mangioglu provided background and functional overview of the LATCB, noting that the contract with the City ends in June 2020. Ms. Mangioglu also provided an overview of resources, total budget, primary goal, core objectives, and performance metrics of the contract, noting that 40.3% (\$24.5M) of their total budget results from the allocation of 1% of the 14% Transit Occupancy Tax. Ms. Mangioglu stated that staff recommends that the Board approve the proposed 2019-20 Appendix E.

UNANIMOUSLY APPROVED

Item 6b. FY 20-21 CTD Budget – Board Report # 19-004

Ms. Diana Mangioglu reviewed the deadlines for the Mayor's proposed budget, noting that the instruction to Departments to submit a zero balance budget will have little impact on CTD's budget as a Special Funded Department. Mr. Ben Zarhoud presented an overview of the AEG-LACC operating budget, stating that the content was based on the following assumptions: a full year of construction; 227 events; and no recession. Mr. Zarhoud reported a \$3.8M operating surplus, which is less than prior year; \$30.2M in revenue, 41% generated by parking; and \$26.4M in operating expenses, with 50% attributed to wages and benefits and 22% to utilities. Mr. Zarhoud stated that there will be no anticipated contribution to the LACC Reserve Fund which remains at \$9.1M. Ms. Mangioglu presented an overview of the proposed CTD departmental budget request, totaling \$1.75M which assumes an increase in salaries due to labor negotiated contracts and a reduction in operating expenses due to the completion of the Tourism Master Plan. Ms. Mangioglu also presented the proposed Capital Improvement Program request which included three MICLA funded projects totaling \$3.8M. Ms. Mangioglu stated that staff recommends that the Board approve the Convention and Tourism Development Departmental Budget submission for consideration by the Mayor's office for the 2020-21 Proposed Budget.

UNANIMOUSLY APPROVED

ADJOURNMENT

The meeting was adjourned at 10:20 a.m.