

# WELCOME TO THE CTD COMMISSION MEETING

March 15, 2023





# CITY TOURISM COMMISSION



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

Members of the public who wish to speak during the meeting must submit a "Request to Speak" form to the Board Secretary prior to the commencement of the public comments for each agenda item of interest. 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. Meeting packets may be found on the City Tourism Department website, [tourism.lacity.org](http://tourism.lacity.org).

Regular Meeting  
Wednesday, March 15, 2023  
9:00 a.m.  
1201 S. Figueroa St.  
Los Angeles, CA 90015

## 1. CALL TO ORDER / ROLL CALL

## 2. COMMENTS FROM THE PUBLIC

- a. General and Agenda Item Public Comments
- 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 February 15, 2023

## 4. REPORTS

- a. Executive Director Report
- b. ASM Update
- c. LATCB Update
  - i. Sales Update
  - ii. Business Connect Platform
  - iii. LA 2.0 Highlights
  - iv. 100<sup>th</sup> Anniversary
  - v. Upcoming Key Sales Dates

## 5. ACTION ITEMS

- a. Los Angeles Tourism & Convention Board 2023-24 TOT Budget

## 6. ADJOURNMENT

### **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](http://ethics.lacity.org/lobbying). For assistance, please contact the Ethics Commission at (213) 987-1960 or [ethics.commission@lacity.org](mailto:ethics.commission@lacity.org).

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.

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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

February 15, 2023 Minutes



# CITY TOURISM COMMISSION

## Regular Meeting Minutes February 15, 2023

The Board of City Tourism Commissioners (Board) convened a regular meeting on Wednesday, February 15, 2023 at 9:00 a.m. via Zoom.

### **PRESENT:**

President Jon F. Vein  
Vice President Otto Padron  
Commissioner Sandra Lee  
Commissioner David Stone  
Commissioner Germonique Ulmer

### **ABSENT:**

None

### **PRESENTERS:**

Kim Weedmark, ASM  
Ben Zarhoud, ASM  
Doane Liu, CTD  
Mary Gallagher, LATCB  
Darren Green, LATCB  
Kathy McAdams, LATCB  
Don Skeoch, LATCB

### ***Item 1. Call to Order / Roll Call***

President Vein called the meeting to order at 9:07 a.m.

### ***Item 2a. Public Comment***

None

### ***Item 2b. Neighborhood Council***

None

### ***Item 3a. Approval of the special meeting minutes from January 18, 2022***

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 Deputy Mayor Keller and staff, Burns & McDonnell, Councilmember Park, Susan Minato of UNITE HERE, Councilmember Price, John Wickham of the CLA's office, John Bwarie of Stratiscope, Dan Hoffend of ASM Global, Mya Surrency of Digital Edge Marketing Agency, Romel Pascual of CicLAvia, IKE, and several meetings with Jenny Chavez of LATCB; attending the Levy Summit for National staff and clients, former Mayor Garcetti's portrait unveiling, Safety Task Force meeting for American College of Foot & Ankle Surgeons, roundtable discussion with U.S. Deputy Assistant Secretaries; and participated in the KITA event.

***Item 4b. ASM Monthly Update***

Ms. Kim Weedmark reported on five events during December 2022 including 10 local events with 119,508 total number of attendees and three filming/parking, as well as the Sales & Marketing activities, noting that attendance is soft as compared to 2019. Mr. Ben Zarhoud presented the financial data for December reporting an operating surplus of \$0.5M and \$3.6M in gross revenue, driven by 75% of F&B, rent, and parking. Mr. Zarhoud also reported \$1.9M in operating expenses, noting that staffing is down 40% from pre-COVID levels. Mr. Zarhoud also reported December's exhibit hall occupancy as 36%, driven by ComiCon and noted that the three-year trend is catching up to pre-COVID averages.

***Item 4c. LATCB Monthly Update***

***i. Sales Update***

Mr. Darren Green reported that LATCB has processed 72 leads year-to-date and booked 138,170 room nights, with year-end goals of 130 leads and 225,760 projected room nights. Mr. Green reported that while future bookings are pacing well, the 2027 room nights are driven by the expectation of the expansion and may be affected by any delays.

***ii. Visit California Highlights***

Mr. Green presented an overview of the Visit California regional destination mixer noting the program objectives.

***iii. AAHOA India 101 Training***

Ms. Kathy McAdams and Ms. Mary Gallagher provided a recap of the cultural competency workshop which was attended by staff from LAWA, LACC, and hotel partners, and highlighted the key findings.

***iv. Spring Creative***

Mr. Don Skeoch provided a spring advertising update and an overview of the spring campaign with a shift in the focus to national advertising which produced a strong ROI in direct spend, hotel revenue and TOT, exceeding goals. Mr. Skeoch presented videos and visuals of the campaign and reviewed the Spring 2023 Media markets.

\*President Vein asked LATCB to provide the ROI study mentioned in the presentation.

***Item 5a: Action Items***

None

**ADJOURNMENT**

The meeting was adjourned at 10:03 a.m. without objection.

# Item 4a

## Executive Director's Report



Item 4b

ASM Update



# LOS ANGELES CONVENTION CENTER MONTHLY UPDATE FOR

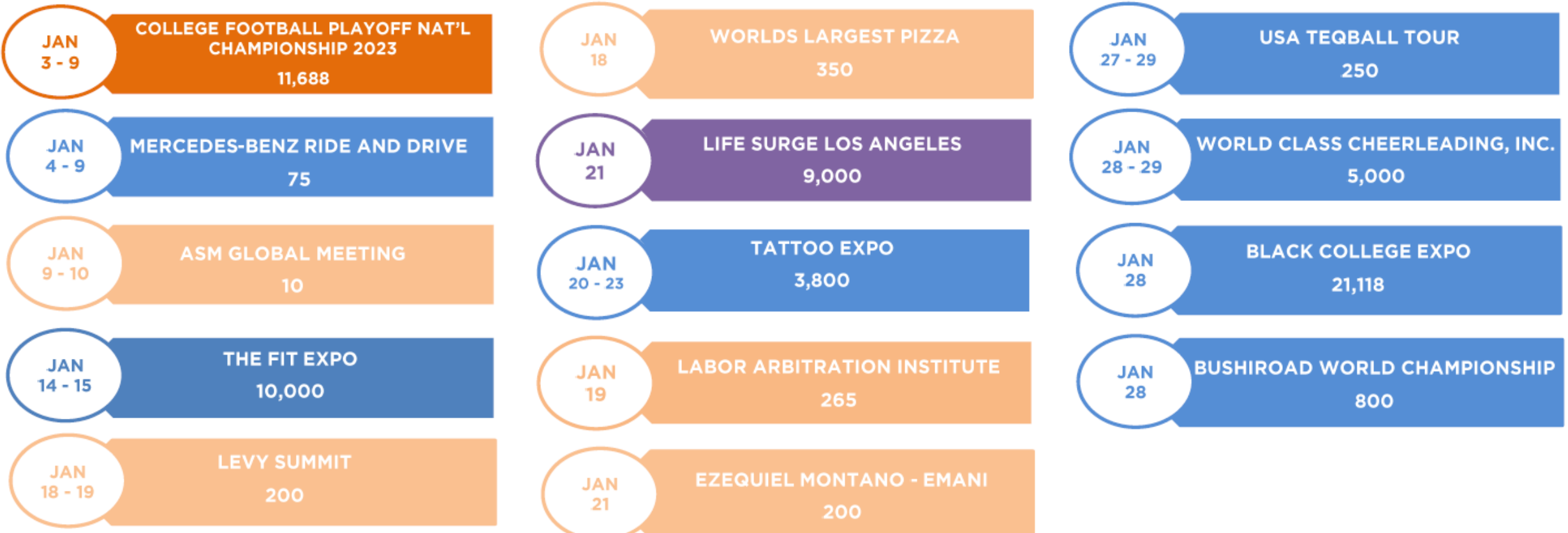
JANUARY 2023

BEN ZARHOUD





# LACC JANUARY 2023 EVENTS



- \*CITYWIDE
- \*CONSUMER SHOW
- \*ASSEMBLY
- \*TRADE SHOW
- \*MEETING
- \*SPECIAL EVENT

**TOTAL ATTENDEES** **62,756**

# LACC JANUARY 2023 EVENTS



College Football Nat'l Championships 2023



Life Surge



Levy Summit



USA Teqball Tour



# LACC JANUARY 2023 FILMING & PARKING

<b>DATES</b>	<b>NAME</b>	<b>LOCATION</b>	<b>AMOUNT</b>
Jan. 13	Good Trouble	Venice Dr. and Fig Dr.	\$2,625
Jan. 20	Status Symbol	Bond Lot	\$5,980
Jan. 24 - 25	Pizza Hut Commercial	South Lobby, South Hall J	\$33,754
Jan. 26 – 27	Athena S3	Kentia Hall	\$13,302
		<b>TOTAL:</b>	<b>\$55,661</b>

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# SALES & MARKETING ACTIVITIES

## LICENSED:

EVENT	DATES	TYPE
Operation Ten City LA	February 24 – 25, 2023	Assembly
Glamour Gowns	March 4, 2023	Meeting
Black Men in White Coats	March 11, 2023	Meeting
Abilities Expo 2024	March 15 – 17, 2024	Consumer Show
Sikh Dahrma - Baisakhi	April 2, 2023	Assembly
Writing Day Conference in L.A.	May 13, 2023	Meeting
ViVE 2024	February 22 – 28, 2024	Citywide

# LACC JANUARY 2023 FINANCIALS

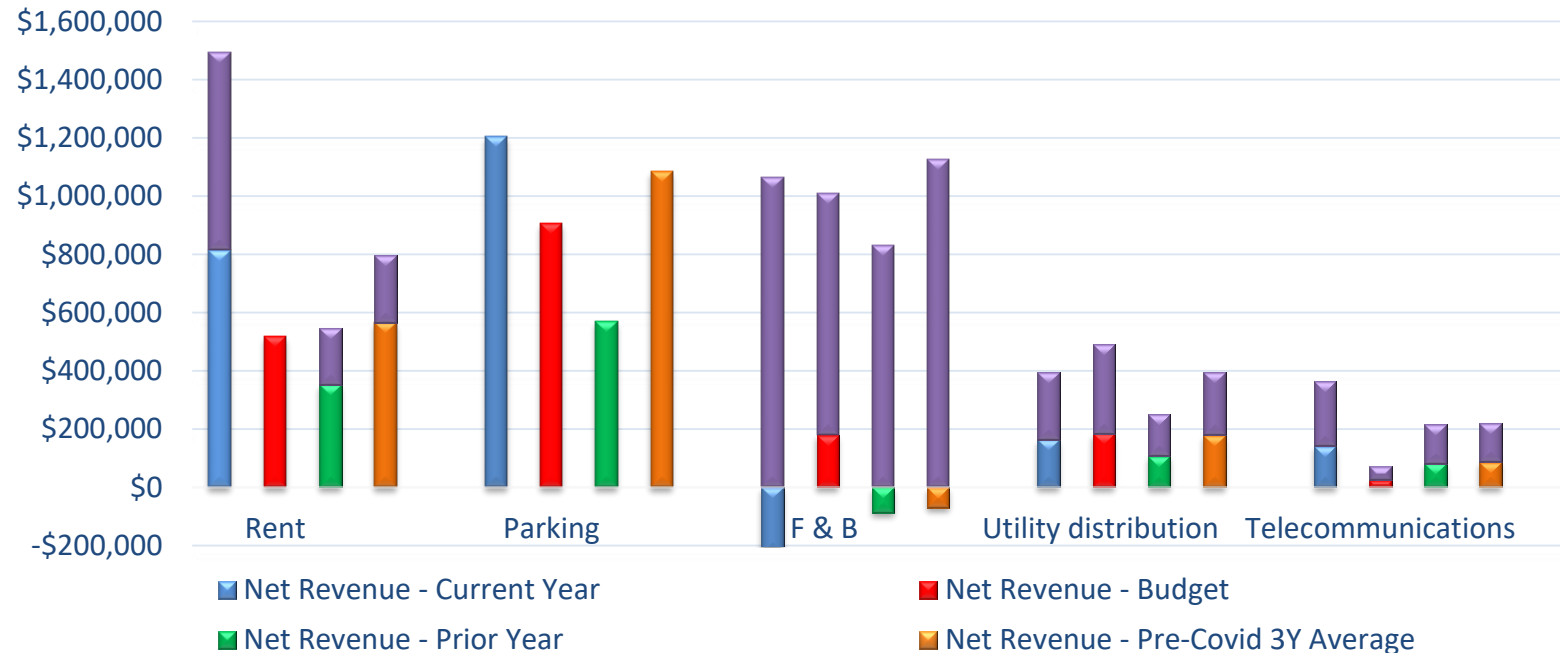
## OPERATING SURPLUS (LOSS):

- \$0.6 million (before approved City Reimbursements, A & I and Capital Projects)
- \$0.8 million above budget
- \$1.3 million above prior year and \$0.8 million above Pre-Covid 3Y average

## REVENUES:

- \$4.6 million gross revenue (before discounts and service provider share)
- \$2.3 million net revenue
- \$0.3 million above budget
- \$1.2 million above prior year and \$0.4 million above Pre-Covid 3Y Average

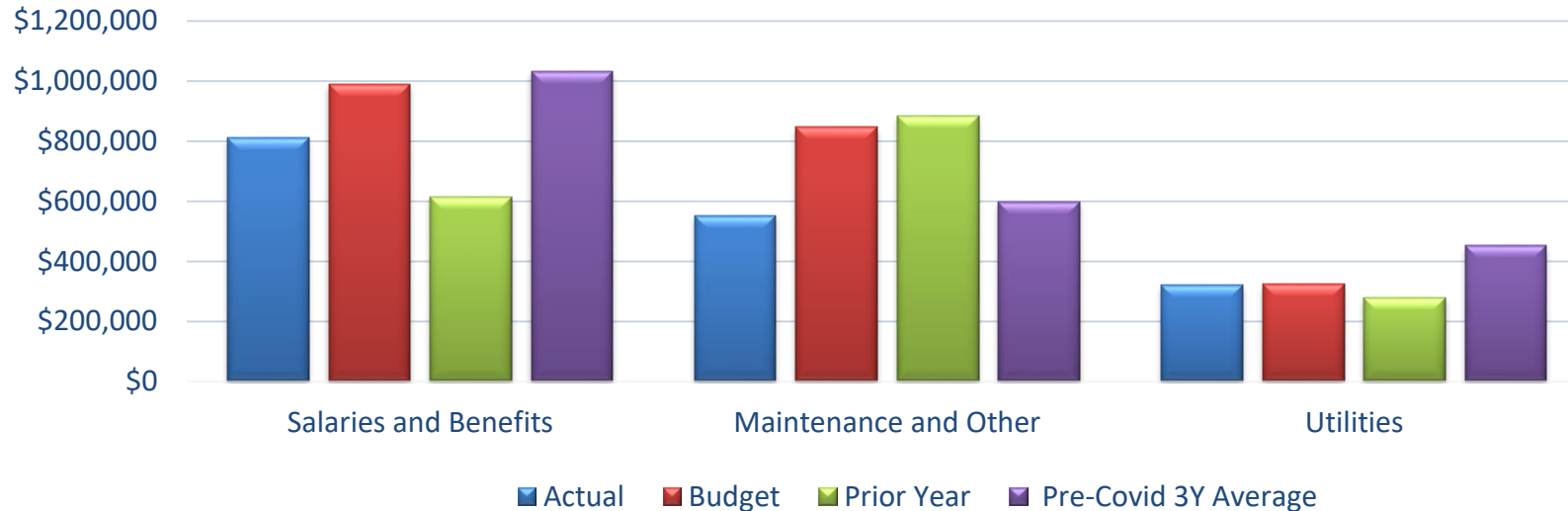
### LACC Revenues



# LACC JANUARY 2023 FINANCIALS

## OPERATING EXPENSES:

- \$1.7 million (before approved A & I, Capital Projects, and City reimbursement)
- \$0.5 million below budget
- \$0.1 million below prior year and \$0.4 million below Pre-Covid 3Y Average

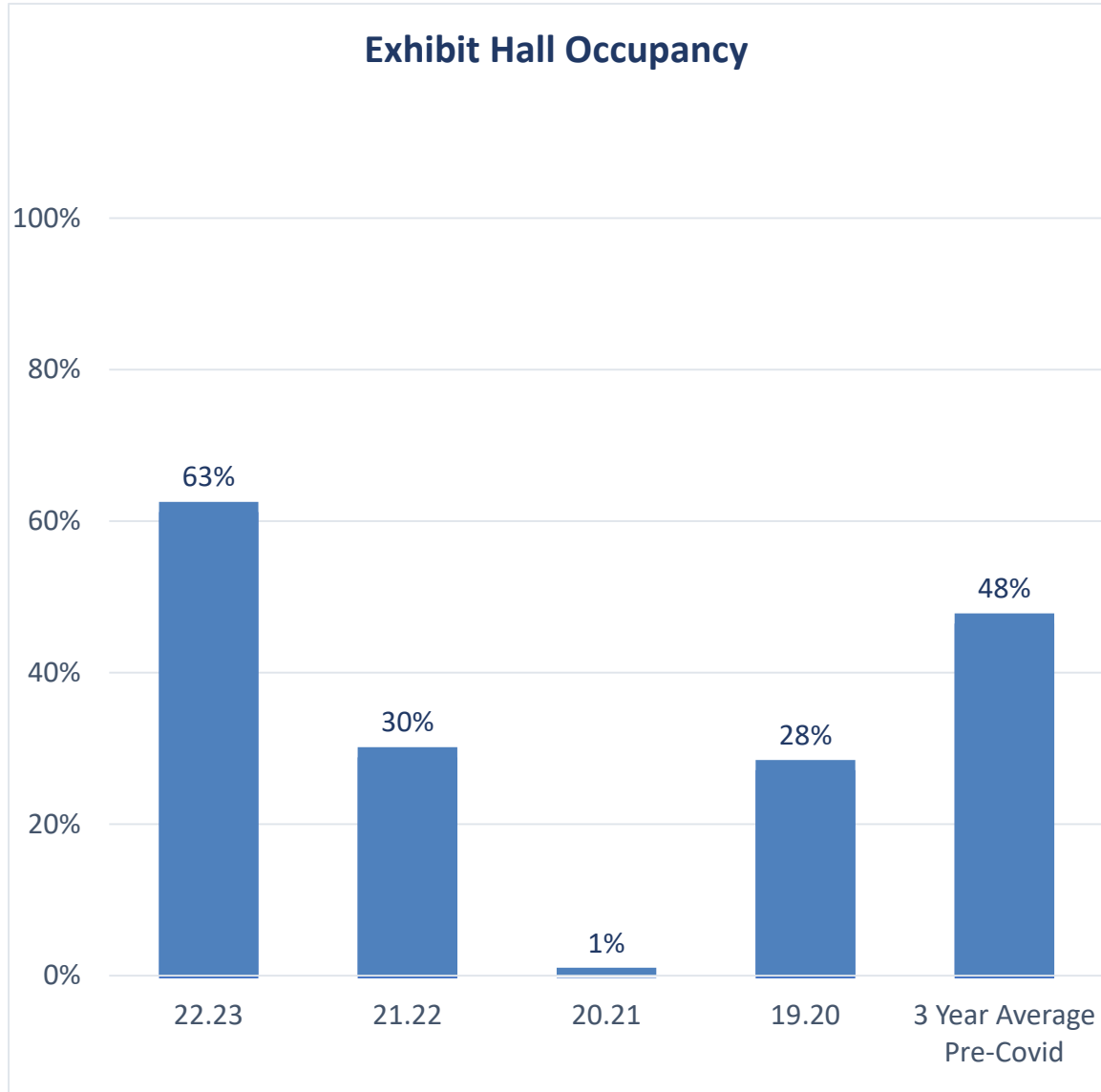


CITY REIMBURSEMENT – \$0.1 million

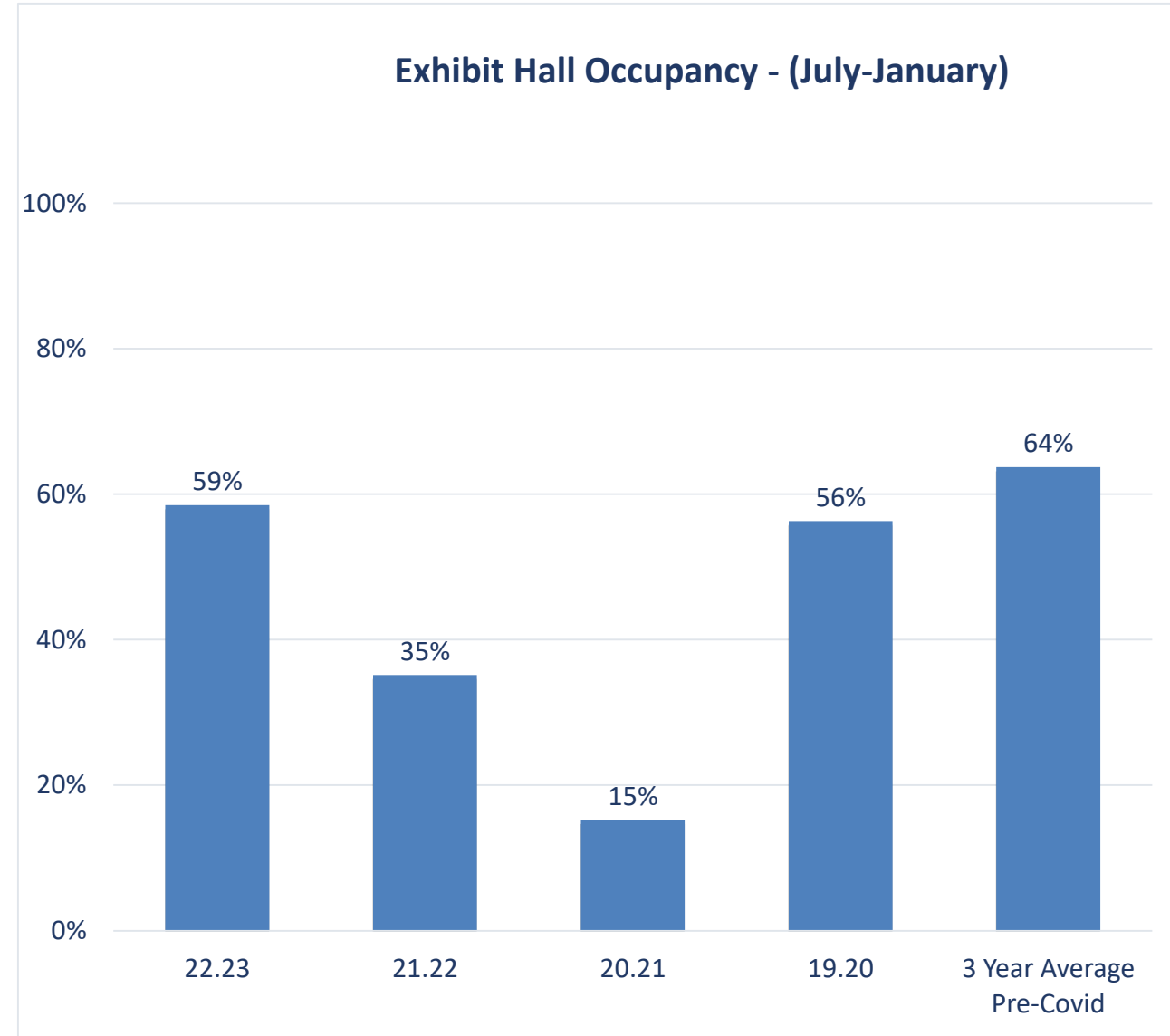
Capital and Alterations & Improvements

# LACC JANUARY 2023 OCCUPANCY

## Exhibit Hall Occupancy



## Exhibit Hall Occupancy - (July-January)



Item 4.c.i

# LATCB Sales Update





# CTD Board of Commissioners

March 15, 2023



Los Angeles Tourism & Convention Board

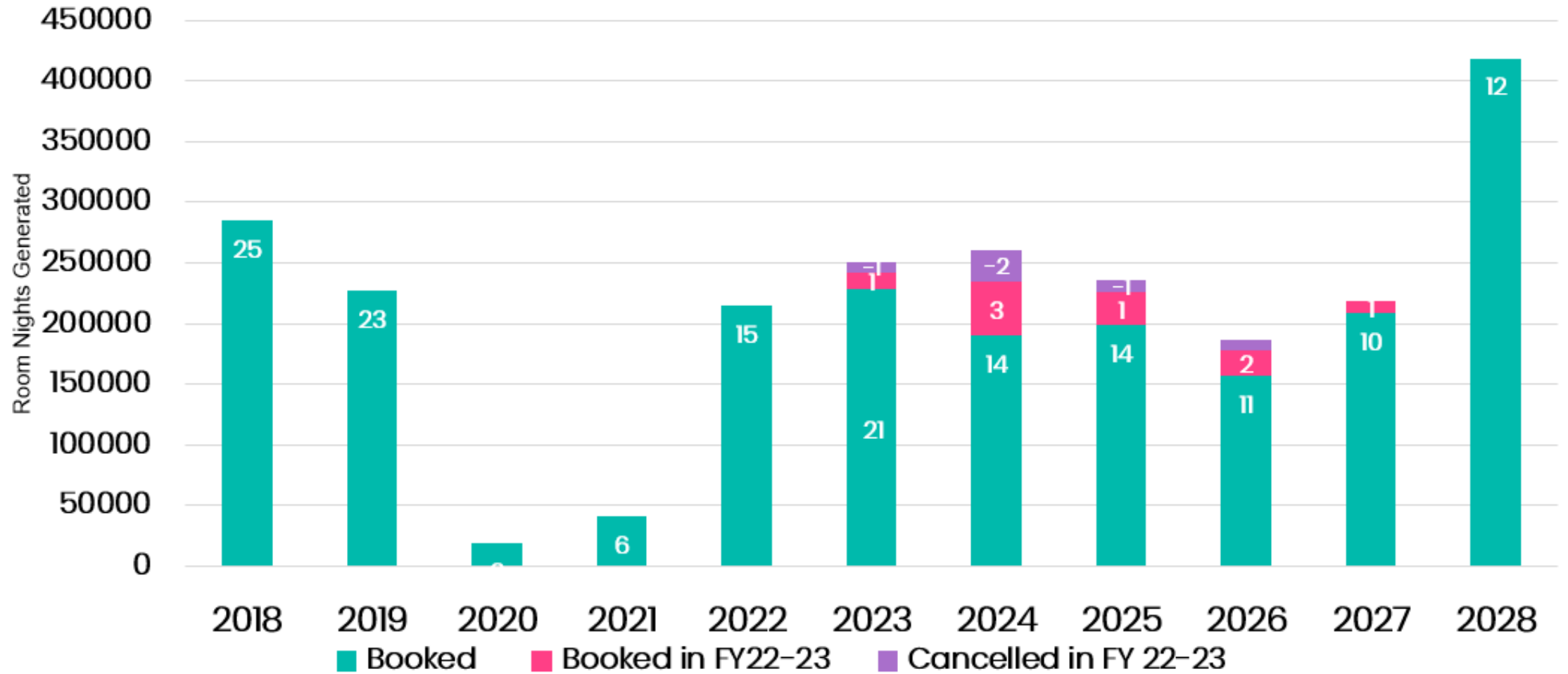
# CITYWIDE CONVENTION SALES

## YTD FY22/23 PRODUCTION RESULTS

Lead Production	Leads Actual
FY 22/23 Goal	130
FY 22/23 YTD	<b>99</b>
FY 21/22 STLY	79
FY 2017-2019 STLY Average	<b>146</b>

Booked Room Nights Produced	RNs Actual
FY 22/23 Goal	225,760
FY 22/23 YTD	<b>177,007</b>
FY 21/22 STLY	167,018
FY 2017-2019 STLY Average	<b>228,566</b>

# CITYWIDE CONVENTION BOOKED ROOM NIGHTS 2018-2028 CALENDAR YEAR ARRIVAL DATE



Dated March 8, 2023



# CITYWIDE CONVENTION PIPELINE

YEAR	RNs	Last Update Variance
2023	12,289	3,389
2024	108,308	25,479
2025	127,065	19,500

YEAR	RNs	Last Update Variance
2026	169,687	89,458
2027	168,328	4,896
2028	35,230	15,783

Dated March 8, 2023



Item 4.c.ii

LATCB Update

Business Connect Platform





# Business Connect Platform

**Darren Green**

Chief Sales Officer



# SUPPLIER DIVERSITY PROGRAM



Connecting Meeting & Convention Planners with LA's Local and Diverse Supplier Network



Business Connect is the official supplier diversity program of the Los Angeles Sports & Entertainment Commission (LASEC) and connects the city's network of minority, women, LGBTQ+ and veteran-owned business suppliers with high-profile sporting events, meetings, and conventions coming to LA.

**Through LA Tourism, you have the opportunity to work with this supplier collective and integrate the services you need into your meeting.**



Plan your meeting and your impact.  
[MeetLA.com](https://www.meetla.com)

## 130

Certified Business Connect companies are LA Tourism members

## 71%

BIPOC (Black, Indigenous, & People of Color)-owned business members

## 57%

Woman-owned business members

## 9%

LGBTQIA+-owned business members

## 6%

Veteran-owned business members

## 8,000

Jobs & 65 communities are represented throughout LA County

# SUPPLIER DIVERSITY PROGRAM



Connecting Meeting &  
Convention Planners with  
LA's Local and Diverse  
Supplier Network

## Legacy Through Logistics

Business Connect suppliers represent 30+ business disciplines related to meeting, convention and event production.

Audio Visual  
Barricades  
Carpet/Flooring  
Catering/Food & Beverage  
Décor  
Entertainment  
Equipment Rental (Heavy)  
Event Planning/Production  
Fencing  
Florals  
Furniture/Event Rental

General Contractors  
Generators  
Gifts & Promotions  
Golf Carts  
Graphics  
Hardware Supplies  
Janitorial Services  
Linens  
Office Supplies  
Painters  
PPE (Personal Protective Equipment)

Portable Restrooms  
Printing  
Security  
Staffing (Hospitality)  
Temporary Housing  
Tenting  
Trailers  
Transportation  
Warehousing  
Waste Removal  
White Glove Service



Plan your meeting and your impact.  
[MeetLA.com](http://MeetLA.com)



Item 4.c.iii  
LATCB Update  
LA 2.0 Highlights





# LA 2.0 Highlights





## LA 2.0 Highlights

Los Angeles is an ever-evolving destination full of fresh concepts and new experiences to discover. Whether you're a first-time visitor or a returning friend, there are more reasons than ever to visit our City of Angels!

### **Infrastructure**

- \$15 billion modernization of Los Angeles International Airport, including 15 new, state-of-the-art gates at the Tom Bradley International Terminal
- More than 5,000 additional hotel rooms in the past 48 months alone

### **Arts & Culture**

- More museums and performing arts venues than any other U.S. destination, including the 2021 opening of the Academy Museum of Motion Pictures
- Coming later this year, Destination Crenshaw, the largest public/private Black art program in the country, spanning 1.3 miles along Crenshaw Boulevard in historic South LA

### **LA's "Decade of Sports"**

- With the addition of Angel City FC, 10 professional sports teams – the most in the nation
- The fall 2020 opening of the spectacular SoFi Stadium, home to Super Bowl LVI
- An unparalleled line-up of premier sporting events in 2023 including the College Football Playoffs National Championship Game, U.S. Open Championship, CONCACAF Gold Cup Final, and WrestleMania

### **Culinary**

- Over 200 MICHELIN rated restaurants – from casual eateries to 26 luminaries that received either one or two MICHELIN stars
- The 15th anniversary of Dine LA, featuring the nation's largest Restaurant Week events
- A thriving food truck culture with over 4,000 diverse offerings across the region

### **Theme Parks & Attractions**

- The grand opening of SUPER NINTENDO WORLD at Universal Studios Hollywood
- A completely reimagined Welcome Center at Warner Bros. Studio Tour Hollywood
- Coming later this year, the Muhammad Ali Experience

### **A Year of Centennials**

In 2023, LA will celebrate the 100th anniversary of:

- The iconic Hollywood Sign
- Los Angeles Memorial Coliseum
- Warner Bros. Studios
- The historic Biltmore Los Angeles hotel
- El Cholo – an LA institution spanning six generations of family ownership

Item 4.c.iv  
LATCB Update  
100<sup>th</sup> Anniversary



A person is walking away from the camera on a wide, sandy beach. The beach is marked with tire tracks. The ocean is to the right, with gentle waves washing onto the shore. In the distance, a pier extends into the water. The sky is a warm, golden-orange color, suggesting a sunset or sunrise. The overall mood is peaceful and scenic.

*Los Angeles*<sup>TM</sup>

MILESTONES

An aerial photograph of the Hollywood Sign, a landmark in Los Angeles. The sign consists of large, white, block letters spelling "HOLLYWOOD" mounted on a hillside covered in dry, yellowish-brown vegetation. In the background, several communication towers and antennas are visible against a clear blue sky.

**HOLLYWOOD**

**100TH ANNIVERSARY OF THE HOLLYWOOD SIGN**





LOS ANGELES  
MEMORIAL  
COLISEUM



**100TH ANNIVERSARY OF THE LA MEMORIAL COLISEUM**






**100TH ANNIVERSARY OF WARNER BROS. STUDIOS**







**100TH ANNIVERSARY OF THE MILLENNIUM BILTMORE HOTEL**



Item 4.c.v

LATCB Update

Upcoming Key Sales Dates



## Upcoming Key Sales Dates

- March 16<sup>th</sup> Sales Committee Meeting
- March 23<sup>rd</sup> – 28<sup>th</sup> MPI Board Meetings
- April 2<sup>nd</sup> – 5<sup>th</sup> Global Sales Meeting
- April 4<sup>th</sup> Meet LA Exchange
- May 16<sup>th</sup> -18<sup>th</sup> GM Sales Mission NYC

# THANK YOU



Los Angeles Tourism & Convention Board

# Item 5a

Los Angeles Tourism & Convention Board

2023-24 Budget - Board Report #23-001





# **OVERVIEW OF THE LOS ANGELES TOURISM & CONVENTION BOARD 2023-24 TOT BUDGET**

**Board of City Tourism Commissioners Meeting  
March 15, 2023**

# 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 (LACC)
- To book meetings and conventions in hotels
- To promote Los Angeles in domestic and international markets

## Constituents

- LACC, 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 & SERVICES

CITYWIDE SALES

CLIENT SERVICES

HOTEL SALES

DESTINATION SERVICES

## MARKETING

BRAND & DIGITAL MARKETING

COMMUNICATIONS (P.R.)

GLOBAL TRADE DEVELOPMENT (International)

PRODUCT DEVELOPMENT (Dine LA)

TOURISM INSIGHTS (RESEARCH)

## STAKEHOLDER RELATIONS

MEMBERSHIP OUTREACH & SERVICES

EXTERNAL AFFAIRS CITY, COUNTY, STATE, FEDERAL

VISITOR SERVICES

INDUSTRY & BUSINESS COMMUNITY RELATIONS

BOARD GOVERNANCE & CITY CONTRACTS

## FINANCE & OPERATIONS

FINANCE & ACCOUNTING

LEGAL, CONTRACTS & COMPLIANCE

HUMAN RESOURCES

TECHNOLOGY SOLUTIONS



# KEY INDUSTRY METRICS

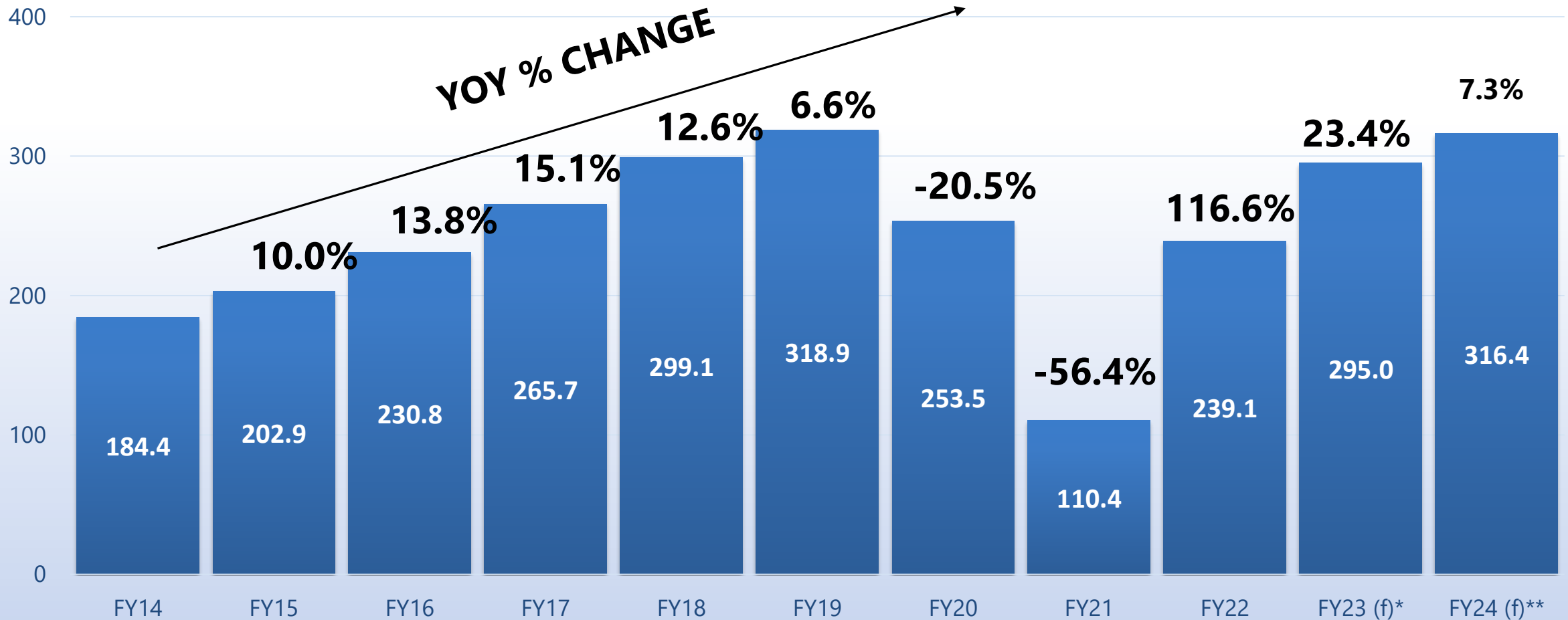
	2019	2020	2021	2022
<b>TRAVEL &amp; TOURISM JOBS</b>	547,200	393,500	429,300	510,200*
<b>TOTAL VISITORS</b>	50.7MM	26.9MM	39.9MM	46.4MM**
<b>DIRECT SPENDING</b>	\$24.7B	\$9.9B	\$16.0B	\$22.1B**
<b>TOTAL ECONOMIC IMPACT</b>	\$37.8B	\$15.2B	\$26.4B	\$33.8B**

\* Jobs 2022 projection based on data from State of California Employment Development Department

\*\* Calendar Year projections based on Tourism Economics data

# Los Angeles Transient Occupancy Tax (TOT)

Contributions to General Fund per Fiscal Year (in \$M)



\* Forecast based on actual collections thru December 2022 and Tourism Economics January 2023 Forecast

\*\* Forecast based on Tourism Economics January 2023 Forecast

# TOT Funds for LATCB Contract

**14% hotel occupancy tax collected by hotel and motel operators and remitted to the City**

- 1% - LATCB
- 13% - City General Fund
  - 1% - Department of Cultural Affairs
  - 3.5% - Allocated to Los Angeles Convention Center Debt Service

Net TOT Allocation to LATCB*		
Actual 2021-22	Revised Estimate 2022-23**	Proposed Budget 2023-24***
\$18,071,000	\$22,287,000	\$23,901,000

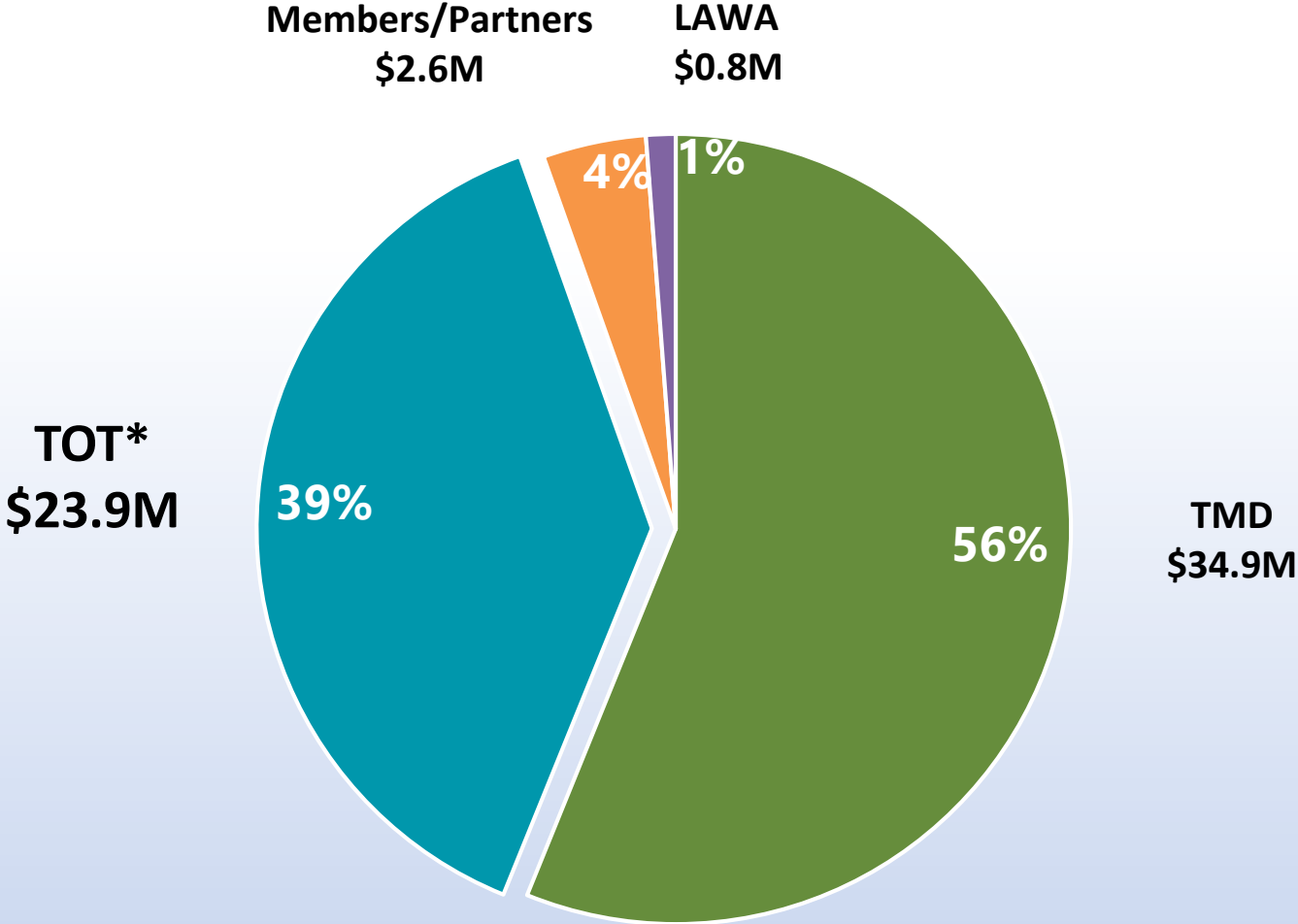
\* Net of City administrative services allocation, including CTD's cost of administering the LATCB contract.

\*\* Forecast based on actual collections thru December 2022 and Tourism Economics January 2023 Forecast

\*\*\* Forecast based on Tourism Economics January 2023 Forecast

# LATCB RESOURCES 2023-24

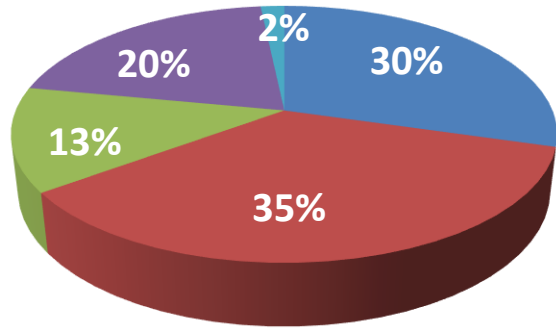
(Preliminary)



**TOTAL BUDGET = \$62.2M**

*\*Gross TOT collections less City administrative services*

# OVERVIEW OF LATCB TOT BUDGET



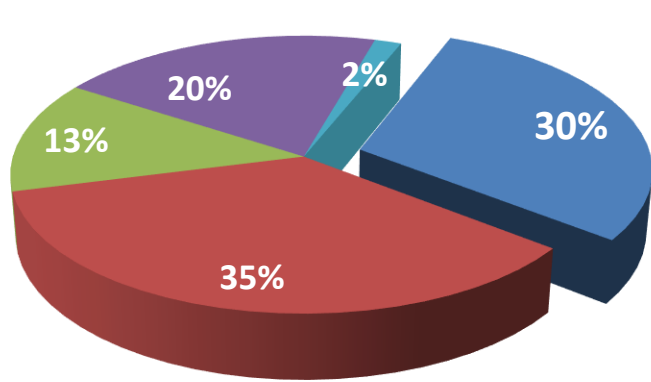
- Convention & Meeting Sales & Services
- Marketing, Public Relations & Media
- Stakeholder Relations, Membership & Services
- Operations (Finance, Legal, Technology & HR)
- Allocation to TOT Reserve Fund

TOT Allocation				
Program	Actual 2021-22	Estimated 2022-23	Proposed 2023-24	YOY % Change
Convention & Meetings Sales & Services	\$4,708,000	\$5,874,000	\$7,050,000	20.0%
Domestic & International Marketing, Global Public Relations & Media	\$6,406,000	\$6,853,000	\$8,464,000	23.5%
Stakeholder Relations, Membership & Services	\$1,200,000	\$2,229,000	\$3,129,000	40.4%
Operations (Finance, Legal, Technology & HR)	\$3,757,000	\$4,594,000	\$4,858,000	5.7%
Allocation to TOT Reserve Fund, for funding future programming	\$2,000,000	\$2,737,000	\$400,000	-85.4%
<b>TOTAL</b>	<b>\$18,071,000</b>	<b>\$22,287,000</b>	<b>\$23,901,000</b>	<b>7.2%</b>

# CONVENTION & MEETINGS SALES & SERVICES

## 2022-23 DELIVERABLES

- Transitioned from “Customer Engagement” to “Business Development”.
- **Managed demand and lead volume**, strategically deploying sales resources.
- Executed “in-person” **Meet LA Exchange** and **Customer Advisory Board**.
- Leveraged partnership with Visit CA and their PME objectives.
- Re-assessed production targets based on number and size of events, booking pace, deployment, available inventory and updates regarding the proposed LACC Expansion Project.
- **Transitioned Sales Marketing messaging** to align with B2C campaign, positioning “Now Playing” with group advertising, collateral and tradeshow.



← \$7,050,000

## CONVENTION & MEETINGS SALES & SERVICES

### 2023-24 FOCUS

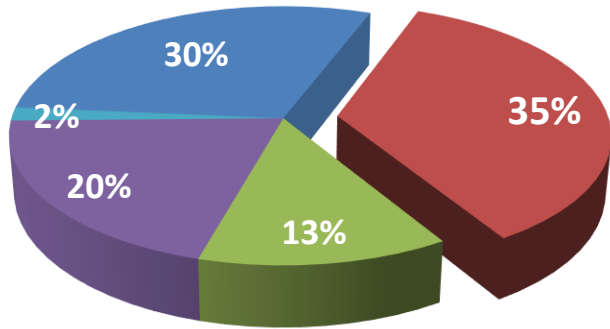
- Update travel/trade calendar with participation opportunities to include **Missions, Sales Calls, Road and Tradeshows** and collaborative programs with travel trade.
- Highlight and amplify City's commitment to **safety and security** for attendee experience.
- Manage demand and lead volume, strategically deploy sales resources, and optimize efficiency and production by re-aligning the Citywide and hotel sales parameters.
- Leverage **Visit CA partnership** and their ongoing professional meetings and events objectives.
- Continue to execute digital strategy through email marketing, industry publications, and partnerships.
- Support CTD efforts related to the proposed LACC Expansion Project.

# DOMESTIC & INTERNATIONAL MARKETING, GLOBAL PUBLIC RELATIONS & MEDIA

## 2022-23 DELIVERABLES

- Achieved **46.4 million visitors** by the close of 2022
  - 42.0 million domestic visitors
  - 4.4 million international visitors
- Created a **new, global campaign “Now Playing”**.
- Ran a **second national advertising campaign** in the fall delivering 812 million impressions (ROI study in process).
- Trending to **8.0 million unique visitors** to website and **5 million social** and e-mail database.
- **82%** of all earned media coverage was **feature stories**; trending to 800 stories.





**\$8,464,000**

# DOMESTIC & INTERNATIONAL MARKETING, GLOBAL PUBLIC RELATIONS & MEDIA

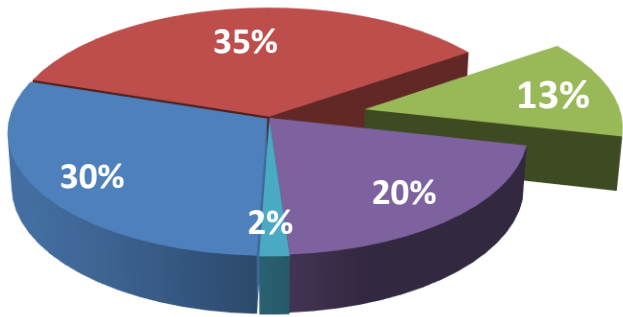
## 2023-24 FOCUS

- **Deliver two media flights** in selected markets, **leveraging EDA Grant funding** for the Fall, and standard funding resources for Spring.
- Economize by extending the “Now Playing” campaign throughout the year.
- **Renew BrandUSA LOA** to activate 7 international markets at a minimum of \$3 million split between sources of funding.
- **Execute business intelligence trips** to resume paid, owned, and earned assets in international markets.
- **Honor commitment to Diversity, Equity and Inclusion (DEI)** throughout all content development and casting.

# STAKEHOLDER RELATIONS, MEMBERSHIP & SERVICES

## 2022-23 DELIVERABLES

- **Implemented engagement strategy** with City officials (with emphasis for NTTW in May 2023) to engage newly elected and existing Councilmembers.
- Refined **community engagement and sustainability strategies** to increase awareness of tourism's positive impacts.
- Promoted and supported major elements of the City's Tourism Master Plan.
- Re-engaged members through virtual and in-person member events, attracted nearly **140 MBE members**, and achieved an average **member satisfaction score of 4.0 or higher** (5-point scale).
- Studied benefits of "bricks and mortar" Information Centers and strategies to improve Visitor Experience.
- Explored plans to implement **Visitor Industry Workforce Coalition** to rebuild talent pipeline.



\$3,129,000

## STAKEHOLDER RELATIONS, MEMBERSHIP & SERVICES

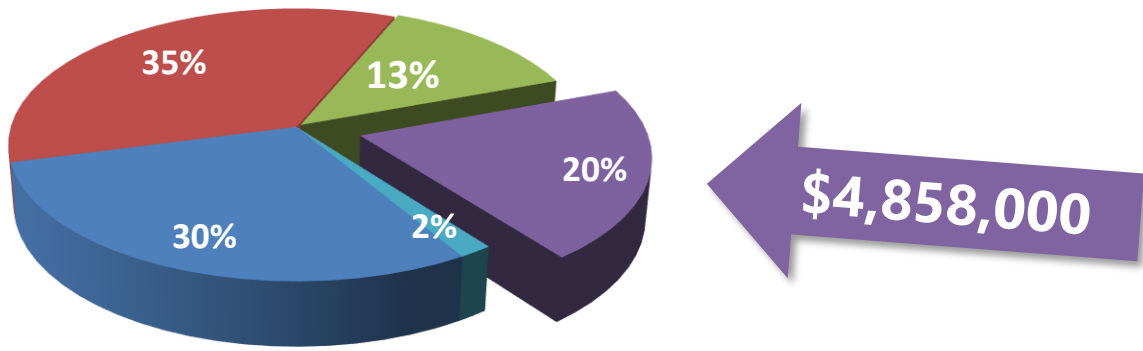
### 2023-24 FOCUS

- Continue to engage and perform outreach at local and federal levels to amplify the benefits of the tourism industry and to elevate issues impacting visitors and residents.
- Recognize the economic benefits of **attracting major art, cultural, entertainment and sporting events to Los Angeles** as a host city in partnership with relevant organizations.
- Transition traditional Visitor Information Centers to **an ambassador-type program to improve Welcome Experience.**
- Continue to **expand membership and educational benefits to small businesses and MBE members.**
- Implement **Workforce Development Strategy** to partner with local community, business, educational organizations.

# OPERATIONS (FINANCE, LEGAL, TECHNOLOGY & HR)

## 2022-23 DELIVERABLES

- Balanced budgetary needs and cash management to ensure sufficient liquidity for programming.
- **Leveraged process automation** to drive efficiencies and productivity, including centralized accounting, HRMS functionality and enhanced cybersecurity measures.
- Implemented practical solutions to **address labor shortage and market competitiveness for talent.**
- **Measured and focused efforts on DEI** to ensure that branding, hiring, succession planning, procurement and Board composition better reflect the Los Angeles community.



OPERATIONS (FINANCE,  
LEGAL, TECHNOLOGY & HR)

## 2023-24 FOCUS

- **Implement additional safeguards** against elevated cyber-security threats, and leverage partnership with Gartner to identify best-in-class solutions to build on process automation.
- Expand efforts on **business intelligence (BI)** capabilities to streamline and centralize various data sources, and enhance informed decision-making.
- In consultation with experts in organizational health, endeavor to **build a strengths-based organization**, utilizing Gallup's StrengthsFinder methodology and team member engagement surveys to enhance cross-functional collaboration and sustain an engaged, high-performing workforce.
- Continue to **measure and focus efforts on DEI** across all activities.


# **RECOMMENDATION**

The Board approve the Los Angeles Tourism & Convention Board 2023-24 TOT budget for inclusion in the Mayor's 2023-24 Proposed Budget.

**CITY OF LOS ANGELES**  
INTER-DEPARTMENTAL CORRESPONDENCE

Date: March 10, 2023

To: Board of City Tourism Commissioners

From: Doane Liu, Executive Director   
City Tourism Department

Subject: **LOS ANGELES TOURISM & CONVENTION BOARD 2023-24 TOT  
BUDGET – BOARD REPORT #23-001**

**SUMMARY**

The primary goal of the City's engagement with the Los Angeles Tourism & Convention Board (LATCB) is to grow the local economy by promoting the City as a site for citywide conventions, business meetings and major tradeshow, and as a destination for leisure travel. As part of the annual budget process, and to satisfy the City's Charter-mandated budget deadlines, the Board of City Tourism Commissioners (Board) will consider for approval LATCB's 2023-24 budget for inclusion in the Mayor's Proposed Budget.

Destination Marketing Organizations (DMOs) such as LATCB are not unique to Los Angeles, and are engaged by cities for specific convention and travel promotional purposes. Most cities fund their DMOs through a hotel occupancy tax. Under its contract with the City, LATCB receives a portion of the City's Transient Occupancy Tax (TOT), which is a tax levied on hotel or motel rooms, collected by the operator and remitted to the City monthly. The tax rate is 14 percent, of which 13 percentage points are remitted to the General Fund and the other one percentage point is remitted to the Los Angeles Convention and Visitors Bureau Trust Fund. The recommendation in this report requests the Board's approval for LATCB's proposed expenditure of TOT for Fiscal Year 2023-24.

**DISCUSSION**

The Los Angeles City Tourism Department (CTD) and LATCB executed an agreement for a ten-year term, from July 1, 2020 through June 30, 2030. As part of the agreement, LATCB's planned expenditure for TOT is reviewed and approved annually in consideration of the City's greater budget process.

LATCB is financed through several sources of funds. TOT is the second largest source of funds, making up approximately 39 percent of LATCB's budget. Other sources include LATCB's agreement with the Los Angeles World Airports (LAWA); revenues

received from annual dues paid by LATCB members and sponsorship partners; and assessments collected as part of the Los Angeles Tourism Marketing District (TMD).

The following is a breakdown of LATCB’s revenue budget for Fiscal Year 2023-24:

DESCRIPTION	AMOUNT
LAWA Contract	\$750,000
Members/Partners/Sponsors	\$2,625,000
<b>TOT</b>	<b>\$23,901,000</b>
Tourism Marketing District (1.5% Assessment)	\$34,906,000
<b>TOTAL</b>	<b>\$62,182,000</b>

Following the COVID-19 pandemic and associated travel restrictions, surges in case rates and changing safety protocols, TOT remittances have been improving year-over-year as the tourism industry has made progress through its recovery.

1 Percentage Point Transient Occupancy Tax to LATCB (TOT collections less City administrative costs)	Actual 2021-22	Estimated 2022-23	Proposed 2023-24
	\$18,071,000	\$22,287,000	\$23,901,000

LATCB’s TOT budget can be broken down into five main categories: sales; marketing; stakeholder relations; operations; and the TOT Reserve Fund.

The sales division is charged with booking citywide conventions and events at the Los Angeles Convention Center (LACC), booking and coordinating sales for self-contained hotel events, and providing client services.

The marketing division targets domestic and international markets for the purposes of generating tourism and leisure travel to the City. Marketing develops public relations and media, creates and places advertisements, performs research and analysis on tourism and travel, and coordinates journalist site visits.

The stakeholder relations division manages external affairs, industry and business community relations, membership services and governance/City contracts.

The operations division oversees the finance, technology, legal and human resources divisions for LATCB.

The TOT Reserve Fund is a tool that was added under the current contract, which allows LATCB to set aside funding for use during future years to support programming and responses to major disasters or catastrophic events.



The following is a breakdown of the TOT budget for the five major categories:

	<b>Estimated 2022-23</b>	<b>Proposed 2023-24</b>	<b>YOY % Change</b>
Sales	\$5,874,000	\$7,050,000	20.0%
Marketing	\$6,853,000	\$8,464,000	23.5%
Stakeholder	\$2,229,000	\$3,129,000	40.4%
Operations	\$4,594,000	\$4,858,000	5.7%
TOT Reserve	\$2,737,000	\$400,000	-85.4%
<b>TOTAL</b>	<b>\$22,287,000</b>	<b>\$23,901,000</b>	<b>7.2%</b>

Focus for the 2023-24 LATCB budget includes building on prior year initiatives related to supporting industry recovery; leveraging key partnerships with Visit CA and BrandUSA; increased and improved stakeholder and member engagement; and continued prioritization of Diversity, Equity and Inclusion (DEI) initiatives across all activities.

Upon approval, the Mayor will include LATCB’s budget as part of the 2023-24 Proposed Budget. Per the City’s Charter, the Mayor’s Proposed Budget must be submitted to the City Council no later than April 20, 2023.

**RECOMMENDATION**

That the Board of City Tourism Commissioners approve the Los Angeles Tourism & Convention Board 2023-24 TOT budget for inclusion in the Mayor’s 2023-24 Proposed Budget.