

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

## **Regular Meeting Minutes**

**October 1, 2014  
9:00 a.m.**

The Board of Los Angeles Convention and Tourism Development (Board) convened a regular meeting on Wednesday, October 1, 2014 at 9:06 a.m. at the Los Angeles Convention Center (LACC), located at 1201 South Figueroa Street, Los Angeles, CA 90015, in the Executive Board Room.

### **ITEM NO. 1 CALL TO ORDER / ROLL CALL**

The meeting was called to order by President Jon Vein.

#### **Present:**

President Jon Vein  
Commissioner Nicole Duckett Fricke  
Commissioner Gillian Zucker

Bud Ovrom, Executive Director  
Tom Fields, Assistant General Manager & COO  
Marla Bleavins, Assistant General Manager of Finance & Administration  
Glyn Milburn, Business Team Representative – Office of the Mayor  
Terry Martin Brown, Assistant City Attorney – Office of the City Attorney  
Natalie Brill, Finance Specialist – Office of the City Administrative Officer  
Ted Tanner, Executive Vice President – AEG Real Estate Development Services, Inc.  
Keith Hilsgen, VP of Finance – AEG Facilities  
Ellen Schwartz, VP of Sales & Marketing – AEG Facilities  
Ernest Wooden, President & CEO –  
    Los Angeles Tourism and Convention Board (LATCB)  
Darren Green, Sr. VP of Sales – LATCB  
Patti MacJennett, Sr. VP of Business Affairs – LATCB  
Cristine Villorante, Executive Administrative Assistant

#### **Absent:**

Vice President Ray Bidenost  
Commissioner Otto Padron

### **ITEM NO. 2 PUBLIC COMMENT**

There was no public comment.

### **ITEM NO. 3 MEETING MINUTES**

President Vein moved to approve the Meeting Minutes of September 3, 2014 and the amendment to the Meeting Minutes of August 6, 2014. The motion was unanimously approved.

#### Vote

Yes: President Vein, Commissioner Duckett Fricke, and Commissioner Zucker

No: None

### **ITEM NO. 4 MONTHLY REPORT FOR AUGUST 2014**

#### **A. LATCB**

Mr. Green presented LATCB's report and highlighted the following:

1. Citywide Conventions & Center Room Nights through 2020
  - 2013 – 2016 trending up, 2017 – 2019 trending down, and peaking again in 2020
  - Trend illustrates short term opportunities in 2019, but challenging based on the uncertainty of LACC's development.
2. Upcoming Citywide Conventions
  - Adobe Systems is corporate business, licensed for 2015, with the largest total room nights for the quarter. LATCB is looking into getting a multi-year license with Adobe.
3. Citywide Convention Sales Production FY 2014/15
  - Lead production goal of 210
  - Year-to-date at 48 leads, compared to 31 leads same time last year
  - Overall room night booking goal of 351K
  - Forecasted 22K room night bookings, compared to 32K room night bookings same time last year
  - Prospects are even from last fiscal year, but the number is higher, which reflects that groups are getting smaller in size
4. FY 2014-2015, First Quarter Forecasted Citywide Bookings
  - NeighborWorks signed their License of Intent in 2017, here last year
  - DC Association, great group for L.A. and what they do for region
  - BET signed for 2017 and 2018
  - Points of Light in 2016

5. New Hot Prospects

- Hewlett Packard in 2016
- Buffalo Wild Wings in 2017
- World Congress of Endoscopic Surgery in 2018
- American Farm Bureau Federation in 2020

6. Citywide Convention Site Inspections

- Had 4 inspections in July and 8 inspections in August, less inspections compared to previous years
- Tells us how many people are interested in L.A.

7. LATCB Sales Consumer Advisory Board

- Annual meeting scheduled for Oct. 26 – 28, 2014
- The group is a good mix of association planners, corporate planners, 3<sup>rd</sup> party/meeting planner companies, and industry experts.
- It's an opportunity to brainstorm on trends, what's compelling for meeting planners, how they're dealing with millennials in the market place, and how to boost attendance.
- Agenda consists of meetings, reception, and tours of key parts of the city.

8. Coming Soon B2B Website Improvements

- LATCB is improving their website, working closely with the marketing team to make the website more compelling and robust.

Mr. Wooden presented a lost business analysis and highlighted the following:

1. LATCB Research Department was tasked to research leads that were lost in the last five years, with particular interest in how many left as a result of the size or condition of the Convention Center itself or due to the lack of hotel rooms within a half of a mile radius.

A. Research consisted of 803 records which spanned from 2010 up to August 30, 2014.

- 143 (18%) LACC size not suitable
- 271 canceled due to lack of space, a loss of 3.3M room nights (\$750M), a loss of \$105 in Transient Occupancy Tax (TOT), an economic impact of \$4.9B
- Total economic impact for all 803 records was \$12.5B

## 2. San Diego's Marketing Plan

### A. Comparison to Los Angeles

- Hotel Rooms: San Diego – 9,091; Los Angeles – 3,368
- Sellable Space (sq. ft.): San Diego – 806,100; Los Angeles – 870,000
- Largest Contiguous Exhibit Space (sq. ft.): San Diego – 525,701; Los Angeles – 346,890
- San Diego also has three large hotels within walking distance that have significant space as well.
- Los Angeles and San Diego have similar size convention centers, but San Diego has 34% more contiguous exhibit space. San Diego also has 5,723 more hotel rooms within a half mile of its convention center.
- Once Los Angeles increases its contiguous space and hotel rooms, it will be more competitive.

### B. AEG

Mr. Hilsen and Ms. Schwartz presented AEG's report.

#### 1. 26 events were held in August. Highlighted were:

- Total attendance of 118,700
- Victory Outreach International was the most significant event
- Primetime Emmy Awards Governors Ball
- Naturalization with 22,000 total attendance

#### 2. Filming & Photo Shoots

- This is the most significant month for filming revenue since AEG took over which totaled \$77,455.

#### 3. Financials

- \$187K below budget for the month, due to the loss of the Firefighters convention; \$412K above year-to-date
- Revenues: \$863K; \$129K below budget; \$3.172M year-to-date; \$474K above budget
- Expenses: \$1.913M in August; \$3.887M year-to-date

#### 4. Press Releases

- The goal is to release one positive press release per month about the Convention Center.
- Last month's press release regarding AEG's accomplishments was picked up by industry publications.
- Upcoming press releases will feature the new website, social media, and alternative use of space.

## **ITEM NO. 5 EXECUTIVE DIRECTOR'S REPORT**

### **A. Design Competition Update**

Due to AEG's recent request for an extension on their contract with the City relative to pursuing an Event Center and an NFL team, the Design Competition has been placed on hold.

### **B. Capital Improvement Projects (CIP)**

CIP is moving forward with the LACC's modernization projects. An update will be provided at a future meeting.

### **C. CTD Financial Status Report**

There are no significant issues to report at this time. An update will be provided at a future meeting.

### **D. LATCB Contract Update**

There are no significant issues to report at this time. An update will be provided at a future meeting.

## **ITEM NO. 6 AGENDA FORECAST / SPECIAL TOPICS**

The next meeting, scheduled for 9:00 a.m., Wednesday, October 15, 2014, will be a Joint Meeting between the Board and the Los Angeles Convention and Exhibition Center Authority. Metro and Los Angeles World Airports were invited to present on their transportation projects.

## **ADJOURNMENT**

The meeting was adjourned at 9:54 a.m.