

BOARD OF LOS ANGELES CONVENTION AND TOURISM DEVELOPMENT

Special Meeting Minutes

**October 1, 2014
9:55 a.m.**

The Board of Los Angeles Convention and Tourism Development (Board) convened a special meeting on Wednesday, October 1, 2014 at 9:55 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

Diana Mangioglou, Sr. Administrative Analyst – 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

Ms. Dillard commented on the City's floor area rights as it relates to the LACC, adding an emergency aspect to future LACC development plans, and the City's debt.

ITEM NO. 3 LETTER FROM ANSCHUTZ ENTERTAINMENT GROUP (AEG) TO CITY OFFICIALS DATED SEPTEMBER 29, 2014 RELATIVE TO THE LOS ANGELES CONVENTION CENTER MODERNIZATION

Mr. Ted Tanner was invited to the meeting to brief the Board on AEG's recent request for a six month extension. In the last two weeks, AEG has made significant progress with the NFL to the point where they felt prudent to request an extension of the current contract which expires on October 18, 2014.

Mr. Tanner stated that AEG has a good relationship with the City and has worked closely with the LACC and the Bureau of Engineering in the development of Farmer's Field (Plan A). AEG has spent a significant amount of time and money in designing the New Hall (completion of 100% design drawings, 50% construction drawings), so in a very short time, AEG can be ready to submit plans for permits and begin construction.

Mr. Tanner also stated that AEG has suggested their willingness to provide funding to advance the Plan B scenario (development without a stadium) and has also proposed a site for a hotel directly across from the JW Marriott, to create a hospitality core in the center of LA Live and north of Olympic Boulevard.

In conclusion, Mr. Tanner stated that AEG is a major stakeholder and wants to be a part of the success of the LACC.

President Vein expressed his concern for the process and hoped that moving forward can be viewed as a partner rather than an afterthought, since the Board is charged with the oversight of the facility. President Vein opened the floor for discussion to determine what the Board is solving for.

Mr. Ovrom suggested that the Board go over the proposal and address their comments in a letter to the Mayor. Mr. Ovrom and Mr. Fields drafted a letter for the Board review which incorporates three proposals: 1) for the Board to have a role in the process, 2) to equally consider both hotel scenarios (on-site hotel and off-site), and 3) to equally consider the different development scenarios (adding 270 sq. ft. and the work that has been initiated through the Task Order Solicitation process).

Ms. Martin Brown, as the Board's legal advisor, asked the Board to keep in mind the Los Angeles Administrative Code which specifically defines the powers and duties of this Commission; to advise the Mayor and the Council on all policies related to tourism, marketing the City and convention business; and the authoritative role of managing the

AEG and LATCB contracts. Ms. Martin Brown strongly urged the Board to keep within the parameters of the guidelines.

Ms. Diana Mangioglu, representing Mr. Miguel Santana, the City Administrative Officer (CAO), wanted to present the Board with Mr. Santana's thoughts on the AEG proposal and background for the Board to consider.

In the next couple of weeks, before October 18, the City Council will be considering what to do with the Task Order Solicitation process (the existing process for Plan B) and will also be considering AEG request for an extension.

The CAO wanted to share the important key principals that the City developed as part of Plan A which provided comfort for the City Council and Mayor to support the project. Several years ago, when the plan was first proposed, the City's financial state was dire. If nothing was done, the City could have been facing a significant structural deficit. As a result, the City was sensitive to adopting a plan that was driven by three key issues: 1) protecting the City's General Fund, 2) the majority of the source of funds for debt service payment would be based on non-tax revenues, and 3) having a stadium built by AEG without support of a public subsidy.

The CAO is in support of a six month extension that would account for the existing principals. However, by the end of the six month process if Plan A does not move forward, the CAO's goal would be to present to the City Council two plans based on the following: (1) A plan and cost estimate based on AEG's alternative proposal and (2) A plan and cost estimate for the existing design criteria under Plan B.

President Vein moved to charge the CTD staff to finalize the Board's recommendation letter to the Mayor and City Council. The motion was seconded by Commissioner Zucker, and unanimously approved.

Vote

Yes: Pres. Vein, Commissioner Duckett Fricke, and Commissioner Zucker

No: None

ADJOURNMENT

The meeting was adjourned at 10:32 a.m.