

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

Regular Meeting Minutes
November 19, 2014
9:00 a.m.

The Board of Los Angeles Convention and Tourism Development (Board) convened a regular meeting on Wednesday, November 19, 2014 at 9:02 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:

Vice President Ray Bidenost
Commissioner Nicole Duckett Fricke
Commissioner Otto Padron
Commissioner Gillian Zucker

Bud Ovrom, Executive Director –

Los Angeles Department of Convention & Tourism Development (CTD)
Tom Fields, Assistant General Manager & Chief Operating Officer – CTD
Marla Bleavins, Assistant General Manager, Finance & Administration – CTD
Glyn Milburn, Business Team Representative – Office of the Mayor
Diana Mangioglu, Sr. Administrative Analyst II –
Office of the City Administrative Officer (CAO)
Brad Gessner, Sr. Vice President & General Manager – AEG Facilities
Keith Hilsgen, Vice President, Finance – AEG Facilities
Barbara Kirklichter, Vice President, Revenue Strategy – LATCB
Cristine Villorante, Executive Administrative Assistant – CTD

ABSENT:

President Jon Vein

Item 1. Call to Order – Vice President Ray Bidenost called the meeting to order.

Item 2. Public Comment

Mr. David Henderson, Business Representative for Local 831, represents union members who are currently working the Auto Show. Mr. Henderson has been in the industry for 24 years and stated that this year's Auto Show is one of the smoothest run shows he has seen in a long time. He was very impressed. Union members have been working around the clock for the last two weeks, with minimal injuries, and a focus on safety. He encouraged the Board to go see the show.

Vice President Bidenost was on site for Comikaze and met with some of the AEG staff. Vice President Bidenost was very impressed with their professionalism and organizational skills. He could see that their heart was in their job, which is also a positive reflection on Brad and his management team.

Mr. Brad Gessner announced the September 2014 Employee of the Month, Ms. Victoriya Karpilovich, Marketing Specialist, and Leader of the Quarter, Mr. Frank Keefer, Event Manager.

Ms. Joyce Dillard expressed her concerns with regards to the LATCB contract and the use of the term “auditor” and the lack of definitions in the contract.

Item 3. Approval of the Meeting Minutes

Commissioner Duckett Fricke moved to approve the joint meeting minutes and special meeting minutes from October 15, 2014, seconded by Vice President Bidenost, and approved by the Board.

Vote

Yes: Vice President Bidenost, Commissioners Duckett Fricke, Padron, and Zucker
No: None

Commissioner Zucker moved to approve the meeting minutes from November 5, 2014, as amended by President Vein, seconded by Commissioner Duckett Fricke, and approved by the Board.

Vote

Yes: Vice President Bidenost, Commissioners Duckett Fricke, Padron, and Zucker
No: None

Item 4. On-Site Hotel Request for Interest (RFI)

Mr. Bud Ovrom presented a draft RFI, addressed to the City Council, for the purpose of determining the level of interest in developing a 1,000 room hotel and to solicit input as to how a potential transaction could be structured.

In addition to AEG’s proposal that was presented to the City Council, the RFI would provide additional facts for this Board and the City Council to consider. Mr. Ovrom sought the Board’s approval to proceed with the submittal of the RFI to the City Council.

Commissioner Duckett Fricke moved to recommend the RFI be submitted to the City Council, seconded by Commissioner Zucker, and approved by the Board.

Vote

Yes: Vice President Bidenost, Commissioners Duckett Fricke, Padron, and Zucker
No: None

Item 5. E3 Discount Request

Ms. Marla Bleavins presented the 2016 E3 discount packet for the Board’s review and approval. The total value of the space rental for 2016 would be \$1.1 million. LATCB has recommended to offer E3 a discount that would bring down the rent to \$1,000.

Similar discount requests have been approved in the past. This discount packet is before the Board because the amount of the discount exceeds the amount of the Transient Occupancy Tax (TOT) which is projected to generate close to \$800 thousand.

The CTD staff supports the recommendation as E3 is one of LACC's biggest shows, it's a very high profile event, and it's good for the City with roughly \$30 million in economic impact.

Vice President Bidenost moved to approve the 2016 E3 discount packet, but the motion died due to a lack of a second.

Commissioner Padron moved a substitute motion to discuss the E3 discount packet further at the next Board meeting with two firm proposals to review, seconded by Commissioner Duckett Fricke, and approved by the Board.

Vote

Yes: Commissioners Duckett Fricke, Padron, and Zucker

No: Vice President Bidenost

Item 6. Fiscal Year 2016 Budget

Ms. Marla Bleavins presented the 2016 budget for the Board's review and approval. All City departments must submit their budgets to the Mayor's office by this Friday, November 21, 2014. The 2016 budgets for CTD and AEG were also reviewed by the Board at the last Board meeting on November 5, 2014. All information presented was the same with the exception of an increase to the CTD's salaries account.

Commissioner Zucker moved to approve the CTD Budget for 2016, seconded by Commissioner Duckett Fricke, and approved by the Board

Vote

Yes: Vice President Bidenost, Commissioners Duckett Fricke, Padron, and Zucker

No: None

Item 7. Status Update on AEG Extension Agreement

There was no update to report.

Item 8. Capital Improvement Projects (CIP) Report

Mr. Tom Fields updated the Board on the CIP projects which are going well and on target for completion before E3. All 14 projects have contracts and scope of work. 12 of the 14 projects are currently in progress and the remaining two will start in the very near future.

Item 9. LATCB Contract Update

Ms. Marla Bleavins updated the Board on what has transpired with the LATCB contract. The contract was amended based on the recommendations from the Board at the last Board meeting on November 5, 2014, as well as recommendations made by the City Attorney. No further action is required by the Board. The CTD has submitted the contract to the City Clerk for consideration by the City Council. The LATCB contract is expected to go before the Economic Development Committee on December 9, 2014 and to the full City Council shortly thereafter.

Item 10. Agenda Forecast / Special Topics

The next Board meeting is scheduled for Wednesday, December 3, 2014.

ADJOURNMENT

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