



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

### **Regular Meeting Minutes**

**July 16, 2014  
9:00 a.m.**

The Board of Los Angeles Convention and Tourism Development (Board) convened a regular meeting on Wednesday, July 16, 2014 at 9:04 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 F. Vein  
Vice President Ray Bidenost  
Commissioner Otto Padron  
Commissioner Gillian Zucker

Robert R. "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  
Brad Gessner, Sr. Vice President & General Manager of the LACC – AEG Facilities  
Darren Green, Sr. Vice President of Sales –  
Los Angeles Tourism & Convention Board (LATCB)  
Kathy McAdams, Vice President of Convention Sales – LATCB  
Barbara Kirklighter, Vice President of Revenue Strategy – LATCB  
Cristine Villorante, Recording Secretary

##### **Absent:**

Commissioner Nicole Duckett Fricke

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

Mr. David Henderson, member of the public and Business Representative for Local 831, asked if there has been any consideration on how a solar roof would affect the load-bearing capacity of the ceilings, especially relative to events such as E3 and Auto Show. Mr. Ovrom

stated that the technology in the solar industry has changed in the last few years whereby the solar panels are now light and thin, so the weight concern is no longer an issue.

### **ITEM NO. 3 APPROVAL OF THE JUNE 18, 2014 MINUTES**

The minutes were unanimously approved.

### **ITEM NO. 4 MONTHLY REPORT FOR MAY 2014 AND PRELIMINARY YEAR END REPORT**

#### **A. AEG**

Mr. Gessner presented AEG's report and highlighted the following:

1. Employees of the Month
  - April – Gilbert Marroquin
  - May – Sharon Taylor
2. 18 events were held in May. Highlighted were:
  - There were 4,800 attendees for various events in the first week of May.
  - The Big Photo Show had 9,000 attendees and has rebooked for next year.
  - Most of the events were consumer oriented with a total of 38,000 attendees for the month.
3. Filming & Photo Shoots
  - Booked 2
  - Generated over \$37K in revenue
4. Financials
  - Revenues: \$41K below forecast, \$757K above year-to-date (YTD) forecast
    - There was an accounting error by Levy for the month of April of \$75K which was reflected in the May financials.
    - Rental income came in \$99K above forecast, \$411K above YTD
    - Food and beverage was \$183K below forecast, \$291K below YTD
    - Utilities revenue is \$10K below forecast, \$54K below YTD
    - Parking revenue is \$75K above forecast, \$563K above YTD
    - Other income (Event Billing, Communications, Audio/Visual, Cell Towers & Sponsorships) is \$22 below forecast, \$128K YTD
  - Expenses: \$13K better than forecast, \$348K above YTD
5. Major Accomplishment
  - Accounting/Budget:
    - The City forecasted a \$2M deficit for the last fiscal year, but AEG is tracking to finish with a small profit, with the help of the Los Angeles Department of Convention and Tourism Development (CTD) and LATCB.

Commissioner Padron asked if there will be a report to the City Council. Ms. Bleavins confirmed a financial report will be submitted to the City.

Commissioner Zucker stated that it's a good news story. Mr. Ovrom concurred and plans to provide a year-end report to the Economic Development Committee, CTD's oversight Committee.

- Wages and salaries projected to finish \$1.5M lower than prior fiscal year and \$300K lower than forecast.
- Human Resources
  - Employee Committee has been established to support core values and morale. (Green Team, Safety Team, Fun Team)
  - All AEG employees will go through the Encore Guest Service Training
- Building Security
  - Security has been elevated with increased staffing.
  - Working with the City and RD Systems on closed circuit television and radio system upgrades.
- Sales & Marketing
  - Established a good working relationship with LATCB.
  - Led by Ellen Schwartz, AEG has increased filming revenues by 140%.
- Event Services
  - Developed an on-line survey to track and quantify client feedback. The goal is to send out the survey within 10 days of the event. Latest tracking shows clients are very satisfied.
  - Have reciprocal, effective communication on campus-wide events.
  - Improved relationship with LATCB client services and sales teams.
- Levy Restaurants / Taste of LA
  - Groundworks coffee as the specialty coffee provider for LACC.
  - Enhanced the Local Food Trucks Program.
  - Improved concession menu.
  - Porsche has contracted with Levy for their catering.
- Contract Services
  - Implemented and improved MBE/WBE participation completing 10 contracts worth over \$1M, 30% participation, exceeding the City's goal. Most recent contract was for the Business Services Center.
  - Transitioned from Exclusive, in-house utility provider to an Approved Vendor Program.
- Building Engineering & Maintenance Department
  - Working on overall appearances, painting projects, and general cleaning of the facility.

- Facilities Department
  - Replacing water valves and improving landscaping.
  - Beginning LEED recertification for Gold.
- Parking Department
  - Implemented changes to parking policy. No more reserved parking, it's first come, first serve.
  - Implemented energy conservation program in the garages. Lights will be off in areas that are not being used.
- Administrative Department
  - The Operations Department was stock piling light bulbs. 25K light bulbs were recycled.
  - Implemented new sustainability tracking system.

## **B. LATCB**

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

- 24 citywide conventions and 2 convention center events are booked for 2014, two down from last report due to the cancellations of the World Firefighter Games and Residential Worldwide.
- Upcoming Citywide Conventions
  - National Council of La Raza
  - Global Business Travel Association  
Note: GBTA is a big conference, with travel planners coming in from around the world. LATCB reached out to GTBA with regards to road closures at LAX and the CalTrans work on Figueroa which will cause delays in shuttle service. Logistics are being worked out and communicating with the client so they're aware of what they're faced with upon arrival.
  - League of California Cities
  - Adobe Systems
  - Audio Engineering Society
  - Society for Advancement of Chicanos and Native Americans in Science
  - Society of Women Engineers
  - UBM - Game Developers
- Lead production was planned at 200 and 210 was actualized.
- Booked room nights were below the goal of 440K, at 205K. LATCB was not able to book as many multi-year contracts as anticipated, but trending positive on prospects. Trending positive for the Fall.
- June bookings include Drupal, BET, Congress of Neurological Surgeons, American Society of Cataract and Refractive Surgery.

- Forecasted Citywide Convention Bookings for FY14-15 include Council for Exceptional Children, Specialty Food Association, American Immigration Lawyers Association, Teradata, and Clinical Chemistry.
- New prospects include JP Morgan, Communications Workers of America, Hexagon, American Health Care Association, and American Industrial Hygiene Foundation.
- Appendix E (b), Assist Conventions, Business Meetings and Trade Shows is at 447 YTD
- Appendix E (c & d), Pre-Promote Los Angeles is at 8 YTD
- Appendix E (e-o) Marketing Services  
All marketing objectives were met or exceeded by 6/30/14.
- LACC Free Sell Date Calendar  
AEG, CTD, and LATCB collaborate to maximize revenue for Convention Center by determining available dates for consumer and event show opportunities.
- LACC Capital Improvement Plan Press Release  
Received positive media buzz on the press release that went out and it's a helpful sales tool.
- Upcoming key dates:
  - GBTA, July 27-30
  - LATCB Market Outlook Forum, August 20
  - LATCB Customer Advisory Board, September 7-9
  - IAEE, December 9-11

President Vein asked Mr. Green to report on Airbnb at a future Board meeting.

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

### **A. Plan B**

Mr. Ovrom reported that the City is still under contract with AEG to obtain an NFL team until October 18, 2014. The City is also working on a fall back plan, Plan B. A Task Order Solicitation was sent out to 18 architectural firms. 15 firms attended the mandatory meeting held on June 23, 2014. The top three firms will be selected to in September of 2014. After October 18th, it will be definitive on whether the City will proceed with Plan A or Plan B. On January of 2015 an architectural firm will be selected.

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

Tom Fields reported on the following:

- There are 15 projects on the CIP.
- The CTD Executive team is trying to determine the best contract options available.
- CTD Executive team is currently writing the Scope of Work for the contracts, and meeting with vendors to define the Scope of Work.
- CTD will be added to LAPD's surveillance contract, which will save CTD some time.
- CIP funding has been approved by City Council.
- Natalie Brill, from the CAO's office, will come up with the mechanism to access CIP funds, target August to have funds readily available, and start issuing Purchase Orders and Notice to Proceed on some of the projects.
- CIP work is being coordinated around the open windows on the event calendar.
- The Sidewalk Project has been completed. Mr. Fields commended Mr. Steve Potik, CTD's Building Superintendent, for his lead role and coordination with Street Services. The work was started on June 15<sup>th</sup> with a goal to have it completed before the end of the fiscal year, June 30<sup>th</sup>. There was a very aggressive work schedule that included night shifts and coordinating around the scheduled events. The work was finished before the Anime Expo.
  - Recycled 540 tons of concrete, which CTD will be credited for as part of the Department's Annual Recycle Content (30%).

Mr. Ovrom added that he will be working with the Mayor's office to revisit the solar roof project mid-year.

Commissioner Zucker requested CTD to report on the Department's plans relative to forecasted projects (5-Year Plan) at a future Board meeting.

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

Add Plan B alternative names to the agenda for the next Board meeting on August 6, 2014.

## **ITEM NO. 7 ADJOURNMENT**

The meeting was adjourned at 10:13 a.m.