



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

### **Regular Meeting Minutes**

**September 3, 2014  
9:00 a.m.**

The Board of Los Angeles Convention and Tourism Development (Board) convened a regular meeting on Wednesday, September 3, 2014 at 9:01 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  
Commissioner Nicole Duckett Fricke  
Commissioner Otto Padron  
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  
Brad Gessner, Sr. Vice President & General Manager – AEG Facilities  
Darren Green, Sr. Vice President of Sales –  
    Los Angeles Tourism and Convention Board (LATCB)  
Wendy Kheel, Vice President of Consumer Insight – LATCB  
Barbara Kirklighter, Vice President of Revenue Strategy – LATCB  
Cristine Villorante, Commission Secretary

#### **Absent:**

Vice President Ray Bidenost

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

Ms. Joyce Dillard commented on the L.A. City's and L.A. County's current public transportation systems stating that it does not work as a means of transportation for tourists.

### **ITEM NO. 3 APPROVAL OF THE AUGUST 6, 2014 MINUTES**

The minutes were unanimously approved.

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

#### **A. AEG**

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

1. Ms. Ellen Schwartz, AEG's Vice President of Sales and Marketing, introduced Victoriya Karpilovich, Marketing Specialist. Victoriya has increased LACC's presence on social media and has been instrumental in the preparation of the new LACC website which launches on September 15, 2014.
2. Employee of the Month
  - Maria Becca, Executive Assistant
3. 33 events were held in July. Highlighted were:
  - Anime had 300,000 attendees
    - Plans to license event next year with an agreement for another five years
    - Requesting to increase capacity to 100K
  - 4 Citywide Conventions
    - Anime
    - American Federation of Teachers
    - National Council of La Raza
    - Global Business Travel Association
  - 405,000 total attendance
4. Filming & Photo Shoots
  - Booked 3
  - Generated close to \$30K in revenue
5. Financials
  - Food and Beverage was \$466K above budget, 31% net profit
    - Increased revenue due to the four citywide conventions. Each citywide had higher than anticipated food and beverage revenue.
    - Global Business Travel had a lot of last minute catering.
    - Anime concessions were off the charts.
  - Revenues: \$2.309M, \$604K better than budget
  - Expenses: \$1.974M, \$5K above budget
  - Forewarned Board that August and September will be negative months, as anticipated.
    - Loss of World Firefighters Games

Commissioner Zucker applauded Mr. Gessner on his expense control. Mr. Gessner thanked Commissioner Zucker and stated that it is due to the

good work of Keith Hilsgen, Vice President of Finance, and the rest of the Department Heads.

## 6. Looking Forward

- Temporary Structures and Exhibits
  - Tom Fields was able to negotiate with the City's Department of Building and Safety on the permitting process so that only one permit is necessary for an event verses obtaining a permit for each exhibitor.
  - Makes LACC more attractive to potential clients and is in keeping with what other cities are doing.
- T-Mobile Cell Site
  - Negotiated an antenna upgrade
  - Increased monthly leasing fee
- Environmental Sustainability
  - New water saving irrigation program yielding 10% in water savings. Press release was sent out by Victoriya Karpovich and LACC is getting good coverage on it.
  - Collaborated with family-owned, Los Angeles supplier, Maintex, to standardize the paper and soap dispensing systems which will save LACC thousands of dollars.

## B. LATCB

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

1. Citywide Conventions & Center Events Room Nights
  - 2014 by Calendar Year: 21 Citywide Conventions, 5 Center Events
    - Changed from last reporting of 22 Citywide Conventions, 4 Center Events due to one Citywide Convention, League of California Cities, not meeting the 3,000 room night requirement.
  - 2014 by Fiscal Year (2013/14): 18 Citywide Conventions, 5 Center Events
  - 2015 by Calendar Year: still holding at 22 Citywide Conventions, 1 Center Event
  - 2016 by Calendar Year: still holding at 29 Citywide Conventions
2. Upcoming Citywide Conventions
  - League of California Cities, Sept. 3-5 (reclassified as Center Event)
  - Adobe Systems, Oct. 1-9
  - Audio Engineering Society, Oct. 5-14
  - Society for Advancement of Chicanos and Native Americans in Science, Oct.12-20
  - Society of Women Engineers, Oct. 22-25
  - UBM - Game Developers, Nov. 31-Dec. 6 (reclassified as Center Event)
  - IAEE, Dec. 9-11

3. Appendix E (a) Citywide Convention Sales Production
  - Lead production: 34 generated
  - Room nights planned: 29,363
  - Sales Pipeline – Future Years (YTD, 14/15): 1.8M room nights with 144 prospects, slightly ahead of last year's numbers.
4. FY 2014-15, First Quarter Forecasted Citywide Convention Bookings
  - Points of Light, 2016, 5,125 Total Room Nights (TRN)
  - NeighborWorks, 2017, 9,600 TRN
  - Irrigation Association 2018, 4,470 TRN
  - Council for Exceptional Children, 2018, 10,560 TRN
5. New Hot Prospects
  - PegaWORLD, 2016, 15,215 TRN
  - College Board AP Annual Conference, 2016, 6,770 TRN
  - Partners Exchange Conference 2017, 9,986 TRN
  - H&R Block Franchise Meeting, 2019, 5,910 TRN
  - Transcatheter Cardiovascular Therapeutics, 2019, 30,385 TRN
6. Appendix E (b), Assist Conventions, Business Meetings and Trade Shows
  - FY 14/15, 350 Planned, 61 YTD
7. Appendix E (c & d), Pre-Promote Los Angeles
  - FY 14/15, 10 Forecasted
8. LATCB Sales Priorities
  - Increase number of Citywide Conventions
  - Increase group rates as hotels continue to increase occupancy
  - Focus on driving business to venues and attractions
  - Capture business from competing destinations, San Francisco, San Diego, Chicago, and New York
  - Integrate future expansion initiatives for LACC, Metro, and LAX into LATCB selling strategies
9. Moving Forward
  - B2B Website – improve/enhance site making it more robust and user friendly
  - Continued participation in key tradeshow: PCMA, IMEX, EIBTM, ASAE, MPI
  - FAM trip coordination highlighting regions and signature events
  - Hotel Sales Committee – input and collaboration with stakeholders with focus on: citywide, self-contained, marketing, international
  - Client Services – focused on delivering and executing groups and rebooking

## **ITEM NO. 5 LATCB CONSUMER INSIGHT**

Ms. Kheel presented the Board with the presentation made at the 2014 LATCB Market Outlook Forum on August 20, 2014 which looks at travel and tourism as a whole. The presentation was intended to assist members with their marketing and business plan for the coming year.

Highlighted are the following:

1. The Economy – 5 Years Beyond Recession
  - Things are looking good financially
2. 2013 L.A. Visitation
  - Increased 2% to 42.2 million and ranked 4<sup>th</sup> in Overnight Visitors among competitive Destination Marketing Organizations
3. L.A. Visitor Forecast for FY 14 & 15
  - FY 14, Expected to reach 43.2 million and FY 15, Expected to reach 44.1 million
4. L.A. Lodging Performance
  - 77% of overnight visitors come for leisure
  - Most important visit decision factors for leisure visitors to L.A. are friends/family, weather, beaches, and museums/galleries/historical attractions.
  - L.A. compares well as a Cultural Destination with credit for entertainment/nightlife, being culturally diverse, great theater/performing arts, and leader in visual arts.
  - International visitors comprise of 22% of total visitation, but 34% of visitor spending.
  - Domestic visitors to L.A. have outpaced the U.S. domestic growth for the past three years.
  - The largest domestic overnight markets in 2013 were in L.A. County and the four surrounding counties.
  - L.A. international visitation lost market share in 2012 and 2013, but is on track to regain share in 2014 and maintain in 2015.
  - International visitation growth in 2013 was driven primarily by Mexico (#1 international market) and China (#1 overseas market).
  - 68% of visitors to L.A. stay overnight or which 60% stay in hotels/motels.
  - L.A. County lodging performance achieved historical highs in 2013.
  - Transient occupancy demand increases, 71% of the total demand in 2013.
  - Hotels under construction in L.A. comprise of a low percent of existing supply compared to other markets, especially New York City.
  - Leisure visitors are very satisfied with their experience in L.A., more so if they stay in a hotel.

## **ITEM NO. 6 EXECUTIVE DIRECTOR'S REPORT**

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

Mr. Ovrom reported that interviews for the remaining six architectural firms were held on August 27 – 29, 2014. Three out of the six firms will be selected to move forward in the design competition. The notifications are anticipated to be released by the end of this week. There will be more to report at the next meeting, but the process is going very well.

## **ITEM NO. 7 AGENDA FORECAST / SPECIAL TOPICS**

- Invite L.A. World Airports and Metro to a future Board meeting to present their respective transportation updates, which was previously presented during the 2014 LATCB Market Outlook Forum on August 20, 2014. In addition, invite the Los Angeles Convention and Exhibition Center Authority Commission to view the presentation as a Joint Commission Meeting in the near future.
  
- Follow up and contact the Metro personnel, Dave Sotero, who coined “Carmageddon” to see if he can assist the Department in coming up with a catch phrase for Plan B’s new name, Expansion and Futurization.
  
- Invite LATCB to present the various 2014 LATCB Market Outlook Forum presentations at future Board meetings.

## **ADJOURNMENT**

The meeting was adjourned at 10:14 a.m.