



**LOS ANGELES CONVENTION CENTER
BOARD OF COMMISSIONERS**

Regular Meeting Minutes

**May 7, 2014
9:00 a.m.**

The Los Angeles Convention Center Department Commission (Commission) convened a regular meeting on Wednesday, May 7, 2014 at 9:24 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 Otto Padron
Commissioner Gillian Zucker

Robert R. "Bud" Ovrom, Executive Director
Tom Fields, Assistant General Manager – Operations
Marla Bleavins, Assistant General Manager – Finance & Administration
Cristine Villorante, Recording Secretary
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 of the LACC – AEG
Darren Green, Sr. Vice President of Sales – Los Angeles Tourism & Convention Board
Barbara Kirklighter, Sr. Director of Research & Revenue Strategy – Los Angeles Tourism & Convention Board
Don Skeoch, Chief Marketing Officer – Los Angeles Tourism & Convention Board
William Karz, Director of Digital Marketing – Los Angeles Tourism & Convention Board

Absent:

Vice President Ray Bidenost
Commissioner Nicole Duckett Fricke

(Note: Agenda items were taken out of order. Non-action items were discussed until quorum was met.)

ITEM NO. 4 MONTHLY STATUS REPORTS FOR MARCH 2014

A. AEG

1. Mr. Gessner announced AEG's Employees of the Month and Leader of the Quarter

- Sharon Dean (February Employee of the Month)
- Rocio Valdon (March Employee of the Month)
- Pat Rigali (Leader of the Quarter)

B. LATCB

1. Mr. Skeoch reported on the following:

- The Guardian newspaper, ranked Los Angeles #1 in city branding. Curbed LA has picked up the story and LATCB is working on ways to distribute this story through traditional media and social media.
- Changes on asset, buzz, and comparison to California peer group:

- Earned Media Support: LATCB has more funds to promote and market the City; \$21M in FY12 verses \$40M this year. As a result, Los Angeles was the cover story in GQ, Delta Skyline, United Hemisphere, and Food and Wine magazines.

Comparison: Visit California \$60M, San Francisco \$20M and San Diego \$10M.

* International offices: LATCB 6, Visit California 14

- Owned Media: LATCB doubled its website visitation to 7.1M

Comparison: Visit California 3.6M, San Francisco 4.6M, and San Diego 6.9M

* Los Angeles is the first city to break one million Facebook fans.

Comparison: Los Angeles 1.1M, Visit California 680K, San Francisco 600K, and San Diego 353K

* Travel and Leisure Magazine's SMITTY (Social Media in Travel and Tourism) Awards – LATCB has been nominated for runner up in its global social media efforts. Results will be announced next month.

- Paid Media: Domestic advertising is running in seven cities. For FY 13, a survey was done by SMARI (Strategic Marketing & Research, Inc.) to see how many people actually traveled to Los Angeles. The results showed that .5M

incremental visitors came through LATCB's ad campaign and .25M additional room nights. Internationally, LATCB is in Australia, China and the United Kingdom. China will grow double digits for next five years, largest overseas market.

ITEM NO. 5 EXECUTIVE DIRECTOR'S REPORT

A. Governance Ordinance

Mr. Ovrom reported that the Governance Ordinance has passed through City Council, signed by Mayor Garcetti, and effective June 9, 2014.

B. Action Plan

Mr. Ovrom reported that the Department's Action Plan/Annual Report has been published and thanked LATCB for their professional assistance on the layout, editing, photography clearances, and for paying for the report.

C. FY 14-15 Budget

Ms. Bleavins reported the following:

- Currently, the Budget & Finance Committee is considering the Mayor's budget. There are budget hearings scheduled with all City Departments. The LACC had its hearing last Friday, May 2, 2014, and submitted a supplemental letter to request more funding for Capital Improvement Projects (CIP) which totaled \$5.5M. These 14 CIP projects are critical in staying competitive. The Budget and Finance Committee recommended that these projects be added to the budget. The full City Council will vote on the budget on May 21, 2014.

President Vein recalled the initial CIP cost to be \$10M and asked what major projects will not be taken care of and are there steps that can be made to add those projects in the future.

In response, Mr. Fields stated that the 14 projects listed included everything that was critical or had a sense of urgency and did not have to wait on the outcome of Plan A or Plan B to engage, with the exception of the solar project, which will be taken care of separately.

Ms. Bleavins also added the sidewalk repair was also removed from the list, but will be funded through other means. The City has a lot of broken sidewalks, so LACC's sidewalk repairs will be incorporated into the City's Sidewalk Repair Project.

- Mr. Ovrom added that the Budget and Finance Committee gave the Department budget instructions during the Department's Budget Hearing.
 - Councilmember Koretz asked the Department to report back on how to reduce energy and water consumption.
 - Councilmember Krekorian asked the Department to report back on how to increase filming.
 - The CAO must report back on the Department's basic fundamental financial structure, which will be completed by the first quarter.
 - CAO will report on what will be needed and the cost to put together a Commercial Paper Program for the LACC Department.
 - CAO will report on financing on Plan A verses Plan B.
 - The Department is to report back on the job placements of the former LACC employees.

F. LATCB Contract

Mr. Ovrom reported that the LATCB contract expires on June 30, 2014. A six month extension is being processed. The City has brought in George Fertitta with Bloomberg Consulting to assist on the development of a new contract.

(Note: Quorum was achieved at this point and agenda items resumed its standard order)

ITEM NO. 2 PUBLIC COMMENT

Ms. Dillard expressed her concerns with regards to the current drought and how it will affect the City's decisions relative to infrastructure and the use of bonds.

ITEM NO. 3 APPROVAL OF THE APRIL 23, 2014 MINUTES

The minutes were unanimously approved.

ITEM NO. 4 MONTHLY STATUS REPORTS FOR MARCH 2014 (continued)

A. AEG (continued)

2. 28 events held in March. Highlighted were:
 - LA Marathon Expo
 - California Democratic Convention
 - Feria De La Salud
 - Southern California Volleyball Association
 - 133,000 total attendees
 - Film Shoots

Mr. Gessner recognized Ms. Ellen Schwartz for her efforts in boosting the film shoots which has doubled since last year.

3. Mr. Gessner reported on AEG's budget and highlighted the following:

- Finances are doing well, \$317K above forecast, \$.5M above year-to-date
- Rental is up by \$67K, \$124K above year-to-date
- Food and Beverage down \$26K (due to start-up costs), \$108K below year-to-date
- Utilities on target, slightly off \$10K down (due to implementation of new programs)
- Parking Revenue were \$195K up, \$.5M up year-to-date
- Working on new program for audio visual
- Currently renegotiating cell site contract
- Expenses were held down due to salary savings \$109K better, \$203K better year-to-date
- Tracking well for the year with a projected \$600K deficit verses \$2M deficit reported in November of last year.

President Vein asked how much parking revenue is generated through LACC events verses Staples events. In response, Mr. Keith Hilsgen, AEG's Vice President of Finance, stated that parking averages about \$10K per game.

Commissioner Zucker asked if the \$600K deficit includes the money that can be negotiated through the Auto Show to which Ms. Bleavins affirmed, the deficit would be \$900K without the Auto Show payment.

4. Projects

- Capital Improvement Projects – Researching the possibility of utilizing AEG in the RFP and bid process verses the City process, which can save the City some money.
- Advertising and Sponsorship Proposals – Will have significant revenue impact. There are two sponsors waiting. Currently consulting with the City Attorney due to the bond restrictions.

Ms. Kirklighter commented on LATCB's great post-convention call with National Cable and Telecommunications Association (NTCA). NTCA could not find anything negative to say about their conference. Not only did LATCB and LACC do everything right, it was a one-stop-shop, working well as a team. LATCB is working with NTCA for future events.

President Vein asked if we can market the positive feedback and testimonials. Mr. Skeoch stated that LATCB is mocking up some collateral materials for the LACC, so quotes can be added. Mr. Gessner suggested video tape testimonials as well.

Commissioner Zucker commented that when the City Council approves the CIP projects, the funds can be leveraged against the suppliers and would like to make sure we're exploring every opportunity.

B. LATCB (continued)

2. Mr. Karz demonstrated a virtual tour of the LACC through the LATCB site, which can be iframed into the LACC site as well and can be viewed on smart devices, all through 360 degree view.

Another product LATCB has is wayfinding, via Googlemaps. You can pinpoint your current location and ask how to get to another location within the Convention Center and it plots a course. It's currently available through desktop and through iPhone.

3. Mr. Green presented the LATCB monthly report and highlighted the following:
 - Citywide Events Forecast: 21 in 2015, 28 in 2016
 - Actualized events for the current year include the Association for Supervision and Curriculum Development (one of the larger events), Southern California Volleyball, and National Cable & Telecommunications Association.
 - Upcoming events include Society for Science and the Public and IDG World Expo (E3)
 - Lead production is close to the goal at 152
 - Booked room nights produced has increase by 14K since the last report with 134K year-to-date.
 - Prospects on the books for FY13 is 1.578M room nights, this year is 1.7M room nights.
 - LATCB is diversifying their base of business, going after consumer products, high tech., Harley Davidson and other high end associations.
 - Hotels are doing fairly well across the board, expecting groups that have a premium rate and premium spin.
 - Assist Conventions, Business Meetings and Trade Shows is at 389 year-to-date.
 - Promotional trips are a 5 year-to-day
 - Upcoming key dates:
 - ASAE Springtime, May 14-16
 - D.C. Sales Mission, June 2-6
 - GBTA, July 27-30
 - LATCB Customer Advisory Board, September 7-9
 - IAEE, December 9-11

ITEM NO. 5 EXECUTIVE DIRECTOR'S REPORT (Continued)

D. FY 13-14 Budget

Mr. Bleavins reported that last month, the City Administrative Officer reported LACC's deficit of \$925K in its Quarterly Financial Status Report. If the Auto Show funds come in, it would reduce the deficit to \$650K. The CAO is asking for \$650K from the Reserve Fund cover the deficit.

E. Capital Improvement Projects (CIP)

- Mr. Ovrom commented that this would be the biggest single infusion of cash the LACC has had since the 1993 expansion.
- Mr. Fields reported that the goal is to complete the CIP projects within the fiscal year, so a timeline must be put together. In addition, procurement and project management will be a big part of the process, so a lot of collaboration between AEG and the LACC Department staff.

Commissioners Zucker and Padron asked how we are using this information to leverage the client and promote the LACC. In response, Mr. Green stated that if the City commits to the funding of the CIP projects, that information can be communicated at the LATCB's Advisory Board (where there is customer participation), through word of mouth, incorporated it into collateral packages or a communication piece.

ITEM NO. 6 AGENDA FORECAST / SPECIAL TOPICS

- President Vein suggested going paperless for future meetings.
- Meetings will continue twice a month for the next couple of months and revisit the meeting schedule in the future.

ITEM NO. 8 ADJOURNMENT

The meeting was adjourned at 10:30 a.m.