



BOARD OF LOS ANGELES CONVENTION AND TOURISM DEVELOPMENT

Special Meeting

Wednesday

October 15, 2014

10:30 a.m. or upon conclusion of the Joint Commission Meeting

Los Angeles Convention Center

1201 S. Figueroa Street, L.A. CA 90015

Meeting Room 511

1. Call to Order
2. Public Comment
3. Approval of Discount Request for Society for the Promotion of Japanese Animation – Anime Expo 2015 (Board Report 14-001)

Materials related to an item on this agenda submitted to the Board of Los Angeles Convention and Tourism development after distribution of the agenda packet are available for public inspection in the Executive Office of the Los Angeles Convention Center, 1201 S. Figueroa Street, Los Angeles, CA 90015, during normal business hours.

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

Date: October 14, 2014

To: Board of Los Angeles Convention & Tourism Development Commissioners

From: Robert R. "Bud" Ovrom, Executive Director
Department of Convention and Tourism Development 

Subject: **SOCIETY OF THE PROMOTION OF JAPANESE ANIMATION – ANIME EXPO 2015 DISCOUNT REQUEST**

RECOMMENDATIONS:

Staff recommends that the Board of Los Angeles Convention and Tourism Development Commissioners:

1. Approve a rental discount exception in the amount of \$78,009 submitted by the Los Angeles Tourism and Convention Board (LATCB) for a convention to be hosted by the Society of the Promotion of Japanese Animation (SPJA) - Anime Expo on July 2-5, 2015.

DISCUSSION:

The City has a discount policy that allows LATCB to offer discounts on rental rates for citywide conventions and tradeshow as an incentive. This discount policy was formally codified into the Los Angeles Administrative Code (LAAC) on June 9, 2014 upon adoption by the Mayor and Council of the new governance ordinance for Department of Convention and Tourism Development (CTD). Section 8.149.1 (a) Subparagraph (A) of the LAAC states that "rates may be reduced or waived only where the anticipated Transient Occupancy Tax revenues which reasonably may be attributed to the convention or tradeshow under consideration exceed the total amount reduced or waived."

However, there are exceptions to this requirement. Per LAAC Section 8.149.1 (a) Subparagraph (C):

"Proposed rate reductions or waivers that do not meet the requirement or waivers that do not meet the requirements of Subparagraph A of this section shall not be allowed; provided, however, that proposed rate reductions or waivers may be approved by the Board in the following exceptional circumstances:

- (1) industry-wide and travel association events;
- (2) multi-year licenses; and
- (3) events that present an exceptional opportunity to generate extraordinary revenue or a significant number of visitors."

The SPJA rental discount submitted for your approval is one such exceptional circumstance as described in Section 8.149.1 (a) Subparagraph (C)(2). The SPJA is requesting multi-year licenses for conventions that would take place in each year from 2015 – 2019. LATCB has made an offer to the SPJA to charge rent in the amount of \$1 for the first year of the multi-year agreement. As such, the rental discount requested for the 2015 event exceeds the Transient Occupancy Tax (TOT) the event will produce.

Year	Gross Rental Revenue	Rental Discount Based on TOT	"Exempt" Rental Discount Requested	Net Rental Revenue	Minimum Commercial Value Reflected in Discount Packet
2015	\$306,210	\$228,200	\$78,009	\$1	\$13,110,000

The Board of Los Angeles Convention & Tourism Development Commissioners' (Board) approval to exempt Anime Expo 2015 from the TOT requirement is necessary to proceed with the contracting process. Rent in the subsequent years of the multi-year agreement would be discounted in an amount equal to the expected TOT generated by the convention.

Year	Gross Rental Revenue	Rental Discount	Net Rental Revenue	Minimum Commercial Value Reflected in Discount Packet
2016	\$306,210	\$233,800	\$72,410	\$13,110,000
2017	\$306,210	\$238,000	\$68,210	\$13,110,000
2018	\$306,210	\$242,200	\$64,010	\$13,110,000
2019	\$306,210	\$246,400	\$59,810	\$13,110,000

It is anticipated that the events will generate a minimum of \$66 million in rental revenue and economic impact with a likely increase as Anime Expo expands its show.

CTD staff supports the discount request for Anime Expo due to the significant direct and indirect revenue year over year and the economic impact attributable to the Anime Expo event, their multi-year commitment to Los Angeles and the positive history and excellent relationship between the City and SPJA.

SPJA has indicated that they will execute the 2015, 2016, 2017, 2018, and 2019 contracts upon approval of the discount exemption as requested. Given the significant economic value to the City and the hospitality industry as a result of the five year commitment to Los Angeles, CTD staff recommends approval of this request.

ATTACHMENTS:

1. LATCB Pricing Discount Approval 2015
2. LATCB Pricing Discount Approval 2016
3. LATCB Pricing Discount Approval 2017
4. LATCB Pricing Discount Approval 2018
5. LATCB Pricing Discount Approval 2019
6. LATCB Letter – Multi Year Clause
 - a. LATCB email – Anime Expo memo

LOS ANGELES CONVENTION CENTER PRICING DISCOUNT APPROVAL

LOS ANGELES TOURISM REP: Jeff Leung
DATE: 9/23/2014

ORGANIZATION

NAME: THE SOCIETY FOR THE PROMOTION OF JAPANESE ANIMATION ID#: 21580
CONTACT: Marc Perez TITLE: Board President
ADDRESS: _____ TEL#: _____
CITY: _____ STATE: CA ZIPCODE: _____

MEETING INFORMATION

NAME OF MEETING: ANIME EXPO
OVERALL DATES: June 30 to July 6, 2015
ATTENDANCE: 80,000 GUEST ROOMS: 22,000 TOTAL ROOM NIGHTS: 10,000

CITY ADMINISTRATIVE OFFICE - FINANCIAL PERFORMANCE

RENTAL REVENUE:	<u>\$306,210.00</u>	-	<u>\$306,209.00</u>	=	<u>\$1.00</u>
	Basic Rent		Discount		Discounted Rent
TRANSIENT OCCUPANCY:	<u>\$0.14</u>	X	<u>10,000</u>	X	<u>\$163.00</u>
	TOT		Tot Rm nights		Project Avg Rm Rate
Tax Revenue (TOT)	<u>\$1.00</u>				Tot Revenue
Total City Revenue:	<u>\$1.00</u>	+	<u>\$228,200.00</u>	=	<u>\$228,201.00</u>
	Discounted Rent		TOT Revenue		Total City Revenue
TOTAL COMMERCIAL VALUE:	<u>\$13,110,000.00</u>				
	(\$1,311.00 x TRN)				

Required exhibit space per reservation form: GROSS SQ. FT.: _____ NET SQ. FT.: _____
Exhibit Space: # of Show Days = _____ Additional Move-in/out Days = _____
General Session: # of Session Days = _____ Additional Move-in/out Days = _____
Meeting Rooms: # of Usage Days = _____ Additional Move-in/out Days = _____
LACC RENTAL RATE LOS ANGELES TOURISM DISCOUNT RATE
\$96,000.00 \$1.00 WEST HALL AB

\$160,000.00 SOUTH HALL GHJK

\$24,000.00 CONCOURSE HALL

\$18,000.00 PETREE HALL

\$8,210.00 MEETING ROOM CHARGE:

REVENUE THROUGH LACC RATE STRUCTURE \$306,210.00
REVENUE THROUGH DISCOUNTED LACC RATE STRUCTURE \$1.00

LACC APPROVAL: Thomas Fields, COO & Assistant General Manager

Date: 10/10/14

LOS ANGELES TOURISM APPROVAL: Kathy McAdams, Vice President, Citywide Convention Sales

Date: 10-8-14

CITY ADMINISTRATIVE OFFICE APPROVAL: _____

DATE: _____ TITLE: _____

LOS ANGELES CONVENTION CENTER PRICING DISCOUNT APPROVAL

LOS ANGELES TOURISM REP: Jeff Leung
DATE: 9/23/2014

ORGANIZATION

NAME: THE SOCIETY FOR THE PROMOTION OF JAPANESE ANIMATION ID#: 21581
CONTACT: Marc Perez TITLE: Board President
ADDRESS: _____ TEL#: _____
CITY: 1 STATE: CA ZIP CODE: _____

MEETING INFORMATION

NAME OF MEETING: ANIME EXPO
OVERALL DATES: June 29 to July 5, 2016
ATTENDANCE: 80,000 GUEST ROOMS: 22,000 TOTAL ROOM NIGHTS: 10,000

CITY ADMINISTRATIVE OFFICE - FINANCIAL PERFORMANCE

RENTAL REVENUE:	<u>\$306,210.00</u>	-	<u>\$233,800.00</u>	=	<u>\$72,410.00</u>
	Basic Rent		Discount		Discounted Rent
TRANSIENT OCCUPANCY:	<u>\$0.14</u>	X	<u>10,000</u>	=	<u>\$1,311.00</u>
Tax Revenue (TOT)	TOT		Tot Rm nights		Project Avg Rm Rate
Total City Revenue:	<u>\$72,410.00</u>	+	<u>\$233,800.00</u>	=	<u>\$306,210.00</u>
	Discounted Rent		TOT Revenue		Total City Revenue
TOTAL COMMERCIAL VALUE:	<u>\$13,110,000.00</u>				
	(\$1,311.00 x TRN)				

Required exhibit space per reservation form: GROSS SQ. FT.: _____ NET SQ. FT.: _____
Exhibit Space: # of Show Days = _____ Additional Move-in/out Days = _____
General Session: # of Session Days = _____ Additional Move-in/out Days = _____
Meeting Rooms: # of Usage Days = _____ Additional Move-in/out Days = _____

<u>LACC RENTAL RATE</u>	<u>LOS ANGELES TOURISM DISCOUNT RATE</u>	
<u>\$96,000.00</u>	<u>\$72,410.00</u>	<u>WEST HALL AB</u>
_____	_____	ADDITIONAL MOVE-IN/OUT DAYS
<u>\$160,000.00</u>	_____	<u>SOUTH HALL GHJK</u>
_____	_____	ADDITIONAL MOVE-IN/OUT DAYS
_____	_____	<u>KENTIA HALL</u>
_____	_____	ADDITIONAL MOVE-IN/OUT DAYS
<u>\$24,000.00</u>	_____	<u>CONCOURSE HALL</u>
_____	_____	ADDITIONAL MOVE-IN/OUT DAYS
<u>\$18,000.00</u>	_____	<u>PETREE HALL</u>
_____	_____	ADDITIONAL MOVE-IN/OUT DAYS
<u>\$8,210.00</u>	_____	<u>MEETING ROOM CHARGE:</u>
_____	_____	(Less % Meeting Room Discount)
_____	_____	ADDITIONAL MOVE-IN/OUT DAYS

REVENUE THROUGH LACC RATE STRUCTURE..... \$306,210.00
REVENUE THROUGH DISCOUNTED LACC RATE STRUCTURE..... \$72,410.00

LACC APPROVAL: Thomas Fields, COO & Assistant General Manager Date: 10/10/14
LOS ANGELES TOURISM APPROVAL: Kathy McAdams, Vice President, Citywide Convention Sales Date: 9-25-14

CITY ADMINISTRATIVE OFFICE APPROVAL: _____
DATE: _____ TITLE: _____



LOS ANGELES CONVENTION CENTER PRICING DISCOUNT APPROVAL

LOS ANGELES TOURISM REP: Jeff Leung
DATE: 9/23/2014

ORGANIZATION

NAME: THE SOCIETY FOR THE PROMOTION OF JAPANESE ANIMATION ID#: 21582
CONTACT: Marc Perez TITLE: Board President
ADDRESS: _____ TEL#: _____
CITY: ANA STATE: CA ZIPCODE: 92701

MEETING INFORMATION

NAME OF MEETING: ANIME EXPO
OVERALL DATES: June 27 to July 3, 2017
ATTENDANCE: 80,000 GUEST ROOMS: 22,000 TOTAL ROOM NIGHTS: 10,000

FINANCIAL PERFORMANCE

RENTAL REVENUE:	<u>\$306,210.00</u>	- <u>\$238,000.00</u>	= <u>\$68,210.00</u>
	Basic Rent	Discount	Discounted Rent
TRANSIENT OCCUPANCY:	<u>\$0.14</u>	X <u>10,000</u>	= <u>\$238,000.00</u>
Tax Revenue (TOT)	TOT	Tot Rm nights	Project Avg Rm Rate
Total City Revenue:	<u>\$68,210.00</u>	+ <u>\$238,000.00</u>	= <u>\$306,210.00</u>
	Discounted Rent	TOT Revenue	Total City Revenue
TOTAL COMMERCIAL VALUE:	<u>\$13,110,000.00</u>		
	(<u>\$1,311.00</u> x TRN)		

Required exhibit space per reservation form: GROSS SQ. FT.: _____ NET SQ. FT.: _____

LACC RENTAL RATE
\$96,000.00

LOS ANGELES TOURISM DISCOUNT RATE
\$88,210.00

\$160,000.00

\$24,000.00

\$18,000.00

\$8,210.00

REVENUE THROUGH LACC RATE STRUCTURE
REVENUE THROUGH DISCOUNTED LACC RATE STRUCTURE

LACC APPROVAL: Thomas Fields, COO & Assistant General Manager

LOS ANGELES TOURISM APPROVAL: Kathy McAdams, Vice President, Citywide Convention Sales

EXECUTIVE DIRECTOR APPROVAL: Robert R. "Bud" Ovrom, Executive Director

WEST HALL AB

ADDITIONAL MOVE-IN/OUT DAYS

SOUTH HALL GHJK

ADDITIONAL MOVE-IN/OUT DAYS

KENTIA HALL _____

ADDITIONAL MOVE-IN/OUT DAYS

CONCOURSE HALL _____

ADDITIONAL MOVE-IN/OUT DAYS

PETREE HALL _____

ADDITIONAL MOVE-IN/OUT DAYS

MEETING ROOM CHARGE:
(Less % Meeting Room Discount)

ADDITIONAL MOVE-IN/OUT DAYS

\$306,210.00

\$68,210.00

Date: 10/10/14

Date: 9-25-14

Date: _____

**LOS ANGELES CONVENTION CENTER
PRICING DISCOUNT APPROVAL**

LOS ANGELES TOURISM REP: Jeff Leung
DATE: 9/23/2014

ORGANIZATION

NAME: THE SOCIETY FOR THE PROMOTION OF JAPANESE ANIMATION ID#: 21583
CONTACT: Marc Perez TITLE: Board President
ADDRESS: _____ TEL#: _____
CITY: _____ STATE: CA ZIP CODE: _____

MEETING INFORMATION

NAME OF MEETING: ANIME EXPO
OVERALL DATES: July 3 to 9, 2018
ATTENDANCE: 80,000 GUEST ROOMS: 22,000 TOTAL ROOM NIGHTS: 10,000

CITY ADMINISTRATIVE OFFICE - FINANCIAL PERFORMANCE

RENTAL REVENUE:	<u>\$306,210.00</u>	-	<u>\$242,200.00</u>	=	<u>\$64,010.00</u>		
	Basic Rent		Discount		Discounted Rent		
TRANSIENT OCCUPANCY:	<u>\$0.14</u>	X	<u>10,000</u>	X	<u>\$173.00</u>	=	<u>\$242,200.00</u>
Tax Revenue (TOT)	TOT		Tot Rm nights		Project Avg Rm Rate		Tot Revenue
Total City Revenue:	<u>\$64,010.00</u>		<u>\$242,200.00</u>		<u>\$306,210.00</u>		<u>\$306,210.00</u>
	Discounted Rent		TOT Revenue		Total City Revenue		
TOTAL COMMERCIAL VALUE:	<u>\$13,110,000.00</u>						
	(\$1,311.00 x TRN)						

Required exhibit space per reservation form: GROSS SQ. FT.: _____ NET SQ. FT.: _____
Exhibit Space: # of Show Days = _____ Additional Move-in/out Days = _____
General Session: # of Session Days = _____ Additional Move-in/out Days = _____
Meeting Rooms: # of Usage Days = _____ Additional Move-in/out Days = _____

<u>LACC RENTAL RATE</u>	<u>LOS ANGELES TOURISM DISCOUNT RATE</u>	
<u>\$96,000.00</u>	<u>\$64,010.00</u>	WEST HALL AB
		ADDITIONAL MOVE-IN/OUT DAYS
<u>\$160,000.00</u>		SOUTH HALL GHJK
		ADDITIONAL MOVE-IN/OUT DAYS
		KENTIA HALL
		ADDITIONAL MOVE-IN/OUT DAYS
<u>\$24,000.00</u>		CONCOURSE HALL
		ADDITIONAL MOVE-IN/OUT DAYS
<u>\$18,000.00</u>		PETREE HALL
		ADDITIONAL MOVE-IN/OUT DAYS
<u>\$8,210.00</u>		MEETING ROOM CHARGE:
		(Less % Meeting Room Discount)
		ADDITIONAL MOVE-IN/OUT DAYS

REVENUE THROUGH LACC RATE STRUCTURE.....	<u>\$306,210.00</u>
REVENUE THROUGH DISCOUNTED LACC RATE STRUCTURE.....	<u>\$64,010.00</u>

LACC APPROVAL: Thomas Fields, COO & Assistant General Manager Date: 10/10/14
LOS ANGELES TOURISM APPROVAL: Kathy McAdams, Vice President, Citywide Date: 9.25.14
Convention Sales

CITY ADMINISTRATIVE OFFICE APPROVAL: _____

DATE: _____ TITLE: _____

LOS ANGELES CONVENTION CENTER PRICING DISCOUNT APPROVAL

LOS ANGELES TOURISM REP: Jeff Leung
DATE: 9/23/2014

ORGANIZATION

NAME: THE SOCIETY FOR THE PROMOTION OF JAPANESE ANIMATION ID#: 23479
CONTACT: Marc Perez TITLE: Board President
ADDRESS: _____ TEL#: _____
CITY: _____ STATE: CA ZIP CODE: _____

MEETING INFORMATION

NAME OF MEETING: ANIME EXPO
OVERALL DATES: July 2 to 8, 2019
ATTENDANCE: 80,000 GUEST ROOMS: 22,000 TOTAL ROOM NIGHTS: 10,000

CITY ADMINISTRATIVE OFFICE - FINANCIAL PERFORMANCE

RENTAL REVENUE:	<u>\$306,210.00</u>	-	<u>\$246,400.00</u>	=	<u>\$59,810.00</u>
	Basic Rent		Discount		Discounted Rent
TRANSIENT OCCUPANCY:	<u>\$0.14</u>	X	<u>10,000</u>	X	<u>\$176.00</u>
	TOT		Tot Rm nights		Project Avg Rm Rate
Tax Revenue (TOT)	<u>\$59,810.00</u>		<u>\$246,400.00</u>		<u>\$306,210.00</u>
Total City Revenue:	<u>\$59,810.00</u>		<u>\$246,400.00</u>		<u>\$306,210.00</u>
	Discounted Rent		TOT Revenue		Total City Revenue
TOTAL COMMERCIAL VALUE:	<u>\$13,110,000.00</u>				
	(\$1,311.00 x TRN)				

Required exhibit space per reservation form: GROSS SQ. FT.: _____ NET SQ. FT.: _____
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Meeting Rooms: # of Usage Days = _____ Additional Move-in/out Days = _____
LACC RENTAL RATE LOS ANGELES TOURISM DISCOUNT RATE
\$96,000.00 \$59,810.00 WEST HALL AB

\$160,000.00

ADDITIONAL MOVE-IN/OUT DAYS

SOUTH HALL GHJK

ADDITIONAL MOVE-IN/OUT DAYS

KENTIA HALL

ADDITIONAL MOVE-IN/OUT DAYS

\$24,000.00

CONCOURSE HALL

ADDITIONAL MOVE-IN/OUT DAYS

\$18,000.00

PETREE HALL

ADDITIONAL MOVE-IN/OUT DAYS

\$8,210.00

MEETING ROOM CHARGE:

(Less % Meeting Room Discount)

ADDITIONAL MOVE-IN/OUT DAYS

REVENUE THROUGH LACC RATE STRUCTURE.....
REVENUE THROUGH DISCOUNTED LACC RATE STRUCTURE.....

\$306,210.00
\$59,810.00

LACC APPROVAL: Thomas Fields, COO & Assistant General Manager

Date: 10/10/14

LOS ANGELES TOURISM APPROVAL: Kathy McAdams, Vice President, Citywide Convention Sales

Date: 9-25-14

CITY ADMINISTRATIVE OFFICE APPROVAL: _____

DATE: _____ TITLE: _____



MEMORANDUM

DATE: October 10, 2014

TO: Tom Fields
Chief Operating Officer / Assistant General Manager
Los Angeles Department of Convention and Tourism Development

FR: Darren K. Green, Senior Vice President, Sales
Los Angeles Tourism and Convention Board

RE: Anime Expo

The Los Angeles Tourism & Convention Board is exercising the Multi-Year License Clause from the Discount Policy to be applied to the Society for the Promotion of Japanese Animation's (SPJA) 2015 Anime Expo based on the below:

- Event dates are over July 4th.
- Growth of attendance from years past.
- Growth of total room nights from years past.
- SPJA signing License Agreements for 2015-2019.
- Anaheim aggressively pursuing the SPJA to host Anime Expo starting in 2016.

Sincerely,

A handwritten signature in black ink, appearing to read "Darren K. Green". The signature is fluid and cursive, with a long horizontal stroke at the end.

Darren K. Green
Senior Vice President, Sales
Los Angeles Tourism & Convention Board



Tom Fields <tom.fields@lacity.org>

FW: Anime Expo memo

Green, Darren K. <dgreen@latourism.org>

Fri, Oct 10, 2014 at 2:54 PM

To: Tom Fields <tom.fields@lacity.org>

Cc: "Wooden Jr., Ernest" <ewooden@latourism.org>, "McAdams, Kathy" <kmcadams@latourism.org>

Tom,

The Los Angeles Tourism & Convention Board is exercising the Multi-Year License Clause from the Discount Policy to be applied to the Society for the Promotion of Japanese Animation's (SPJA) 2015 Anime Expo based on the below:

- Event dates are over July 4th.
- Growth of attendance from years past.
- Growth of total room nights from years past.
- SPJA signing License Agreements for 2015-2019.
- Anaheim aggressively pursuing the SPJA to host Anime Expo starting in 2016.

From page 5, Section VIII of the Los Angeles Convention Center Discount Policy attached

Multi-Year Licenses. As an incentive for organizations to make a commitment to return their event to the LACC within five years of their first Los Angeles event, the LACVB may offer up to a 100% discount on rental fees for the first event provided in a multi-year License, without consideration of the estimated TOT the event will generate. Discounts provided for subsequent events under the License may not exceed the estimated TOT the subsequent events will generate and will be subject to all other Discount Policy requirements.

If a multi-year incentive is offered, it will be based on minimum performance standards that will be established at the time of negotiation and Licensing. Should these not be met, all terms for future events included in the multi-year agreement are subject to renegotiation.

Thanks and let me know if you have any questions,

Darren

Darren Green

Senior Vice President, Sales

LOS ANGELES TOURISM & CONVENTION BOARD

333 S. Hope Street, 18th Fl., Los Angeles, CA 90071

T 213.236.2359


C 646.345.0781

F 213.626.0264

Los Angeles



And please consider the environment

 **Discount Policy.pdf**
1746K

CITY OF LOS ANGELES
INTER-DEPARTMENTAL CORRESPONDENCE

TRANSMITTAL

To: Los Angeles Department of Convention & Tourism Development

From: Board of Los Angeles Department of Convention &
Tourism Development Commissioners

Subject: **Rental Discount Request - Report No. 14-001**

**Rental Discount Request for Anime Expo between
Society of the Promotion of Japanese Animation,
Los Angeles Department of Convention & Tourism Development,
and the LA Tourism and Convention Board**

Rental discount request is approved and transmitted for further processing.

Jon Vein, President
Board of Los Angeles Department of Convention &
Tourism Development Commissioners