

WELCOME TO THE CTD COMMISSION MEETING

May 18, 2022





CITY TOURISM COMMISSION



Commissioners: Jon F. Vein, President; Otto Padron, Vice President;
Bricia Lopez; David Stone; Germonique Ulmer

Members of the public who wish to speak during the meeting must submit a "Request to Speak" form to the Board Secretary prior to the commencement of the public comments for each agenda item of interest. Comments by the public on matters not identified on the agenda, but within the subject matter jurisdiction of the Commission, will be heard only during the item designated as "Public Comment." Public speaking will be limited to one minute per speaker.

Regular Meeting
Wednesday, May 18, 2022
9:00 a.m.

Dial in number:
1-669-254-5252
Meeting ID: 160 661 2026

1. CALL TO ORDER / ROLL CALL

2. COMMENTS FROM THE PUBLIC

- a. General and Agenda Item Public Comments
To make a public comment, dial the number again, enter the meeting ID#, then press *9. Limit is one minute per speaker, per item.
- b. Neighborhood Council representatives on any Neighborhood Council Resolution or Community Impact Statement filed with the City Clerk which relate to any agenda item listed or being considered on this agenda for the City Tourism Commission.

3. APPROVE MINUTES

- a. Approval of the regular meeting minutes from April 20, 2022

4. REPORTS

- a. Executive Director Report
- b. ASM Update
- c. LATCB Update

5. ACTION ITEMS

- a. Findings to Continue Teleconference Meetings Pursuant to AB 361
Determination in accordance with AB 361 Section 3(e)(3) that, while the state of emergency due to the Covid-19 pandemic, as originally proclaimed by the Governor on March 4, 2020, remains active and/or state or local officials have imposed or recommended measures to promote social distancing, this legislative body has reconsidered the circumstances of the state of emergency and that the state of emergency continues to directly impact the ability of the members to meet safely in person and/or state or local officials continue to impose or recommend measures to promote social distancing.

6. ADJOURNMENT

Materials related to an item on this agenda submitted to the City Tourism Commission 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 TOURISM COMMISSION



Commissioners: Jon F. Vein, President; Otto Padron, Vice President;
Bricia Lopez; David Stone; Germonique Ulmer

NOTICE TO PAID REPRESENTATIVES

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code 48.01 et seq. More information is available at ethics.lacity.org/lobbying. For assistance, please contact the Ethics Commission at (213) 987-1960 or ethics.commission@lacity.org.

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Item 3a

Approval of the

April 20, 2022 Minutes



CITY TOURISM COMMISSION

Regular Meeting Minutes
April 20, 2022

The Board of City Tourism Commissioners (Board) convened a regular meeting on Wednesday, April 20, 2022 at 9:00 a.m. via Zoom.

PRESENT:

President Jon F. Vein
Commissioner David Stone
Commissioner Germonique Ulmer

ABSENT:

Vice President Otto Padron
Commissioner Bricia Lopez

PRESENTERS:

Ellen Schwartz, ASM
Ben Zarhoud, ASM
Christina Oh, CTD
Darren Green, LATCB

Item 1. Call to Order / Roll Call

President Vein called the meeting to order at 9:01 a.m.

Item 2a. Public Comment – Reopened at 9:07

One member of the public invited the Commissioners and attendees to a public meeting scheduled on May 4 & 5 regarding the Mayor's proposed budget item, Housing and Community Development Consolidated Plan.

Item 2b. Neighborhood Council

None

Item 3a. Approval of the special meeting minutes from March 23, 2022

UNANIMOUSLY APPROVED

Item 4a. Executive Director Report

Ms. Tina Oh, Deputy Executive Director, provided an overview of her activities, which included: the first meeting of the Tourism Cabinet; press conference at the SoFi Stadium announcing that Los Angeles will be hosting the 2023 College Football Playoff National Championship on Jan. 9, 2023; and updated the Board about the upcoming Summit of the Americas which Los Angeles will host the week of June 6, 2022.

Item 4b. ASM Monthly Update

Ms. Schwartz reported four events, including one filming. Ms. Schwartz presented a video highlighting the Super Bowl Experience. Mr. Zarhoud presented the financial data for February, reporting an operating surplus of \$2.6M and \$7.9M in gross revenue, noting the Super Bowl Experience produced better than expected and the increased number of concerts and games on the campus. Mr. Zarhoud also reported \$1.6M in operating expenses, and that the February Exhibit Hall occupancy was 65%, which was a result of the Super Bowl Experience, as compared to last year which had very little activity.

Item 4c. LATCB Monthly Update

Mr. Darren Green reported that LATCB has processed 70 leads YTD and booked 174,490 room nights, with year-end goals of 176 leads and 225,000 projected room nights, noting that five 2022 events cancelled but were augmented by three new bookings for the same year and that additional future years events have or may cancelled due to the lack of expanding the Center. Mr. Green provided a summary of the results of the Cvent Meeting Industry Pulse Survey noting that while planners are optimistic and confidence in safe in-person meetings is up, rates, F&B costs, and staffing are still a concern. Mr. Green added that lead activity is up dramatically from last year and site inspections increased by 464% compared to the same time last year. Ms. Patti MacJennett provided an overview of the US Travel/Destination Capital Hill meeting which included four key areas where congressional support is needed, which includes inbound international travel and the challenging passport renewal process.

Item 5a: Findings to Continue Teleconference Meetings Pursuant to AB 361

Ms. Kimberly Miera informed the Board that the Brown Act included teleconference provisions and that Governor Newsom eased the requirements during the pandemic. Ms. Miera stated that AB 361 allows legislative bodies to consider circumstances that impact the ability of members to meet safely in person and that the item must be considered every 30 days.

THE BOARD UNANIMOUSLY APPROVED CONTINUING THE ABILITY TO HAVE VIRTUAL COMMISSION MEETINGS.

ADJOURNMENT

The meeting was adjourned at 9:41 a.m. without objection.

Item 4a

Executive Director's Report



Item 4b

ASM Update



LOS ANGELES CONVENTION CENTER MONTHLY UPDATE FOR

MARCH 2022

ELLEN SCHWARTZ



LACC MARCH 2022 EVENTS

MAR 3 - 4
ABILITIES EXPO
5,500

MAR 5 - 6
WORLD CLASS CHEERLEADING
6,000

MAR 5
GLAMOUR GOWNS AND SUIT UP
500

MAR 10 - 13
SOCIETY FOR BRAIN MAPPING
AND THERAPEUTICS
200

MAR 12 - 13
TRAVEL & ADVENTURE SHOW
11,500

MAR 13
California Bridal & Wedding Expo
3,000

MAR 19 - 24
USCAP 2022
2,000

MAR 26
The Model Experience
2,500

MAR 29 - 31
NFT
12,200

TOTAL ATTENDEES
43,400

LACC MARCH 2022 EVENTS

MARCH EVENT RECAP

IN CASE YOU MISSED IT

USCAP ANNUAL CONFERENCE



Security Coordinator, **Jasmine Mendoza** takes the opportunity to "Create a Teddy Bear" alongside attendees for the children of the LA Ronald McDonald House.

Event Manager, **Richard Serna**, was asked to help lead the students from USCAP's mentorship program through the exhibit hall as he discussed his role in the event.

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THE ABILITIES EXPO

The LACC Team of staff and partners worked together to seamlessly welcome back the familiar faces and crowds that came out for the Abilities Expo. LACC's parking and security teams put on their Guest Services hats and helped lead guests in through the various entry points. This event always showcases LACC's ENCORE spirit!

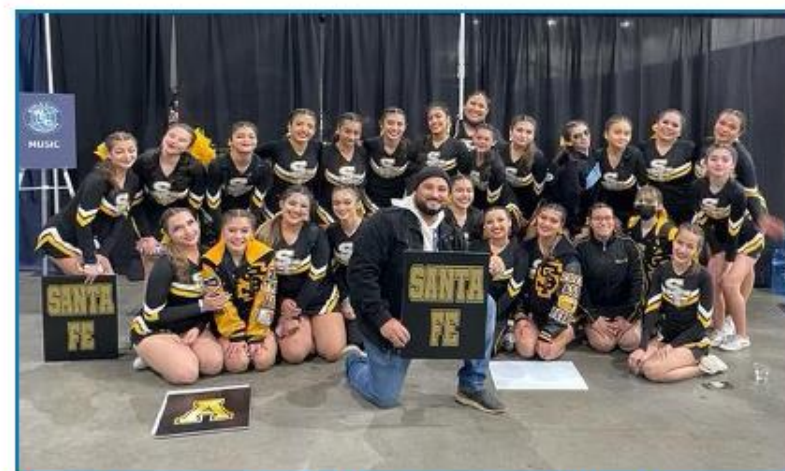


ABM Employee and LACC's resident magician **Kenneth Wyrick** ensures attendees leave with a WOW moment as he performs his favorite magic tricks.

TRAVEL & ADVENTURE SHOW



WORLD CLASS CHEER



Event Manager, **Sean Najarro** poses with his alma mater high school cheer team after their turn on stage.

LACC MARCH 2022 FILMING & PARKING

<u>DATES</u>	<u>NAME</u>	<u>LOCATION</u>	<u>AMOUNT</u>
Mar. 7 – 8	Crypto.com	Bond Lot	\$8,000
Mar. 19	Infiniti Commercial	Kentia Hall, Dock, Pico Dr., Figueroa Dr.	\$13,100
Mar. 22 – 23	Perry Mason	South Garage	\$5,400
Mar. 23	Hungryman	Bond Lot	\$5,000
		TOTAL:	\$31,500

LACC March 2022 FINANCIALS

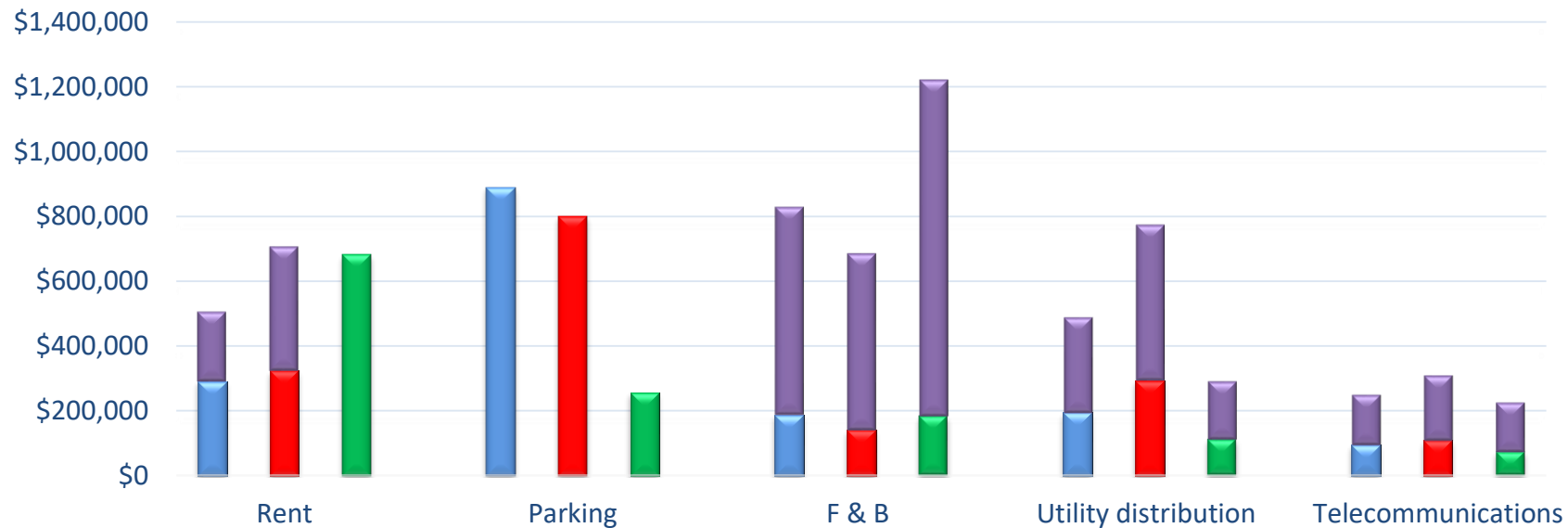
OPERATING SURPLUS (LOSS):

- \$0.5 million (before approved City Reimbursements, A & I and Capital Projects)
- \$0.7 million above budget
- \$0.2 million below prior year

REVENUES:

- \$3.9 million gross revenue (before discounts and service provider share)
- \$1.9 million net revenue
- \$0.3 million above budget and \$0.4 million above prior year

LACC Revenues

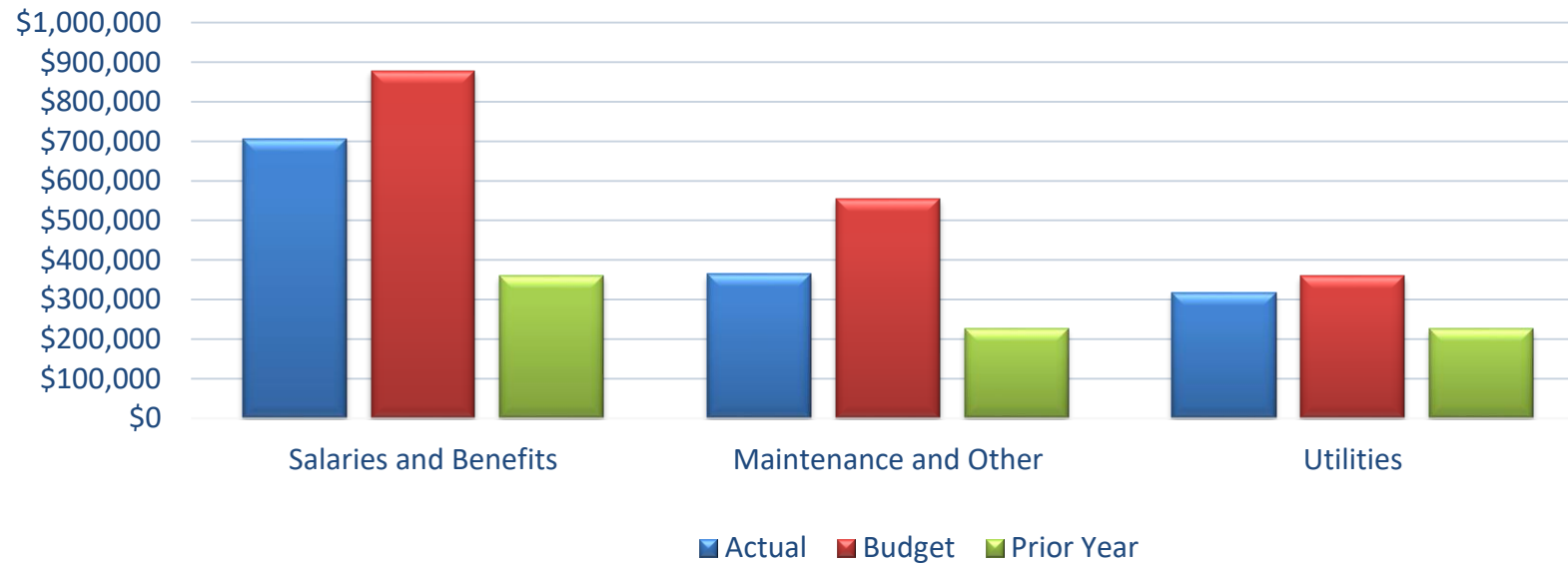


■ Net Revenue - Current Year ■ Net Revenue - Budget ■ Net Revenue - Prior Year ■ Vendor Share / Discount / Expenses

LACC March 2022 FINANCIALS

OPERATING EXPENSES:

- \$1.4 million (before approved A & I, Capital Projects, and City reimbursement)
- \$0.4 million below budget and \$0.6 million above prior year



CITY REIMBURSEMENT - \$0.1 million

Capital and Alterations & Improvements

LACC March 2022 OCCUPANCY

Exhibit Hall Occupancy

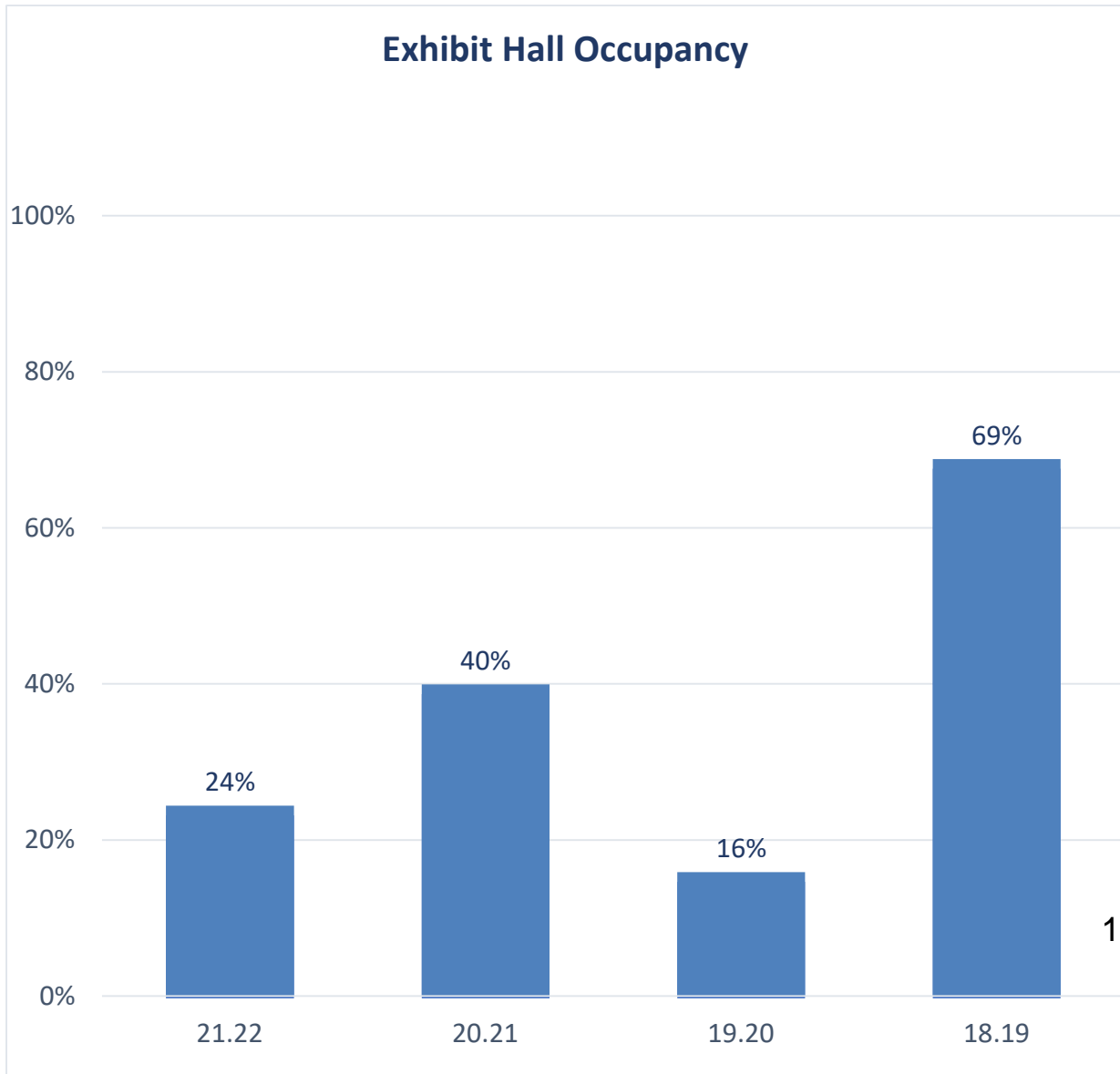
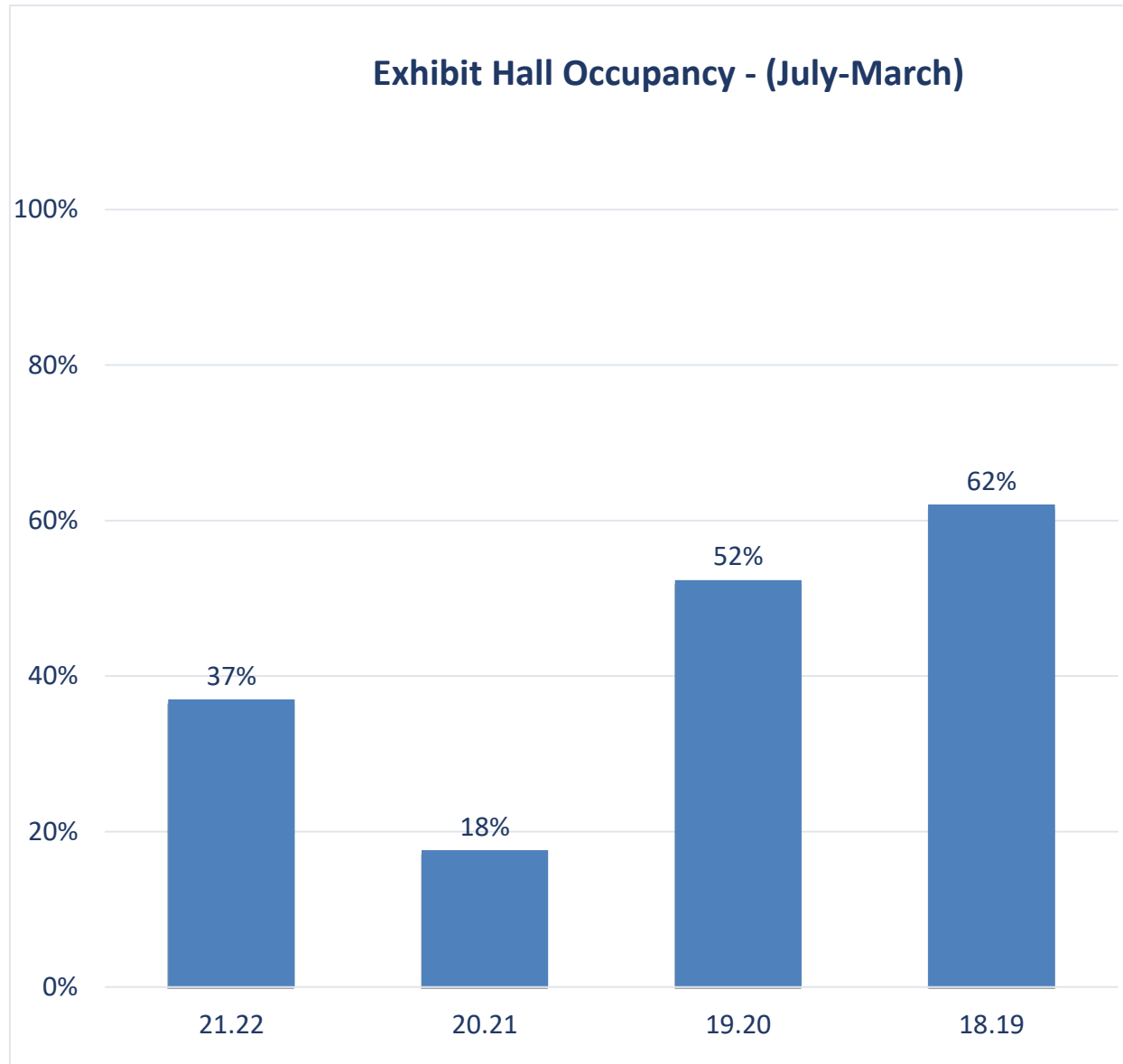


Exhibit Hall Occupancy - (July-March)



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Item 4c

LATCB Update



CTD Board of Commissioners

May 18, 2022

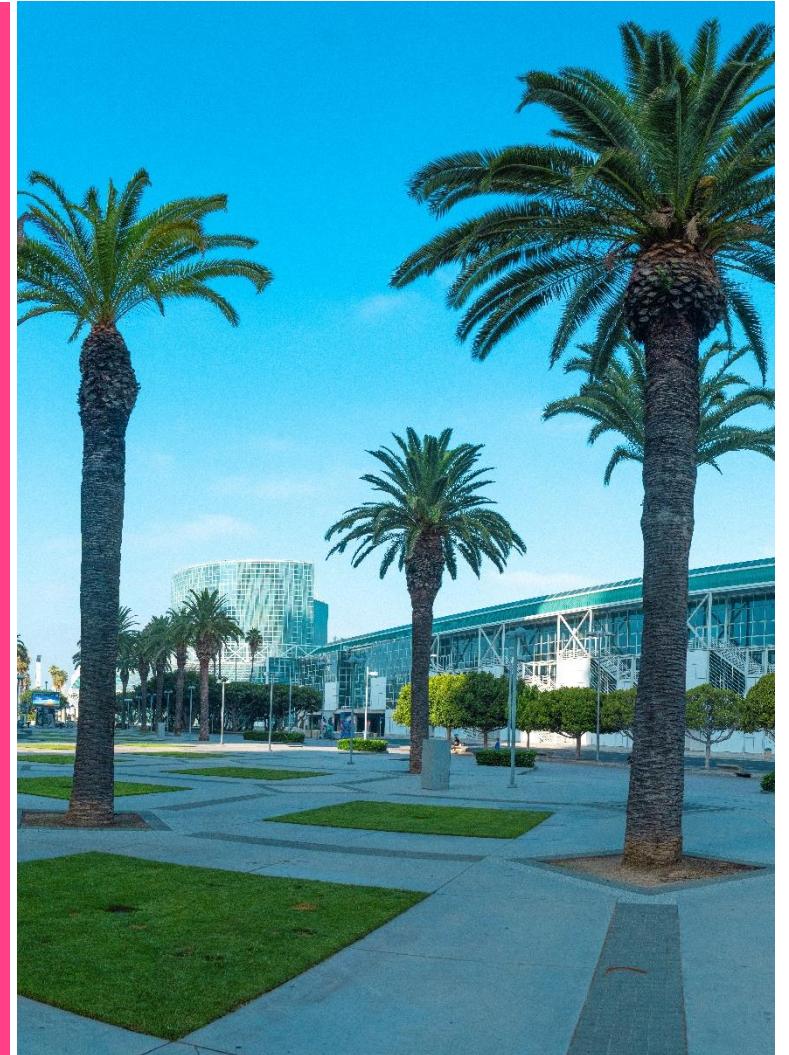


Los Angeles Tourism & Convention Board



SALES UPDATES

Darren K Green
Chief Sales Officer



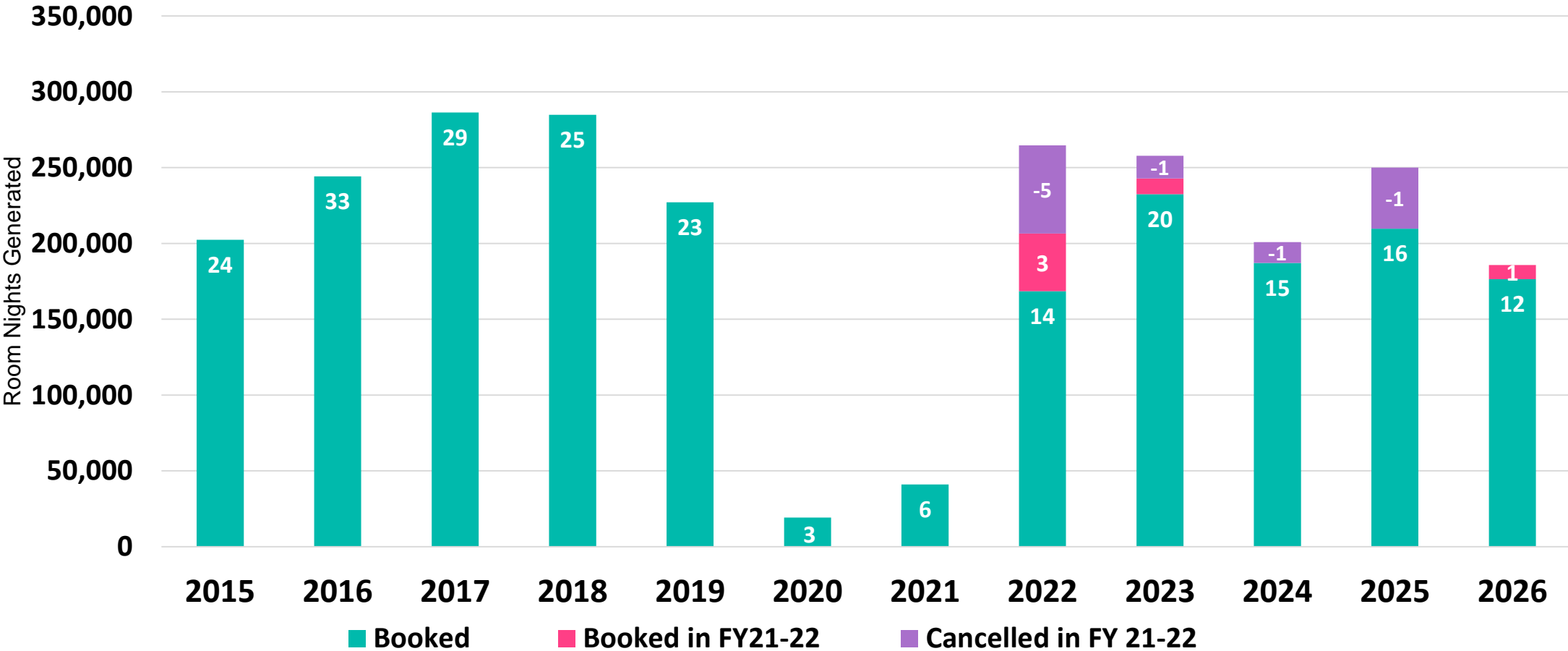
CITYWIDE CONVENTION SALES

YTD FY21/22 PRODUCTION RESULTS

Lead Production	Leads Actual
FY 21/22 Goal	176
FY 21/22 YTD	98
FY 20/21 STLY	65

Booked Room Nights Produced	RNs Actual
FY 21/22 Goal	225,000
FY 21/22 YTD	177,390
FY 20/21 STLY	251,844

CITYWIDE CONVENTION BOOKED ROOM NIGHTS 2015-2026 CALENDAR YEAR ARRIVAL DATE



Dated May 12, 2022



CITYWIDE CONVENTION PIPELINE

YEAR	RNs	Last Update Variance
2022	0	-39,170
2023	66,234	23,595
2024	173,224	88,011

YEAR	RNs	Last Update Variance
2025	170,758	128,499
2026	111,128	49,045
2027	149,721	141,541

Dated May 12, 2022

Foundation for Strategic Planning Process





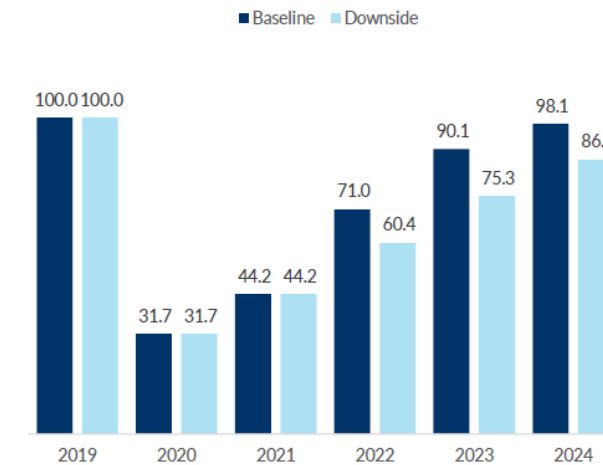
CLIMATE – GROUP SALES

Overview of Citywide & Hotel Sales Group Business

Climate – Group Business

- Overall RFP volumes continue to improve
- Conversions up, cancellations down
- Corporate meetings has now increased to 69.6 percent of group business
- Legislation is becoming more important; several associations can't go to states with legislation that prohibits inclusion
- 2023 to 2025 corporate and event planning budget anticipated to increase

Group demand benchmark: US aggregate
Index (2019=100)



Source: 25 Synergize FuturePace; Tourism Economics

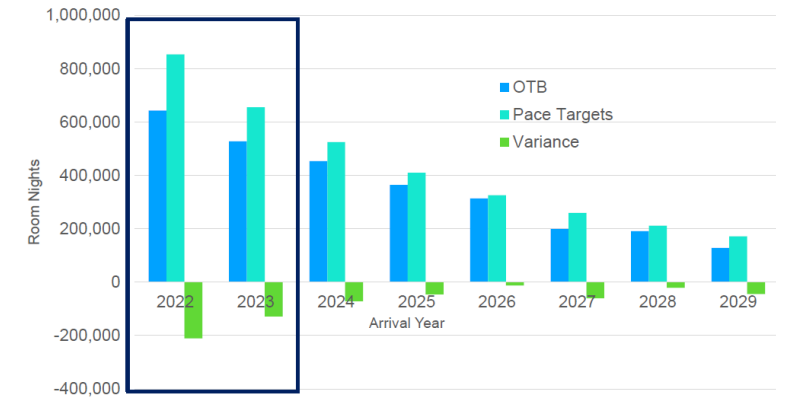
Group market recovery scenarios vary. Market dynamics differ by region

Group-oriented hotels, northern markets, and global gateway cities reliant on inbound international travel are projected to lag in performance.

Tertiary markets continue to hold post-COVID share.

Segment: 500K+ GSF

FuturePace Averages to 2017-2019 YE Goal



Group room nights on the books compared to pace targets

Group forecasts for most major destinations has been revised downward since beginning of the year reflecting slower pace and cancellations.

Los Angeles Market-Group Recovery Trends & Observations

Los Angeles group recovery has been driven by a resurgence in smaller sized, corporate group business.

RFP's for groups are 40%-60% smaller in terms of room nights and attendees.



Top Segments

Top RFP Segments: -
Corporate 67% -
Association 8%

remainder Non-Profit,
Social/Leisure,
Education



Emerging Markets

Healthcare,
Pharmaceuticals, and
Biotech are the leading
group of meeting
planners sourcing Los
Angeles

– top planner states NJ,
CA, PA



3rd Party Planners

+80% of meeting
planners sending
RFPs are 3rd party
planners



Opportunities

Corporate segment is
leading RFP volume &
group recovery

– opportunity exists to
partner & book more
small corporate groups



New & Unique Venues

More clients requesting new
and unique venues, outdoor
and open air as opposed to
traditional meetings spaces

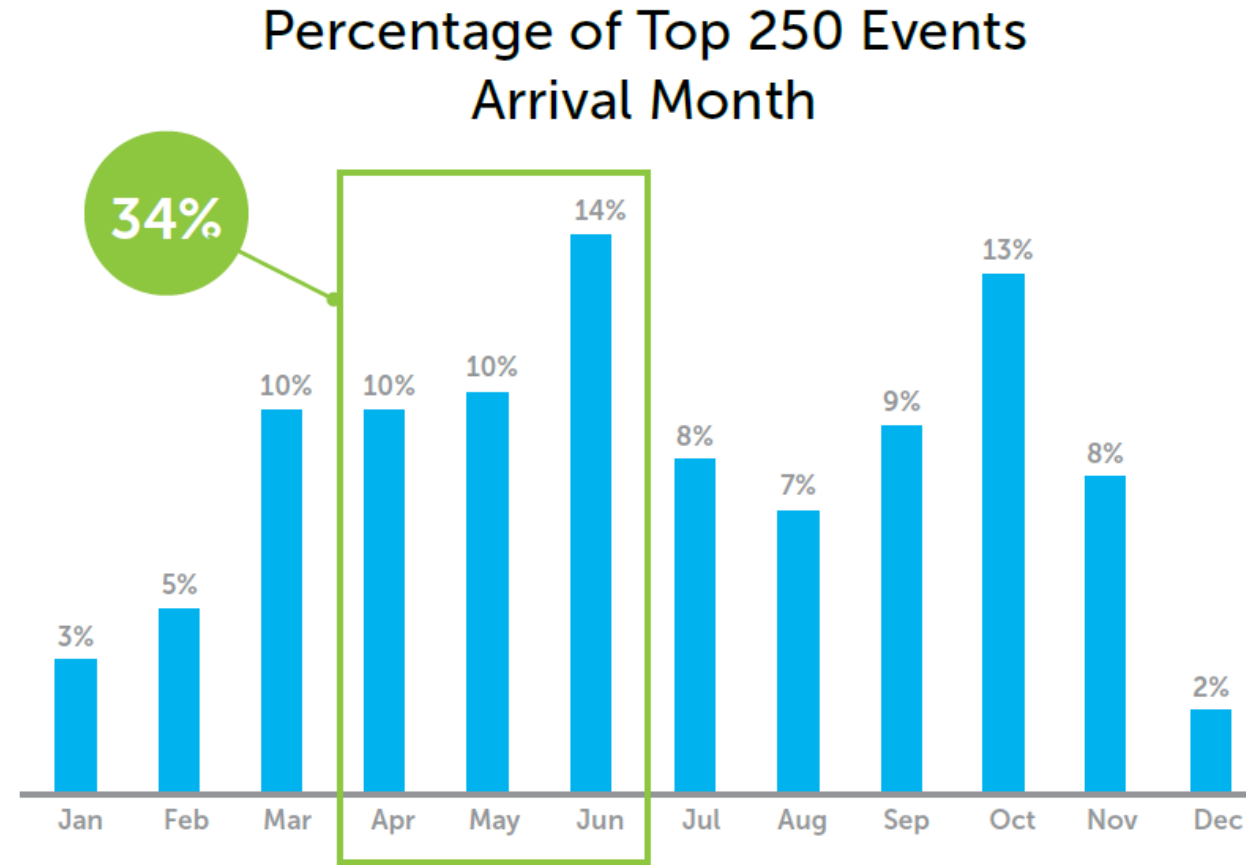


CUSTOMER – GROUP SALES

Overview of Citywide & Hotel Sales Customer and Positioning

Customer – Group Business

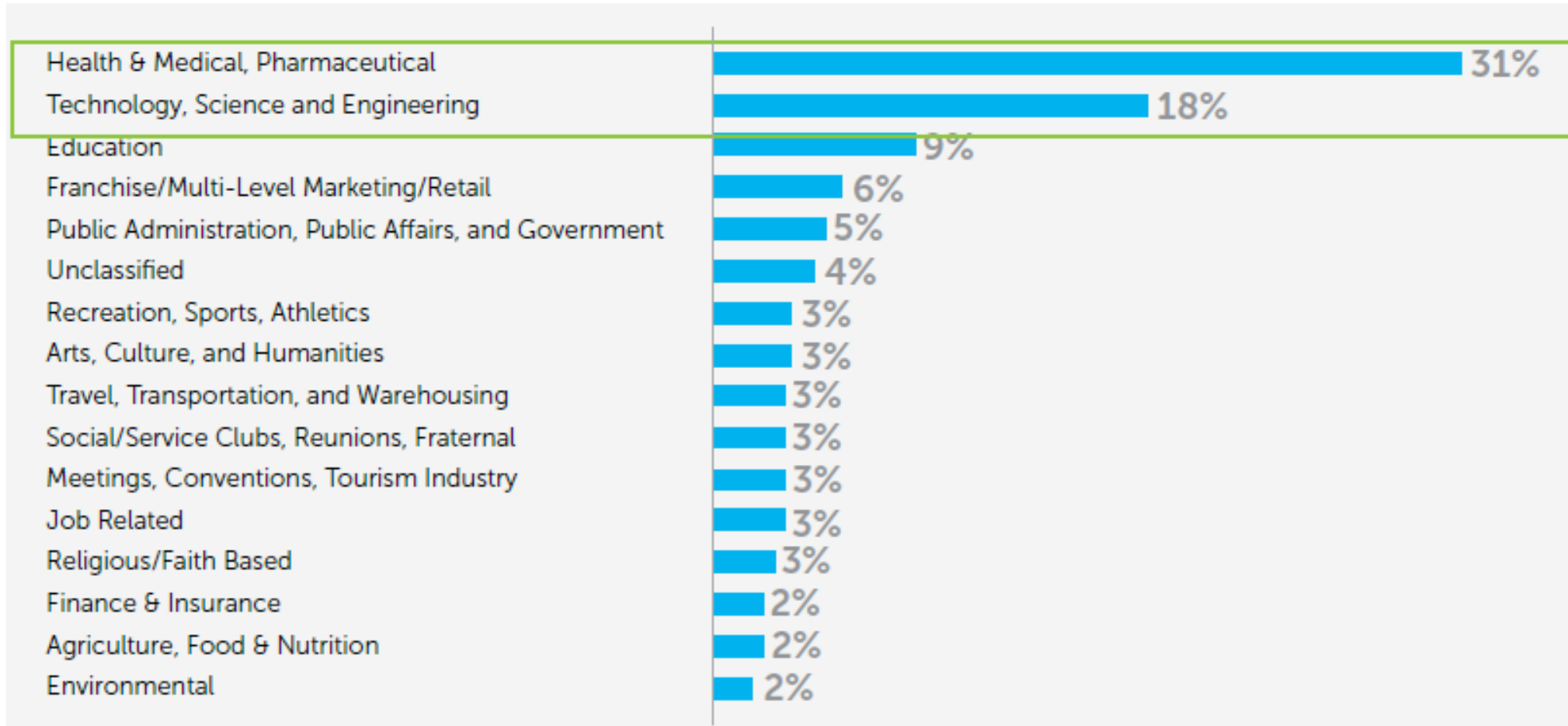
In 2022, **over one third of the Top 250 conventions are scheduled to meet in Q2**, followed by 23% in Q4.



Both June (14%) and October (13%) are the highest percentage arrival months of Top 250 events and December, January, and February are the lowest.

Customer – Group Business

Key Industries – MINT+ Top 250 2022 Events



Customer – Group Business: CITYWIDE– Key Segments

Corporate



High-Tech/Electronics
Leading RFP volume

60%
of RFPs

Association

Health & Medical



Historically book larger
groups further out ...+5
years out

21
leads

Peak Rooms



Average peak rooms
for leads created are
rooms peak

2,650

Feeder Markets



Washington D.C./Virginia
California
Washington

Corporate:

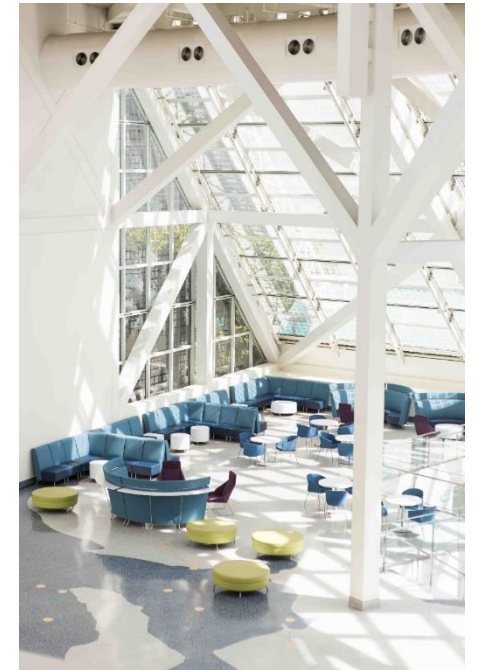
- Tech- Annual events similar to E3- GSMA, Adobe MAX
- Realty
- Finance

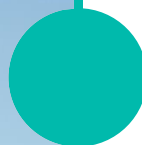
Association:

- Medical
- Bio-Tech
- Consumer Products/Manufacturing

Sports:

- College Football Championship 2023
- WrestleMania 2023
- FIFA World Cup 2026





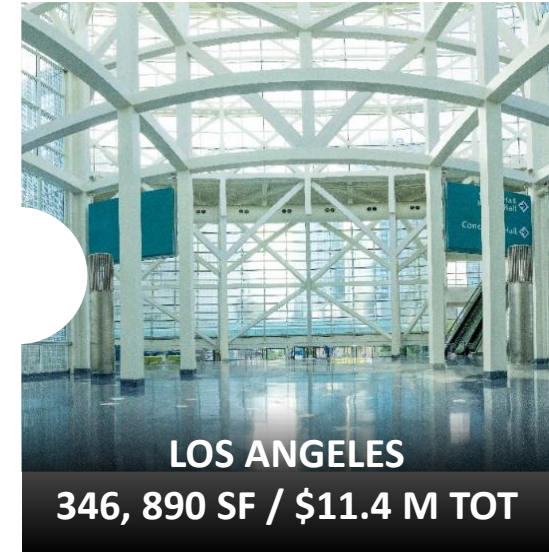
COMPETITION - GROUP SALES

Direct Group Competitive Set & L.A. Market Share

Competition – Group Business

- California Competition: San Diego, Anaheim, San Francisco. San Diego is the strongest California destination for group demand, followed by Los Angeles
- West Coast Competition: Las Vegas, Denver, Seattle, Portland
- Nationwide Competitors: Dallas/Fort Worth, Phoenix/Scottsdale, Miami, Orlando, Austin, Nashville, Chicago, Philadelphia, New York, Boston
- Secondary/Tier 2 Self-Contained Competitors: Long Beach, Palm Springs, Santa Barbara
- Many competitive destinations have recently completed or have approved convention center expansion plans

CALIFORNIA CONVENTION CENTERS *(CURRENT CAPACITY)*



MAJOR CITIES WITH RECENT CENTER EXPANSIONS

Recently Completed



SEATTLE, WA



NEW YORK, NY



SAN FRANCISCO, CA



SAN DIEGO



TAMPA, FL



DALLAS, TX

SAMPLE OF POST-EXPANSION CITYWIDE POTENTIAL



Over 200,000 total room nights
Over \$8 million TOT



RANK	CITIES	2022	VARIANCE TO 2019
1	Orlando	9.7%	▼
2	Chicago	9.3%	▲
3	San Diego	7.2%	▲
4	Las Vegas	6.8%	▲
5	Atlanta	5.9%	▲
6T	Denver	5.5%	▲
6T	New Orleans	5.5%	▼
6T	Washington	5.5%	▲
9	Philadelphia	5.1%	▲
10	San Antonio	4.7%	▲
11	Houston	3.8%	▼
12	Anaheim	3.0%	▼
13T	Boston	2.5%	▲
13T	Dallas	2.5%	▼
15T	San Francisco	2.1%	▼
15T	Nashville	2.1%	▼
17T	Minneapolis	1.7%	▲
17T	Seattle	1.7%	▲
17T	St. Louis	1.7%	▲
20T	Indianapolis	1.3%	▼
20T	Phoenix	1.3%	▲

In 2022, Orlando will host the largest number of the Top 250 conventions, followed by Chicago, San Diego, and Las Vegas.

- In 2022 89% of the Top 250 conventions will meet in just 20 destinations (rotating)
- Los Angeles is tied for 22 ranking with Austin, Baltimore, Charlotte, Kansas City



COMPANY – GROUP SALES

Convention Sales, Self-Contained Sales, Client Services

Company – Group Business

Strategic Approach

Our approach takes into consideration economic industry recovery trends taking place.

- Industries recovering in the **short/mid-terms**, are considered in targeting of vertical segments and deployment of our Sales Directors.
- We also look at **long term** need periods and aligning the sales efforts.

Tactical Execution of Variables:

- peak rooms
- Segments
- Sources (intermediary, management company, etc.)
- lead-times
- Feeder markets
- arrival months & Patterns

The analysis of these factors are used to identify a “target profile” for groups and events. It’s also as a means of account/event “scoring”.



Components For S&P 500 Index. % Change: +4.99%

Company Name	Sector	Lead	Change	% Change
ViacomCBS Inc	XLC	37.26	+57.68	+154.80%
Discovery, Inc.	XLC	30.09	+41.01	+135.29%
Discovery, Inc.	XLC	26.19	+38.81	+127.93%
Marathon Oil Corp	XLE	5.67	+5.93	+82.91%
Occidental Petroleum Corp.	XLE	17.31	+13.32	+75.99%
DIAMONDBACK ENERGY SERVICES INC	XLE	48.40	+33.61	+69.44%
Macy's, Inc.	n/a	11.25	+7.88	+69.49%
L Brands Inc.	XLY	37.79	+33.82	+63.51%
HOLLYFRONTIER CORP	XLE	25.55	+15.79	+61.76%
Devon Energy Corp.	XLE	15.81	+9.44	+59.98%
Gap Inc.	XLY	20.19	+10.62	+52.60%
Ford Motor Co	XLY	8.79	+4.98	+56.10%
EOG Resources, Inc.	XLE	46.87	+25.13	+53.99%
Exxon Mobil Corp.	XLE	41.22	+20.75	+50.34%
APA Corp	XLE	14.19	+7.04	+49.51%
Kohl's Corporation	n/a	40.69	+19.77	+48.59%

Short Term	Mid-Term	Long-Term
<ul style="list-style-type: none"> 1YFY - Lead Time Verticals & Trending Regional & Local Sectors DB Clean & Update Pent up Demand Year of 2 halves Open Demographics 	<ul style="list-style-type: none"> Verticals & Trending Lead Time Product/Regroups Sectors DB Clean & Update Incentives Regional & National Can't Pent Up Demand 	<ul style="list-style-type: none"> Verticals & Trending Lead Time Top Sectors Growth National & Intl. DB Clean & Update Stability Verticals DB Segmentation Gap Time Frames

KEY TAKEAWAYS

- Group and Convention business recovery still a bit of a moving target – important to forecast using differing sources; voice of customer as well as industry analysis
- We can't just say 'group' anymore; we have to look at small corporate group vs. large association group and acknowledge that the former has begun."
- For hoteliers to reap the benefits, citywide association meetings need to return.
- **Knowland's** U.S. Meetings Recovery Forecasts that the industry will have recovered **58.3%** of meetings volume by the **end of 2022** and will be **86.9%** recovered by the **end of 2023**.
- In contrast, **CBRE** projects the industry occupancy will hit the long-run average of **62% in 2023** and will remain below the record-setting pre-Covid occupancy levels for the foreseeable future, with hoteliers prioritizing **rate gains over full hotels.***
- *-*Note these forecasts do not factor in the War in the Ukraine, fuel prices, pipeline challenges or the possibility of another Covid variant.*

THANK YOU



Los Angeles Tourism & Convention Board

Item 5a

Findings to Continue Teleconference Meetings

Pursuant to AB361

