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April 21, 2021

Budget and Finance Committee  
Office of the City Clerk  
200 N. Spring Street, Room 395  
Los Angeles, CA 90012

Honorable Councilmembers:

**SUBJECT: DEPARTMENT CORRESPONDENCE ON MAYOR'S PROPOSED  
BUDGET FOR FISCAL YEAR 2021-22**

**The Los Angeles Department of Convention and Tourism Development ("CTD") supports the Mayor's Proposed 2021-22 Budget, as presented.** The Mayor's Proposed Budget provides for the resources necessary for fulfilling our responsibilities related to tourism and to oversee our contractors, including AEG Management LACC, LLC ("AEG"), operator of the Los Angeles Convention Center ("LACC"), and the Los Angeles Tourism and Convention Board ("LATCB"), the City's destination marketing organization which books citywide events and markets the City of Los Angeles ("City") as a convention and tourist destination.

The COVID-19 crisis continues to have a negative financial impact on the LACC due to the ongoing moratorium on large meetings and conventions. AEG has implemented numerous cost-saving measures, including a reduced level of staffing. At this time, the LACC Reserve Fund has significant funding available to offset most of the projected shortfall, however, CTD anticipates a potential General Fund impact as the meetings industry recovers.

Travel restrictions and other safety-related protocols have also caused visitation numbers to decrease. As a result, Transient Occupancy Tax (TOT) generated by hotel, motel and short-term rental stays has dropped significantly, and associated economic benefits in the form of visitor spending have decreased as well. Green shoots of the

tourism industry are starting to come up as domestic travel is driving room demand, consumer confidence is strengthened by the vaccine rollout and improved metrics, and LATCB rolls out its domestic marketing campaign. CTD will continue to work with its contractors to facilitate and expedite the recovery of TOT for the General Fund.

The CTD's Proposed Budget includes \$1.45 million for continuing 12 full time-positions. The CTD's Proposed Budget also includes approximately \$6.4 million for capital improvements, for which funding would be issued through the Municipal Improvement Corporation of Los Angeles. CTD is optimistic and is committed to working with its partners in the Office of the Chief Legislative Analyst, the City Administrative Officer, and the City Attorney in moving forward with the expansion and modernization of the LACC.

We appreciate the support and are happy to address any questions.

Respectfully submitted,



Doane Liu  
Executive Director

DL:ta

Exec. Ref.: 21-044

cc: Jeanne Holm, Deputy Mayor for Budget & Innovation  
Raoul Mendoza, Budget Director, Office of the Mayor  
William Chun, Deputy Mayor of Economic Development  
Richard Llewellyn, City Administrative Officer  
Sharon Tso, Chief Legislative Analyst