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April 24, 2020

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 2020-21**

**The Los Angeles Department of Convention and Tourism Development ("CTD") supports the Mayor's Proposed 2020-21 Budget, as presented.** The Mayor's Proposed Budget provides for the resources necessary for fulfilling our responsibilities 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 is anticipated to have a financial impact on the LACC as the facility will be closed at least through August 2020. The CTD is working with AEG who will be identifying a reduction in proposed expenditures, including a reduced level of staffing. As reflected in the Mayor's Proposed Budget, Transient Occupancy Tax revenues are also projected to be impacted. At this time, CTD anticipates no General Fund impact as the LACC reserve has sufficient funding to offset the projected shortfall. Should the LACC have to close beyond August or re-close again as a result of COVID- 19, the CTD will reassess its financial state.

The CTD's Proposed Budget includes \$1.6 million for continuing 13 full time-positions. The CTD's Proposed Budget also includes approximately \$3.8 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,

A handwritten signature in black ink, appearing to read "Doane Liu", is positioned above the printed name.

Doane Liu  
Executive Director

DL:ta

Exec Ref: 20-097

cc: Miguel Sangalang, Deputy Mayor for Budget & Innovation  
Diana Mangioglu, Budget Director, Office of the Mayor  
William Chun, Deputy Mayor of Economic Development  
Richard Llewellyn, City Administrative Officer  
Sharon Tso, Chief Legislative Analyst