



Los Angeles  
CONVENTION CENTER

Managed By  AEG  
FACILITIES

2016-2017 ANNUAL REPORT



## FROM THE GENERAL MANAGER

The 2016-2017 Fiscal Year (FY) was a strong and prosperous year for the Los Angeles Convention Center (LACC). It is with great pride that I present this year's Annual Report highlighting LACC's most successful year in its 46-year history.

In this past year, we significantly increased revenues, attendance and citywide bookings, building improvement projects, sustainability metrics, and corporate responsibility projects.

The LACC ended this fiscal year with an operating surplus of \$10.2 million, before reimbursing the City of Los Angeles \$3.1 million for the Department of Convention & Tourism Development (CTD) expenses, Staples Bond payment and an allocation for other city services. Additionally, the LACC added \$1 million to the reserve, accumulating \$7.1 million at the conclusion of FY 2016-2017 and surpassing the initial management goal of building a financial reserve of \$2.1 million in five years.

Following industry best business practices, the LACC reinvested surplus dollars to complete various building improvement projects as well as needed equipment purchases. In this fiscal year, we completed 50 Alteration & Improvement (A&I) Projects and managed 15 in-progress and completed Capital Improvement Projects (CIP). These projects included adding security cameras, implementation of the new Computerized Maintenance Management System (CMMS), LED lighting retrofits, purchasing Energy Star appliances, adding water bottle filling stations, carpet replacement, upgraded landscaping and interior florals, and more. All of these A&I and CIP projects were focused on providing a safer and more secure facility, enhancing the guest experience, and improving sustainability and operational efficiency.

This has been an exceptional year for the LACC on multiple fronts, all of which could not be accomplished without our talented and hardworking staff at the convention center, our partners at CTD and LATCB as well as AEG Corporate. In the following pages, you will find highlights of our past year and testament to our continual commitment to excellence.



**Brad Gessner**

*Senior Vice President of AEG Facilities and  
General Manager of the Los Angeles Convention Center*

**7** Mission Statement

**8** Signature Events

**10** Awards & Recognitions

**11** Highlights

**12** Financial Performance

**22** Facilities & Operations

**30** Marketing

**34** Corporate Social Responsibility

**35** Professional Development & Team Building

**36** Client Feedback





## LACC MISSION STATEMENT

To serve the City of Los Angeles by providing exemplary facilities and services to our event producers and attendees and to generate significant economic benefits for the Greater Los Angeles region. Additionally, our goal is to leverage our assets within the Sports and Entertainment District to provide event and entertainment opportunities to our citizens.

## SIGNATURE EVENTS

Los Angeles Convention Center (LACC) is proud to offer clients and guests versatile, flexible space capable of accommodating a myriad of events ranging from medical conventions to the most sought after consumer shows.

### BET Experience 2017

BET Experience returned to the LACC for its 5th Anniversary. The BET Network and AEG collaboration included concerts at L.A. Live, STAPLES Center, and The Novo by Microsoft, plus a BET Fan Fest held at LACC. The event connects fans with celebrities and influencers through an interactive approach.



### American Society of Cataract and Refractive Surgery 2017

The American Society of Cataract and Refractive Surgery is an international professional society for surgeons specializing in eye surgery. The 2017 industry citywide, included ASOA workshops, tech talks and hands-on training with an increase in attendance, exhibitors, and overall satisfaction.



### American College of Chest Physicians 2016

The American College of Chest Physicians (CHEST) attracts professionals from around the world. 2016 was the second-time CHEST came to Los Angeles and held a diverse program that included case-based interactive discussions, a variety of simulation-based learning activities, and networking opportunities.



### American Association of Neurological Surgeons 2017

The 2017 American Association of Neurological Surgeons (AANS) Annual Scientific Meeting returned to Los Angeles after almost 40 years to welcome more than 3,200 neurosurgeons and other neuroscience professionals for their 85th celebration.



### GRAMMY 2017 MusiCares

Tom Petty was honored as the 2017 MusiCares Person of the Year. The 27th annual benefit gala dinner and concert—held at the LACC prior to the 59th Annual GRAMMY® Awards—provides confidential emergency health and addiction recovery programs to people in the industry.



### Greenbuild 2016

The 2016 U.S. Green Building Council (USGBC) Greenbuild International celebrated its 15th annual conference and expo at the LACC. As industry leaders in sustainable buildings, this year marked a historical event for both USGBC and the LACC setting a record-breaking 90.3 percent waste diversion rate.

## AWARDS & RECOGNITION

2016

2016 LADWP Sustainability Award Water Management

Best Sustainability Initiative Engagement Greeny Award

Outstanding Leadership in Sustainability Greeny Award

**IAVM Venue Excellence Award**

Facilities & Destinations Prime Site Award

2016 Certificate of Excellence Trip Advisor

Los Angeles Business Journal Business Hall of Fame Award

2017

2017 Certificate of Excellence Trip Advisor

Los Angeles Business Journal Business Hall of Fame Award



526,000

Total Room Nights



74% Building Occupancy



50 Alteration and Improvement Projects Completed



32 Citywide Conventions



72% Waste Diversion Rate

2016-2017 HIGHLIGHTS



**\$781 Million**  
Economic Impact

**\$478 Million**  
Direct Attendee Spending

**\$26.4 Million**  
Tax Revenue Generated

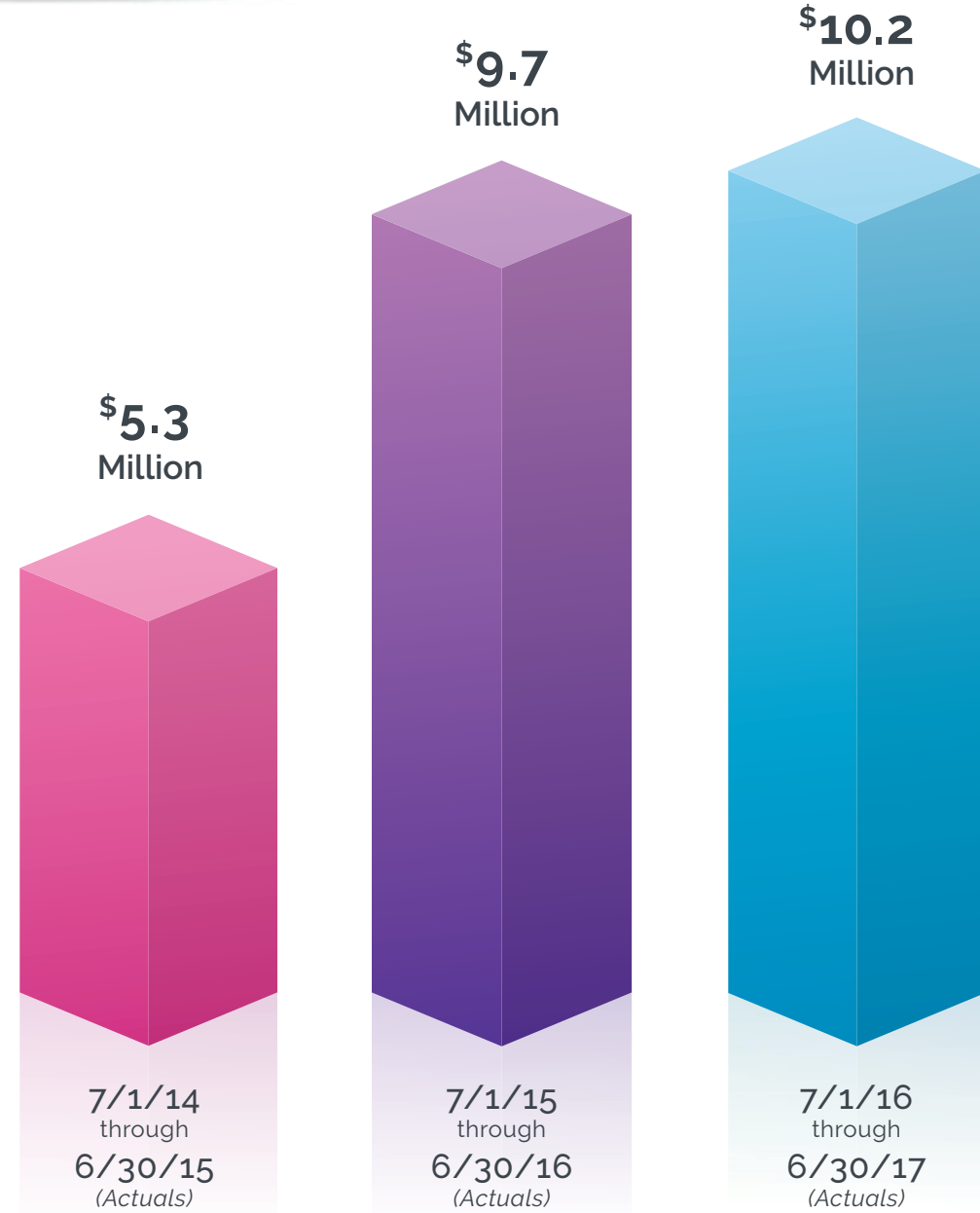
**\$10.2 Million**  
Operating Surplus

**\$7.1 Million**  
Building Reserve

## FINANCIAL PERFORMANCE FISCAL YEAR 2016-2017

Under AEG Facilities management, the Los Angeles Convention Center (LACC) exceeded revenue and operational expectations for the fourth consecutive year.

## OPERATING PROFIT



The LACC concluded the fiscal year with an operating profit of \$10.2 million before reimbursing the City of Los Angeles \$3.1 million.

Since taking over management in December 2013, AEG Facilities has generated a total operating profit of over \$26.6 million.

## OPERATING SURPLUS DISTRIBUTION

**\$6.2 Million**

CIP and Alteration and Improvements

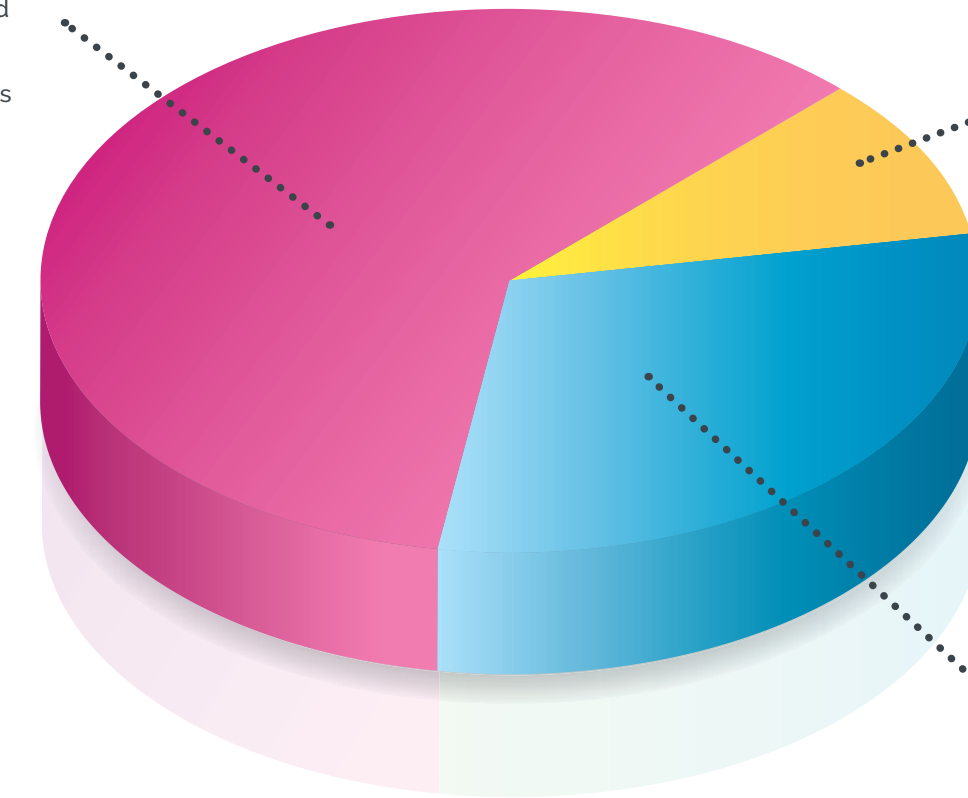
\$6.2 million of the operating surplus was reinvested into Alteration and Improvements projects

**\$1.0 Million**

Reserve

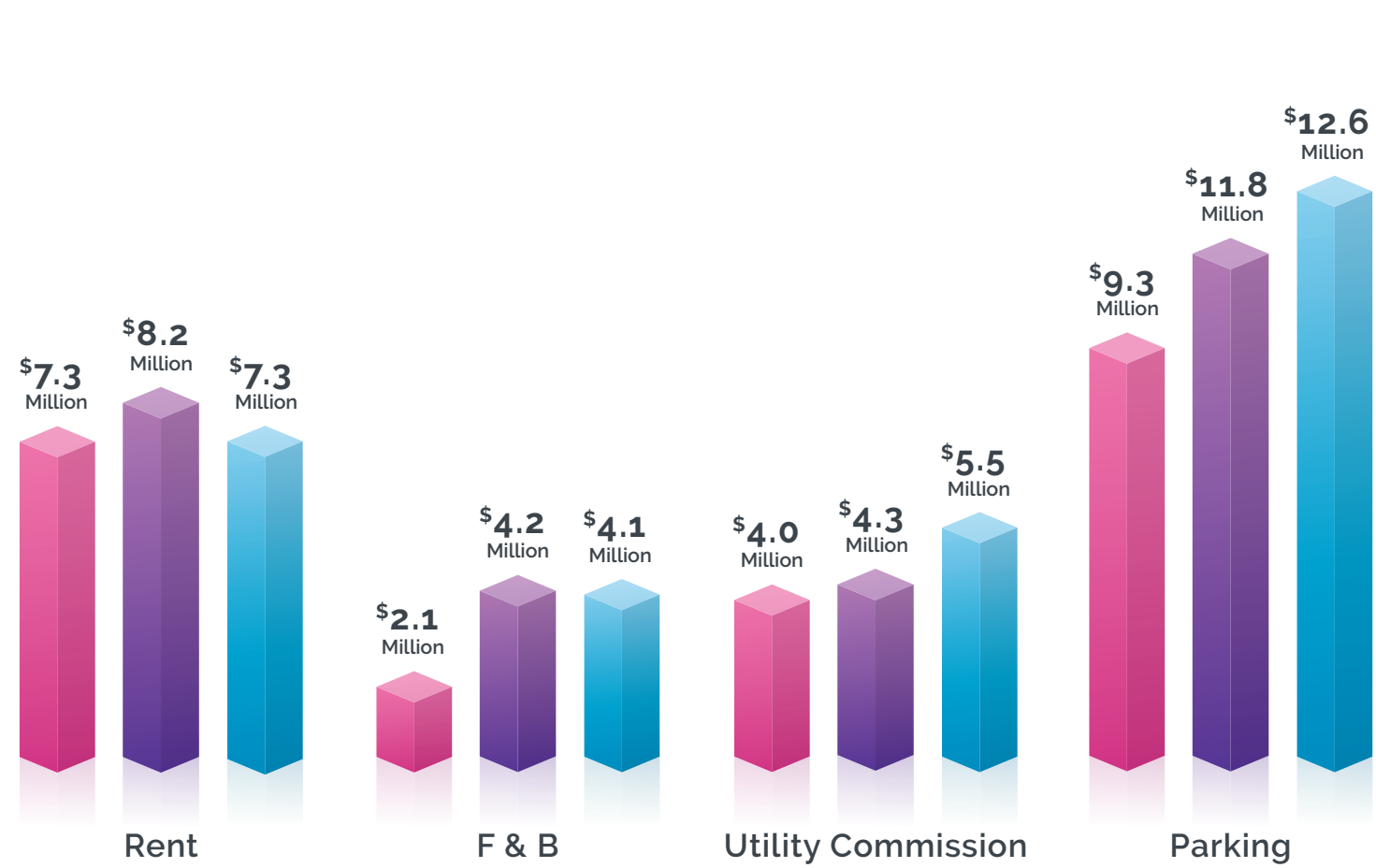
**\$3.1 Million**

City Reimbursement and Allocation

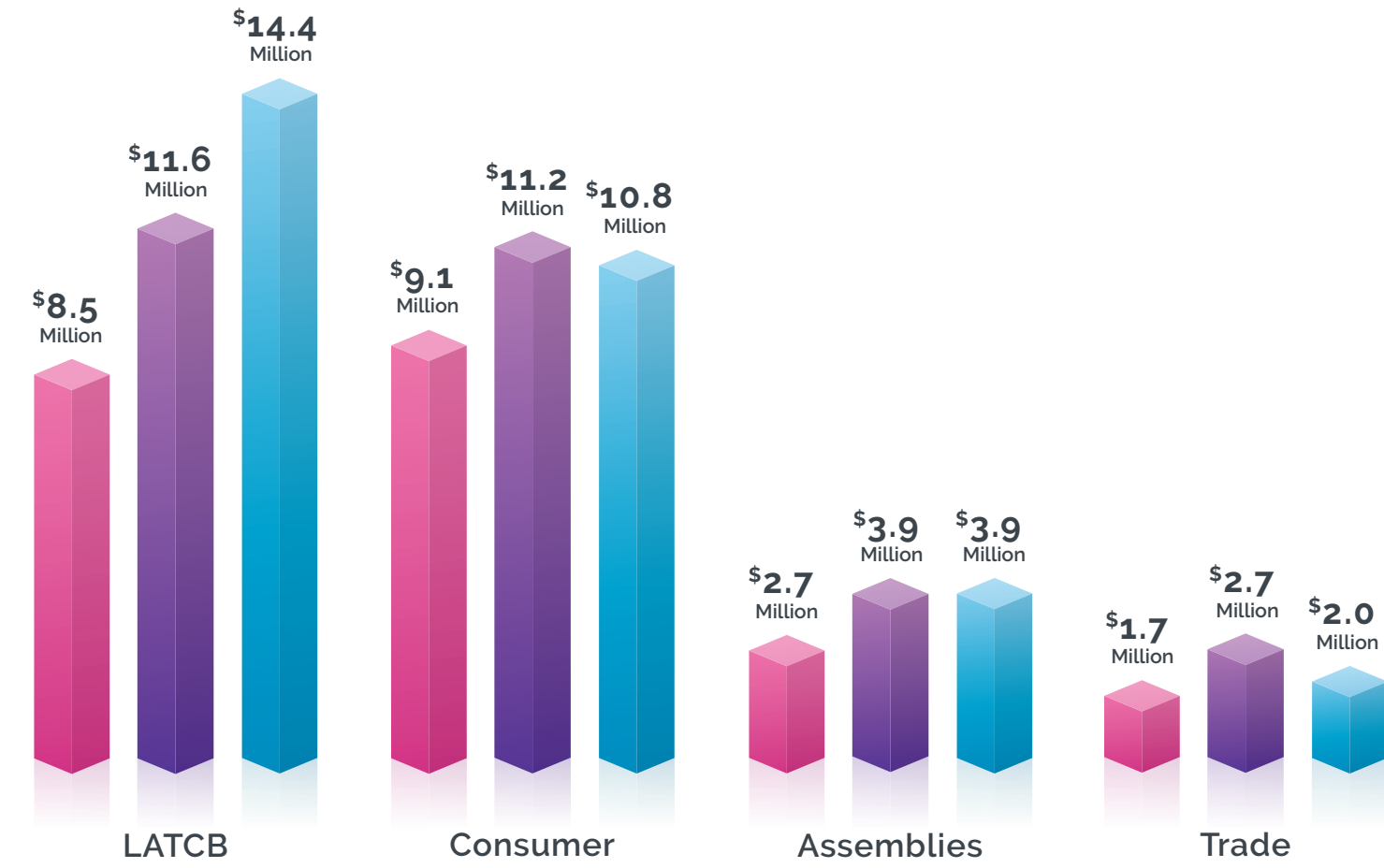




## REVENUES BY CATEGORY



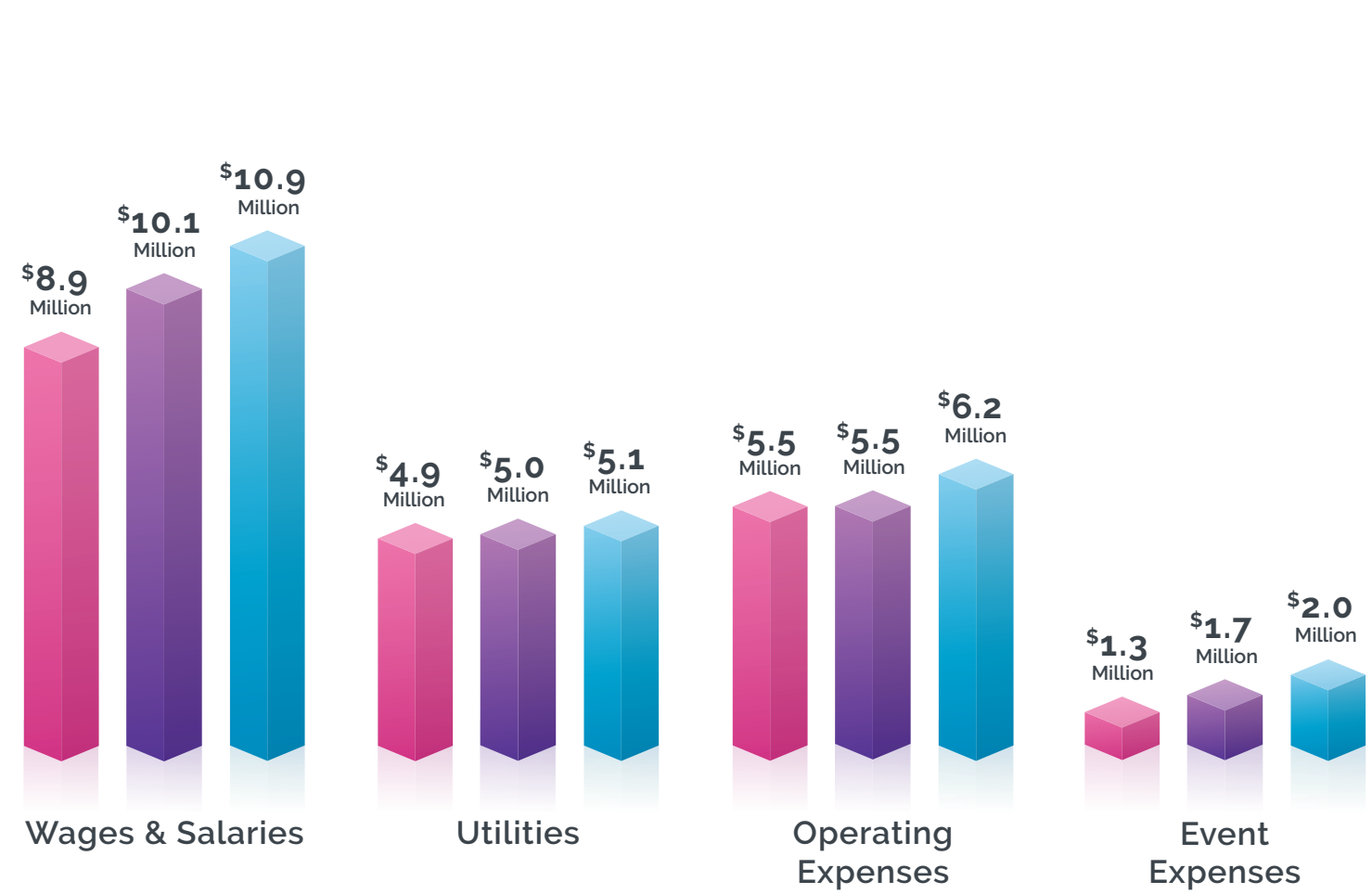
## REVENUES BY EVENT TYPE



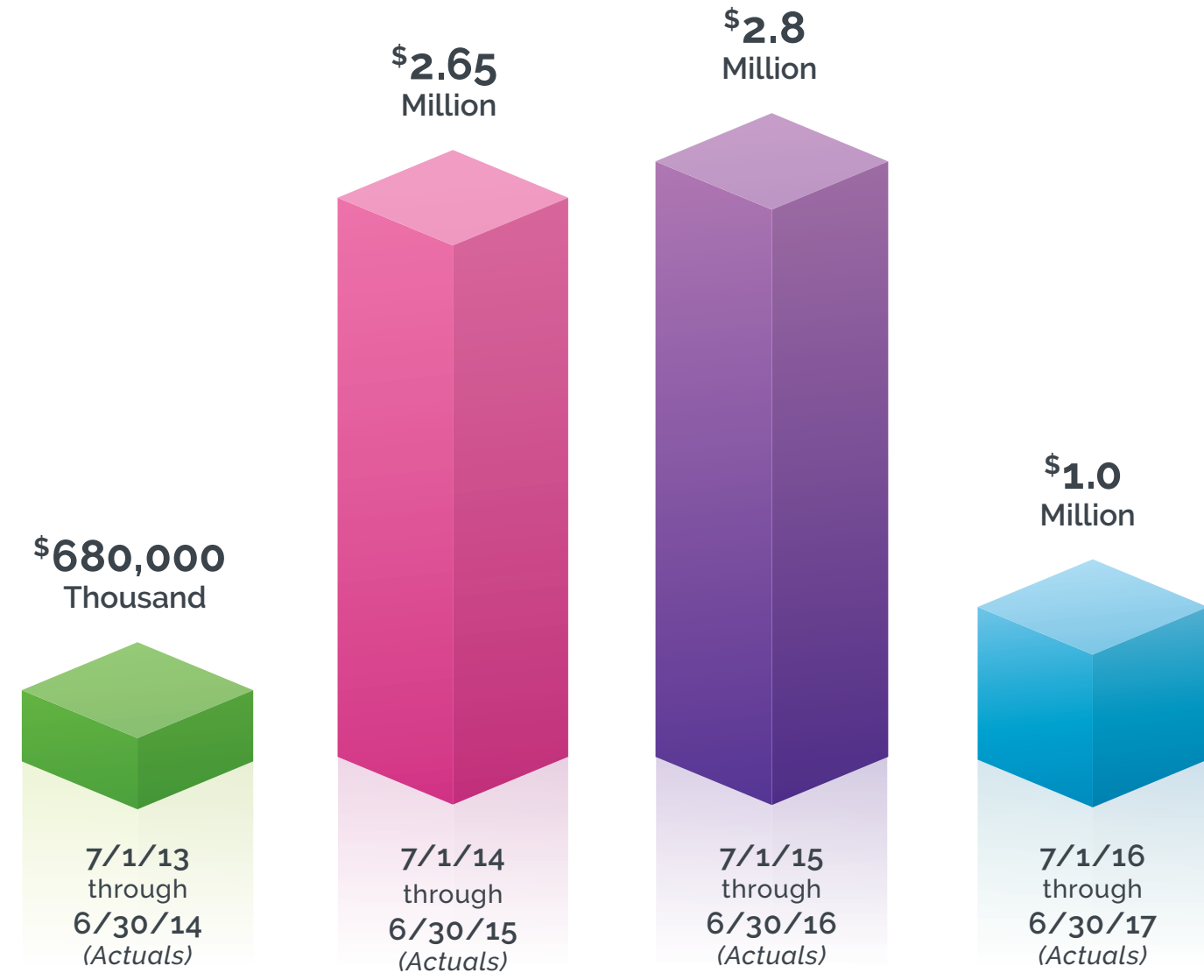
● 7/1/14 - 6/30/15 (Actuals) ● 7/1/15 - 6/30/16 (Actuals) ● 7/1/16 - 6/30/17 (Actuals)

● 7/1/14 - 6/30/15 (Actuals) ● 7/1/15 - 6/30/16 (Actuals) ● 7/1/16 - 6/30/17 (Actuals)

# EXPENSES



# BUILDING THE RESERVE



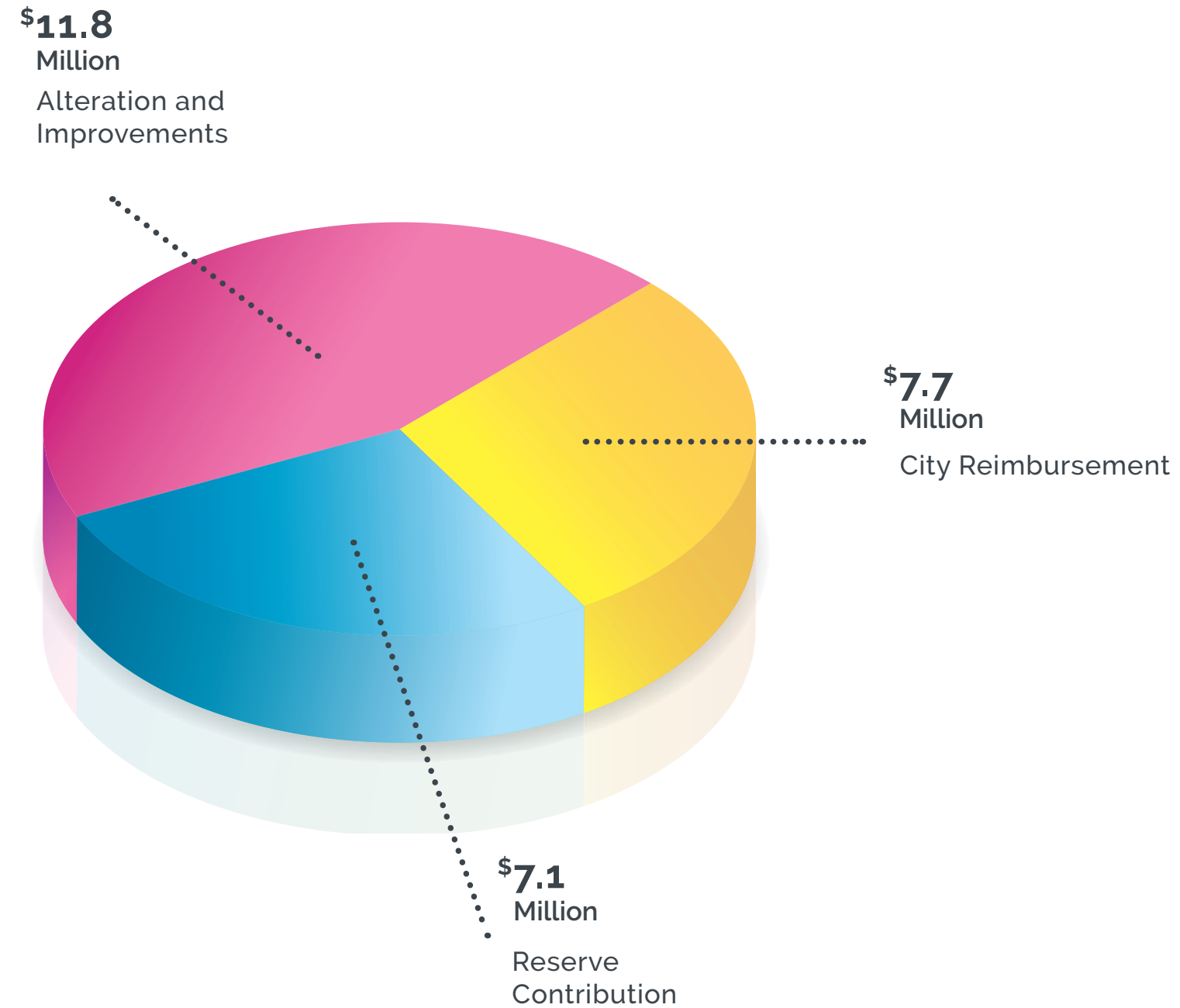
## \$7.1 Million in the Reserve

In keeping with convention center management best practices, AEG Facilities set out to build a financial reserve of \$2.1 million within the 5 years of its initial management agreement.

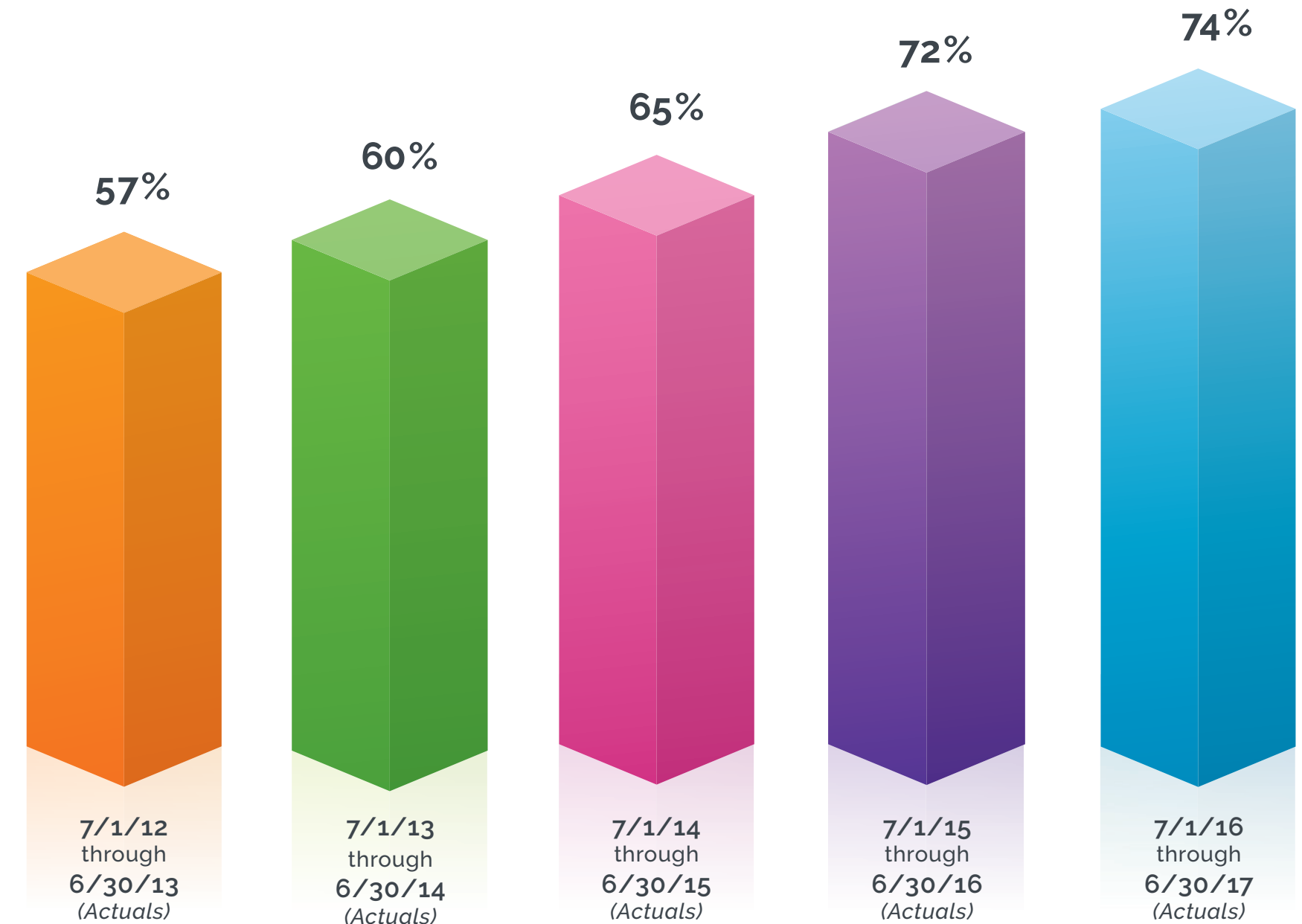
This goal has been surpassed well before the 5-year mark, adding \$1 million to the reserve this year. At the conclusion of this fiscal year, the LACC reserve has reached \$7.1 million.

● 7/1/14 - 6/30/15 (Actuals) ● 7/1/15 - 6/30/16 (Actuals) ● 7/1/16 - 6/30/17 (Actuals)

## PROFIT ALLOCATION SINCE PRIVATE MANAGEMENT



## OCCUPANCY FISCAL YEAR



## FACILITIES & OPERATIONS

Operational efficiencies completed in the past fiscal year include both facility upgrades and preventative maintenance while reducing the venue's environmental footprint. For instance, lighting retrofits from T8/T12 metal halide to LED lights throughout the facility reduces energy consumption. Additionally, the installation of water bottle filling stations promotes the use of reusable bottles and sustainability.

LACC spent \$6.2 million on Alteration and Improvement Projects and AEG managed CIP Projects funded by the operating surplus. 50 Alteration and Improvement projects have been completed since last year, and 15 CIP projects have been completed or are in progress of being completed.

- New Computerized Maintenance Management System (CMMS)
- Energy Star appliances for the LACC kitchen area
- Installation of water bottle filling stations
- Security cameras over parking entrances/cashier locations
- Landscape and interior floral upgrades
- LA Public Library book kiosk
- Lighting retrofits to LED and CFL's energy saving bulbs
- Carpet installations
- Installation of new soft water system
- Additional painting projects
- Elevator/escalator upgrades
- Upgrades to chilled water system and condenser pumps
- Recycling and trash receptacles in parking garages
- Fire pump repairs
- Chiller control panel replacement
- Upgrades to chemical treatment plant equipment
- Chiller refrigerant motor
- Reg 4 door upgrades
- Escalator stair replacement
- Painting of West Hall operable wall
- Furniture on meeting room level
- Air handler unit repairs



- Carpet replacement (*Kentia Hall Entrances*)
- Fiber optic cable infrastructure
- LAN core switch upgrade
- South Hall floor remediation
- Parking garage emergency call boxes
- Additional scrubber/sweeper
- South Hall entry dock lighting
- Carbon monoxide sensors
- Carpet replacement (*300 meeting room corridor*)
- Compactor replacement
- Escalator/elevator modernization
- Fire suppression system
- Exhibit hall lighting upgrade
- Marquee sign upgrade
- HVAC system for IDF

## CAPITAL IMPROVEMENT PROJECTS

\*Funded by the City and managed by AEG

# ENVIRONMENTAL INITIATIVES & SUSTAINABILITY

Environmental sustainability is embedded in the Los Angeles Convention Center's culture and permeates every aspect of our day-to-day operations.



Waste diversion rate **72%**



Achieved record breaking waste diversion rate of **90.3%** for a single event held at the LACC USGBC Greenbuild \*October 2016



Assisted City with disposing of more than **10 pallets** of E-Waste material



**4.5 million** in construction and demolition waste has been diverted from the landfill since 2013



Added **Metro Bike Station** to Gilbert Lindsey Plaza

## SECURITY DEPARTMENT & GUEST SERVICES

### SECURITY ENHANCEMENTS & ACCOMPLISHMENTS INCLUDE:

- Added an additional 93 CCTV cameras
- Added 36 emergency call boxes to the LACC parking garages and Bond lot
- LACC Security purchased an emergency notification system to alert employees of emergencies or other important incidents occurring in or around the property
- All security employees have taken several online FEMA training courses which have included Workplace Security and Active Shooter Awareness
- Trained all staff in CPR and AVADE (*workplace violence prevention*)

### GUEST SERVICES HIGHLIGHTS INCLUDE:

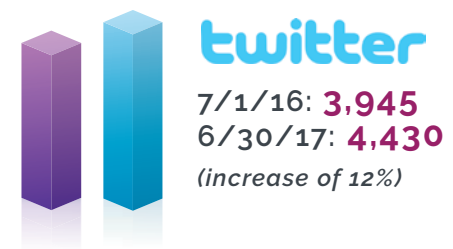
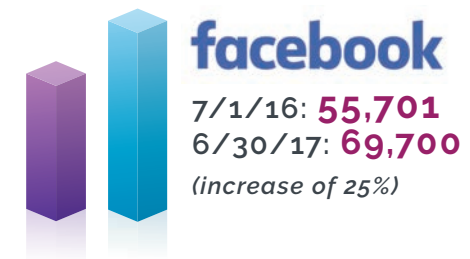
- Guest Services department has grown to a manager, full-time supervisor, part-time supervisor and 10-part time representatives
- Created disability & LGBTQ pamphlets to create awareness and proper etiquette to provide better service to all events and their attendees
- Implemented LACC wheelchair program as an added service at no cost to LACC guests; created to accommodate anyone with a last-minute wheelchair request
- Guest Services took the lead in developing a partnership with LA Metro to improve the "Guest Experience." LA Metro has set up an information/TAP Card booth during several events. Guest Services directly affects favorable social media and client ratings



The in-house Security and Guest Services Department at the Los Angeles Convention Center focuses on keeping our facility, guests and employees safe. These departments have improved client and attendee safety and experience with top of the line strategies and best practices.

## MARKETING & SOCIAL MEDIA ACCOMPLISHMENTS

The LACC regularly collaborates with clients to assist with social media co-promotion, which generates positive exposure for both the event and the facility. The LACC primarily utilizes Facebook, Twitter, and Instagram. These channels are used to participate in social conversations such as engaging with LA-focused content posted by Discover LA, responding to feedback comments, sharing environmental sustainability tips as well as assisting clients with promoting their events.



## WEB ANALYTICS

July 1, 2016 - June 30, 2017

- Total Page Views: **1,440,125**
- Total Users: **459,257**  
(New and Returning)
- Average session Duration: **1:35**





By working closely with the Los Angeles Convention Center, we were able to set a record high for Greenbuild and achieve a **90.3 percent diversion rate**. This historical rate demonstrates our commitment to the cause of green building and we hope it will inspire others to acknowledge that even small changes in behavior can have **a significant and meaningful impact** when undertaken collaboratively.

**Kate Hurst**  
*Vice President*

Community Advancement,  
Conference & Events,  
U.S. Green Building Council (USGBC)

We are extremely impressed with all of the accomplishments of AEG's Los Angeles Convention Center team. **AEG Facilities** has been able to surpass all expectations and deliver **unprecedented financial results**, saving millions of dollars for the City. This strategic partnership has proved to be a great move for the City of Los Angeles, and we look forward to the **continued success** of our Convention Center.

**Jon Vein**  
*President*

Board of Los Angeles Convention &  
Tourism Development Commissioners

The **increase in citywide conventions** is a huge success for the City of Los Angeles with attendee direct and indirect spending stimulating the local economy. Events held this year at the **LACC have economically contributed \$732 million** to the City of Los Angeles and an estimated 300,000 booked hotel room nights. AEG has been instrumental in the convention center's incredible success, and we are proud to call them partners.

**Doane Liu**  
*Executive Director*

Los Angeles Department of  
Convention & Tourism Development

## FISCAL YEAR PRESS RELEASES INCLUDED:

- Los Angeles Convention Center wins Venue Excellence Award
- Under AEG Facilities' management, Los Angeles Convention Center reports record-breaking results in Fiscal Year 2015-2016
- New hire and promotions at Los Angeles Convention Center
- Three years of AEG Management Leads the Los Angeles Convention Center to \$6.1 Million in Reserves and an annual Operating Surplus
- LACC Breaks Record for Waste Diversion Rate for Greenbuild International Conference and Expo
- Los Angeles Convention Center Goes Dark for Earth Hour
- Los Angeles Convention Center honored for Water Management Project
- LA Convention Center Hosts This Summer's Hottest Events





- Volunteered in the LACC Service Day at the Downtown Women's Shelter
- Recycled used items for America Recycles Day
- Hosted LACC/AEG Earth Day E-Waste Fair
- Wore red in support of American Heart Associations' National Wear Red Day-Go Red for Women
- Served as mentors to middle school students through the Young Storytellers Foundation
- Participated in the Read-to-a-Child program at the 10th Street Elementary School
- LACC Job Shadow Day hosted students and Senior Leadership provided insight into their roles and the meetings and conventions industry in general
- Walked for the March of Dimes



## CORPORATE SOCIAL RESPONSIBILITY

AEG's mission, "giving the world reason to cheer," applies to our business approach, but more importantly, the role we all have as citizens. We provide community outreach and leadership development opportunities to LACC staff by encouraging participation in volunteer activities. This fiscal year, LACC employees took advantage of a number of volunteer opportunities.

## PROFESSIONAL DEVELOPMENT CONFERENCES PARTICIPATION BY TEAM MEMBERS

- American Society for Industrial Security Management (ASIS) Annual Conference
- The International Association of Convention Centers (AIPC)
- International Association of Venue Managers (IAVM)
- International Association of Venue Managers Oglebay School of Facility Management
- International Association of Exhibitions and Events (IAEE) Annual Conference
- Meeting Professionals International (MPI)
- Professional Convention Management Association (PCMA)

## PROFESSIONAL DEVELOPMENT & TEAM BUILDING

LACC management strives to create a workplace that rewards excellence, promotes inclusion, and encourages collaboration across departments.

### Performance-based recognition:

Employee of the Month Award & Leader of the Quarter Award

### Committees:

Employees can elect to participate in one or more of the following committees: **Security**, **Green**, and **Fun**

### Teamwork and morale boosting activities:

LACC Health and Wellness Program, Monthly Birthday Celebrations, Holiday Potlucks, and the end-of-the year Holiday Party!





The AEG team exhibits **the height of professionalism**, and are always straight-forward and well-informed. We approach every show confidently knowing that we have a partner that will help us solve any challenges, and work with us to **maximize our chances of success**.

**Keith Tralins**  
CEO

Stan Lee's L.A. Comic Con

From pre-show to post-conference, the team was **proactive** and kept us apprised of all the details happening at the Center that may impact our event. Their ability to foresee and **prevent logistical challenges** was critical to the flow of our event. We appreciated their **consistent**, open communication and found the team to be readily accessible to address any details or concerns. From the initial planning stages, we came to view the AEG team as an **invaluable partner**.

**David Coray**  
Deputy Senior Director

Meetings & Exhibits Operations of the Optical Society (OSA)

We had a **great experience** at the LACC. We had not held our event there previously and were extremely pleased. Our **attendance was up** and the attendees, exhibitors and our Association team **enjoyed the destination**. The convention center team was top notch and worked with us and our partners to make executing our meeting flawless.

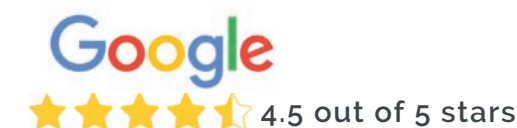
**Paula Schneider**  
Director of Meetings & Conventions

American Society of Cataract & Refractive Surgery (ASCRS)



**CUSTOMER AND CLIENT EVALUATION:**

LACC strives to deliver exemplary service to its clients and attendees. Year after year, we have shown growth and model service to be known as the prime site for conventions and events in Los Angeles.



LACC Client Survey: 4.7 out of 5  
\*increased from PY of 4.5

## ENCORE

In order to align service standards and expectations, HR administers AEG's Encore Guest Services training to all employees, partners, and contractors. The trainings focus on these four major service spotlights.

The LACC recognizes the importance of consistently delivering exceptional services in order to both retain existing clients and attract new business. Encore emphasizes exceeding expectations complimenting the LACC's overall commitment to excellence.

### #1 SAFETY:

See something, say something.  
Follow all emergency procedures.

### #2 SMILE:

Create positive, memory-making moments for guests.

### #3 SIZZLE:

Seek opportunities to enhance the guests' experience.

### #4 SYNERGY:

Work together to ensure every guest returns for an Encore! Encore also features an incentive program; employees who demonstrate encore service receive Star Cards from senior staff, which are redeemable for prizes.

*Written and Edited By:*  
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Los Angeles

CONVENTION  
CENTER

Managed By **AEG**  
EXHIBITS



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