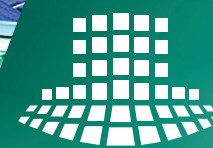




2017-2018 ANNUAL REPORT



Los Angeles  
CONVENTION CENTER

Managed By  AEG  
FACILITIES



## FROM THE SENIOR VICE PRESIDENT & GENERAL MANAGER

It is with great pride that I present you with the Los Angeles Convention Center's fourth Annual Report. As I reflect on the 2017-2018 Fiscal Year (FY), I am reminded of how far we have come since AEG Facilities took over management in 2013. We have established and met or exceeded countless goals through hard work and strategic planning. This past year, we focused on sustainability and safety when launching building improvement projects while upholding significant revenues, event attendance and corporate responsibility projects.

The LACC ended this fiscal year with an impressive operating surplus of \$10.1 million, before reimbursing the City of Los Angeles \$5.2 million for the Department of Convention & Tourism Development (CTD) expenses, Staples Bond payment, an allocation for other City services, and Utility user taxes. The LACC added another \$1 million to the reserve, accumulating \$8.1 million at the conclusion of FY 2017-2018 and surpassing the initial management goal of building a financial reserve of \$2.1 million in five years.

\$3.9 million of the surplus was invested into the completion of 50 Alteration & Improvement (A&I) projects and Capital Improvement Projects (CIP). Many of these projects reflected our priority of safety and sustainability. Our safety was greatly enhanced through the addition of K12-rated, truck-resistant security bollards to protect the South & West Hall exterior entry points. We continued to push the envelope by adding new sustainability measures including the new 9,500 sq. ft. rooftop garden, lighting retrofit with 2,146 LED lamps across all exhibit halls and 2.21 megawatt solar array on the roof of South Hall. These projects will lessen the environmental impact that the LACC has on Los Angeles as well as improve operational efficiency.

Our sustainability initiatives were widely recognized when we received the Governor's Environmental and Economic Leadership Award (GEELA) and Los Angeles County Green Leadership Award. The LACC was honored by Governor Edmund G. Brown Jr. for our ongoing and robust sustainability program and exemplary achievements in conserving and protecting natural resources. AEG Facilities' "Next Level Sustainability" campaign at the LACC was recognized in Los Angeles County for reducing the LACC's carbon footprint and expanding the LACC's sustainable practices across five areas – waste/recycling, energy/climate, water, purchasing and education/communication.

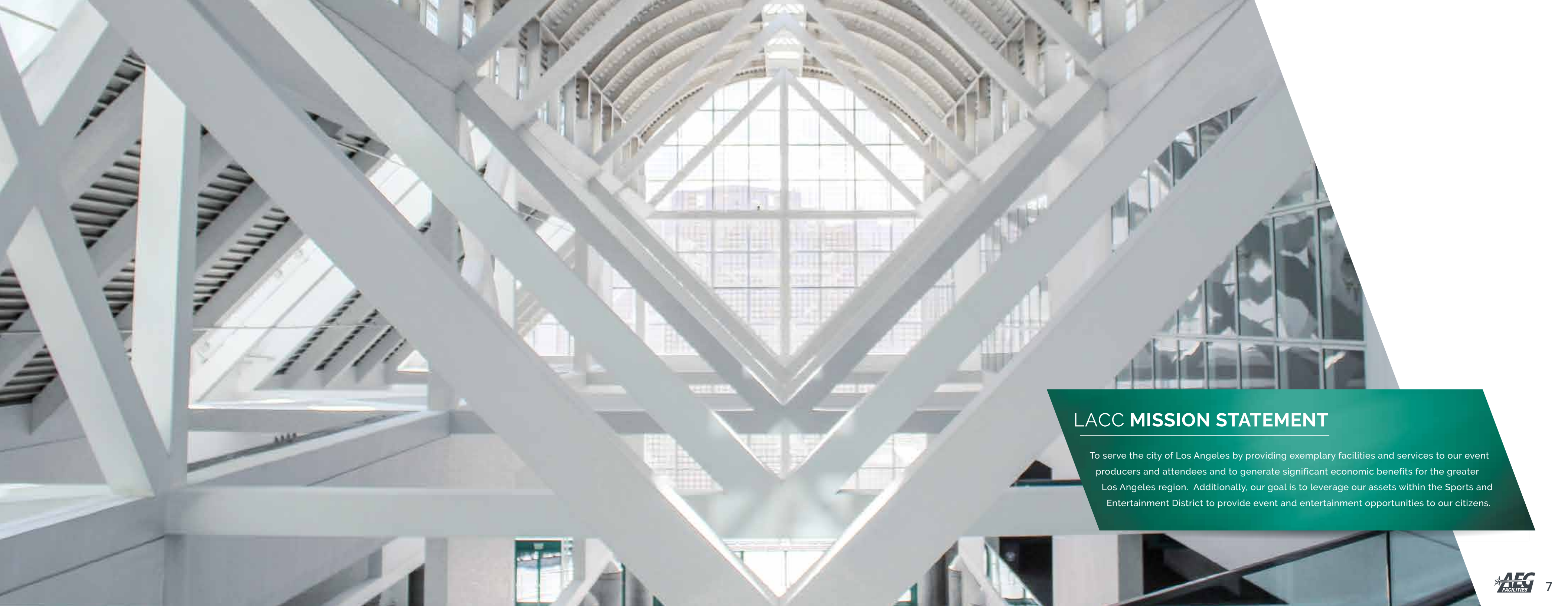
This annual report is a testament to our continual commitment to excellence. Our talented and hardworking staff at the LACC has made FY 2017-2018 another successful year in partnership with the CTD, LATCB and AEG Corporate. Please enjoy the highlights of the following pages. Thank you for your continued support and interest in the LACC. We look forward to sharing more milestones in the years ahead.



**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
  - 24** Environmental Initiatives & Sustainability
  - 28** Security & Guest Services
  - 30** Marketing
  - 34** Corporate Social Responsibility
  - 35** Professional Development & Team Building
  - 36** Client Feedback
  - 38** Encore



## 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.

### LA Art Show 2018

The West Coast's most comprehensive art experience, the LA Art Show returned to the LACC for its ninth year in a row. The event transformed the South Hall into a gallery with innovative programming, engaging dialogs and cutting-edge exhibitions assembled by local and international museum curators.



### Girls Build LA 2017

At the LACC for the first time, 2017 was Girls Build LA's largest event to date. Hosting 10,000 girls from nearly 200 public schools and more than 70 school districts, the LA Promise Fund featured an inspiring interview and Q&A with Hillary Clinton.



### BDwest 2018

BDwest boutique design trade fair is a beautiful show that caters to hospitality design buyers. It offers inventive products for hospitality interiors, a heightened focus on education and an exhibit floor built for productivity. The tradeshow has been at the LACC for three years and continues to push the envelope on interior design with every show.



### NBA All-Star 2018

2018 marked the record sixth NBA All-Star weekend in Los Angeles. The LACC hosted the Verizon Up Arena with events including the NBA All-Star Celebrity Game, Rising Stars Practice, NBA G League International Challenge, NBA All-Star Practice and NBA All-Star Media Day.



### American Academy of Neurology 2018

The American Academy of Neurology (AAN) united for its 70th Annual Meeting bringing together over 14,000 neurologists and health care professionals. AAN hosted a free, one-day-only Brain Health Fair that connected the local community with some of the best and brightest neurologists in the world.



### Society of Interventional Radiology Annual Scientific Meeting 2018

The Society of Interventional Radiology brought together interventional radiology physicians, trainees, students, scientists and clinical associates in Los Angeles for its 43rd Annual Scientific Meeting dedicated to improving patient care.



# AWARDS & RECOGNITION

## 2017

2017 MarCom Platinum Award

2017 Creativity Silver Award

Facilities & Destinations Prime Site Award

## 2018

2018 Trip Advisor Certificate of Excellence

2017 Governor's Environmental and Economic Leadership Award *(received in 2018)*

2018 Hermes Creative Platinum Award

2018 County of Los Angeles Green Leadership Award



**2.21** Megawatt Solar Array Debut



**72%** Building Occupancy



**330,000**  
Citywide Total Room Nights



**50** Alteration & Improvement  
Projects Completed



**67%** Waste Diversion Rate

2017-2018 HIGHLIGHTS



## FINANCIAL PERFORMANCE FISCAL YEAR 2017-2018

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

**\$780 Million**  
Economic Impact

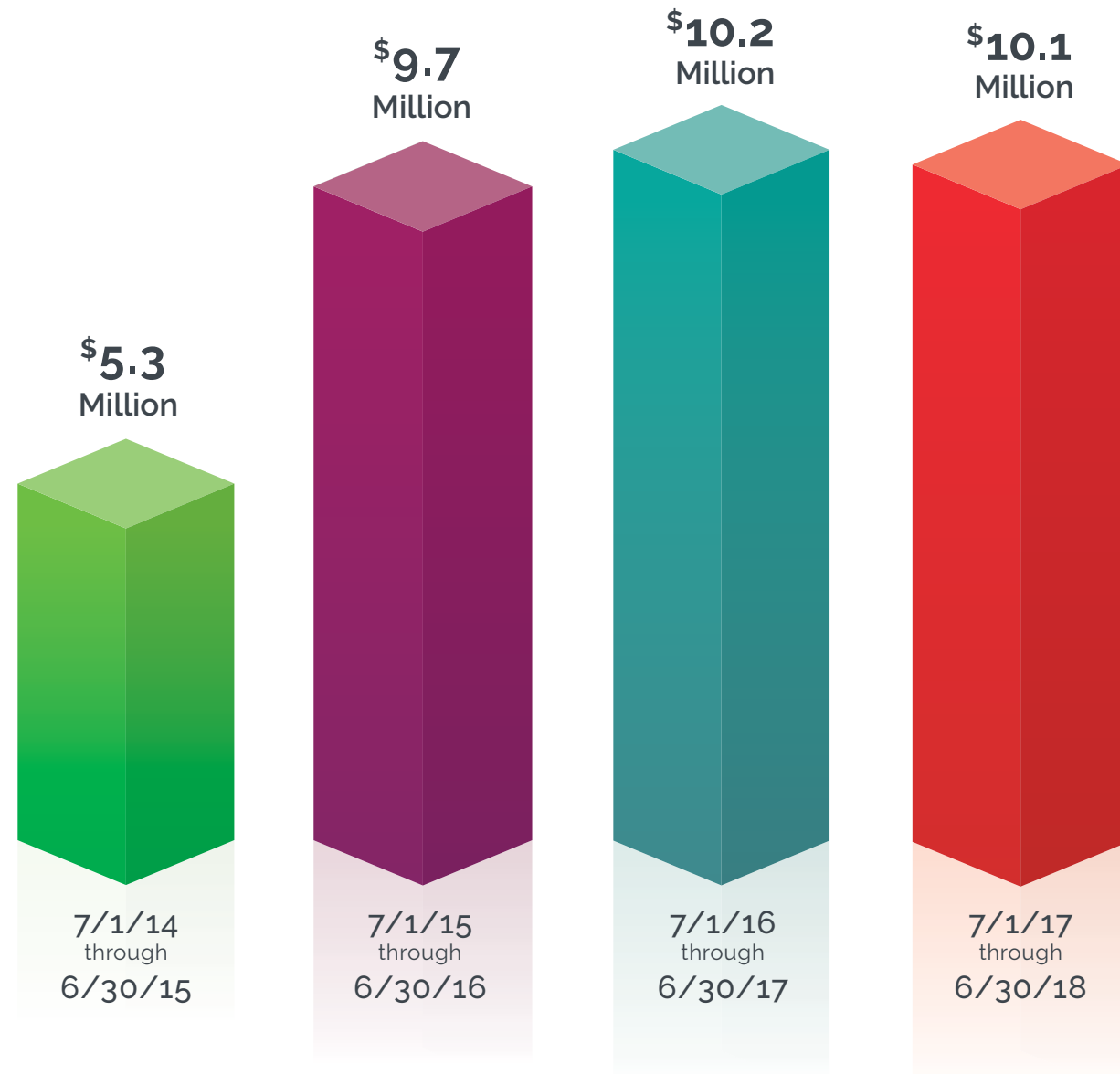
**\$480 Million**  
Direct Attendee Spending

**\$21 Million**  
Tax Revenue Generated

**\$10.1 Million**  
Operating Surplus

**\$8.1 Million**  
Building Reserve

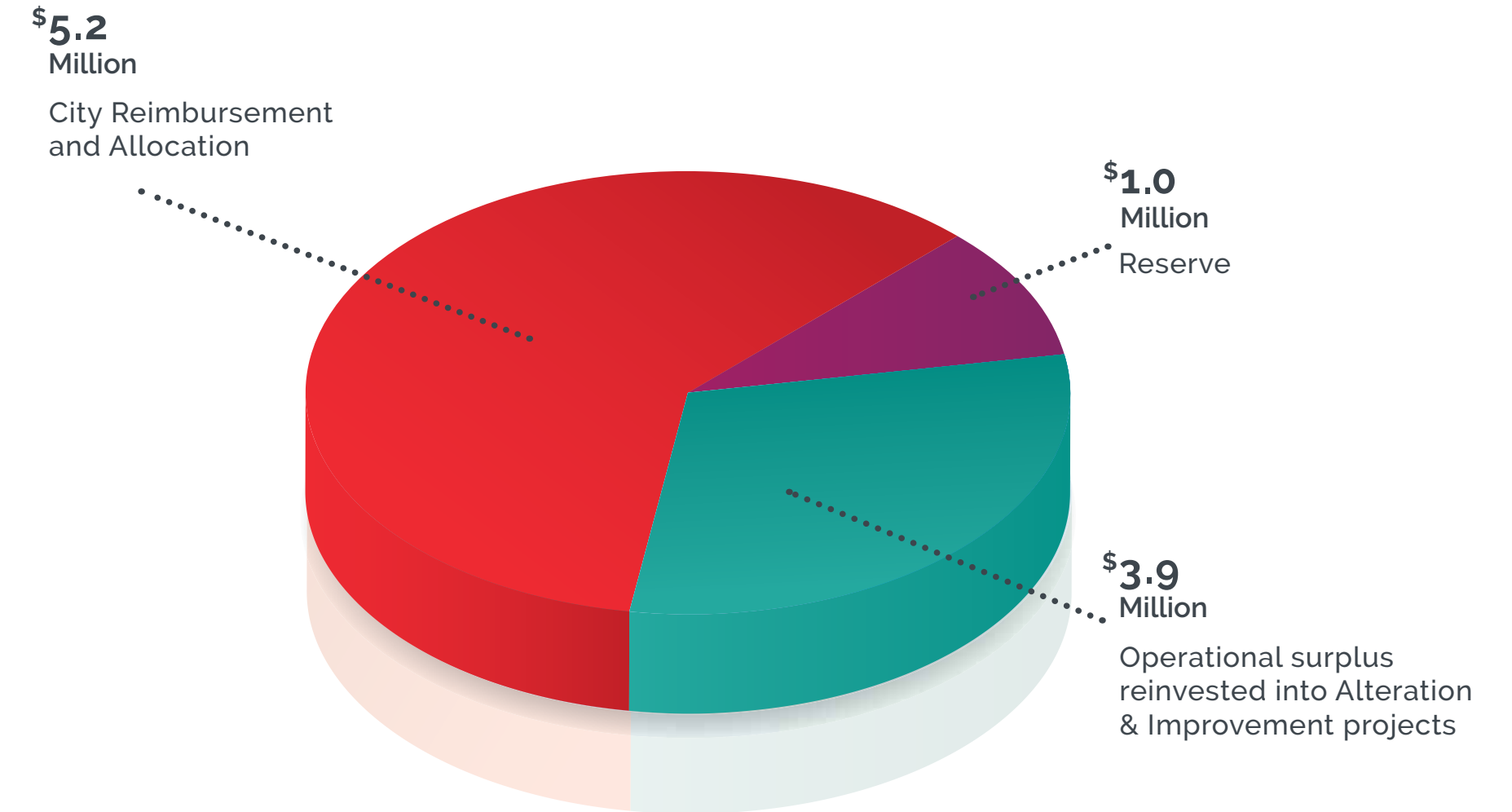
## OPERATING PROFIT



The LACC concluded the fiscal year with an operating profit of \$10.1 million before reimbursing the City of Los Angeles \$5.2 million.

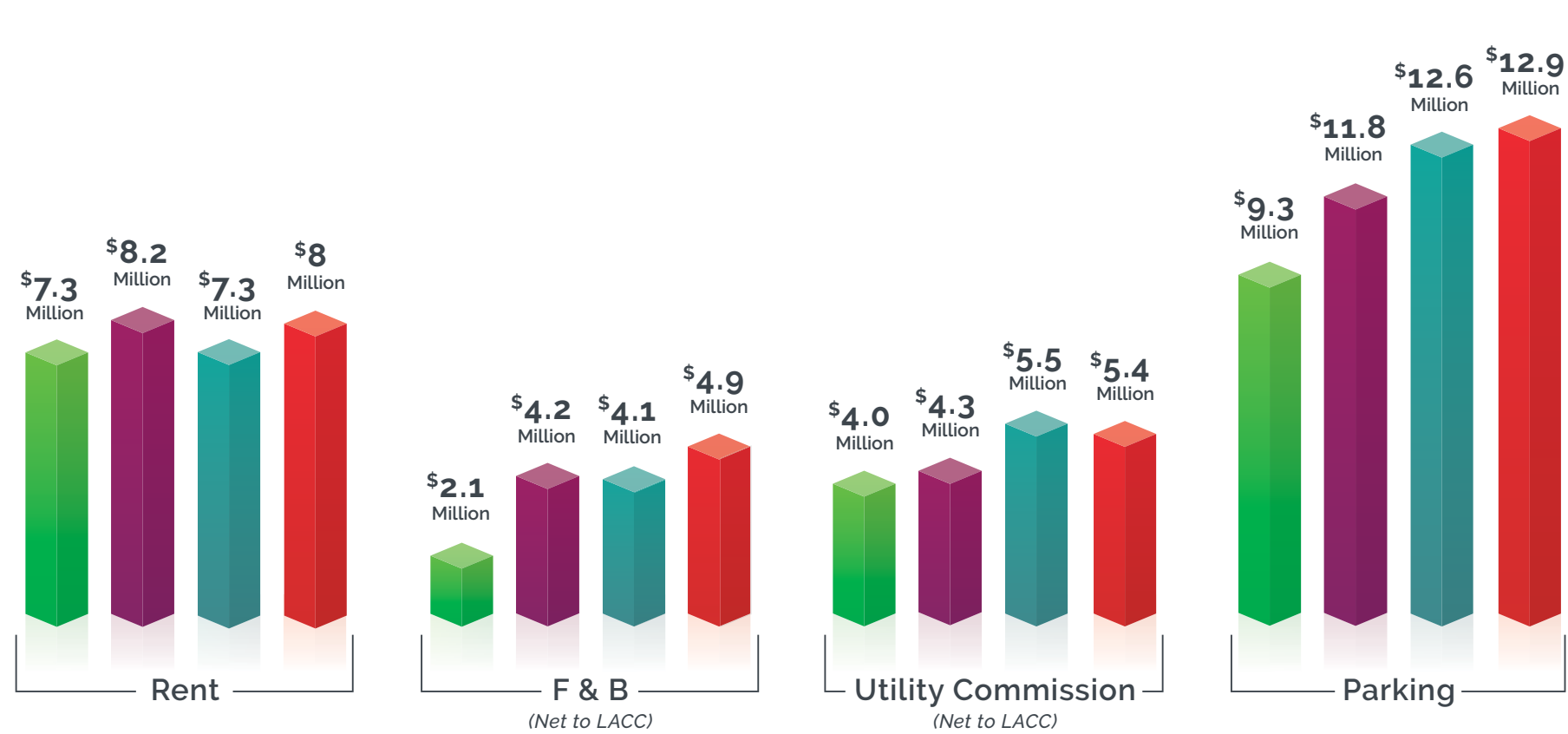
Since taking over management in December 2013, AEG Facilities has generated a total operating profit of over \$36.7 million.

## OPERATING SURPLUS DISTRIBUTION

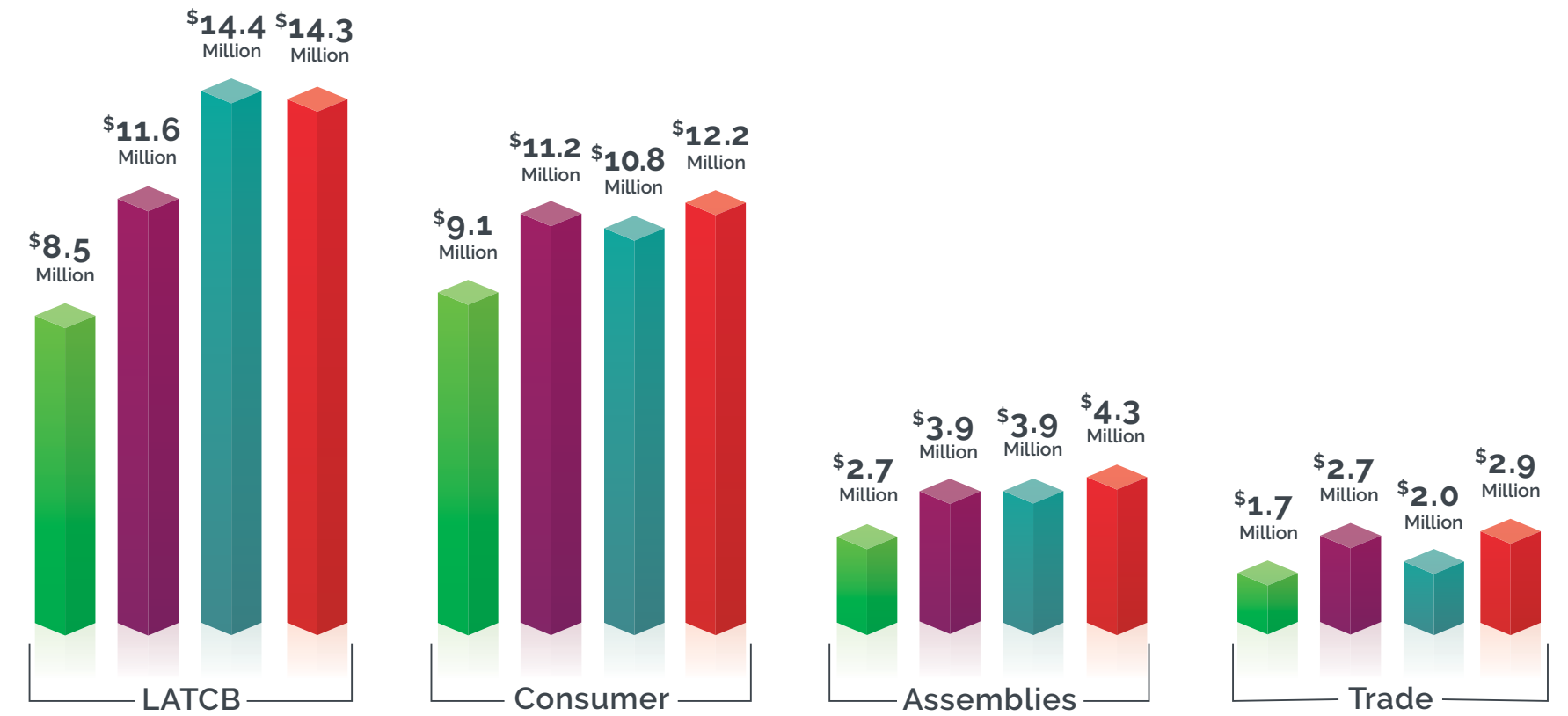




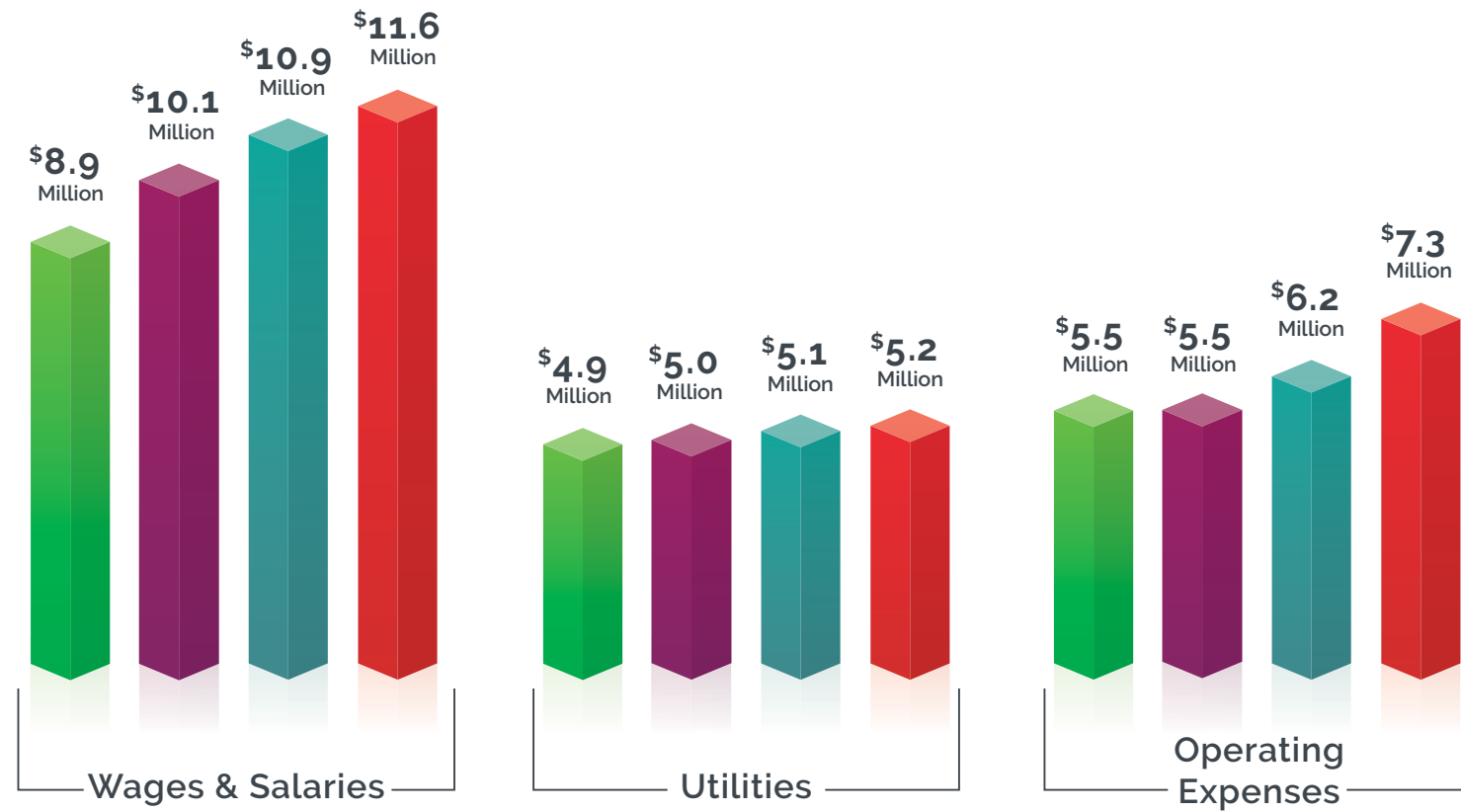
## REVENUES BY CATEGORY



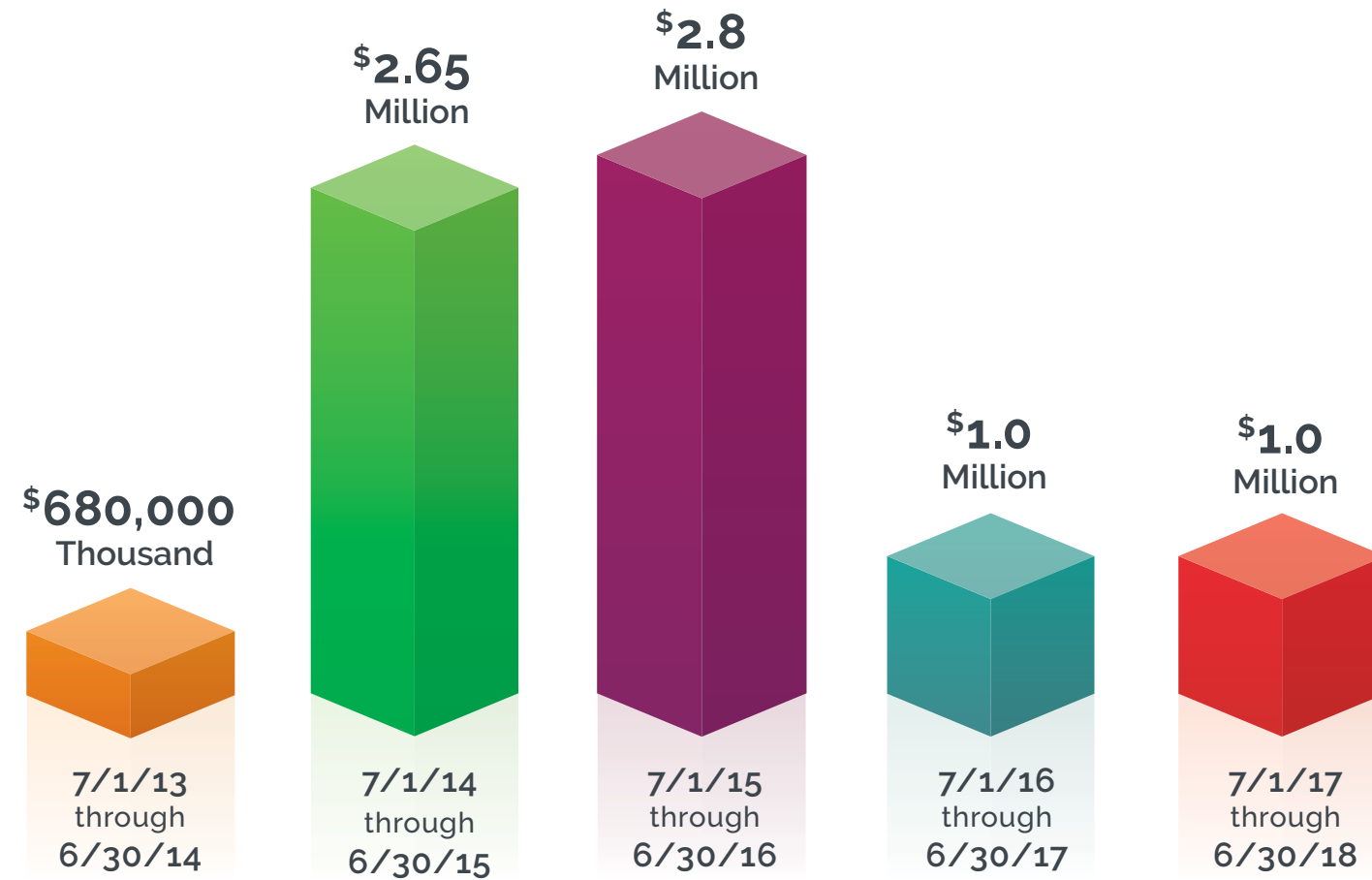
## REVENUES BY EVENT TYPE



# EXPENSES



# BUILDING THE RESERVE

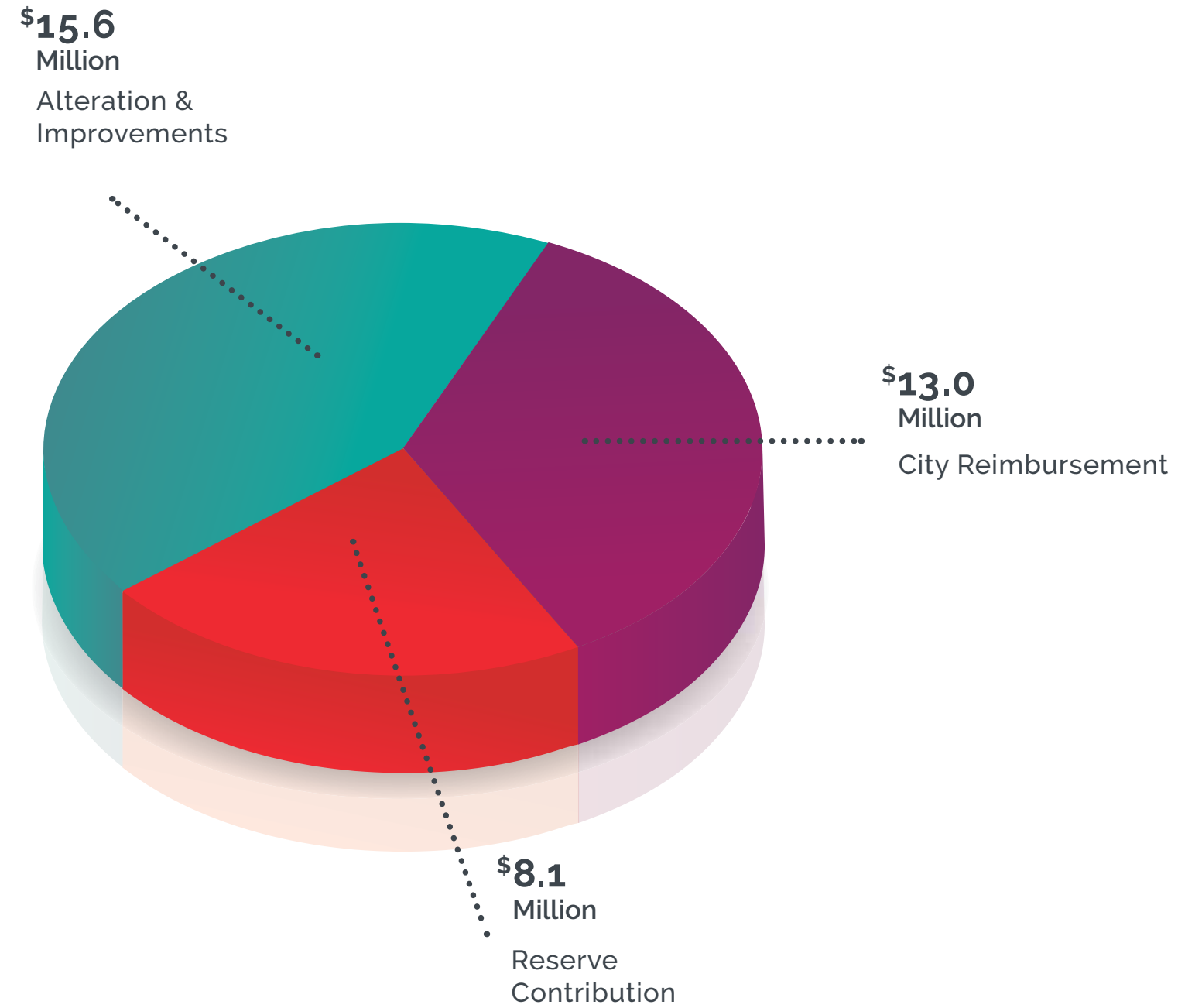


## \$8.1 Million in the Reserve

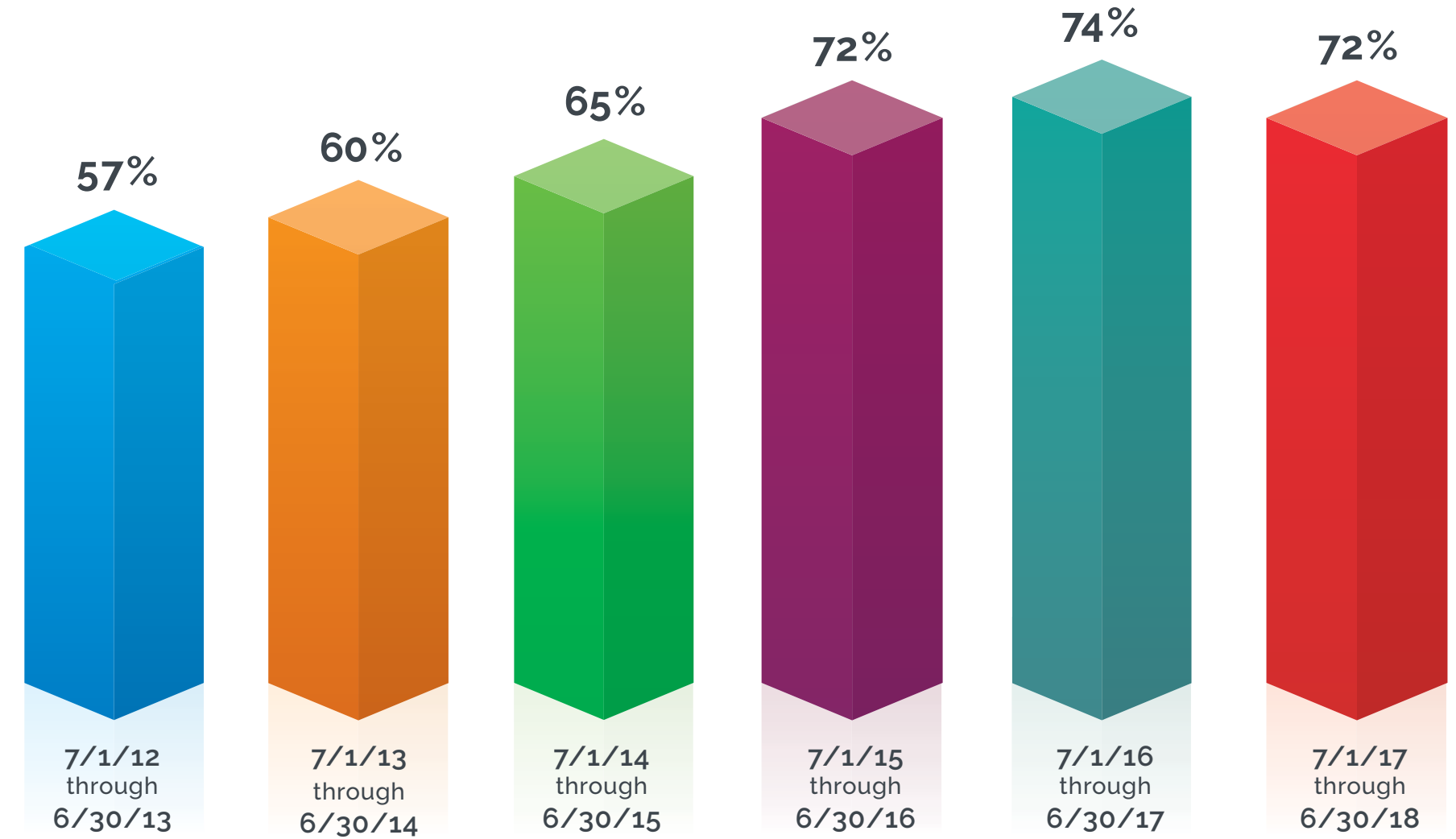
In keeping with convention center management best practices, AEG Facilities set out to build a financial reserve of \$2.1 million within the 5 years of its initial management agreement.

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 \$8.1 million.

## PROFIT ALLOCATION SINCE PRIVATE MANAGEMENT



## OCCUPANCY



## 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, the LED lighting retrofit project replaced 2,146 LED lamps in all exhibit halls. The completion of this project estimates over one million kilowatt hours saved annually.

LACC spent \$3.9 million on 50 Alteration & Improvement Projects funded by the operating surplus. In addition, AEG managed CIP Projects funded by the City.

## AEG MANAGED PROJECTS

- Upgraded to LED lighting in all exhibit halls, 300 & 400 meeting room series and West Hall Administrative Offices
- Installed security bollards in front of South & West Hall entrances
- Completed rooftop garden
- Replaced the carpet in Kentia Hall lobbies, Petree Hall and 300 & 500 meeting room series
- Added EV charging stations
- Renovated South Hall restrooms
- Upgraded Galaxy Cafe upholstery and added new furniture
- Completed West Hall roof repairs
- Replaced and upgraded Food & Beverage (F&B) equipment including coffee brewers
- Completed ADA restriping of South & West Hall parking garages
- Replaced two trash compactors
- Completed South Hall floor remediation
- Upgraded three marquees to programmable signs
- Added catering tables
- Completed ADA accessible walkway



# 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.



**2.21** megawatt solar array brings total solar to 2.58 MW



**2 million** pounds of construction & demolition waste diverted from the landfill



**67%** Waste Diversion Rate



Recycled **589 tons** of cardboard, glass, aluminum, plastic & paper



**9,500** sq. ft. rooftop garden grows citrus, herbs, vegetables & flowers



The new 2.21 megawatt solar array was unveiled on April 4, 2018 during a press conference with Mayor Eric Garcetti. Located on the roof of South Hall, this addition brings LACC's total solar capacity to 2.58 megawatts, making it the largest solar array on a municipally owned convention center in the United States.

The new array includes 6,228 panels at 355 watts each. It is projected to generate 3.4 million kilowatt hours per year that equates to 17 percent of the LACC's annual energy usage. This amount of electricity produced can power 565 homes in Los Angeles.

The project reduces the LACC's carbon footprint by 2,554 metric tons per year, which is the equivalent to removing 2,794,396 pounds of coal from being burned or planting 66,192 trees.

**SOLAR PROJECT**

\*Funded by the City of Los Angeles

### SECURITY ENHANCEMENTS & ACCOMPLISHMENTS INCLUDE:

- Installed K12-rated, truck-resistant security bollards to South and West Hall exterior entry points
- Strategically placed 18 CCTV cameras to capture Food & Beverage point of sales, warehouses, food courts and main kitchens to ensure safety, security and liabilities of the LACC
- Added 5 CCTV cameras with infrared lenses on the loading docks that allow greater visibility at night
- Added 636 door contacts throughout perimeter of the facility with alarms that ties into access control systems and alerts our command center
- All 7 catwalk entry points added access control and were re-keyed, door contacts were added to all upper roof hatches and 5 cameras were placed to monitor the catwalks
- Added a full-time manager to the team to assist with administration and special projects
- Conducted 2 separate active shooter trainings with LAPD where employees were provided with classroom learning and live scenario training to have a stronger understanding of the Run, Hide, Fight program

### GUEST SERVICES HIGHLIGHTS INCLUDE:

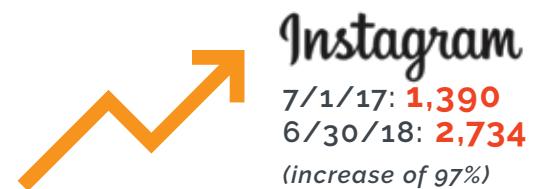
- Guest Services Department has grown to include a manager, two part-time supervisors and ten part-time representatives
- The Guest Services Manager was certified in First Aid, CPR and AED usage and used this experience to lead the training of both LACC and CTD staff
- The Guest Services team formed a close relationship with the Facilities Department to collect, organize and donate unclaimed items from events
- Together the Guest Services and Facilities Departments donated 592 pounds of items to the Salvation Army



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, 2017 - June 30, 2018

- Total Page Views: **1,562,918**
- Total Users: **508,145**  
(New and Returning)
- Average session Duration: **1:31**





The Los Angeles Convention Center leadership and staff provided constant attention; this hard work and focus provided amazing results. Together we were able to set a **record breaking attendance** for the American Academy of Neurology Annual Meeting. This is extraordinary given that this was a west coast meeting, which traditionally means a 10% dip in registration. We had an outstanding event at the LACC and I hope to have the opportunity to again work with the LACC team soon.

**Christy Phelps**  
*Deputy Executive Director*

American Academy of Neurology

AEG Facilities has been an ideal partner for the City of Los Angeles in the management of the Los Angeles Convention Center. The LACC team has been incredibly efficient, having taken the budget from a consequential deficit to a **significant surplus** in a very short period of time. We look forward to celebrating new initiatives and continued success of this partnership.

**Jon Vein**  
*President*

Board of Los Angeles Convention & Tourism Development Commissioners

Every year the partnership between the City of Los Angeles and AEG Facilities grows stronger and establishes continuous improvements to the LACC facilities and functionality. Together we are able to complete long-term projects efficiently, such as the solar project and LED lighting replacement, making the LACC more sustainable than ever. **AEG continues to set the bar high** and we look forward to reaching new goals under their management.

**Doane Liu**  
*Executive Director*

Los Angeles Department of Convention & Tourism Development

## FISCAL YEAR PRESS RELEASES INCLUDE:

- Under AEG Facilities' Management, Los Angeles Convention Center Reports its Most Successful Year Ever in its 46 Year History
- Convention Center Generates Record Breaking \$781 Million in Economic Impact for the City of Los Angeles
- The Los Angeles Convention Center Looks Back on Four Years with AEG Facilities
- The Los Angeles Convention Center and Levy Restaurants Team Up to Bring the Holidays Early to the Downtown Women's Center
- Governor Brown Honors the Los Angeles Convention Center with Environmental and Economic Leadership Award
- Innovative Rooftop Garden Debuts at Los Angeles Convention Center
- Los Angeles Convention Center Goes Dark for Earth Hour
- Los Angeles Plugs in Largest Solar Array on Municipally Owned Convention Center
- AEG Facilities at the Los Angeles Convention Center Honored with LA County Green Leadership Award
- Los Angeles Convention Center Hires Vice President of Sales & Marketing



- Volunteered in the LACC Service Day at the Downtown Women's Shelter
- Participated in #LACCLightsOut social media campaign to raise awareness about Earth Hour and sustainability
- Organized a mug drive in support of Earth Day and reducing single-use items, such as paper coffee cups and coffee creamers
- Wore red in support of American Heart Associations' National Wear Red Day-Go Red for Women
- Connected with EduCare to donate 2,735 pounds of leftover items from E3 and the BET Experience
- Hosted LACC/AEG Earth Day Collection Drive & E-Waste Fair
- Recycled used items for America Recycles Day
- Wore pink in honor of Breast Cancer Awareness Month
- Participated in the Read-to-a-Child program at 10th Street Elementary School
- LACC Job Shadow Day hosted students; senior leadership provided insight into their roles



## PROFESSIONAL DEVELOPMENT CONFERENCES PARTICIPATION BY TEAM MEMBERS

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

## PROFESSIONAL DEVELOPMENT & TEAM BUILDING



## 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 variety of volunteer opportunities.

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 Los Angeles Convention Center is a **world-class venue with a talented team** that delivers great service and production. LACC has been the flagship venue for our annual KCON event and we have been able to exponentially grow each year thanks to their support. After each event, we receive overwhelming positive feedback from our attendees for the safe and fun environment and its thanks to the hard work and assistance of the LACC staff. They truly care about every detail of the event and are genuinely invested in the success of KCON and we look forward to many more years at LACC!

**Patty Park**  
Director  
KCON

ICSC, and our 70,000 members were thrilled with moving our event to the Los Angeles Convention Center, and needless to say we weren't disappointed. The professional staff embraced us and worked closely with our team to make certain all our needs were taken care of. The pre-show planning process was seamless, and the AEG team couldn't have been more accommodating on-site. This winning combination convinced ICSC that Los Angeles is not only the best destination, but also the best facility to host our event into the foreseeable future.

**Tim McGuinness**  
Vice President, Global Trade Expositions  
International Council of Shopping Centers

Whether you are an attendee or client of the LA Convention Center, this convention center is a stand-out. Service, professionalism and going the extra mile, comes to mind.

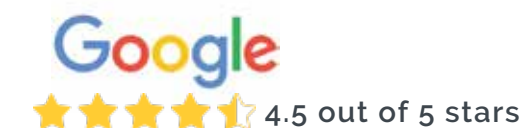
You have a partner in business when you bring your convention to Los Angeles!

**Karen Kiefaber**  
President of Sales  
L.A. Comic Con & RuPaul's DragCon

## 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: 4.6 out of 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 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:*  
Michelle Riehle-Ludtke, Marketing & Community Relations Specialist  
Brad Gessner, Sr. Vice President & General Manager  
Ellen Schwartz, Assistant General Manager  
Keith Hilsgen, Vice President of Finance  
Nancy Walker, Vice President of Sales & Marketing

*Designed By:*  
AEG Creative



Los Angeles

CONVENTION  
CENTER



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FACILITIES

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