LOS ANGELES CONVENTION CENTER

::a year of leadership and innovation



2008-09 ANNUAL REPORT



::welcome to Los Angeles!



The Los Angeles Convention Center proudly serves and advocates as a center where the sciences, arts, humanities, and social interaction take place at a grand scale in our great city. This fiscal year, the Los Angeles Convention Center became the first U.S. convention center and first Los Angeles city building of its size and age to achieve certification in Leadership in Energy and Environmental Design for Existing Buildings (LEED-EB) from the U.S. Green Building Council (USGBC). The City of Los Angeles is honored to have such an outstanding role model in the Los Angeles

Convention Center as a World-Class center and as a leader in sustainability programs serving the local, national, and international community. Come and be a part of the LA experience.

Antonio R. Villaraigosa Mayor, City of Los Angeles

::our mission

To serve the City of Los Angeles by enhancing its prominence as the only destination of choice for citywide conventions, exhibitions, trade shows, and high-profile events. To perform as an economic and jobs engine for the region through primary and secondary client spending, and to support the promotion of the arts, sciences, humanities, and education.

::inside

message from the CEO	2
accomplishments	4
national recognition	6
events	8
surroundings	10
cuisine	12
environmental change	14
youth & community outreach	16
future growth	18
financials and statistics	20
notable features & partners	22
city of Los Angeles	24





1

::message from the CEO

On behalf of the Los Angeles Convention Center (LACC) family of employees and with much gratitude and appreciation, I proudly present the LACC's Annual Report for the 2008-09 Fiscal Year.

:: A year whereby the LACC will be remembered for its Leadership and Innovation, the LACC completed this fiscal year having weathered the most unprecedented and challenging threat to its fiscal base and business continuity since its opening in 1971. A worldwide economic degradation impacting all industries, resultant build up of rhetoric damaging the meetings and events sector, increased competition and overall shrinkage of markets led to unanticipated levels of business and financial risk in the hospitality industry. Even traditionally strong markets like Las Vegas and Hawaii experienced double digit declines with an outlook of continued fiscal stress. Clients, venues and patrons alike considered the 12 months preceding July 1st, 2009 as one of the most difficult times in the recent history of our industry.

In the midst of such dire circumstances, the Leadership vividly portrayed by the women and men of LACC allowed this organization to rise above the challenges with a keen focus on LACC's core financial competency and vision of success. Facing difficult challenges, LACC built upon its environmental legacy, delivered high levels of service, welcomed new clients, actively participated in various economic development and business sustainment and enhancement efforts, remained a highly regarded and effective business entity, identified new opportunities for revenue capacity growth, expanded the youth and education programs, supported the Sports and Entertainment District and, in essence, met the goals and objectives of every strategic initiative within its business agenda. It is expected that once financial accounting and comparison of operations across convention centers is completed, LACC will be among the few, if not the only one, to end the year having completed so much while able to cover its operating expenditures through its revenues. This feat marks a historic fourth consecutive year that LACC is able to meet this paramount financial achievement.

In the 2008-09 fiscal year, the LACC hosted nearly 400 events while posting the highest hall occupancy rate of the past eight years at 72%. These events collectively generated \$31.5M in gross operating revenues, the highest of the past eight years, and \$26.5M in net operating revenues.

In the filming/photo shoot category alone, LACC experienced a 91% increase in the number of such events and a 103% increase in derived revenues related to this type of activity. I am particularly proud of our team having achieved such an increase, when due to higher occupancy we actually had limited space and time available for filming.

Among the hundreds of diverse events, the 2008-09 fiscal year saw LACC successfully host three Microsoft events, three electronic entertainment and video gaming related events, the Emmy's Governor's Ball, the Grammy's Celebration, the Los Angeles Art Show, our signature event MusiCares Gala, the Los Angeles Auto Show, the Los Angeles Boat Show, the California Gift Show, and supported a multitude of other events here at LACC and at venues on the L.A. LIVE campus.



As various components of L.A. LIVE came on line, LACC's position as an important business partner became more pronounced. The demand for our services in support of the Sports and Entertainment District provided us with an opportunity to constantly balance resources and needs while Most important, the continued chain of environmental work that has now become intrinsic to LACC has resulted in other organizations seeking to align business objectives with environmental consciousness. The participation of over 200 elementary school students on Earth Day 2009 at LACC is one example of our

LACC hosted nearly 400 events while posting the highest hall occupancy rate of the past eight years at 72%. These events collectively generated \$31.5M in gross operating revenues, the highest of the past eight years.

delivering results consistent with our vision. This has laid the groundwork for future joint endeavors that will result in great returns to the City.

The 2008-09 fiscal year will also be remembered as the year in which LACC, against all odds and financial pressures, achieved high marks in Innovation by receiving certification in Leadership in Energy and Environmental Design for Existing Buildings (LEED-EB) from the U.S. Green Building Council. This monumental accomplishment, in terms of environmental awareness and commitment, highlights the depth and extent of the LACC family's capabilities, ambitions, and competitive spirit. The first City of Los Angeles building and the first convention center of its size and age to be certified brought an avalanche of positive and encouraging industry comments and media coverage. message of environmental stewardship being conveyed loud and clear. This will be the true legacy of LACC.

As we close the 2008-09 fiscal year, we favorably welcome the upcoming fiscal year and are determined to continue to represent the best of Los Angeles before a regional, national, and international audience. I would also like to take this opportunity to once again acknowledge the monumental and selfless contributions of the LACC family of employees. Additionally, the support of the Office of the Mayor and the City Council was crucial to LACC's success. I look forward in this next fiscal year to build upon LACC's exemplary role in Leadership and Innovation.

Pouria Abbassi, P.E. Chief Executive Officer and General Manager



4



Making the headlines with twenty-six positive **editorial stories** in local, national and trade news media.



Youth and education excursions implemented as part of LACC's "Get in Touch with Your Future" Student Enrichment Program.

Over a half million **parked cars** this year.

502,443

26

Nationally renowned **high-profile culinary banquets** for the Hollywood entertainment industry — **Emmy's Governor's Ball and the Grammy's Celebration**.

2008-09 Highlights

SOUTH HALL ROOF RENOVATIONS

New delineation lines on the South Hall roof provide aerial emergency response teams the information needed to expedite response capabilities.

CARPET RENOVATIONS

Over 40,000 square feet of LACC was fitted with new carpet to provide a more appealing aesthetic. With over 2.5 million annual visitors to the LACC, the carpet endures an estimated 5 million shoes each year.

GALAXY AND OTHER FOOD SERVICES RESTAURANTS

The eleven restaurants were retrofitted with new, more durable floors providing a modern appearance and atmosphere.

GRAPHICS IN PARKING

More prominent signage is now in LACC's West Hall parking garage to help visitors better navigate to areas inside the Convention Center campus. Stairwells in the Venice parking structure were repainted to help outline egress and ingress points.

5

::leading in national recognition

The downtown revival of L.A. LIVE coupled with LACC's green initiatives and stellar cuisine is attracting both conventions and visitors alike — and the media is taking notice. Los Angeles Convention Center has maintained center stage in several publications across the nation and worldwide, and has been featured in over 26 publications throughout 2008-09. LACC has graced the pages of such prominent publications as Trade Show Week magazine, Trade Show Executive magazine, Los Angeles Business Journal, Los Angeles Downtown News, Daily News, The Los Angeles Times, La Opinión, & television news broadcasts Telemundo, Univision, KCAL 9, NBC4, KRCA-62 TV, and City View 35.

The tremendous efforts of the hardworking family of employees through 2008-09 have won the LACC numerous awards including the LEED-EB Certification by USGBC, a 2008 Facilities & Destination Prime Site Award, and the 38th Los Angeles Architectural Awards Community Impact Award.





"The new L.A. LIVE complex near Staples Center has helped the city's convention bureau book a record 53 future conventions during the fiscal year that ended June 30 (2008). That's a 29% jump over 2007. Hotel room reservations are up 22%."

Kimi Yoshino, Los Angeles Times August 6, 2008, latimes.com





"Here at the Recording Academy, we take great pride in our productions and in what we present to our members, guests, sponsors, and community. It is clear that you share the same passion and drive for excellence and for that we cannot say enough."

> Branden Chapman, Vice President & Process Management 51st Grammy Awards events held at LACC in February 2009



::innovative events

Our clients are phenomenal! Dignitaries, soccer moms, corporate runners, celebrities and determined high school students alike have chosen the Los Angeles Convention Center (LACC) to host their beloved conventions, exhibitions, tradeshows, meetings and special events. They have shown their loyalty and level of confidence in LACC's ability to produce a successful event by returning time and time again. Their uncompromised support and willful commitment keep LACC's seven halls and its employee base active year round.

Los Angeles is the ideal place to host high profile events, and LACC is the only venue of choice that can bring these events to life!



::innovative surroundings

The Los Angeles Convention Center plays a key role with the new adjacent L.A. LIVE addition. This novel piece brings Downtown LA a state-of-the-art Sports and Entertainment Complex to the area, and serves as a spectacular campus designed for accommodating convention visitors during their visit to the center.

Here you'll find dining delights like the Boca Restaurant located inside the Conga Room Nightclub, Yard House, ESPN Zone Restaurant, Katsuya, Lawry's Carvery, ROCK N' FISH, Trader Vic's, Wolfgang Puck and Grill, Fleming's, New Zealand Natural, Rosa Mexicano, The Farm of Beverly Hills, and Starbucks Coffee.

Below are some photos of the different and unique places you can visit while at the convention center.





"Thank you for hosting our 61st Annual Conference & International Education Expo. The service the entire team showed is to be commended, particularly with the additional events — the LA Marathon and Lakers playoff games — that Los Angeles hosted as well..."

> Valerie A. Royal, CMP, Senior Director, Conferences and Meetings NAFSA: Association of International Educators





"Your assistance and cooperation has helped make this year's convention an amazing event and one of our most successful to date. With over 47,000 attendees, we look forward to working with you in 2010..."

Ms. Liyin Liang, Convention Chairwoman Anime Expo 2009





Above and Below: The delectable cuisine of LACC's Food Services Division including its mobile Aventura Catering will make any event a memorable experience.



::innovative cuisine

Motivated by the surrounding, culturally-rich environment, the Los Angeles Convention Center Food & Beverage Services Division offers an array of innovative cuisine that is second to none. Our executive chef and culinary staff provide clients and visitors with delectable food and exemplary catering services.

LACC's off-site catering company, Aventura Catering, continues to grow. Aventura Catering is dedicated to providing the highest quality in food services for private and corporate events throughout Los Angeles. Aventura Catering administers a unique and distinctive experience that will make any event memorable.

LACC's commitment to preserving the environment takes its efforts into the kitchen as the Food & Beverage Services Division has implemented several environmentally friendly business and operations practices. They include, but are not limited to:

- 100% biodegradeable and compostable serviceware products
- Water efficient kitchen dishwasher that saves close to 630,000 gallons of water annually
- · Recycling of glass, plastic, paper and other materials
- Organic waste composting
- Promotion of the Monterey Bay Aquarium Seafood WATCH list recommendations for seafood selections
- Increased purchases of organic and locally grown or sourced products
- Introduction of our supplemental catering menu promoting the use of a wide range of products such as grass-fed beef, cage-free eggs, and dairy produced without antibiotics or hormones, organic wine and beer, and fair-trade coffee
- Presentation of "green meeting" suggestions that include sustainable food options for events
- Used cooking oil transformed into biodiesel fuel, using transesterification process

Each delectable treat is created from freshly prepared ingredients and served in breathtaking arrangements. Aventura Catering chefs take great pride in creating food masterpieces that are not only visually delightful, but also pleasing to the palate.

For more information, please visit www.lacclink.com and click on the Food Services link.

::leading environmental change

In September 2008, the Los Angeles Convention Center (LACC) became the first U.S. convention center and the first City of Los Angeles building of its age and size to be awarded certification in Leadership in Energy and Environmental Design for Existing Buildings (LEED-EB) from the United States Green Building Council (USGBC). This feat was not easily accomplished and is attributable only to the relentless efforts of the LACC family of employees. This is a true reflection of the Mayor's goal of making Los Angeles "the greenest Big City in the nation."

Led by the proficient Green Task Team, LACC met all of the requirements needed to receive USGBC certification. Some of the programs included sensor-activated bathroom fixtures, newer energy efficient lighting, solar panels on the South Hall exterior, cooling towers that circulate cooled water throughout the facility, massive recycling efforts, diversion projects that keep waste from building up in landfills, and biodegradable food products. As a testament to LACC's focus on environmental stewardship, our partners at the Environmental Protection Agency, the Department of Water & Power, and City Hall have awarded LACC with commendations for its serious and practical approach to "greening" the environment.

In addition to several new programs, the LACC also celebrated the launch of its annual EARTH AWARE, DOING OUR SHARE Earth Day Community event on April 22, 2009. During this event, local elementary and high school students learned about LACC's earth-friendly programs and the practices that our City partners implemented to create a more sustainable environment.

LACC believes that in uniting its efforts and educating future generations during their formidable years, it can help minimize carbon footprints and increase the retention of natural resources.

For more information on how you can conserve energy and reduce hazards to the environment, visit www.lacclink.com.





Above: Solar panels on the South Hall. Below (from left to right): LACC's LEED certification award; The West Hall's earth-friendly bathrooms; LACC is committed to increasing landfill diversion and product reuse. It currently diverts 50% of its waste; LACC's West Hall "cool roof".





"LACC Takes the LEED: The Los Angeles Convention Center has joined the ranks of centers across the country that are proving the steps they're taking toward sustainability are working. It is the first Los Angeles city building to receive LEED-EB certification."

> Trade Show Week Magazine November 3rd, 2008



2008-09 Highlights

WEST HALL RESTROOMS

The restrooms in West Hall were completely re-designed and modernized incorporating earth-friendly motion sensor plumbing and lighting fixtures. More than one million gallons of water will be saved annually due to the new water efficient urinals.

CONTROL ROOM UPGRADES

The Los Angeles Convention Center's Control Room was retrofitted with new LCD screens, a bay area, and computer software that increases energy efficiency. The Control Room's improvements have created a greener LACC and increased the LACC's energy and natural resource conservation efforts.

COOLING TOWERS

The newly installed cooling towers on top of LACC's West Hall connect to chillers positioned underneath to re-circulate water throughout the 54-acre facility. They are more energy efficient and will preserve water and energy expenditures.

KITCHEN DISHWASHER

LACC's main kitchen dishwasher was replaced with a more efficient machine reducing water consumption by 55%, resulting in an annual savings of 627,000 gallons of water!

COOL ROOF

The West Hall's "cool roof", a reflective surface that prevents the sun's heat from penetrating the building, has dramatically reduced energy usage for air conditioning needs for the West Hall tower area.

:: leading youth & community outreach

LACC's "Get In Touch With Your Future" Youth and Education Enrichment Program provides intense, hands-on learning excursions, internships, and programs for students from Los Angeles and abroad.

Students are able to get a first-hand experience with divisions across the operational and business sides of the LACC as well as learn from show management clientele who offer site tours during select events throughout the year.

LACC's Youth and Education Enrichment Program has grown so much that outside entities have taken interest and have begun either collaborating, supporting, participating, or endorsing the LACC's Get In Touch With Your Future program. Some participants include ITT Technical Institute and the Greater Los Angeles Auto Show.





"The Los Angeles Convention Center continually seeks to promote the arts, sciences, humanities and education through various client events and active collaboration with local universities and secondary schools."

> Pouria Abbassi, P.E. Los Angeles Convention Center CEO & General Manager





"The impeccable service you provide is a true credit to your team's skill and talent."

Cheryl Cecchetto, President, Sequoia Productions 60th Emmy Awards Governor's Ball, Sept. 2008



::leading for future growth

With the continued support of the Office of the Mayor and the City Council, the LACC will expand its efforts to provide services and resources for residents and visitors of Los Angeles. We anticipate that several of our new programs will attract pioneering conventions to the great City of Los Angeles and usher an innovative approach to Convention Center sales in the convention and entertainment industry. As centers and hotels experience an industry-wide decline in film bookings, LACC has seen a steady increase in site bookings made by leading production companies in the film industry.

The LACC aims to increase its environmental stewardship with the study of several initiatives, including a program that will save 1 million gallons of water per year, a thermal storage energy system (which will use chilled water stored the night before for the next day's use), a zero-waste model, the installation of a reflective energysaving white roof on top of the South Hall, and LEED-silver certification by July 2010.

As the combined entertainment campus encompassing the LACC, the STAPLES Center, the NOKIA Theatre, and L.A. LIVE continues to thrive, the Los Angeles of tomorrow promises to shine brighter than ever before.



::2008-09 financials and statistics

FY 2008-09

Operating Revenue	
Exhibit Hall and Meeting Room Rentals	\$ 11,301,286
Utility Services	10,077,427
Parking	6,451,613
Food Service Operating Profit	1,854,821
Miscellaneous	1,792,521
Total Operating Revenue	\$ 31,477,668
Operating and Administrative Expenses	
Salaries	\$ 16,375,021
Utilities	4,052,396
Contractual Services	2,345,462
Repairs, Materials and Supplies	1,074,040
Office and Administrative	252,943
Advertising and Other Promotion	157,489
Miscellaneous	69,845
Total Operating and Administrative Expenses	\$ 24,327,196
Income (Loss) From Operations	\$ 7,150,472
Deductions from Operating Income	
L.A. Convention & Visitors' Bureau Discounts	\$ (4,562,622)
City Council Waivers	(158,531)
Total Deductions from Operating Income	\$ (4,721,153)
Income (Loss) From Operations Before Depreciation and Transfers	\$ 2,429,319

Percentage Increase In Gross Operating Revenue Compared to 2004-05



Gross Operating Revenue (in millions)



Percentage Increase In Gross Operating Revenue Per Employee Compared to 2004-05





"I wanted to thank the Los Angeles Convention Center for working very hard to make this year's boat show a success...All service staff members were professional and well organized...Congratulations for making the Los Angeles Convention Center a truly world class facility."

> Dave Geoffroy, Executive Director, Southern California Marine Association 53rd Annual Los Angeles Boat Show



::notable features

A Prime Site. For the past several years, the Los Angeles Convention Center (LACC) has been awarded the Facilities and Destinations Conference Magazine PRIME SITE AWARD for exceptional servicing of its event clientele. LACC was selected by industry peers directly involved with site selection.

Stay Connected. The LACC campus is fully equipped with WiFi Instant Internet 802.11bg. Join the more than 7 thousand company executives, independent business owners, and email enthusiasts who annually access the Internet from any of our seven impressive exhibition halls.

Customer Service Desks. Need directions to Disneyland? Want to go site seeing on the Avenue of Stars? Need taxi cab information to get to your lunch reservation on time? LACC has Service Desks manned with knowledgeable staff and information on all of the many attractions Los Angeles has to offer.

No Barriers. All LACC entrances and exits are ADA compliant. Mobility impaired individuals are able to access all meeting rooms and exhibition halls with ease by way of more than a dozen escalators and several elevators located in both the South and West Halls.



Left: The LACC fully staffs its customer service desks at every event with knowledgeable representatives happy and ready to help.

Below (from left to right): All seven exhibition halls are fully equipped with WiFi internet; We are committed to ensuring that all mobility impaired individuals are able to navigate our extensive campus with ease; The Prime Site Award certificate given to the Los Angeles Convention Center for 2009.



::our partners

Emerging from the shadows of the past, the Los Angeles Convention Center (LACC) has become one of the most sought-after destinations for conventions, meetings, and company gatherings. As a result, LACC continues to identify and form strategic and competitive partnerships with local, regional, national, and international partners to strengthen its competitive edge.

With its continuous financial and operational stability, the Los Angeles Convention Center is dedicated to collaborating with City of Los Angeles Departments, Industry Associations, Local Community Organizations, and Clients nation and worldwide with the ultimate purpose of identifying and nurturing the hosting of the best industry events. LACC's aim is to create resources and services that will benefit the people of the great City of Los Angeles.





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Felix I. Hernandez EDITOR, PHOTOGRAPHY Yili Ma CONTRIBUTING WRITER, PHOTOGRAPHY Ra'Kenna Joseph CONTRIBUTING WRITER William "Bill" Kidston PHOTOGRAPHY Amy Annie Chang PHOTOGRAPHY CMg Design Inc. CREATIVE DIRECTION, PRODUCTION

24 LOS ANGELES CONVENTION CENTER

:: city of Los Angeles Mayor & City Council



Our Civic Leaders play a pivotal role in the current and future success of the Los Angeles Convention Center. It is they who make the necessary tough decisions in order to ensure that our World-Class venue maintains its international leadership in the convention center industry for generations to come.





Los Angeles Convention Center

1201 South Figueroa Street Los Angeles, CA 90015

LACClink.com



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