

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: August 12, 2015

TO: Honorable Members of the Economic Development Committee

FROM: Sharon M. Tso 
Chief Legislative Analyst

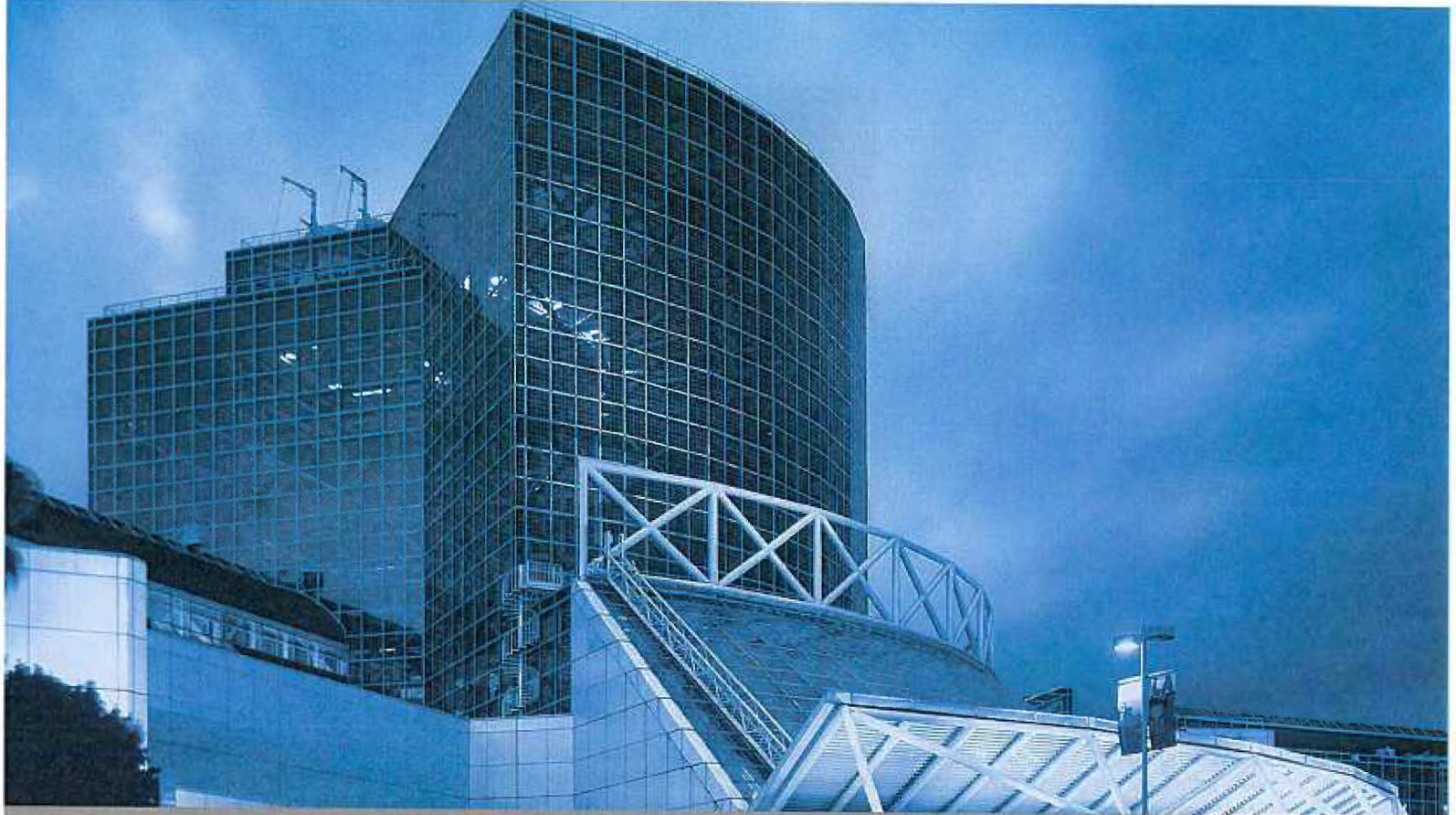
Assignment No. 15-08-0645

Market and Economic Impact Analysis for the Proposed Los Angeles Convention Center Development

At its meeting of October 14, 2014, the City Council instructed the Chief Legislative Analyst (CLA), with the assistance of the City Administrative Officer, Department of Convention and Tourism Development, Economic Development Department, and others, to conduct various studies related to the proposed expansion of the Los Angeles Convention Center (LACC), known as Plan B (CF# 14-1383).

One of the studies requested was an economic impact analysis of the proposed LACC expansion project. The CLA retained Convention, Sports, and Leisure (CSL) to prepare the requested study. CSL has prepared several previous studies concerning the LACC, including analysis of the proposed New Hall and Event Center project and the program scope for the proposed expansion project.

CSL has prepared the attached report, "Preliminary Market and Economic Impact Analysis for the Potential Los Angeles Convention Center Development." The report is provided for your information.



PRELIMINARY MARKET AND ECONOMIC IMPACT ANALYSIS FOR

Potential Los Angeles Convention Center Development

Presented to the City of Los Angeles

August 7, 2015





August 7, 2015

Ms. Sharon Tso
Chief Legislative Analyst
200 N. Spring St
Los Angeles, CA 90012

Dear Ms. Tso,

Conventions, Sports and Leisure, International (CSL) has completed the analysis of potential impact associated with future Los Angeles Convention Center expansion. The attached report is intended to accompany the slide presentation in the appendix. The report presents our research, analysis and findings and is intended to assist the LA Department of Convention and Tourism Development (CTD) in evaluating the potential event and economic impact associated with potential expansion of the Los Angeles Convention Center (LACC).

The analysis presented in this report is based on estimates, assumptions and other information developed from industry research, data provided by LACC management, LA Tourism and other study stakeholders. Surveys of potential facility users, discussions with industry participants and analysis of competitive/comparable facilities and communities have also been conducted. The sources of information, the methods employed, and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material. Furthermore, all information provided to us by others was not audited or verified and was assumed to be correct.

This report has been prepared for the internal use of CTD and other study stakeholders, and should not be relied on by any other party. The report has been structured to provide CTD and other study stakeholders with a foundation of research to provide decision makers with the information necessary to strategically plan for the Los Angeles Convention Center's future in the event facility industry and should not be used for any other purpose. This report, its findings or references to CSL may not be included or reproduced in any public offering statement or other financing document.

We sincerely appreciate the assistance and cooperation we have been provided in the compilation of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,

CSL International

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Introduction

Conventions, Sports and Leisure International has completed an analysis of market demand characteristics, event potential and economic impact levels for potential expansion of the LACC. Our analysis is largely based on two planning scenarios; (1) expansion of exhibit, meeting and ballroom space consistent with the direction provided to three selected architectural firms (Gensler, Populous and LMN); and a "do nothing" scenario, under which no improvement to the LACC is made.

This report is intended to accompany the attached slide presentation that includes additional study detail. As part of our analysis, we have reviewed current and potential future conditions within the Los Angeles market that may impact the project, analyzed historical LACC operations, conducted an analysis of competitive/comparable facilities in markets similar to Los Angeles, and have surveyed selected past, current and potential future users of LACC.

Los Angeles Market Overview

The LACC is owned by the city of Los Angeles and operated by AEG and was developed to generate economic impact and serve as a home for various national, regional and local events. The Center hosts a wide variety of important national and regional trade shows and conventions, along with sizable consumer shows, public assemblies and corporate meetings.

In addition, the many events that draw attendees from throughout the region and country serve to generate significant economic impact for both the downtown and the city of Los Angeles. The destination sales and marketing efforts provided by LA Tourism also help to highlight the benefits of both the LACC and its nearby amenities for leisure visitors, business travelers and event planners.

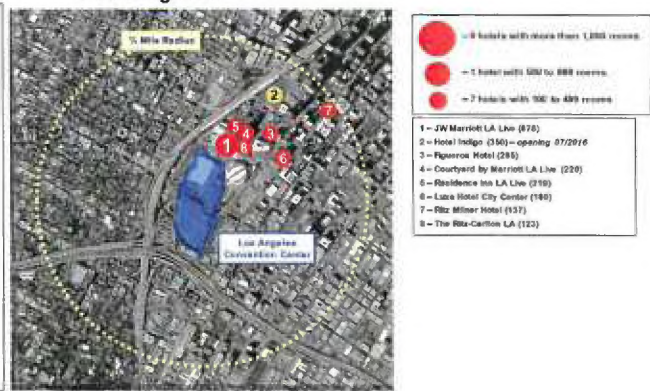
The walkable restaurant and entertainment environment surrounding the LACC has evolved significantly over the past ten years and there are several development plans currently in place to continue this momentum. Previous conditions that offered almost no walkability around the LACC have been replaced with an emerging base of amenities centered on the LA Live entertainment district. With improvements being made to competitive centers and communities, continued investment in these types of assets will be needed to retain and potentially enhance event market share.

The hotel base immediately surrounding the LACC is comparatively modest when considering competitive destinations in San Diego, Anaheim, San Francisco, Seattle and other such markets. There are currently approximately 2,500 total sleeping rooms within a half mile of the Los Angeles Convention Center, ranking low when compared to San Diego which has 9,000 hotel rooms within a half mile of its convention center, San Francisco, with 18,900 hotel rooms within a half mile, and Anaheim with 11,400 nearby rooms. Aerial photographs showing the room inventory proximate to each of these centers are presented on the following page and highlight the relative deficiencies of the Los Angeles convention hotel inventory.

Anaheim



Los Angeles



San Diego



San Francisco



On-going downtown Los Angeles hotel development will enhance room availability in coming years, with an expansion planned for the LA Live JW Marriott that would increase its room count from 878 to 1,633 (planned for completion in 2018) and a \$700 million mixed-use complex planned by Shenzhen Hazens Real Estate Group that will feature a 250-room hotel (planned to open in 2020).

Even with these additions, the Los Angeles market will still not reach the room inventory of the closest competitive markets. However, over a longer timeframe, the improvements to the LACC and surrounding area will likely result in future hotel development that will help improve the competitive position in Los Angeles.

Room nights sold in the Downtown Los Angeles Business District have significantly increased in recent years, with the annual peak month of August increasing from 196,000 rooms sold in 2013 to 206,000 in 2014. Occupancy levels have remained fairly consistent, and have exceeded 70 percent over the past three years. With hotel occupancy levels in this range, hotel management can tend to reduce the number of rooms they commit for city-wide conventions. This factor is considered as part of the process of developing future LACC event and room night estimates. At the same time, the strong local hotel market can increase pressure for the future development of hotel projects, which will ultimately benefit the LACC.

We also note that the monthly average daily rates have increased significantly from 2013 to 2014, and have continued to do so in 2015, again indicating the substantial level of demand for hotel rooms in downtown Los Angeles.

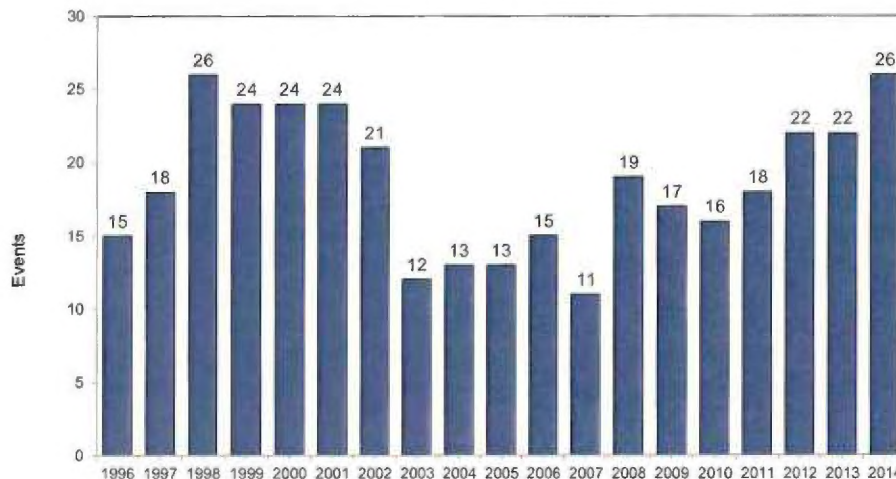
Historical Los Angeles Convention Center Operations

The Los Angeles Convention Center originally opened in 1971 and is home to popular national events such as E3, the Anime Expo and the Los Angeles Auto Show. The facility currently offers 210,700 square feet of prime exhibit space in West Hall and 346,900 in South Hall, with an additional 162,000 in Kentia Hall. A total of 151,900 square feet of meeting space is currently available, which includes the considerable space offerings in both Petree Hall (21,600 square feet) and Concourse hall (26,300 square feet). In 2013, the Los Angeles City Council approved AEG as manager of the operations of the Center, with LA Tourism continuing to conduct event sales and marketing efforts.

Historically, LACC has hosted a significant number of "citywide" conventions and trade shows that are defined by LA Tourism and the CTD as "events held at the Los Angeles Convention Center that generate at least 3,000 hotel room nights, at least 1,500 hotel room nights on peak, and utilize no fewer than three hotel properties." The following exhibit summarizes these data for the *calendar year* period 1996 to 2014.

Note that LA Tourism measures event data by calendar year, while the LACC uses a fiscal year for recording event data. Charts presented later in this analysis that include both citywide and other LACC event activity use the fiscal year period since no calendar year data exists for the variety of other LACC events not booked by LA Tourism.

Exhibit 1
LACC Historical Operations – Number of Citywide Conventions by Calendar Year



Note: A Citywide Convention is defined as an event held at the Los Angeles Convention Center that generates at least 3,000 room nights with 1,500 room nights on peak and utilizes no fewer than 3 hotels.

Source: CSL International, Los Angeles Department of Convention and Tourism Development, 2015.

years, from 16 in 2010 to 26 in 2014.

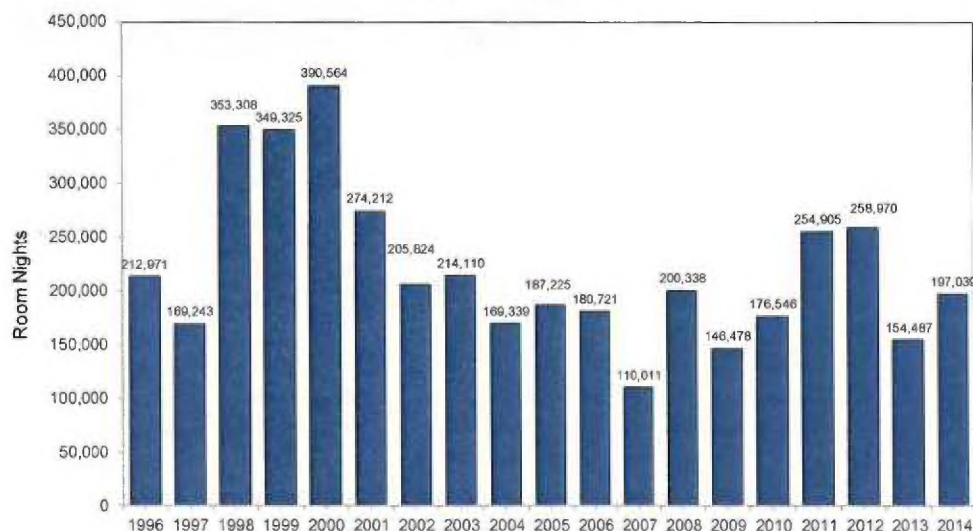
However, this growth has not been reflected in the total number of room nights generated by such events. The following exhibit summarizes room night generation from citywide events held at the LACC during the period 1996 to 2014.

As summarized in the exhibit, the number of citywide events peaked in the late 1990's, experiencing a significant drop off post 9-11, during the recession of that period. Peak event levels in the 1990's reflect the impact of closings and construction at competitive centers in San Diego and Anaheim. Citywide events have grown steadily in recent

Exhibit 2 LACC Historical Operations –Citywide Convention Room Nights by Calendar Year

As summarized in the exhibit, the annual hotel room nights generated by citywide conventions peaked in the late 1990's, followed by a steady drop through 2007. Room night activity has fluctuated somewhat over the past seven years, with peaks in 2011 and 2012.

The recent low figures in 2013 and 2014 may reflect the deficiency in downtown hotel room inventory caused by the closing of the 900-room Wilshire Grand downtown hotel property in 2012, in addition to enhancements to competitive destination product.



Note: A Citywide Convention is defined as an event held at the Los Angeles Convention Center that generates at least 3,000 room nights with 1,500 room nights on peak and utilizes no fewer than 3 hotels.

Source: CSL International, Los Angeles Department of Convention and Tourism Development, 2015.

In terms of total event activity, the LACC has hosted many high impact national events, as well as numerous lower impact meetings, assemblies and filming events that do not typically use LACC's exhibit halls or generate significant non-local attendance. To better understand the LACC's historical economic impact levels, we measured event counts, utilization days and attendance figures specifically for events that utilized South, West, Kentia, Concourse or Petree Hall on a fiscal year basis.

Additionally, for the purpose of estimating potential event capture and economic impact by event type in this report, the LACC's citywide conventions have been highlighted in our measurements of event counts, utilization days, and attendance. These data are summarized in the following exhibit

Exhibit 3
LACC Historical Operations – Number of Citywide Conventions by Fiscal Year

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Citywide Conventions									
Events	17	11	19	13	20	21	24	23	25
Utilization Days	153	85	164	125	178	180	215	179	208
Other Events									
Events	180	170	146	146	143	117	114	121	116
Utilization Days	647	757	636	636	630	555	474	550	564
Total									
Events	197	181	165	159	163	138	138	144	141
Utilization Days	800	842	800	761	808	735	689	729	772

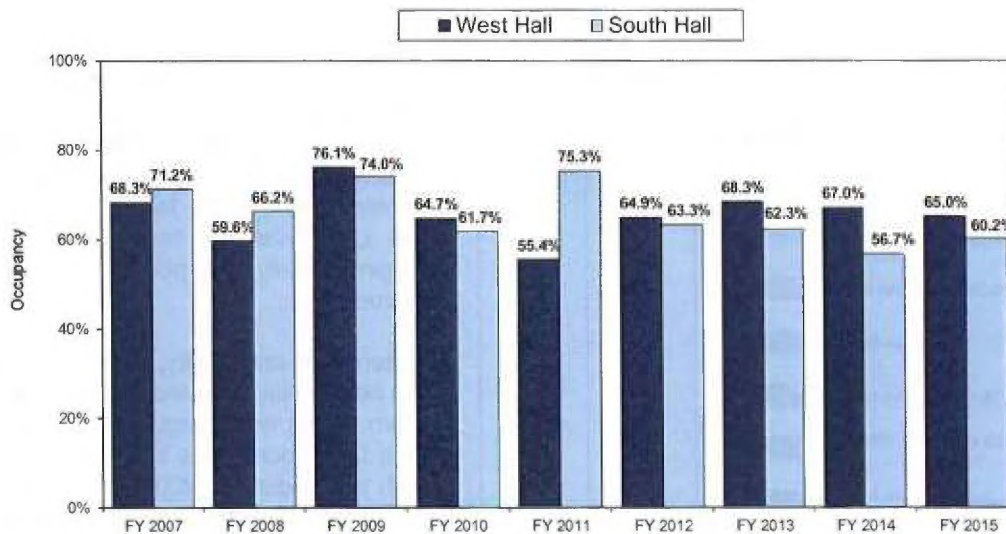
Notes: Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.
Source: CSL International, facility management, 2015

As shown above, citywide conventions have risen relatively consistently since FY2007 (consistent with the calendar year data). In addition, the chart summarizes the various types of meetings, consumer shows, assemblies and other miscellaneous types of events held at the LACC. The other event activity at the LACC has dropped somewhat from the highs in FY2007-08, but have remained fairly consistent over the past four years. Note that other events tend to fill gaps in the annual calendar, and are designed to support overall facility net income. In some cases, hosting more "other" events can result in a decrease in net income given low revenue profiles. Current LACC management work to maintain a balance between hosting other event activity that may have a community benefit, and maximizing overall LACC financial operating performance.

We have also measured the occupancy levels of the LACC exhibit halls. These data can be useful in identifying pressure points in space demand. The occupancy of a facility is determined to be within a practical maximum capacity range when the actual occupied space in a facility reaches a level of 50 percent of total sellable capacity. Above 70 percent occupancy, a facility has exceeded "practical maximum capacity" and may be turning away significant business. These assumptions account for the reality that a portion of the facility's total capacity is un-sellable due to holidays, maintenance days and inherent booking inefficiencies that result when events cannot be scheduled immediately back-to-back.

The exhibit on the following page highlights South and West Hall occupancy percentages for the years FY2007 to FY2015.

Exhibit 4 LACC Historical Operations – South & West Hall Occupancy Percentages



Note: FY 2015 figures only include data through February of 2015.
Source: CSL International, facility management, 2015

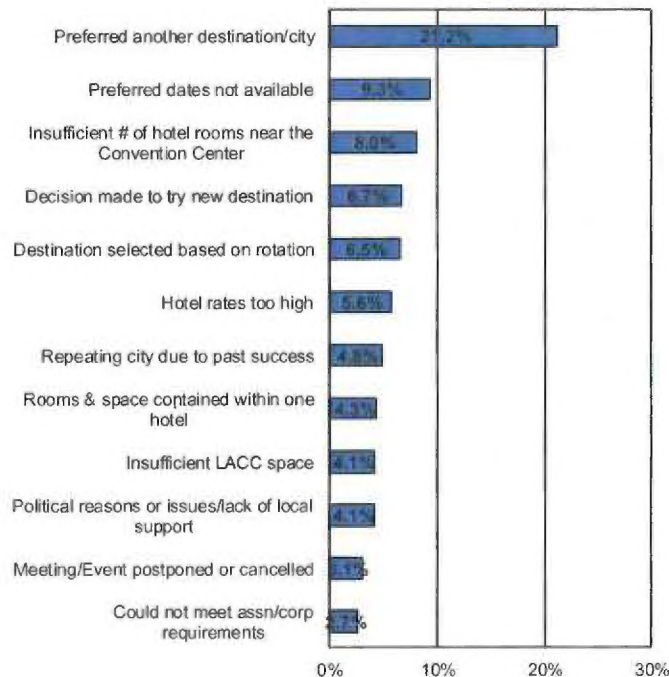
Over the last four years, West Hall occupancy has ranged between 64.9 percent and 68.3 percent, while South Hall has ranged from 56.7 percent in FY 2014 to 63.3 percent in FY 2012. South Hall has exceeded 70 percent occupancy three times since FY 2007. These data suggest a relatively full center, with modest capacity to substantially increase occupancy. We also note that a portion of this demand is generated from assemblies and consumer shows that tend to draw a local audience, and opportunities may exist to replace some of the low impact event activity with added citywide events, should the LACC undergo expansion and improvements.

We note that the ancillary exhibit space in Kentia Hall has measured consistently at a sub-40 percent occupancy percentage, which can be expected given the significant shortcomings of the space relative to traditional convention center exhibit space.

Unbooked LACC Business Analysis

Based on data provided by LA Tourism, 926 total events planned between 2010 and 2026 have gone unbooked, representing over 8.8 million unbooked room nights. Unbooked, or “lost” events, include those that have considered the LACC in the past, but for various reasons have booked into other cities. Reasons recorded for unbooked event activity are summarized in the following exhibit.

Exhibit 5 Summary of Reasons for Unbooked LACC Event Activity



Source: CSL International, facility management, 2015

The most frequent response for not booking the LACC was simply a preference for another destination. Preferred dates not available was cited by 9.3 percent of planners, followed by insufficient hotel rooms near the convention center. Also of note, lack of sufficient space at the LACC was the tenth most cited reason (approximately four percent) for events going unbooked.

In terms of seasonality, most unbooked events are held in May, July and October. Notably, July room nights were frequently unbooked due to high hotel room rates in the Los Angeles area, with just under 153,200 room nights unbooked in the month of July since 2010 for that reason. Many room nights in March, June and October, historically busy months for event activity, were unbooked due to lack of date availability and insufficient event space at the LACC, highlighting the potential positive effect that an LACC expansion would have in helping Los Angeles better compete for event activity during these busy months.

Competitive and Comparable Facilities and Markets Analysis

As part of this study effort, we have conducted an analysis of various physical characteristics and resources of both competitive and comparable facilities and markets. These data are used to understand the level of space and hotel room inventory offered by competitive and comparable facilities and destinations, how other similar markets are performing within current industry conditions, how some of these comparable facilities are planning to redevelop or expand their space offerings, and how these factors may contribute to defining future event potential for the LACC. This is an important component of our analysis as event planners consider a number of characteristics while determining the ability of a destination to host their convention, conference and tradeshow business.

We have identified 17 competitive and comparable convention centers throughout the U.S. that may offer some level of competition to the LACC. Notably, 10 out of the 17 selected venues are either planning or considering the addition of event space at their respective facilities, while 7 out of the 17 are developing or considering the addition of a headquarter hotel. Several on-going projects include the following:

- San Francisco – The \$500 million Moscone Center expansion involves replacing the lobby of Moscone South with a four-story addition that will add 305,000 square feet of new exhibit space, meeting rooms, and ballroom facilities. It also includes a pedestrian bridge to connect the Moscone

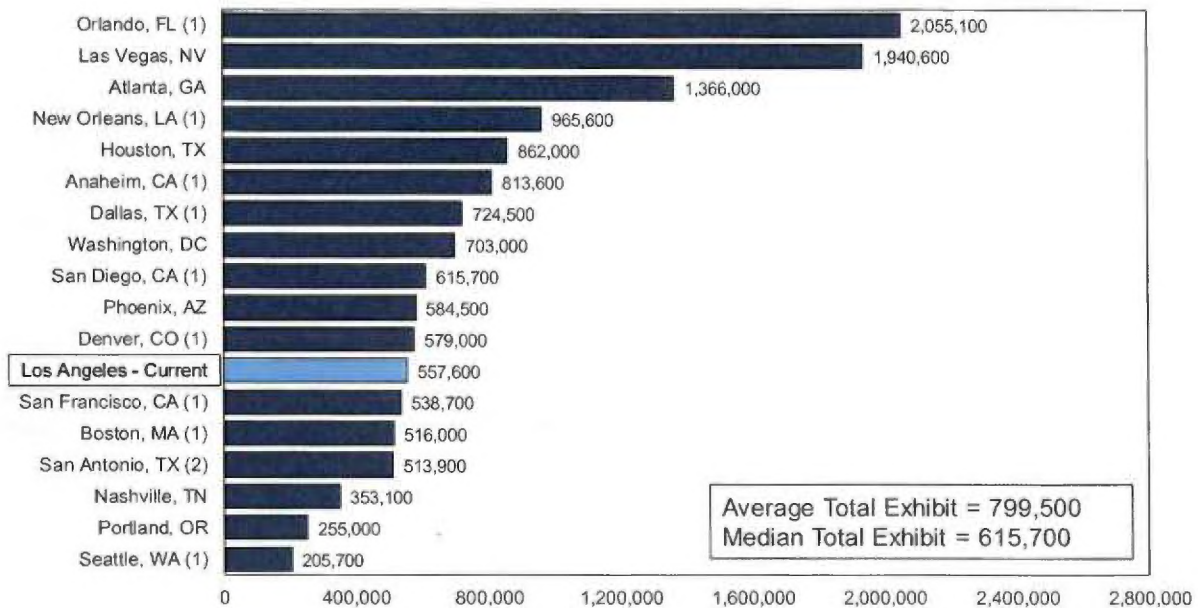
North and South buildings. Construction began in May 2015 and completion is expected in late 2018.

- **Anaheim** - The expansion of the Anaheim Convention Center will include the addition of 200,000 square feet of flexible space that can be used for exhibits, meetings and banquets. The expansion will also replace Car Park 1, as well as provide new loading docks and an improved vehicular entrance. The project will also provide a climate-controlled connection to the second level of the existing convention center. Construction on the \$180 million project will begin in October 2015 and will be completed in early 2017.
- **San Diego** – A major expansion of the San Diego Convention Center is in the planning stages, but has yet to be funded. Project representatives and elected officials are working through various development scenarios, and it is likely that expansion/improvement of the Center takes place at some point. The current plans call for approximately 210,000 square feet of added exhibit space, a 60,000 square foot ballroom and added meeting space.

These and other competitive/comparable facility developments are important to consider as they could contribute to the erosion of LACC's market share in coming years if no enhancements to the Los Angeles convention product are made.

We have also evaluated the comparative square footage of prime exhibit space among competitive and comparable facilities, as summarized below.

Exhibit 6
Summary of Comparable and Competitive Facility Prime Exhibit Space



As noted in the exhibit above, the LACC currently ranks 12th out of the 18 facilities considered in terms of overall exhibit space. The specific exhibit space square footage increase associated with the LACC expansion and improvement project is still subject to on-going planning.

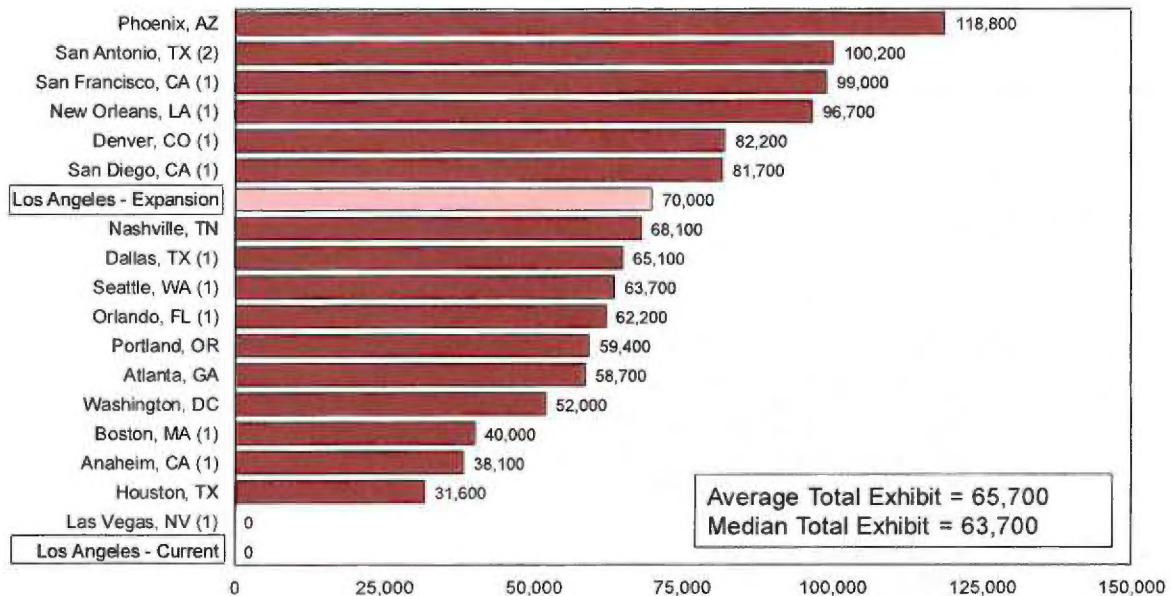
In terms of largest contiguous space, LACC does rank ahead of notable West Coast venues in Phoenix, San Francisco, Portland, and Seattle. However, the on-going Moscone Center project will result in a significantly

larger contiguous space, and the Washington State Convention Center in Seattle is considering an expansion plan that would raise their total sellable space by over 100 percent.

In addition to increasing and enhancing exhibit space at the LACC, a proposed expansion would substantially raise LACC's ballroom space ranking. The Los Angeles Convention Center is one of two of the compared facilities that currently lacks true ballroom space, as Concourse Hall and Petree Hall feature relatively low ceiling heights of 17 feet each and serve more as large meeting spaces.

Comparable and competitive facility ballroom square footage data are summarized in the following exhibit.

Exhibit 7
Summary of Comparable and Competitive Facility Ballroom Space

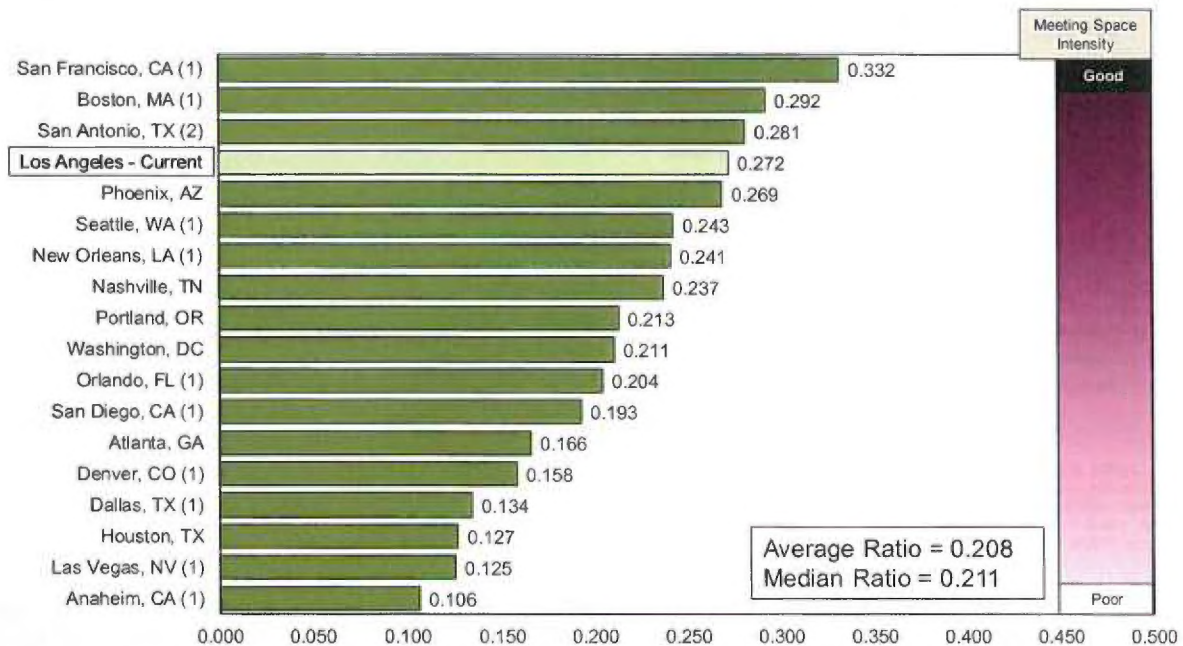


(1) Planning or considering the addition of event space at the Center
 (2) Includes space that is either planned or currently under construction
 Note: Preliminary expansion plans include a 70,000 square foot ballroom.
 Source: CVB's and industry publications, 2015

With the proposed expansion, LACC would offer a ballroom of at least 70,000 square feet, which would increase their ranking to seventh among the compared facilities in terms of overall available ballroom space. This space total would also represent the largest existing contiguous ballroom in the data set.

With Petree Hall and Concourse Hall each classified as meeting spaces, the LACC already ranks fifth out of 18 in terms of its meeting to exhibit space ratio and is well above the average ratio of .21 with a figure of .27. These data are summarized in the following exhibit.

**Exhibit 8
Summary of Comparable and Competitive Facility Meeting to Exhibit Space Ratios**



(1) Planning or considering the addition of event space at the Center

(2) Includes space that is either planned or currently under construction

Notes: Los Angeles figure includes Petree Hall (21,600 sf) and Concourse Hall (26,300 sf).

Preliminary expansion plans include 78,000 square feet of meeting space but the amount of additional exhibit space has not yet been determined.

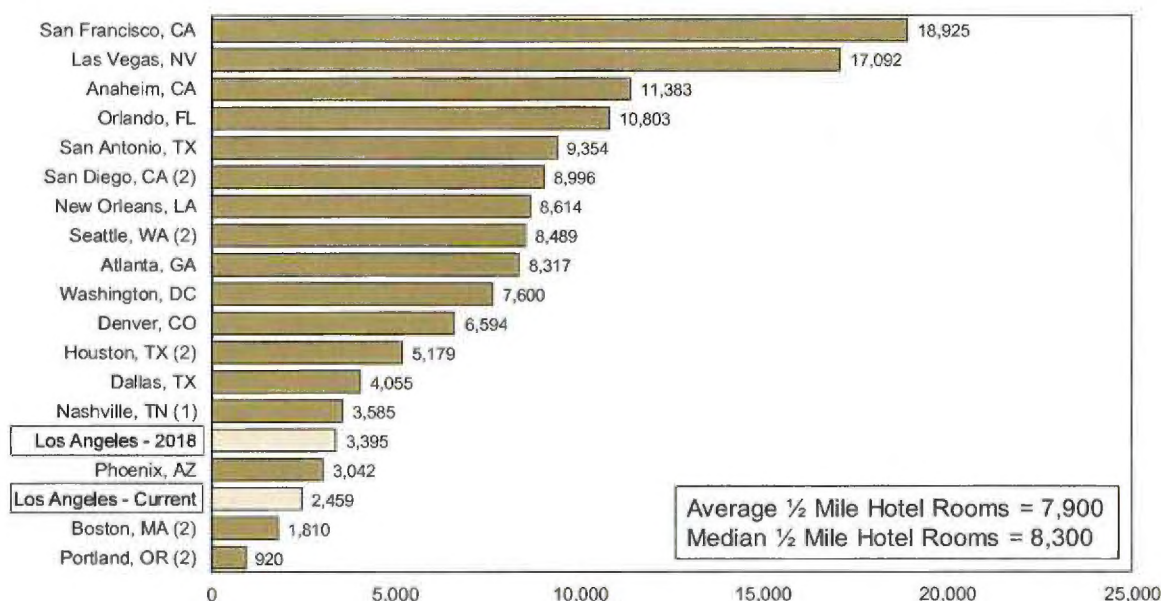
Source: CVB's and industry publications, 2015

With a proposed expansion, the LACC meeting to exhibit space ratio could increase even further. The higher ratios can benefit a facility when competing for high impact medical, technology, pharmaceutical and other meeting intensive events.

Additionally, we have analyzed the nearby hotel inventory of each compared facility. The Los Angeles Convention Center currently ranks just below the midpoint for its number of headquarter hotel rooms with just under 1,200 rooms (distributed between the JW Marriott, Ritz-Carlton and Luxe City Center). However, none of these hotel properties are connected or adjacent to LACC, a characteristic that is commonplace among other compared facilities.

Furthermore, even with the 350-room Indigo (planned to open in July of 2016) included in our measurement, LACC currently ranks 16th out of 18 facilities for its number of hotel rooms within a half mile of the Center. By 2018, the half mile inventory would improve the LACC's ranking to 14th due to the JW Marriott's planned expansion and the addition of the planned LA Figueroa Central property. Room inventory within one-half mile of competitive and comparable convention centers is summarized in the following exhibit.

Exhibit 9 Comparable Markets Analysis – Hotels within ½ mile of Convention Center



(1) Ongoing or recent headquarter hotel development
 (2) Planning or considering headquarter hotel development
 Current: Includes 350-room Indigo Project planned for July 2015 opening.
 2018: Includes downtown "pipeline" properties (Hotel Indigo, JW Marriott Expansion, and LA Figuera Central).
 Source: CVB's and industry publications, 2015

In order to fully maximize event capture of the LACC, substantial increases of hotel room inventory will likely be needed, even beyond those currently in the planning stages. As previously noted, the strong hotel market in Los Angeles will likely lead to added hotel development market-wide. It will be important to secure much of this development generally within convenient walking distance to the LACC.

Industry Trends Analysis

The market success of a convention center can be partially attributed to the characteristics of the industry as a whole. In order to assess the current and future strength of the market with regard to Los Angeles, it is important to evaluate the industry nationwide. Broad industry changes, characterized by retraction and expansion in convention and tradeshow demand have taken place during the past decade. After significant decreases in industry demand levels during the recent recession, demand for convention, tradeshow and related public assembly space has grown industry-wide over the past two years. In this section, various industry demand trends are evaluated, particularly those that may impact future development decisions regarding the LACC.

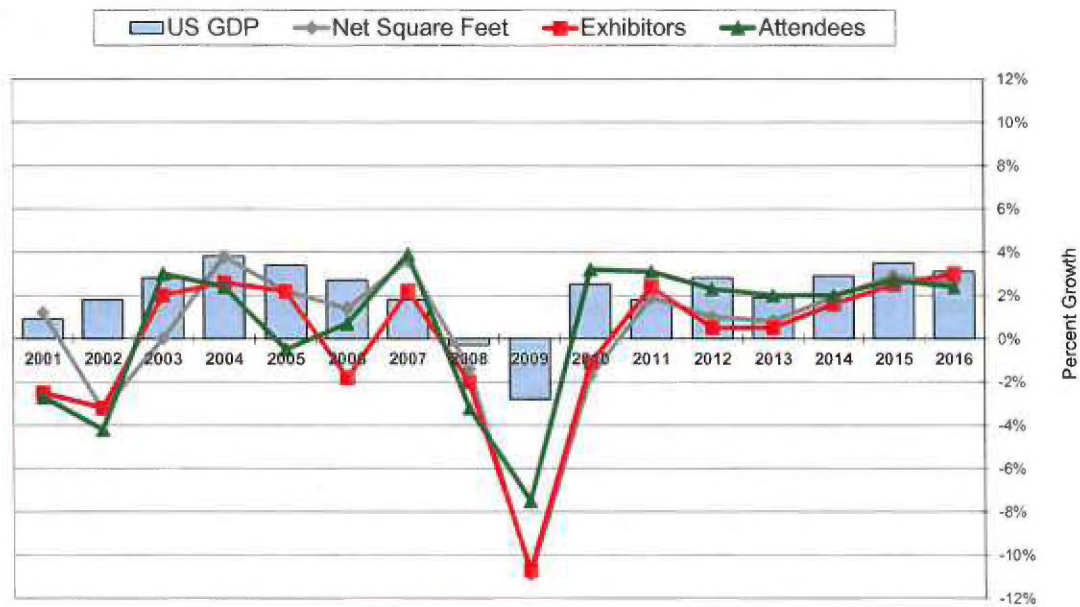
Nearly all indicators suggest that the national economy is continuing to recover from a significant recession. A large collection of data suggests that the health of the convention, tradeshow and meetings industry, like nearly all industries, has historically been and is currently linked to the strength and fluctuations of the overall U.S. economy. This "linkage" is a fundamental premise of any analysis of future convention and tradeshow industry performance. To address the question of future industry trends, we need to consider how the future performance of the convention industry will respond in these post recessionary times.

The Center for Exhibition Industry Research (CEIR) is a nonprofit organization whose mission is to advance the growth, awareness and value of exhibitions in the United States. The annual CEIR Index Report is developed to provide an objective measure of the annual performance of the exhibition industry.

According to the CEIR, a significant industry rebound took place starting in 2010 that is projected to continue through at least 2016. Expectations for 2015 call for an overall exhibition industry growth rate of approximately 2.9 percent. This compares to projected growth of 2.7 percent in 2016.

As outlined in the following exhibit, the U.S. economy has continued a trend of moderate growth since 2010, with GDP growing at a rate of 2.8 percent in 2012, 1.9 percent in 2013 and 2.9 percent in 2014. Projections for 2015 have the GDP growing at a rate of 3.5 percent, while 3.1 percent growth is estimated in 2016.

Exhibit 10
Summary of Industry and Overall Economic Growth

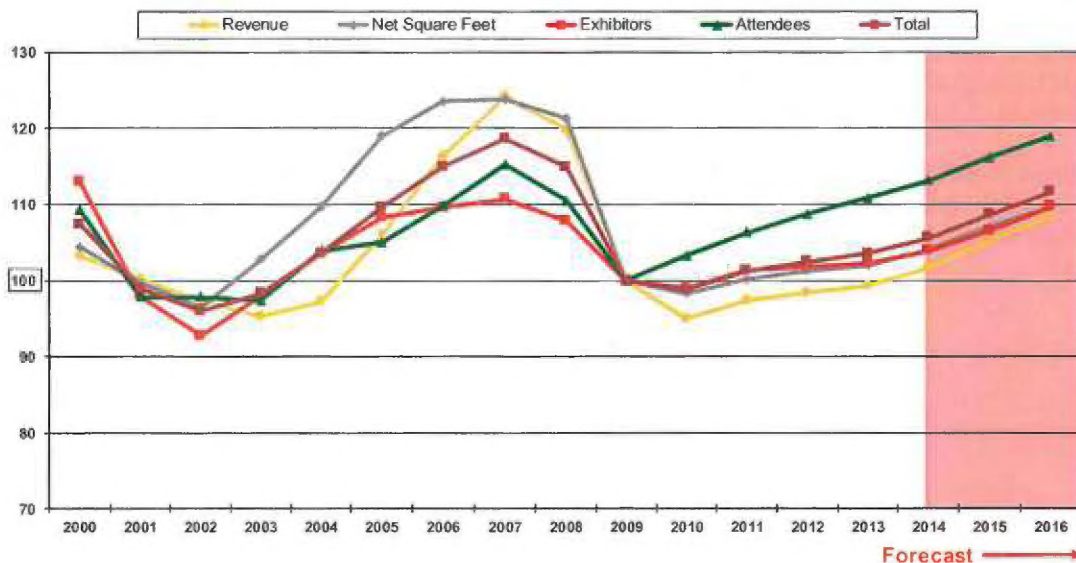


Note: Data for 2014 through 2016 is based on forecasts.
Source: Center for Exhibition Industry Research (CEIR), 2014

These data help support the notion of a linkage between the convention and tradeshow industry and the overall national economy.

The following exhibit summarizes annual changes in the number of overall attendees, exhibitors, net square feet utilized, and convention and exhibition revenue between 2000 and 2016 (projected).

Exhibit 11
Summary of Industry Growth by Metric



Note: 2009 is the base year and is assigned a value of 100. Years 2014 – 2016 are forecasted data
Source: Center for Exhibition Industry Research (CEIR), 2014

As noted above, the effects of various recessionary periods (2001/02 and 2009/10) are clearly apparent, as is the modest but steady growth demonstrated since 2010 and projected through 2016.

CEIR data also indicate that specific industry segments that have experienced overall increases in performance since 2001 include Consumer Goods and Retail Trade; Financial, Legal and Real Estate; and Communications and Information Technology.

As part of our independent research, CSL continually evaluates other center and destination features that are important as part of the destination selection process through direct contact with national event planners. As part of this effort, survey respondents were asked to rate a variety of convention center and destination features that they expect to increase in importance in future years, rated on a one to five scale with five reflecting highest level of importance.

- Three of the top four characteristics relate to walkability between a center and the nearby hotel, restaurant and nightlife inventory. LACC can compete in this regard with some increases in restaurant, retail and entertainment options nearby, but its current hotel inventory represents a disadvantage.
- A large multi-use ballroom is rated as the number three feature in terms of importance, and as previously mentioned, the lack of LACC ballroom space may represent a competitive disadvantage. The planned expansion/improvement project is critical in addressing this challenge.
- The desire for informal meeting/gathering spaces within a center has emerged as an important factor for event planners, potentially due to the changing demographics and preferences of event attendees. Potential indoor pre-function and outdoor space considered for LACC expansion options would help to accommodate this demand. In fact, preliminary architectural plans appear to offer the opportunity to create a "best in class" approach to address important event planner priorities in terms of gathering and outdoor spaces.

- Other issues include portable, high end food stations (which could potentially be tied to the development of informal gathering spaces noted above), environmentally friendly policies (which LACC was recognized for in 2008 by becoming the first convention center of its size and age to be awarded certification in Leadership in Energy and Environmental Design), and light rail transportation to the airport.

CSL also asked national event planners how they believe their exhibit, ballroom and meeting space needs will change in both the next two years and five years. Some highlights of their responses are presented below.

- A relatively high 72 percent of respondents indicated that they believe their event's exhibit space will increase at least slightly over the next two years.
- 34 percent of respondents indicated an expected increase in needed ballroom space in two years, but 43 percent expected an increase over the next five, with a notable figure of 24 percent expecting a significant need increase.
- 45 percent indicated an expected increase in needed meeting space demand over the next two years, while 56 percent expected an increase over the next five years.

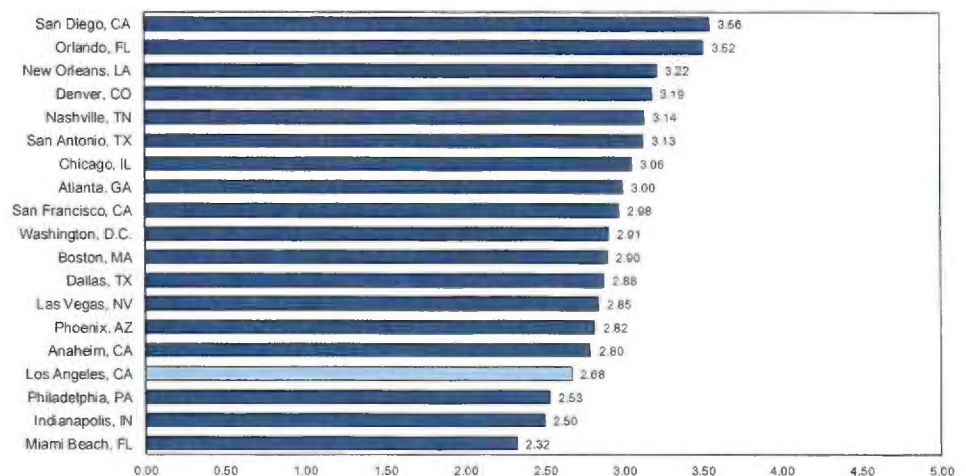
These findings highlight the importance, for any market, of maintaining an appropriate, strategic investment plan for convention center space and amenities. A "do nothing" scenario, as explored later in this analysis, will lead to an erosion of event activity, room nights and economic impact.

CSL also asked national event planners to rate 19 comparable cities, including Los Angeles, in terms of their overall desirability and their ability to successfully accommodate their event(s). A scale of one to five was used, with five representing a highly desirable destination. Results are summarized below.

Exhibit 12
Summary of National Convention Destination Ratings

As noted in the exhibit, Los Angeles was ranked 16th out of 19 markets, ahead of only Philadelphia, Indianapolis and Miami Beach. Anaheim was rated similarly to Los Angeles, while San Diego ranked first within the destination set.

The comparatively low rating for Los Angeles may reflect the lack of an established contemporary convention and nearby hotel product in Los Angeles when compared to several other major west coast destinations. This finding will be considered further later in this report with comments made by past, current and unbooked LACC event planners.



Note: Figures represent average score given by national event planners.
Source: CSL National Organization Survey, 2015.

Market Demand and Event Analysis

To help form a basis for the market demand analysis, surveys were completed with meeting planners within various key segments that represent the current, past and unbooked event market for Los Angeles. These data provide a basis for evaluating event potential in the Los Angeles market, and the facility and amenity characteristics needed to accommodate those segments. Additionally, we have inquired as to the current perceptions of Los Angeles as an event destination, as well as opinions regarding the future of the industry as a whole across the entire event market. In particular, the following efforts were completed as part of this analysis:

- Internet-based surveys were completed with event planners with a history of utilizing event space at the Los Angeles Convention Center, representing 26 different event planning organizations.
- Internet-based surveys were also completed with event planners of events that went unbooked at the LACC, representing 18 different organizations.
- A market capture assessment was formed using the 2015 DMAI Mint Database to estimate LACC's market capture potential based on its existing offerings and potential expansion scenarios.

Summaries of these survey outreach efforts are outlined below and on the following pages.

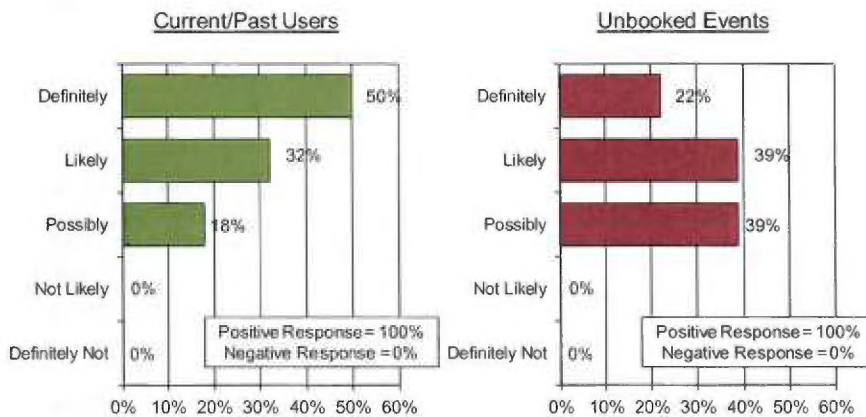
Demand From Current & Past LACC Users, and Evaluation of Unbooked Events

In an effort to obtain useful feedback from event planners most familiar with the Los Angeles market and its convention and visitor industry package, a sample of current and past users of the LACC were contacted via e-mail and asked to comment on various aspects of their events, the Center and Los Angeles's convention package as a whole. Responses were collected from planners of 26 different organizations.

CSL also conducted surveys of 18 organizations that were in discussions to hold their event at the LACC but did not choose to go there, to gain a better understanding of some of the key "pain points" identified by decision makers of events that passed on the LACC.

As part of this analysis, event planners were asked to evaluate their probability of returning to the LACC for a future event, assuming their facility and hotel needs are fully addressed. Research responses are summarized below.

Exhibit 13 Summary of National Convention Destination Ratings



Source: CSL Event Planner Surveys, 2015

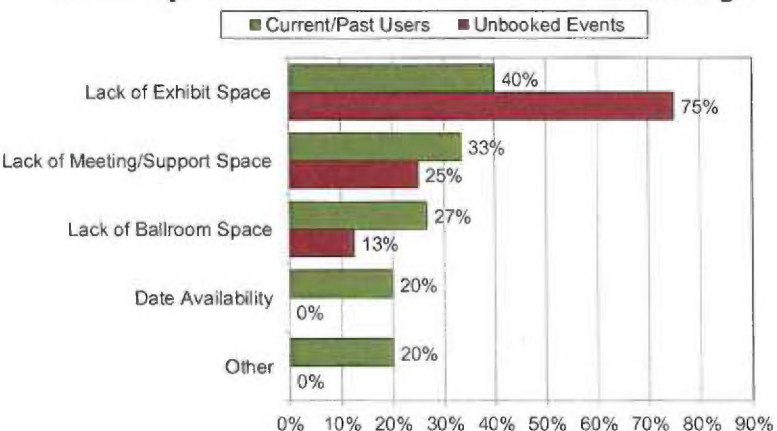
with 22 percent indicating that they would "definitely" book, 39 percent indicating they would "likely" book and another 39 percent indicating they would "possibly" book, assuming all of their event space and hotel needs are met. These data suggest a relatively high potential to both retain existing events, and to recapture unbooked events that have identified product deficiencies as a reason for not booking the LACC.

Planners were also asked to identify limitations to the amount of exhibit, meeting, ballroom or other space offerings at the LACC. The results are summarized in the following exhibit.

Exhibit 14 Summary of National Convention Destination Ratings

Of the planners citing LACC product deficiencies, 40 percent noted a lack of exhibit space as an issue, 33 percent cited the lack of meeting/support space, 27 percent indicated the lack of ballroom space and 20 percent indicated general date availability issues.

A substantial 75 percent of unbooked events that reported problems with LACC's event space cited its lack of exhibit space as a key issue, with 25 percent citing its lack of meeting and support space, and 13 percent citing its lack of ballroom space.

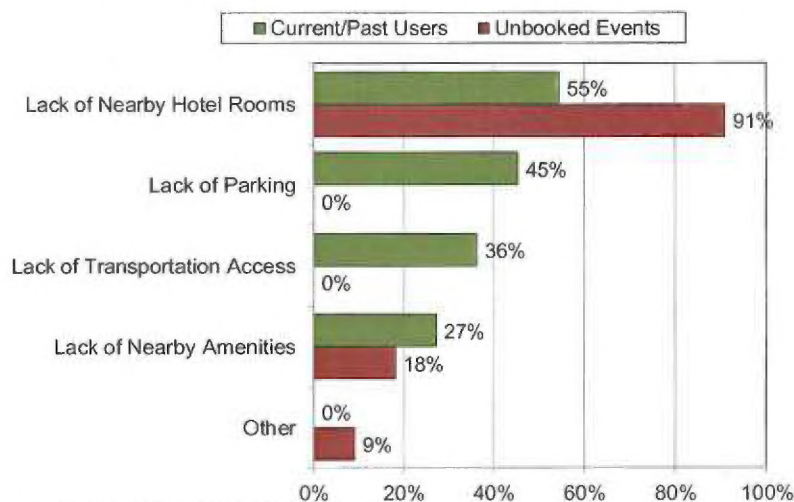


Source: CSL Event Planner Surveys, 2015

It is important to note that events that have used or considered the LACC in the past have to reserve large portions of exhibit space to substitute as general session, banquet and meal function space due to the absence of sufficient ballroom and meeting space at the facility. The resulting loss of exhibit space may be a factor in the number of responses citing exhibit space challenges, and likely highlights the need to add ballroom and meeting space at the LACC in order to accommodate potential event demand.

Current/past and unbooked LACC customers were also asked if there were any limitations to the general Los Angeles destination in terms of its appeal, transportation, hotel, entertainment, restaurant, retail and other offerings. Research results are summarized below for the 39 percent of current/past customers and the 61 percent of unbooked events that noted limitations to the general Los Angeles destination.

Exhibit 15
Summary of National Convention Destination Ratings



Note: "Nearby Amenities" signifying restaurants, shopping and entertainment within walking distance
Source: CSI Event Planner Surveys, 2015

The lack of nearby hotel rooms in Downtown Los Angeles was the most cited reason (55 percent), followed by parking (45 percent), and lack of transportation access (36 percent).

Ninety-one percent of these planners of unbooked events noting destination limitations reported that the lack of hotel rooms near the LACC is a challenge of the destination, again demonstrating the importance of adding significant hotel inventory to the area to compete for future bookings, regardless of expansion scenario.

Current/past LACC customers were then asked if there was any potential to increase their usage of the Los Angeles Convention Center or grow their existing events if improvements were made to the Center to benefit their event. Fifty-seven percent responded positively to the idea, and some of their ideas for additional utilization and/or event growth are listed below, along with relevant quotes made by other major convention and trade show planners as provided by LA Tourism.

- Los Angeles has previously been a desirable destination for our industry and our attendees. For years we have been extremely interested in returning to the city and experiencing the "New LA". Expansion efforts at the center are paramount for our industry to return. We have followed the various proposals presented for center expansion the past several years and still hold out hope that this happens soon. As a fan of LA our industry is willing and ready to return. We are looking forward to experience the "New and Improved Convention Center". (*Solar Energy Tradeshows*, 18,000 total hotel room nights, 6,000 rooms on peak night)
- We had a great show in LA in 2007 when our show was smaller. However, at our current size the Los Angeles Convention Center does not have enough exhibit space or enough ballroom / meeting space for the AWEA WINDPOWER Conference and Exhibition. I could consider LA if the convention center was expanded to accommodate larger show needs. (*American Wind Energy Association*, 19,000 total room nights, 4,000 rooms on peak night)
- Many of my 20 clients would be willing to consider LA if the building had expanded ballroom space and additional exhibit space. This would allow me to successfully place at least three of my citywide programs that book 3-5 thousand sleeping rooms on peak night in LA. If you are able to develop such a building, coupled with the lift that LA offers, you will surpass Anaheim and others in your marketplace easily. We have been hoping for this for years. (*IMN Solutions*)

- It would give us more flexibility in increasing our attendance to our event. (*El Shaddai Prayer Partners*)
- We would move some tournaments over from other West Coast facilities. (*SoCal Volleyball Association*)
- We could potentially create ancillary events surrounding Person of the Year. (*MusiCares*)
- We would consider bringing our 3-day annual event which consist of exhibit hall and sessions for 10,000 to 15,000 people. (*California Association of Realtors*)
- We would likely bring more Grammy-related events in to the facility the week leading up to our show. (*The Recording Academy*)
- I would love to have all of our conventions at the space and would like to work with the LACC on growing with us. (*Comikaze Expo/ RuPauls DragCon*)
- The better the space and improvement in internet connectivity, rigging, hotel adjacency, the more we can offer to our clients and customers, which in turn produces more revenue for the center with useable space and support. (*Los Angeles Auto Show*)

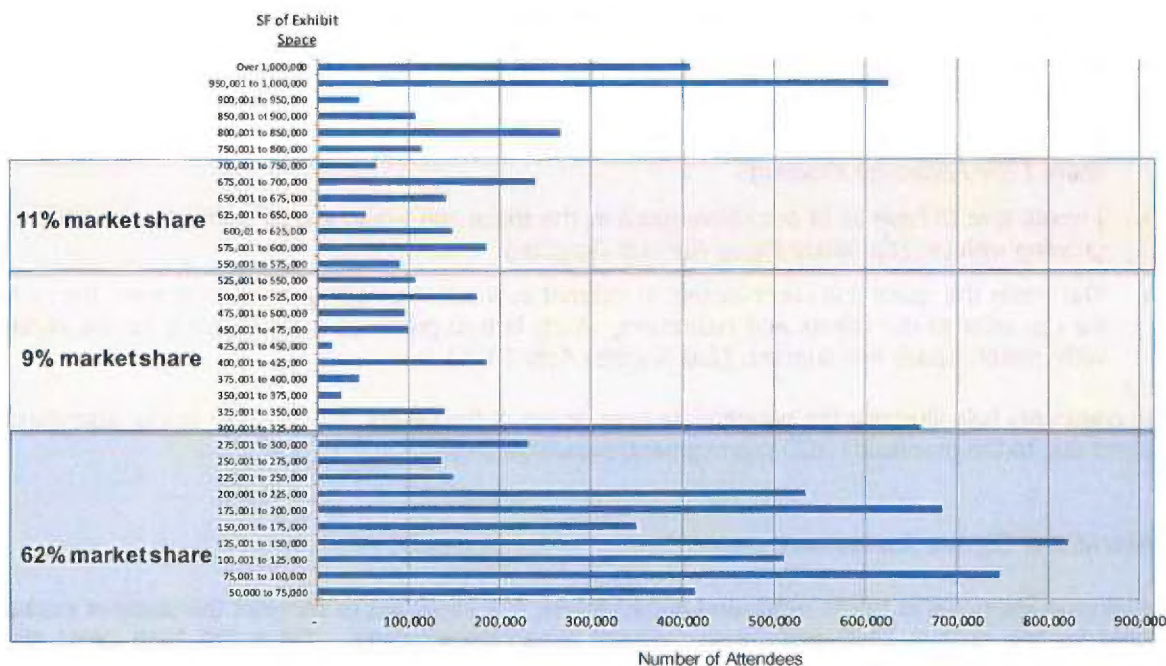
These comments help illustrate the potential for new events at the Center, and possibly higher attendance per event due to the proposed LACC improvement/expansion project.

National Market Capture Assessment

In developing estimates of future event and impact levels, it is important to consider the share of market captured for the existing LACC and under potential expansion scenarios. Using the 2015 DMAI Mint Database, CSL performed several market capture assessments of LACC's current exhibit space and hotel inventory offerings.

As larger events tend to generate higher than average space use and attendance, we measure market capture with respect to share of total convention attendees from events that can be accommodated in various exhibit space totals. This analysis is summarized in the following exhibit.

Exhibit 16 National Market Capture Analysis - Attendance



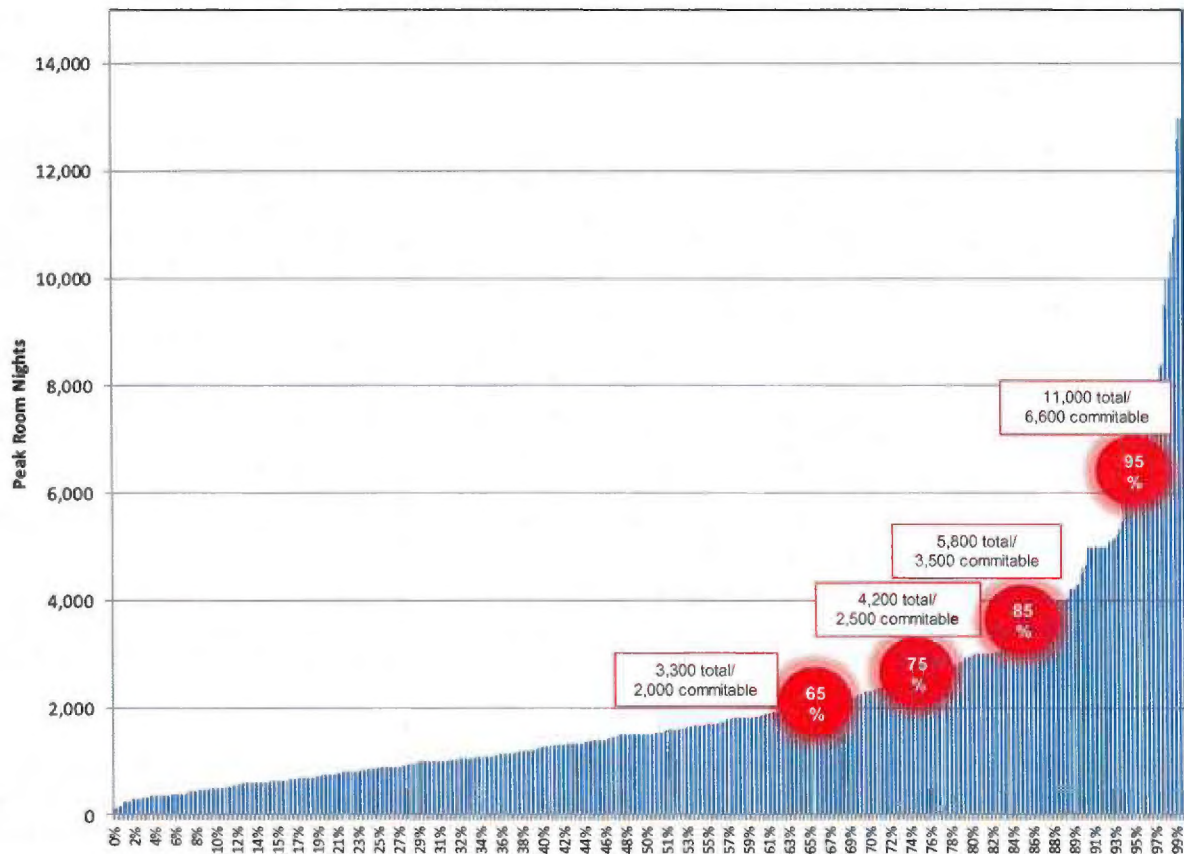
Note: Data displays percentage of total national event attendance accommodated by the LACC's amount of exhibit space.
 Kentsia Hall not considered true "prime" exhibit space.
 Source: DMAI Mint Database, 2015

Based on our analysis of the DMAI Mint Database, 62 percent of the cumulative attendance of the national convention and trade show market, measured with respect to total exhibit space, can be accommodated by South Hall alone, with an incremental nine percent accommodated with combined use of South Hall and West Hall. The three percent of events that require between 550,000 and 750,000 square feet account for 11 percent of national event attendance.

These data suggest that efforts to link South and West hall in some fashion (through a connecting hall, covered pavilion space or other method) could increase market capture by up to 9 percentage points, while various expansion scenarios could add an additional 11 percent to potential LACC market capture.

In addition to convention center space, it is important to offer sufficient hotel inventory to accommodate potential market demand. An analysis of hotel needs for the convention and tradeshow industry is presented in the following exhibit.

Exhibit 17 National Market Capture Analysis – Peak Room Nights



Source: DMAI Mint Database, 2015

The exhibit reflects the share of the convention and tradeshow market accommodated based on available hotel room inventory. For example, to accommodate 65 percent of the market for a single event, 2,000 committable rooms are needed, and assuming 60 percent of available rooms would be committed by hotel management for a room block, 3,300 *total* rooms would be needed. As the share of market capture increases, the required room blocks also increase. For example, at 95 percent capture, 11,000 total rooms are needed to assemble a committable room block of 6,600 rooms.

In addition, there are several existing and potential LACC citywide events that require substantially more than 6,600 total rooms. As previously noted, competitive markets such as San Diego, Anaheim and San Francisco can easily offer this room count within one-half mile of their convention centers. Future hotel development near the LACC will be important in order to maximize market capture.

Event and Economic Impact Analysis

LACC Event Overview

The LACC hosts a wide variety of both national and regional conventions and tradeshow. We have evaluated the potential for increased event activity associated with LACC improvements, taking into consideration factors such as:

- The highly competitive industry – markets such as San Francisco, San Diego, Anaheim, Seattle, Las Vegas and others are investing heavily to better compete in the lucrative convention and tradeshow industry. The Los Angeles facility and destination improvements defined herein will likely be needed simply to maintain existing market capture levels, and may allow for increases in capture over time. With no improvement to the LACC or surrounding hospitality environment, it is likely that existing event and economic impact levels will erode.
- Ongoing development of entertainment assets downtown – the progress made in the central Business District in Downtown Los Angeles, as well as the efforts to enhance the entertainment and lodging options proximate to the LACC will, over time, enhance the walkability of the center, hotel and entertainment assets in the downtown area. Significant increase in hotel room inventory, particularly near the LACC, will be important in maximizing event capture.
- The high event planner interest in remaining at the LACC, or booking the LACC for a future event (unbooked planner survey), if improvements are made.
- Assumed completion of the improvements to the LACC that address current and emerging customer needs and added space requirements. Current preliminary LACC architectural concepts appear to create a unique, effective and cutting edge environment for conventions that should be highly marketable.

With the development aspects defined above, potential future increases in LACC event levels could result from a variety of factors including modest industry growth, recaptured national/international events that have been lost to the market, acquired demand, or the attracting of events that may otherwise have chosen another destination.

LACC Event Projections

We have developed models to assess the potential impact on LACC event levels, room nights and economic impacts associated with the program and hotel improvements described above. While it is difficult to assess with a high level of precision, it is reasonable to assume that with significant new hotel inventory and added/enhanced space development, the Center could maintain and enhance market capture levels.

Without any future expansion or improvement, the LACC would be negatively impacted by significant investment being made in competitive destinations, and would likely experience a drop off of event activity, room nights and county-wide economic impact.

Estimates of potential future event activity focus on the citywide convention and tradeshow sector, as well as other events that have a more modest economic impact. For reference, a stabilized year of operations was assumed to be a sixth year of operations.

In this analysis, we present data with respect to several variables:

- Citywide Conventions – Those events that generate 3,000 total room nights or 1,500 peak room nights.
- Audited Citywide Room Nights – Room night data collected post-event for events held at the LACC prepared by PKF on behalf of LA Tourism.
- Estimated Total Citywide Room Nights – It is impossible to track all room nights generated by an event, as many attendees book outside the room block or are otherwise not counted. We assume that an average of 25 percent of the actual room block is unaccounted for in audited figures. Past CSL and DMAI research indicates that the 25 percent figure is appropriate for this type of analysis.
- Other Events – Includes all other LACC events including meetings, banquets, consumer shows and other events.
- Other Event Estimated Total Room Nights – This information is not tracked by LA Tourism. We have developed room night estimates assuming a 15 percent non-local attendee percentage, and attendee to room ratio of 1.40.
- Total Events – Combined citywide and other event activity.
- Total Estimated Room Nights – Combined LACC room night generation.

These variables are summarized below for the period FY2012 to FY2016 (projected). Note that as many other events tend to book in the year, for the year, we have not included 2016 data for this category. We have also presented estimates of event activity and room night generation assuming the expansion and improvement of the LACC, as well as a “no expansion” scenario under which erosion of existing event levels is likely.

Exhibit 18 Event and Room Night History and Projections at the LACC

	Historical LACC Operations -Citywide Convention Summary						LACC Development Scenarios	
	FY12	FY13	FY14	FY15	FY16	5- yr avg	Expansion	No Expansion
Citywide Conventions	21	24	23	25	24	23	34	19
Audited Citywide Room Nights	261,500	237,700	157,500	186,200	234,700	215,500	306,100	172,200
Estimated Total Citywide Room Nights	348,700	317,000	210,000	248,200	312,900	287,400	408,100	229,600
	Historical LACC Operations - Other Events Summary						LACC Development Scenarios	
	FY12	FY13	FY14	FY15	FY16	5- yr avg	Expansion	No Expansion
Other Events	117	114	121	116	DATA N/A	117	130	117
Other Events Estimated Total Room Nights	120,200	114,800	115,400	112,600	DATA N/A	115,800	128,600	115,700
Total Events	138	138	144	141		140	164	136
Total Estimated Room Nights	468,900	431,800	325,400	360,800		403,200	536,700	345,300

Notes: Figures shown for the expansion scenario assumes mature sixth year of operations.
Figures for FY16 represent definite and 30 to 40 percent of tentative bookings.
Total figures of 5-yr average made up of 5-yr average for citywides and 4-yr average for other events.

It is important to note that there are several existing LACC events that use the entire complex, could use additional space, and generate significant attendance and economic impact such as the Anime Expo and E-3. The loss of these events would have a significant negative impact on overall LACC economic impact.

As shown above, citywide convention activity at the LACC has averaged approximately 23 events between FY 12 and FY 2016. With an expansion and improvement to the LACC, in addition to a significant addition to hotel inventory surrounding the LACC as mentioned previously in this report, we assume an added 11 conventions in a mature year of operations, representing a 47 percent increase in citywide event activity. Without expansion, it is estimated that the LACC's number of citywide conventions would decrease by four from the five-year average assuming no improvements are made.

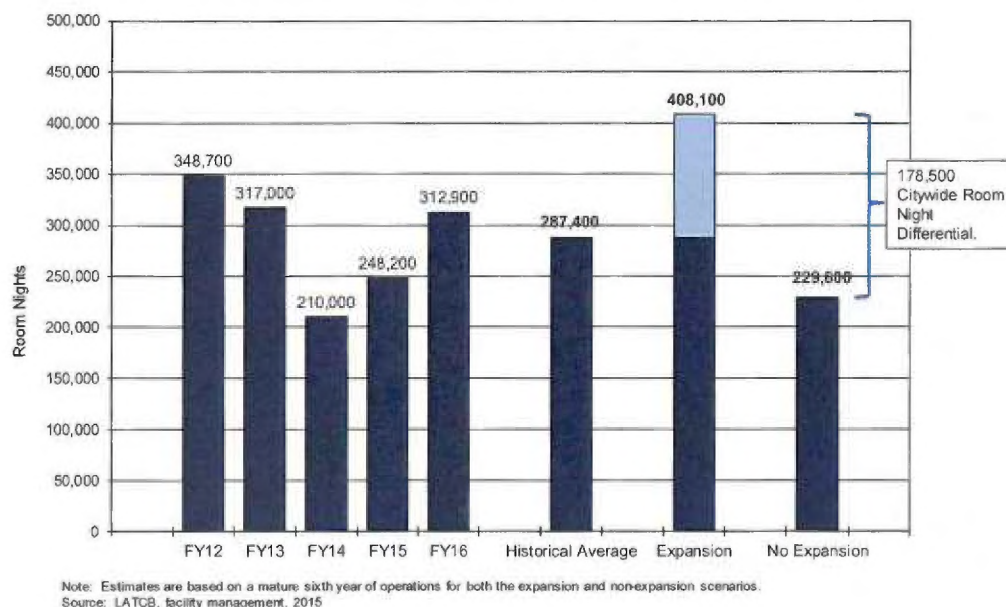
It should also be noted that in high-demand years, the expansion project will allow for the LACC to better accommodate increased event activity that can significantly exceed these base year estimates. The existing LACC and other centers around the country routinely experience this type of peak and valley pattern.

Exhibit 18 also includes estimate of the LACC's citywide room night generation. The five-year average audited room night total is 215,500, with estimated total citywide room nights of just over 287,000 when accounting for nights not tracked in the official room block. With a proposed expansion, increased event activity could potentially raise this figure to just over 306,000 audited room nights, and 408,000 total annual citywide room nights. The decision to forego expansion is estimated to result in a drop to 172,000 audited room nights, and 230,000 total room nights as event planners choose destinations with superior convention center and hotel product.

When including the more modest room night impacts from other events, the total LACC room night impact has historically averaged approximately 403,000 (there are no audited data for other event room night generation). Note that room night data for future Other Events in FY 2016 have not been compiled at this point. The total room night potential assuming LACC investment is approximately 537,000, dropping to 345,000 with no investment.

A further exhibit highlighting citywide room night impacts associated with future LACC investment scenarios is presented below.

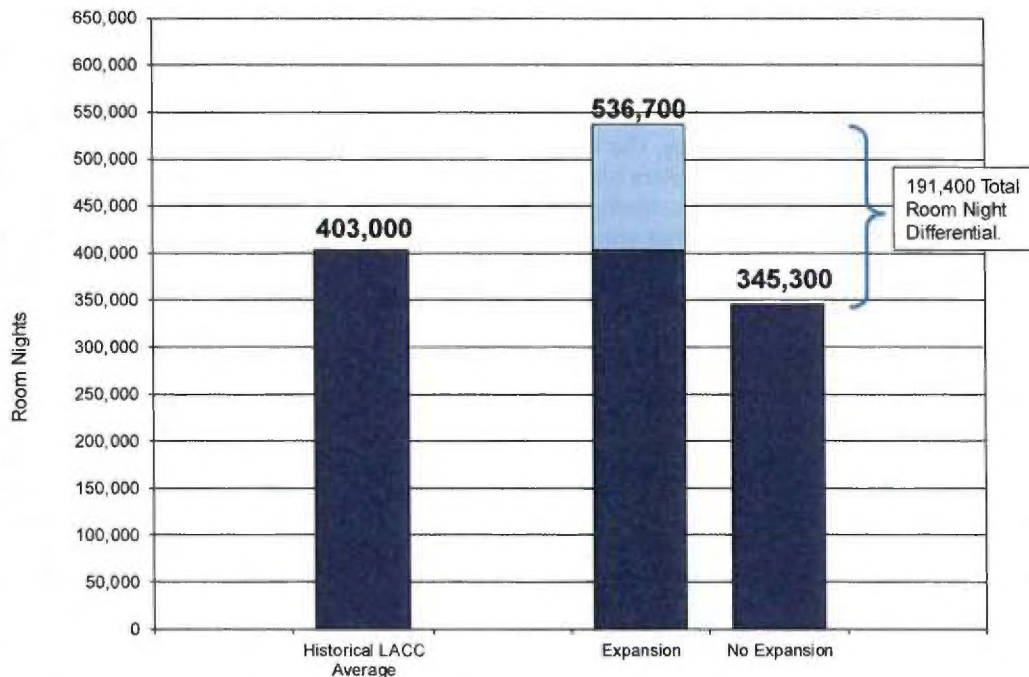
Exhibit 19
Economic Impact Projections and Analysis – Citywide Room Nights Analysis



When considering the estimated 42 percent increase in citywide room nights associated with an expansion/improvement project, as well as the 20 percent decrease associated with a do nothing scenario, the resulting citywide room night differential is estimated at 178,500.

We have also summarized the *total* room night generation for the LACC with respect to historical averages, assuming the expansion/improvement project, and assuming no expansion.

Exhibit 20
Economic Impact Projections and Analysis – Total Room Nights Analysis



Note: Estimates are based on a mature sixth year of operations for both the expansion and non-expansion scenarios.
Source: LATCB, facility management, 2015

As noted above, the total room night differential reaches 191,400. This represents the room night "cost" of a do nothing scenario versus strategic investment in the LACC.

Economic Impacts

Within the remainder of this section, we provide an analysis of the potential economic and fiscal impacts that could be generated by attracting events to the LACC assuming the Center and hotel improvements described herein.

The annual operations of the LACC currently provide significant benefits in terms of net new spending and associated employment, earnings and tax benefits. The impact of the LACC is maximized when non-local event attendees make purchases in a community while attending an event at the facility. In addition, new spending is generated by the exhibitor base and by the entity producing or hosting the event. It is common in economic impact analysis to aggregate three basic components of spending, as defined below.

- **Direct effects** consist principally of initial purchases made by delegates or attendees at an event who have arrived from out-of-town. This spending typically takes place in local hotels, restaurants, retail establishments and other such businesses.
- **Indirect effects** consist of the re-spending of the initial or direct expenditures. For example, indirect spending is generated when a hotel uses the direct spending dollars received from out-of-town event attendees to pay the hotel's housekeeping staff. The hotel's housekeeping staff then spends their personal income in local grocery stores, retail establishments and other local businesses for various products and services.
- **Induced effects** consist of the positive changes in employment, earnings and tax collections generated by changes in population associated with the direct and indirect expenditures.

Calculation of direct effects or direct spending is based on estimates of event levels, attendees, spending metrics and related variables. This direct spending is applied to economic impact multipliers in order to measure the indirect and induced spending. Combined, the direct, indirect and induced spending is referred to as total output. Stated another way, the initial direct spending of new dollars into an economy begins a series of transactions in which the dollars are cycled through the economy. The re-spending of the dollars is estimated by utilizing the economic multipliers and applying them to the amount of direct, or initial, spending. The multiplier illustrates that spending in a defined economy will lead to additional spending until that dollar has completed its cycle through leakage. Leakage represents the portion of a dollar spent in areas outside the designated economy, such as the taxes paid on purchases of goods and services.

Multipliers are also used to calculate the amount of earnings associated with direct spending, as well as the resulting full and part-time employment impacts. The multiplier effect is estimated in this analysis using a regional economic forecasting model provided by the IMPLAN Group, Inc., a private economic modeling company. The IMPLAN system utilizes an input-output matrix with specific data for multipliers based on regional business patterns from across the country. Financial information for the matrix of multipliers is collected from various sources that include, but are not limited to, the U.S. Department of Labor, as well as state sales and tax reports. The system utilizes this data to determine the economic independence of specific geographic regions, as well as the interdependence which exists between industries in those regions. The systems provide total industry output, personal earnings and employment data for approximately 540 industry segments. The multipliers used for this report are presented in the following exhibit.

Exhibit 21 Economic Impact Projections and Analysis -Multipliers

Industry	Output	Earnings	Employment
Hotel	1.575	0.634	13.731
Restaurant	1.630	0.701	23.205
Entertainment	1.516	0.657	14.495
Retail	1.567	0.597	16.634
Auto Rental	1.700	0.753	17.830
Other Local Transit	1.700	0.753	18.409
Other Industries	1.678	0.675	19.936

Note: Employment multiplier is applied to direct spending divided by 1,000,000.

Source: Minnesota IMPLAN Group, 2015

One of the primary sources of direct spending involves attracting event attendees from outside the state to make purchases in area hotels, restaurants and retail establishments. Events attracting attendance largely from within the greater Los Angeles area, including most public/consumer shows, corporate

functions and other local events, generally represent a displacement of spending. Specifically, most of these local attendees would likely have made expenditures within the region in some other manner had the event not been held.

The analysis of direct spending related to LACC activity begins with estimating the number of non-local event attendees that have been hosted at the LACC, and that could be attracted to an expanded/improved LACC, as previously described in this report. These estimates are based on the event, attendance, origin, event day information developed through the market analysis (and in collaboration with LACC and LA Tourism management).

The following exhibit summarizes the overall economic effects associated with the existing LACC, with the expansion scenario during a mature year of operations, and with no expansion.

Exhibit 22
Economic Impact Projections and Analysis – Direct Spending Impact

	Existing LACC Impact	Development Scenarios		Differential
		Expansion	No Expansion	
Direct Spending:				
Hotel	\$94,413,000	\$127,743,000	\$82,181,000	\$45,562,000
Restaurant	55,537,000	75,143,000	48,347,000	26,796,000
Entertainment	8,331,000	11,271,000	7,252,000	4,019,000
Retail	19,438,000	26,300,000	16,922,000	9,378,000
Auto Rental	6,664,000	9,017,000	5,802,000	3,215,000
Other Local Transit	11,223,000	15,184,000	9,770,000	5,414,000
Other Industries	27,769,000	37,572,000	24,174,000	13,398,000
Total Direct Spending	\$223,375,000	\$302,230,000	\$194,458,000	\$107,772,000

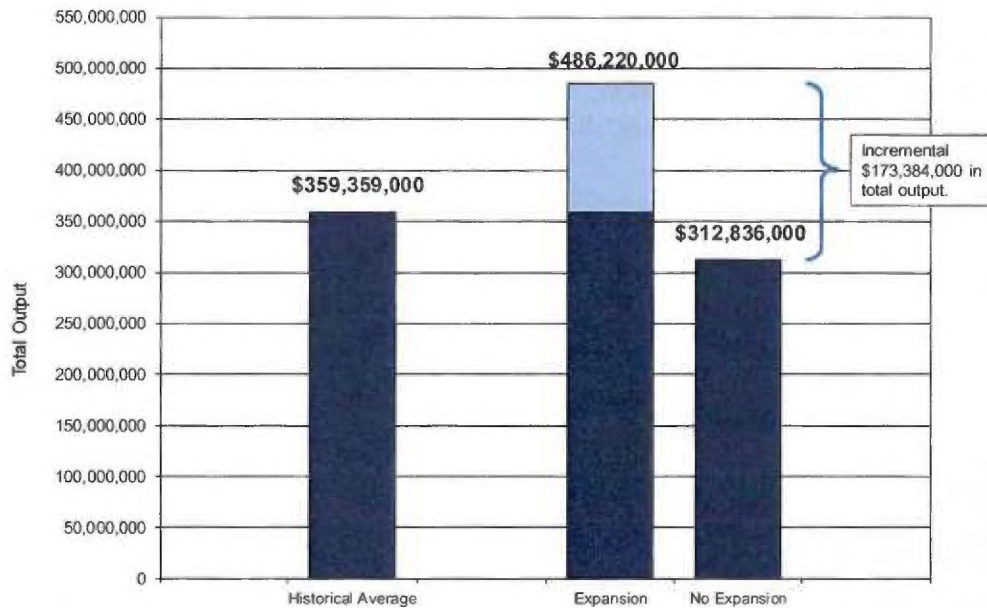
Notes: Existing data reflect FY 2012 through FY 2015

Future estimates reflect a stabilized year of operations in 2015 Dollars.

As noted above, direct spending is estimated to increase by approximately 35 percent with the expansion, or decrease approximately 13 percent assuming no expansion or improvement to the LACC. The resulting difference is significant, representing a "do nothing" cost of approximately \$108 million in total direct spending.

These direct spending changes also result in a disparity between the development scenarios in terms of their total output, earnings and employment, as shown in the following exhibit.

Exhibit 23
Economic Impact Projections and Analysis – Total Output



Note: Estimates are based on a mature sixth year of operations for both the expansion and non-expansion scenarios.
Source: LATCB, facility management, 2015

As noted above, the existing LACC has generated an average total output of approximately \$359 million over the past four years. This would increase to \$486 million with LACC investment, or decrease to \$313 million under the no investment scenario. The resulting differential in total output is estimated at \$173 million

As with room night generation, the potential expansion and enhancement of the LACC, along with increases in hotel inventory, will allow for capture of added event activity and will better accommodate peak demand periods. Without these improvements, competitive pressure will eventually erode the room night, economic impact, and tax generating effects of the LACC.

Finally, we have analyzed the potential earnings and employment impacts for the project, as outlined in the following exhibit.

Exhibit 24
Economic Impact Projections and Analysis – Earnings and Employment

	Existing LACC Impact	Development Scenarios		
		Expansion	No Expansion	Differential
Earnings	\$148,035,000	\$200,294,000	\$128,870,000	\$71,424,000
Employment	3,900	5,300	3,400	1,900

Historical average earnings generated by LACC operations approximates \$148 million, increasing to \$200 million with an expansion/improvement project, and decreasing to \$129 million with no investment. Average employment generated by the LACC stands at 3,900, increasing to 5,300 with an expansion/improvement project and dropping to 3,400 with no investment.

It should be noted that these output, earnings and employment estimates for an expanded LACC do not include potential jobs created by the construction phase of an LACC expansion, which would have a significant economic impact on the city of Los Angeles.

Fiscal Impacts

CSL also analyzed the amount of fiscal impact currently generated by the LACC, under the expansion scenario, and assuming no expansion/improvement takes place. A summary of these figures is shown below.

**Exhibit 25
Fiscal Impact Projections and Analysis**

	Current Tax Rate	Existing LACC	Development Scenarios	
			Expansion	No Expansion
LA Sales Tax	0.75%	\$864,574	\$1,169,786	\$752,644
Hotel/Motel Tax in LA	14.00%	\$12,556,987	\$16,989,859	\$10,931,337
Sales Tax - Indirect Spending	0.75%	\$265,286	\$358,937	\$230,942
LA Business Tax	0.13%	\$13,114	\$17,744	\$11,417
LA Parking User Tax	10.00%	\$295,075	\$352,423	\$275,505
TOTALS		\$13,995,037	\$18,888,749	\$12,201,844

As shown, the existing Los Angeles Convention Center generates approximately \$14.0 million in fiscal impact for the city of Los Angeles, derived from the local sales, transient occupancy, business, and parking taxes. Under the expansion/improvement scenario, these impacts could increase to \$18.9 million, and with no LACC investment, impacts are estimated to drop to \$12.2 million. The resulting net difference in tax collections between an expansion and no expansion scenario is approximately \$6.7 million.

Note that these estimates do not include various property and other taxes that can be impacted by the convention industry, and do not include the significant private sector impacts that can be generated. These private sector impacts include the significant hotel, restaurant and other industry profits generated as a result of convention industry activity.

Note that the final and approved LACC expansion/improvement scenario (in terms of space totals, configuration, etc.) may have an impact on the estimates of event, economic and fiscal impacts presented herein.

A photograph of the Los Angeles Convention Center, a large modern building with a curved glass facade and a prominent white structural framework. The building is set against a clear sky. The title text is overlaid on the right side of the image.

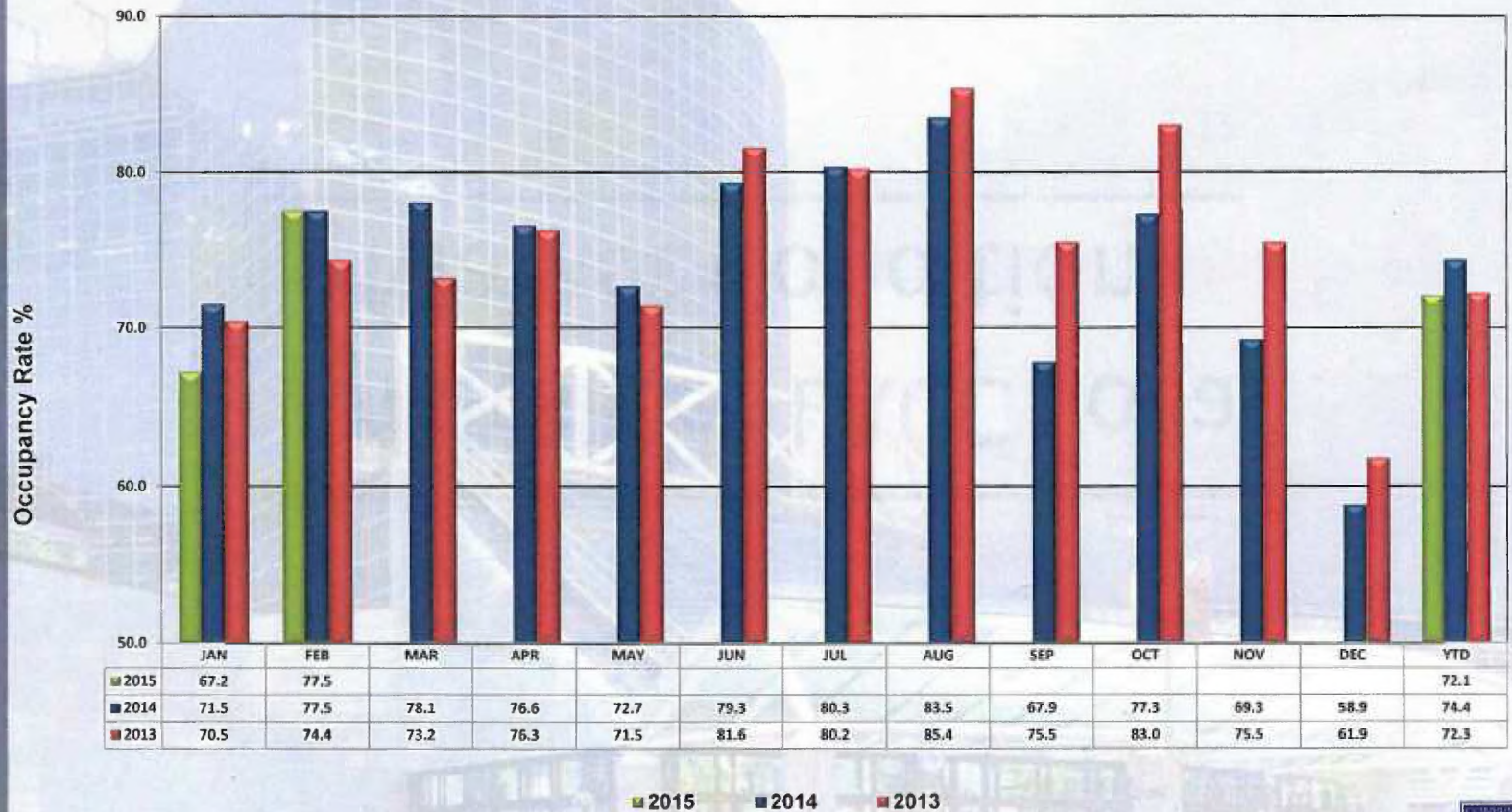
Los Angeles Convention Center Potential Expansion Preliminary Analysis

August 7, 2015



Analysis of LACC Local Market Conditions

Downtown LA Central Business District - Hotel Occupancy Rate (2013 - 2015)



Note: Includes only hotels with 50+ rooms
Source: Smith Travel Research, 2015

Downtown LA Central Business District - Room Nights Sold (in thousands) (2013 - 2015)



Note: Includes only hotels with 50+ rooms
Source: Smith Travel Research, 2015

Downtown LA Central Business District - ADR (2013 - 2015)



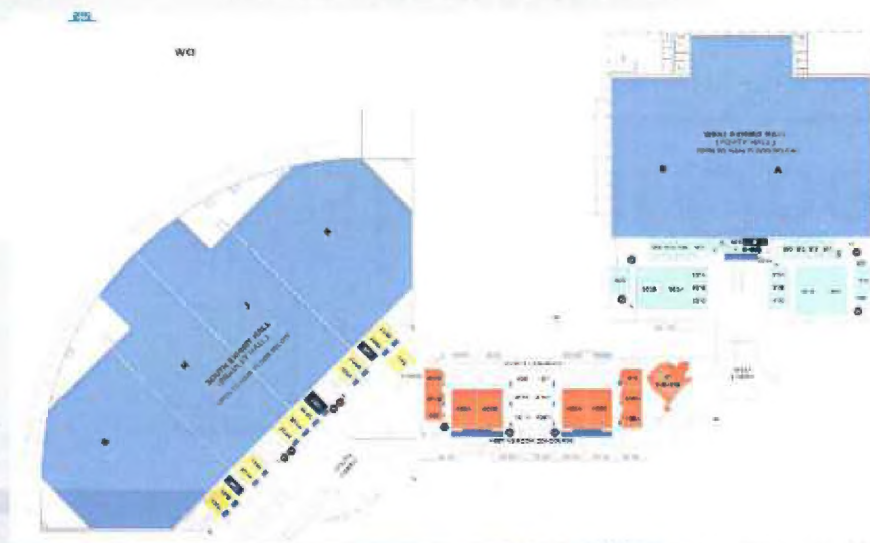
Note: Includes only hotels with 50+ rooms
Source: Smith Travel Research, 2015

Analysis of LACC Historical Operations

Analysis of Historical Operations

LACC Floor Plans

West and South Halls



Kentia Hall

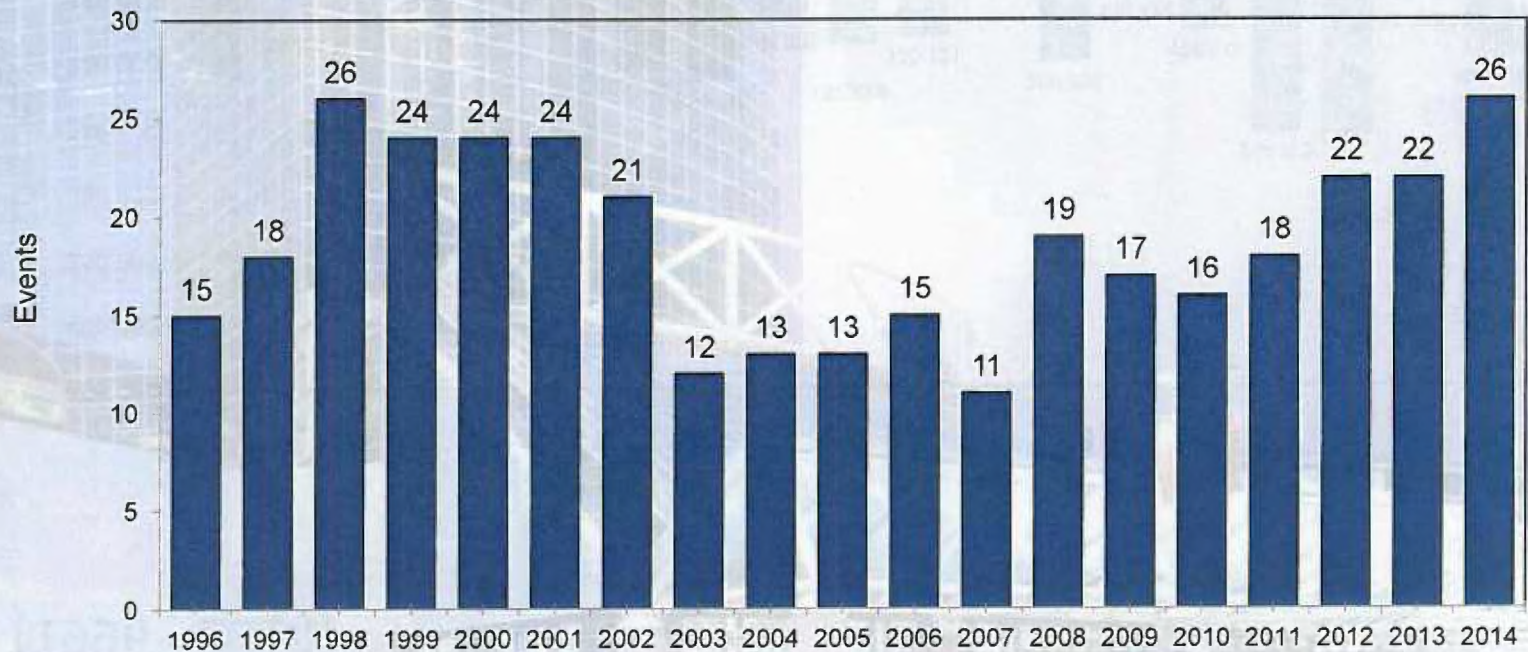


Concourse and Petree Halls



Source: LACCLink.com

Total Number of Citywide Conventions by Calendar Year (1996 - 2014)

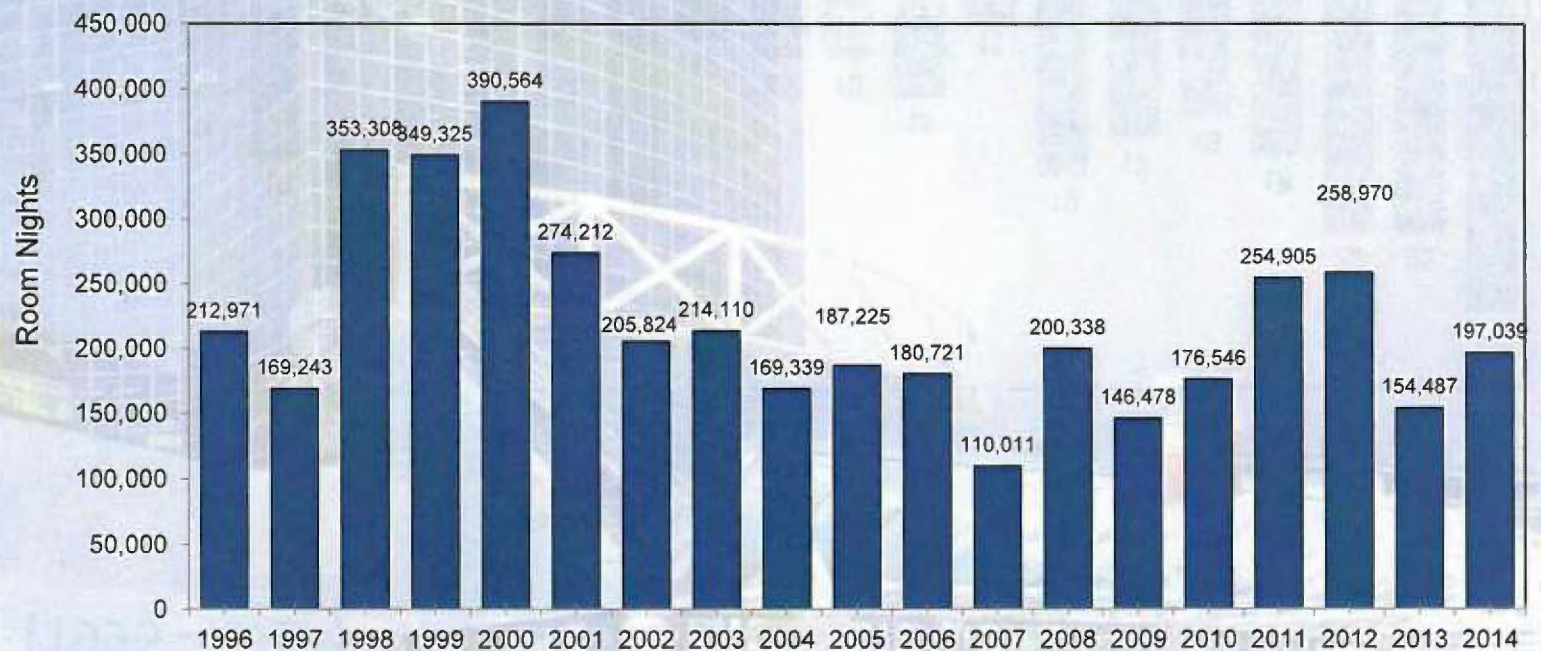


Note: A Citywide Convention is defined as an event held at the Los Angeles Convention Center that generates at least 3,000 room nights with 1,500 room nights on peak and utilizes no fewer than 3 hotels.

Source: CSL International, Los Angeles Department of Convention and Tourism Development, 2015.



Total Citywide Convention Room Nights by Calendar Year (1996 - 2014)

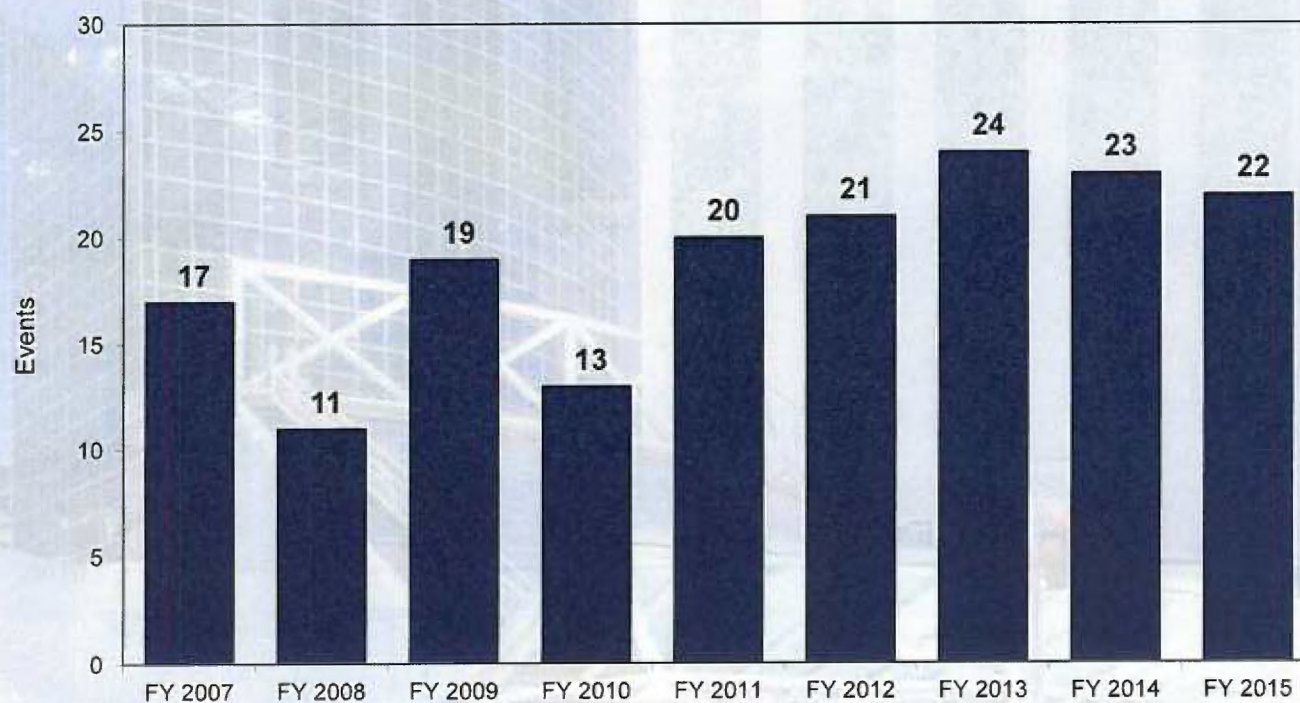


Note: A Citywide Convention is defined as an event held at the Los Angeles Convention Center that generates at least 3,000 room nights with 1,500 room nights on peak and utilizes no fewer than 3 hotels.

Source: CSL International, Los Angeles Department of Convention and Tourism Development, 2015.



Total Number of Citywide Conventions by Fiscal Year (FY07 – FY15)



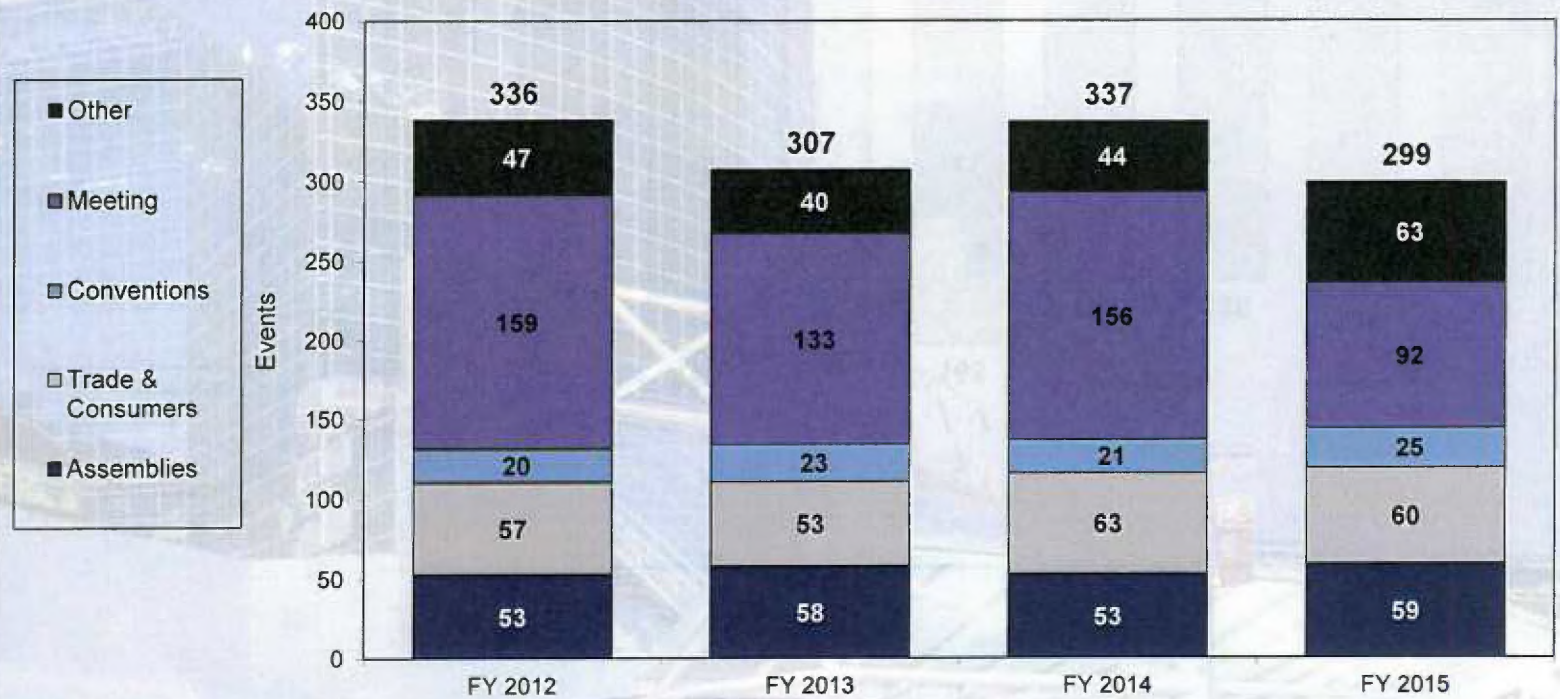
Source: LATCB, facility management, 2015

Total Number of Citywide Room Nights by Fiscal Year (FY07 – FY15)



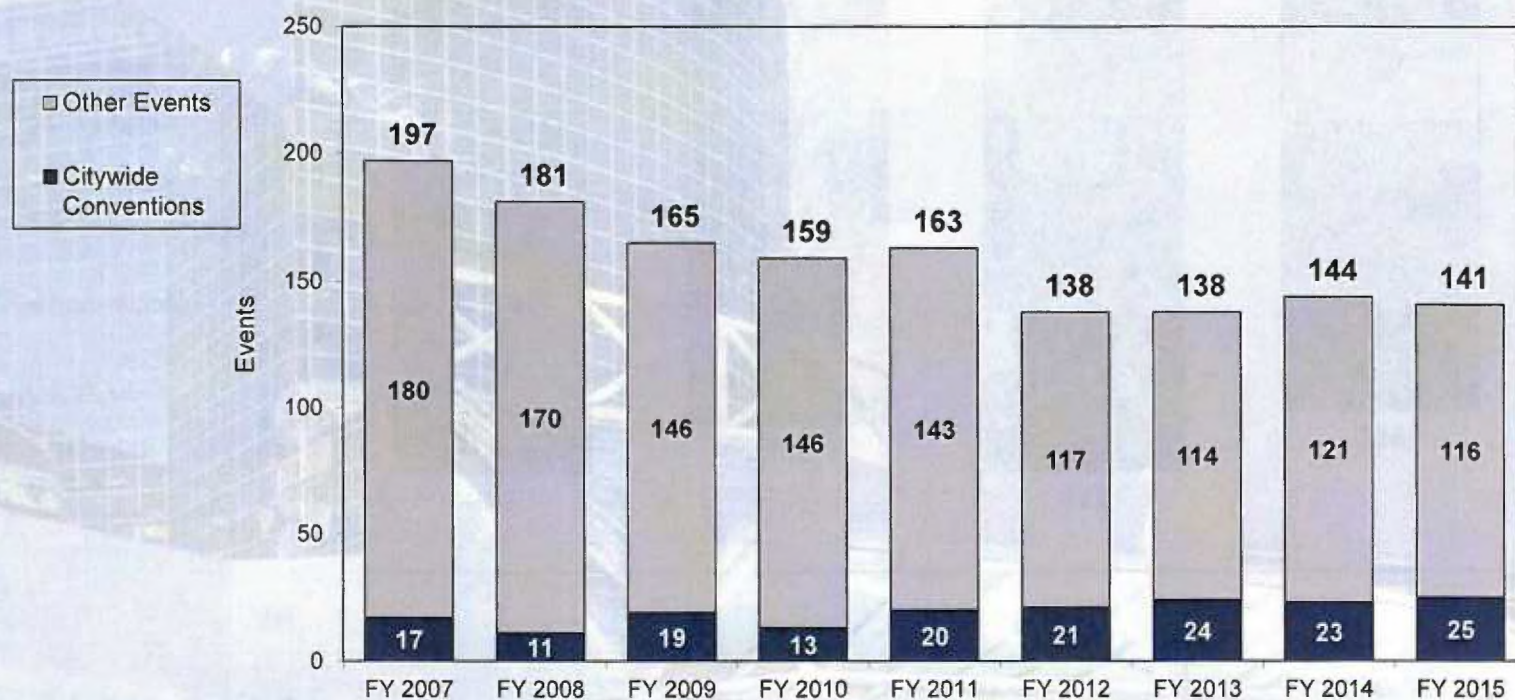
Source: LATCB, facility management, 2015

Total Number of All LACC Events by Event Type (FY12 – FY15)



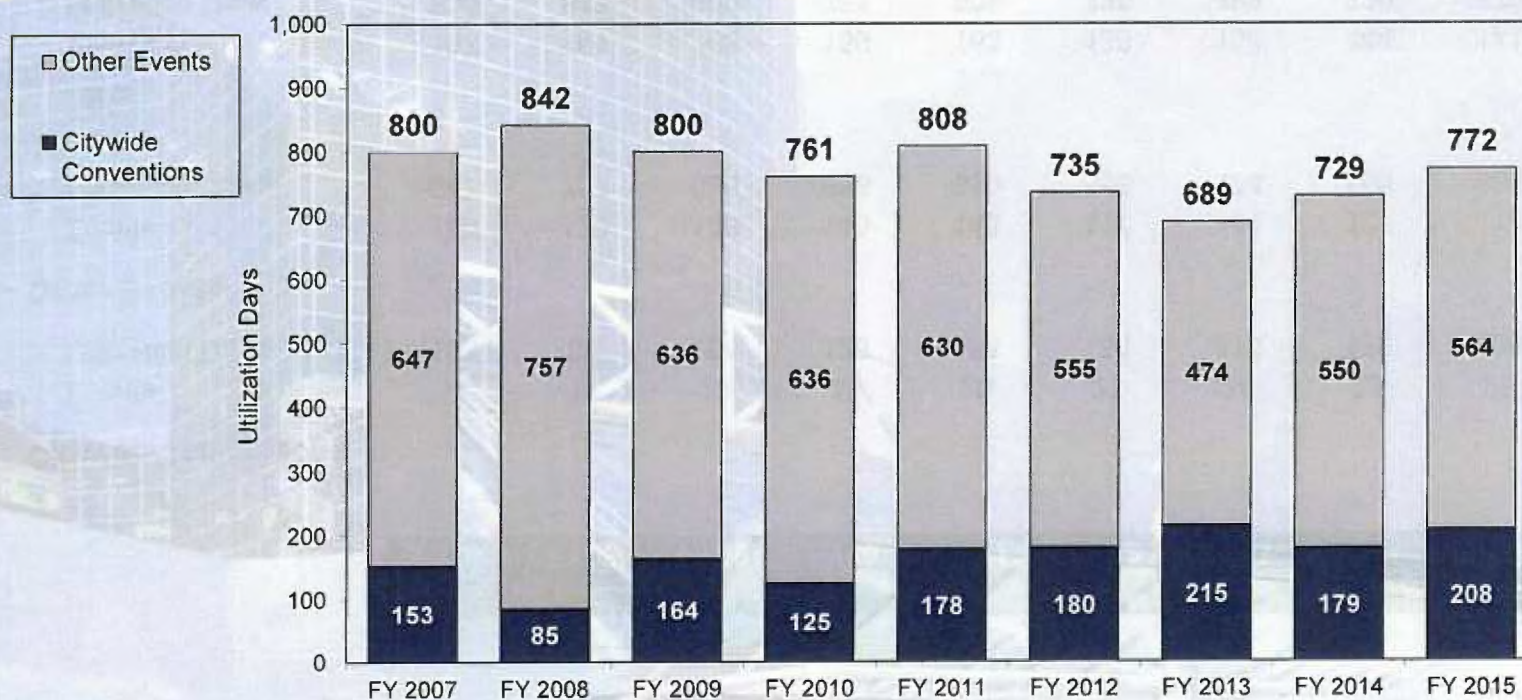
Source: CSL International, facility management, 2015

Total Number of Major Events by Event Type (FY07 – FY15)



Notes: Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.
 "Major Events" defined as events with significant economic impact.
 Source: CSL International, facility management, 2015

Total Number of Major Event Utilization Days by Event Type (FY07 – FY15)



Notes: "Utilization Day" is defined as any day that an LACC event hall is in use by an event, either for event, move-in or move-out days.

Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.

"Major Events" defined as events with significant economic impact.

Source: CSL International, facility management, 2015

LACC Major Events Summary (FY07 – FY15)

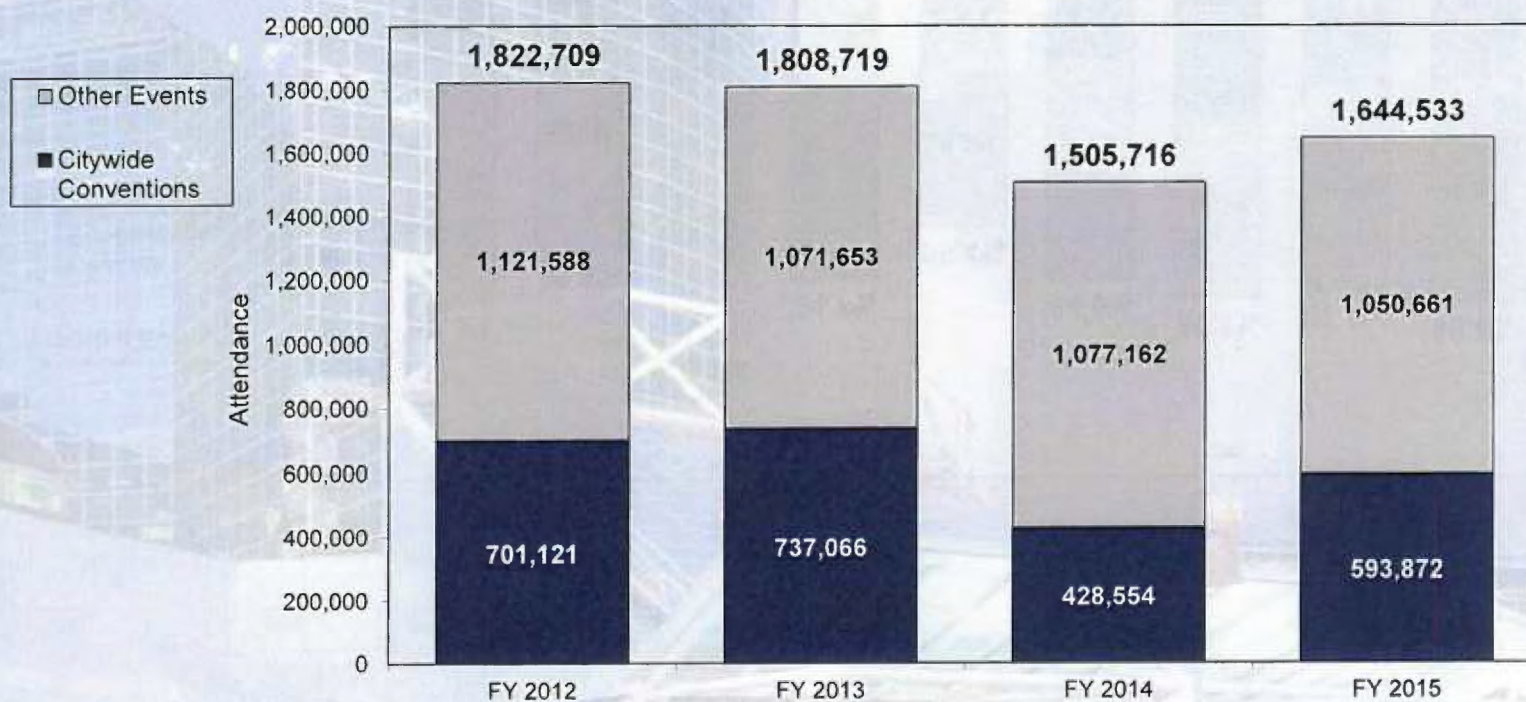
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Citywide Conventions									
Events	17	11	19	13	20	21	24	23	25
Utilization Days	153	85	164	125	178	180	215	179	208
Other Events									
Events	180	170	146	146	143	117	114	121	116
Utilization Days	647	757	636	636	630	555	474	550	564
<u>Total</u>									
Events	197	181	165	159	163	138	138	144	141
Utilization Days	800	842	800	761	808	735	689	729	772

Notes: Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.

"Major Events" defined as events with significant economic impact.

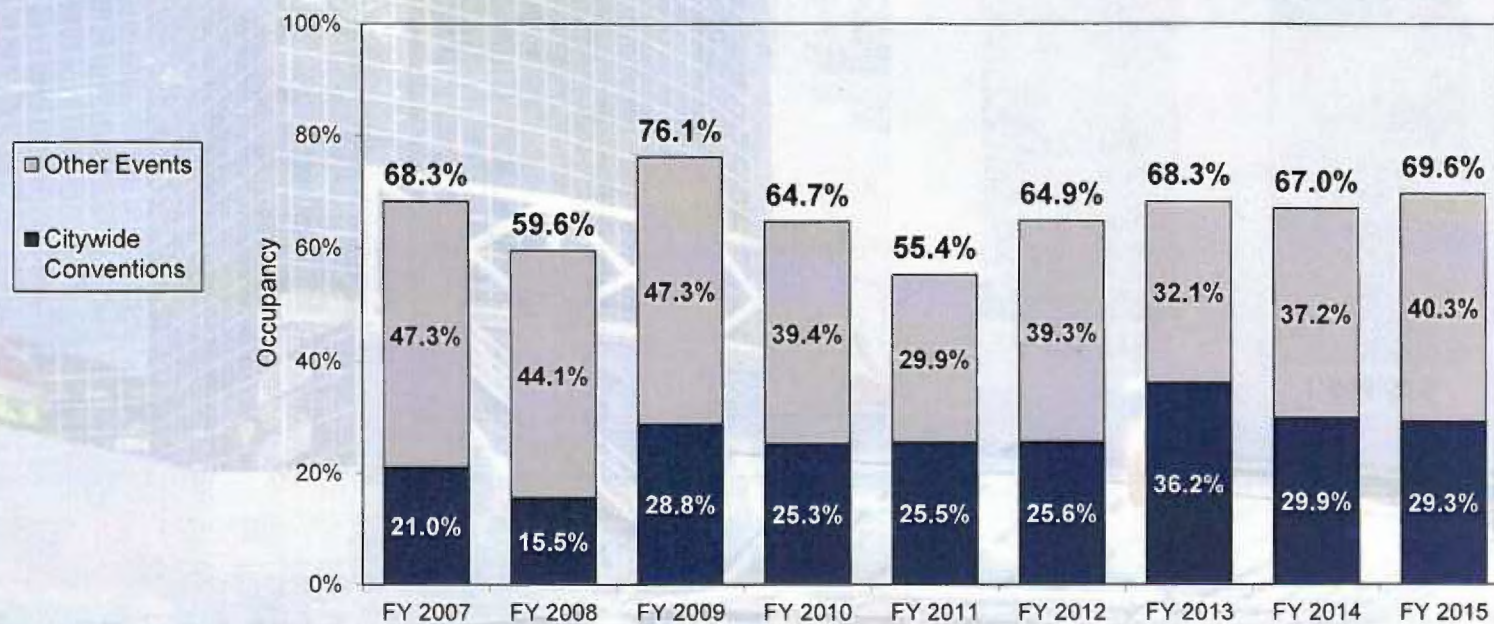
Source: CSL International, facility management, 2015

Total Event Hall Attendance by Event Type (FY12 – FY15)



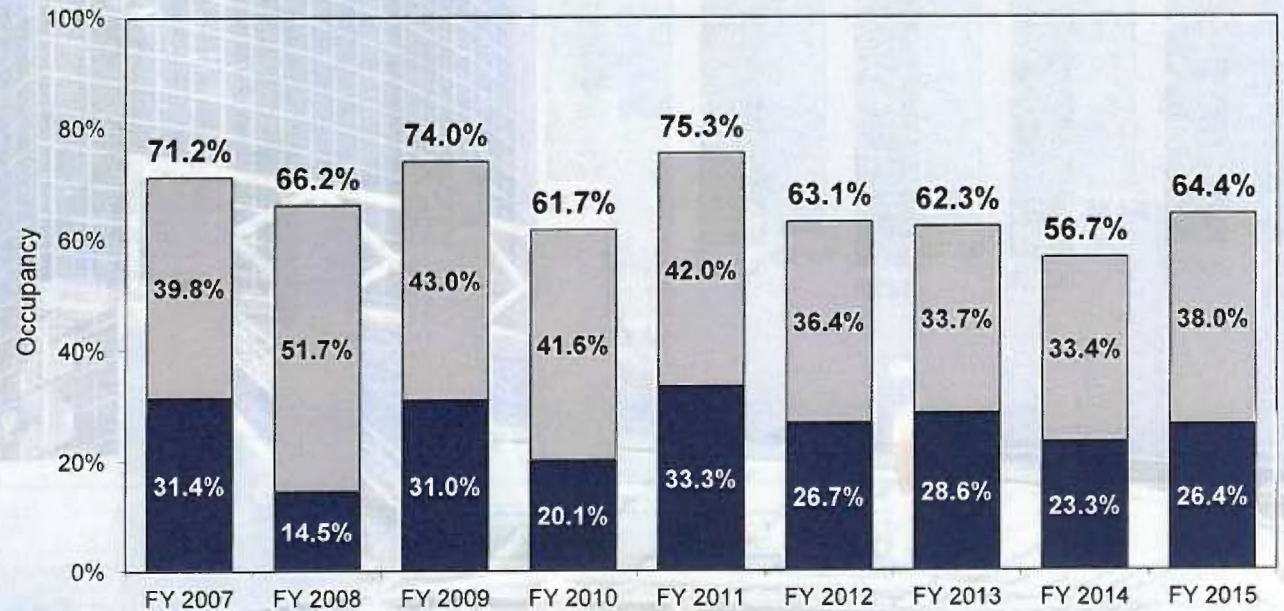
Notes: Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.
Source: CSL International, facility management, 2015

West Hall Occupancy by Event Type (FY07 – FY15)



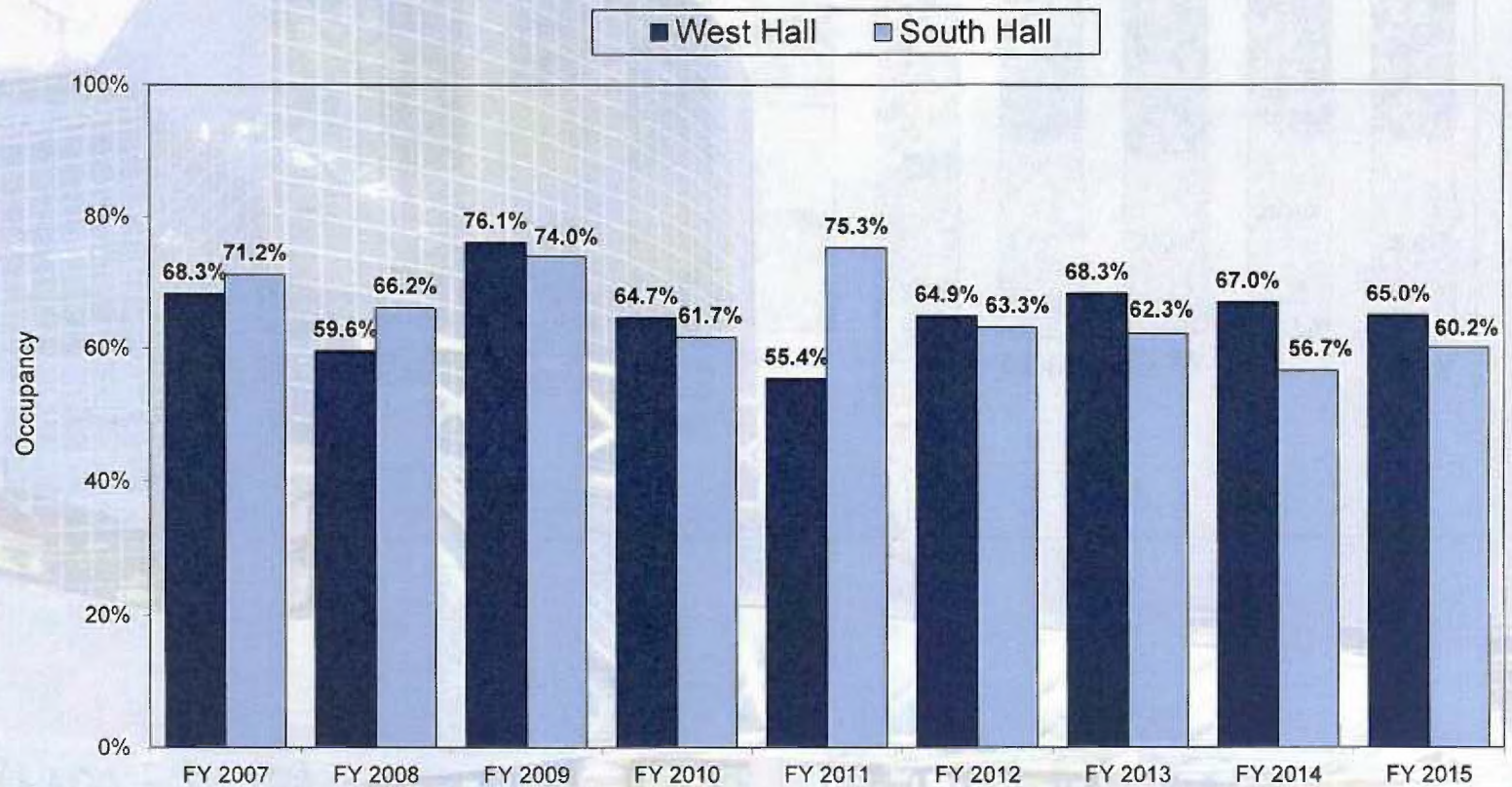
Notes: Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.
Source: CSL International, facility management, 2015

South Hall Occupancy by Event Type (FY07 – FY15)



Notes: Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.
Source: CSL International, facility management, 2015

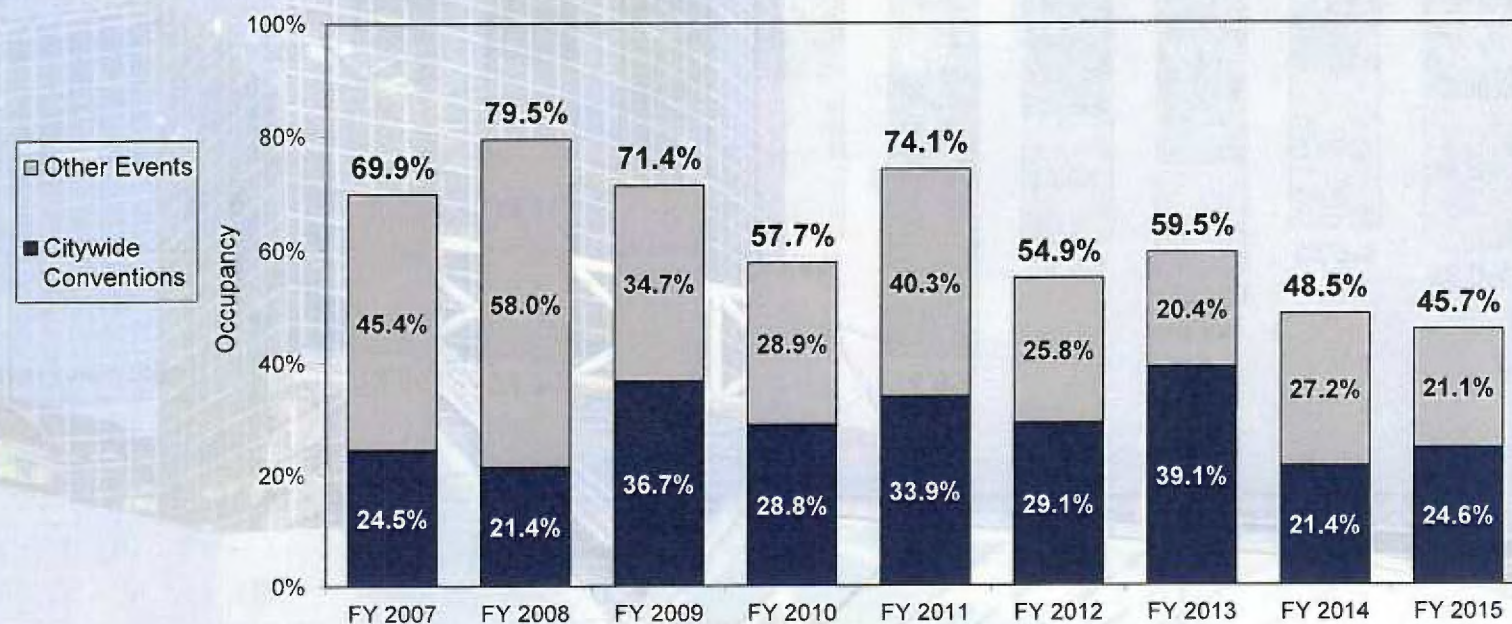
Overall Occupancy – West and South Halls (FY07 – FY15)



Notes: Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.
Source: CSL International, facility management, 2015

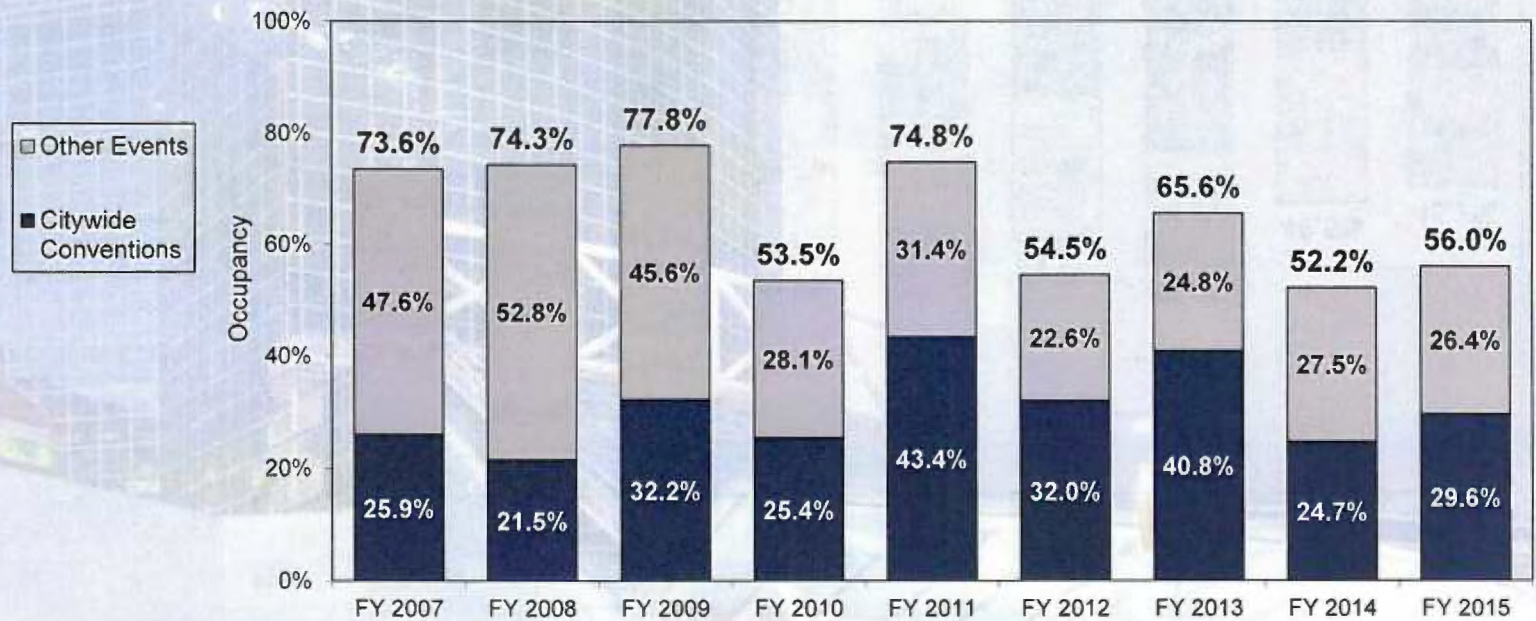


Petree Hall Occupancy by Event Type (FY07 – FY15)



Notes: Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.
Source: CSL International, facility management, 2015

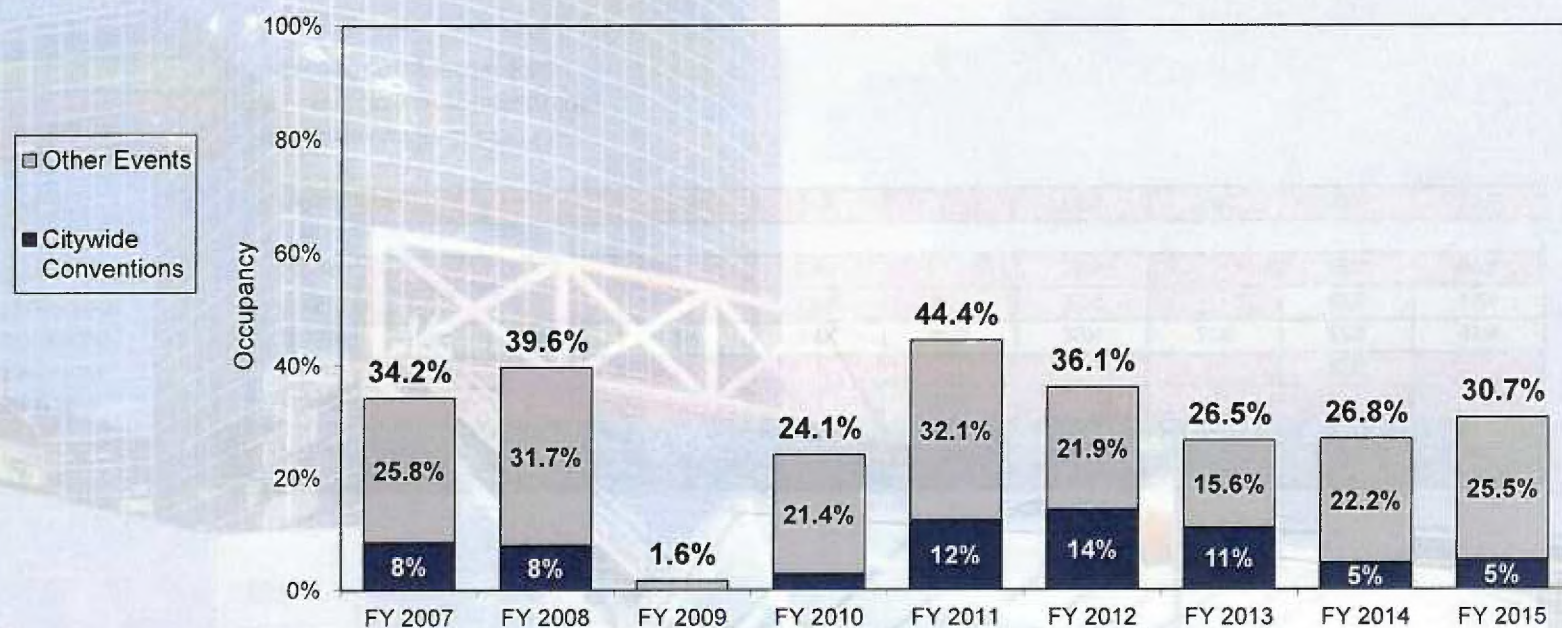
Concourse Hall Occupancy by Event Type (FY07 – FY15)



Notes: Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.
Source: CSL International, facility management, 2015



Kentia Hall Occupancy by Event Type (FY07 – FY15)



Notes: Data from "Other Events" only include events utilizing West, South, Kentia, Petree or Concourse Halls.
Source: CSL International, facility management, 2015

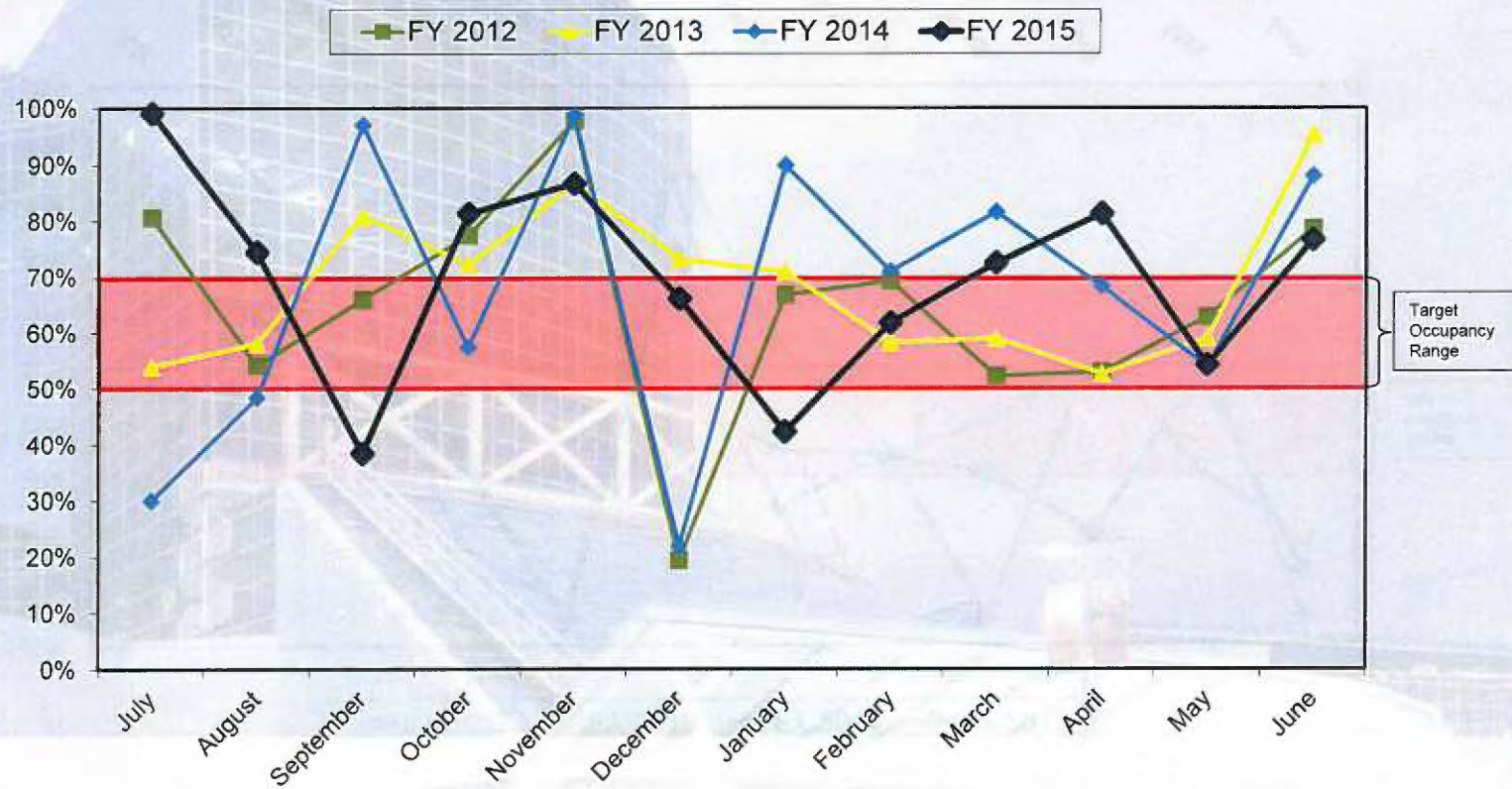
Summary of Occupancy Levels by Hall (FY07 – FY15)

	Square Footage	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
West Hall	210,685	68%	60%	76%	65%	55%	65%	68%	67%	70%
South Hall	346,890	71%	66%	74%	62%	75%	63%	62%	57%	64%
Kentia Hall	162,000	34%	40%	2%	24%	44%	36%	27%	27%	31%
Petree Hall	21,557	70%	80%	71%	58%	74%	55%	60%	49%	46%
Concourse Hall	26,342	74%	74%	78%	54%	75%	55%	66%	52%	56%
Overall	767,474	63%	60%	59%	54%	63%	57%	57%	53%	58%

	= High Occupancy (over 60%)
	= Mid-Level Occupancy (50% to 60%)
	= Lower Occupancy (under 50%)

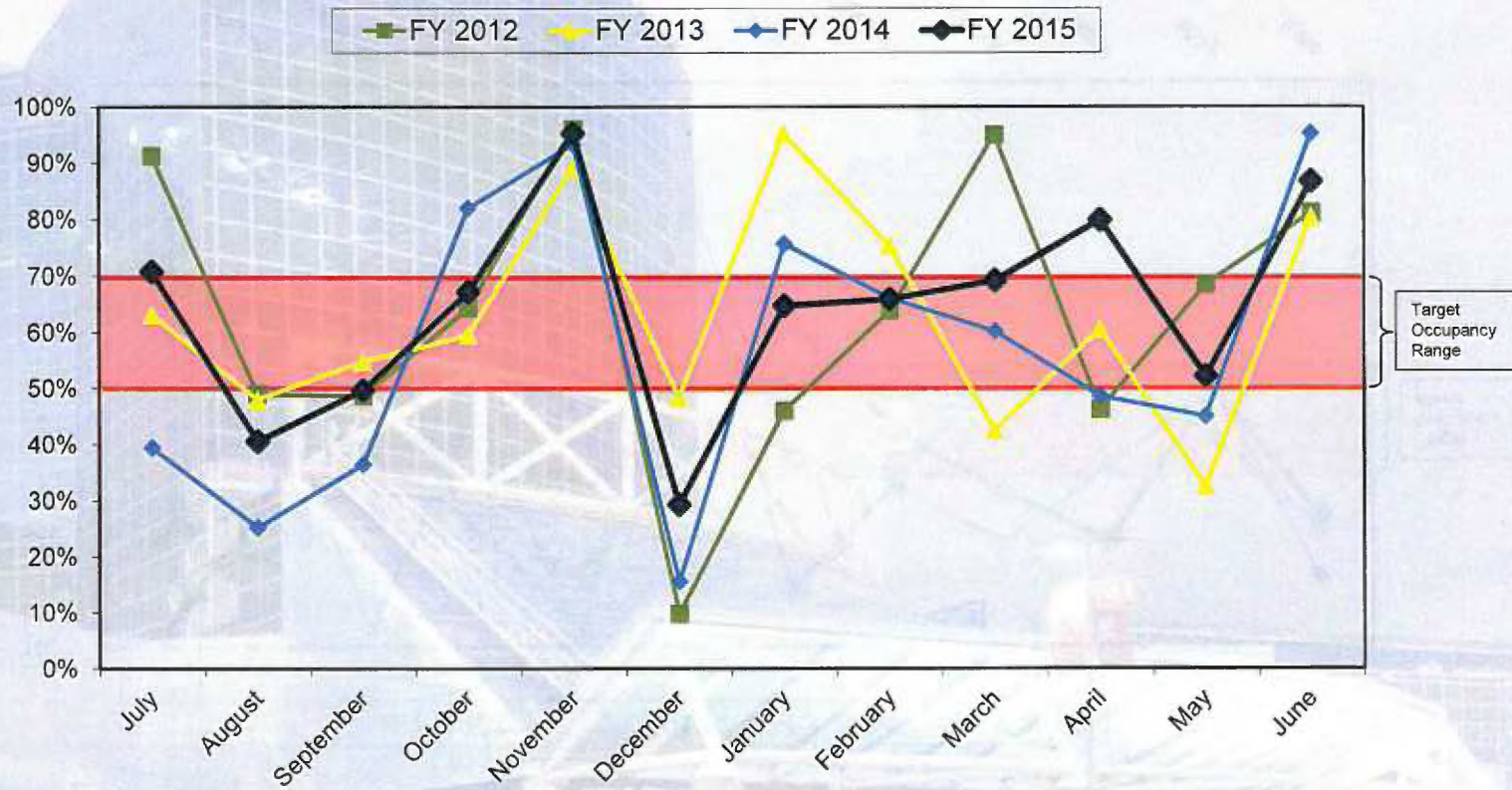
Source: CSL International, facility management, 2015

West Hall Occupancy by Month (FY12 – FY15)



Source: CSL International, facility management, 2015

South Hall Occupancy by Month (FY12 – FY15)

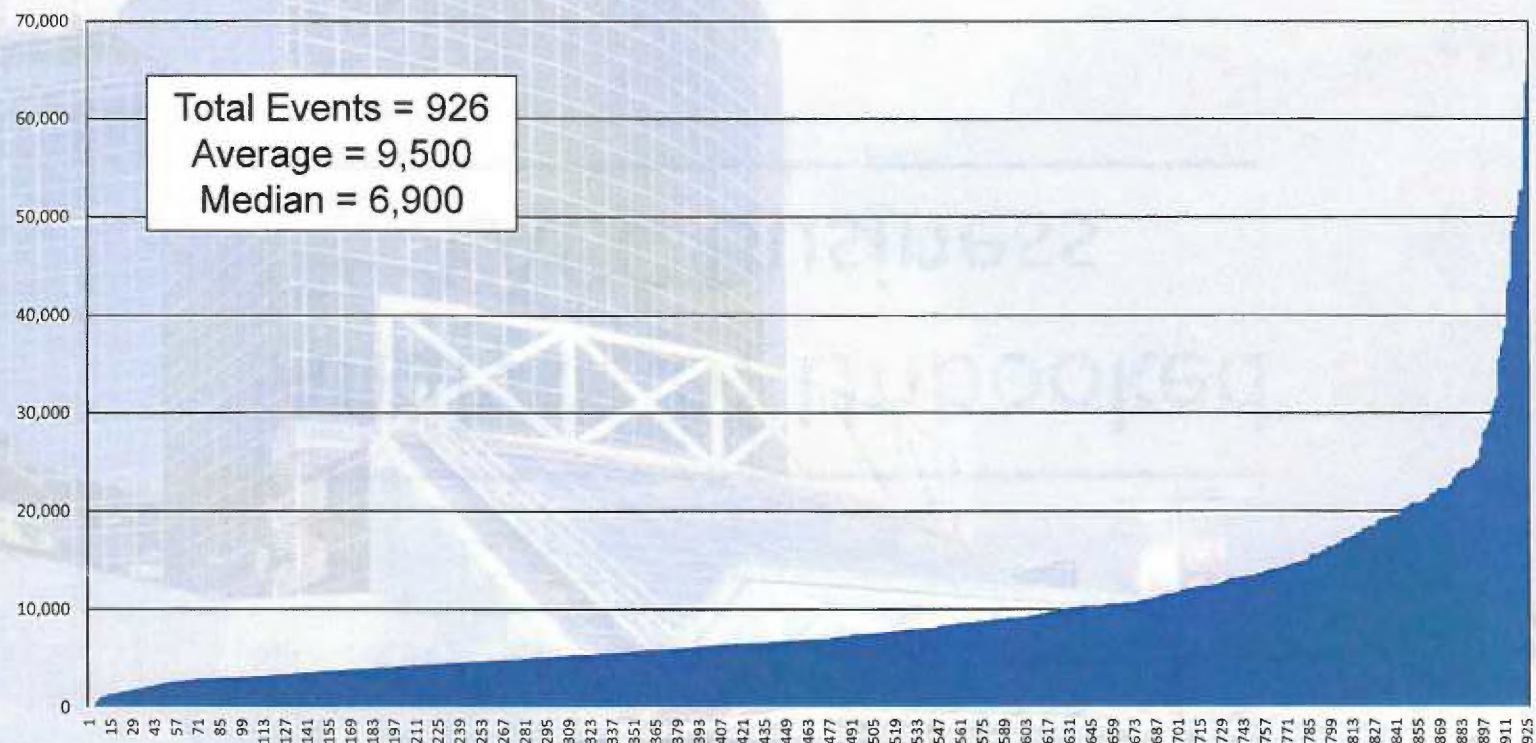


Source: CSL International, facility management, 2015

Analysis of Unbooked LACC Business

Unbooked LACC Business

Unbooked Business – All Unbooked Events by Total Room Nights (2010 - 2026)

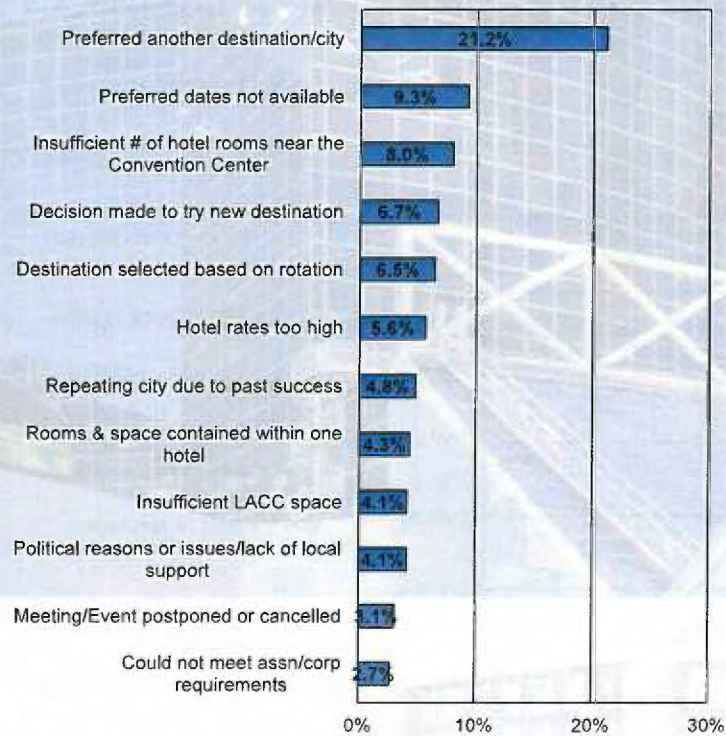


Source: CSL International, facility management, 2015

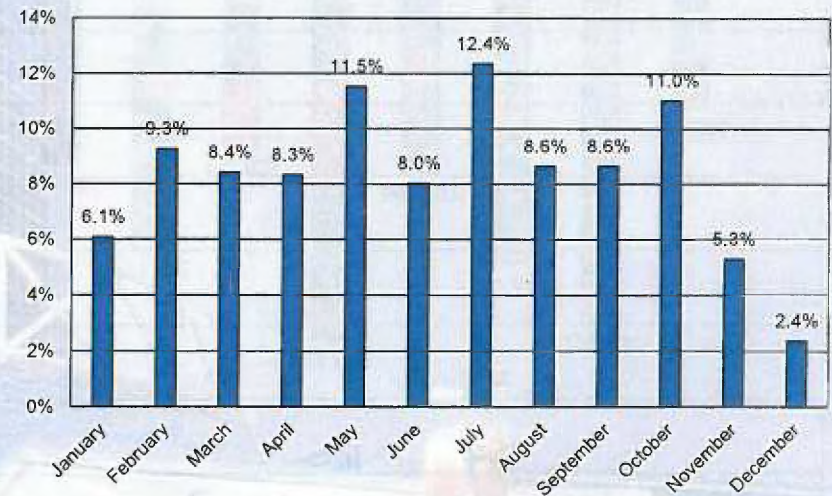


Unbooked Business – (2010-2026)

Reasons for Unbooked Events

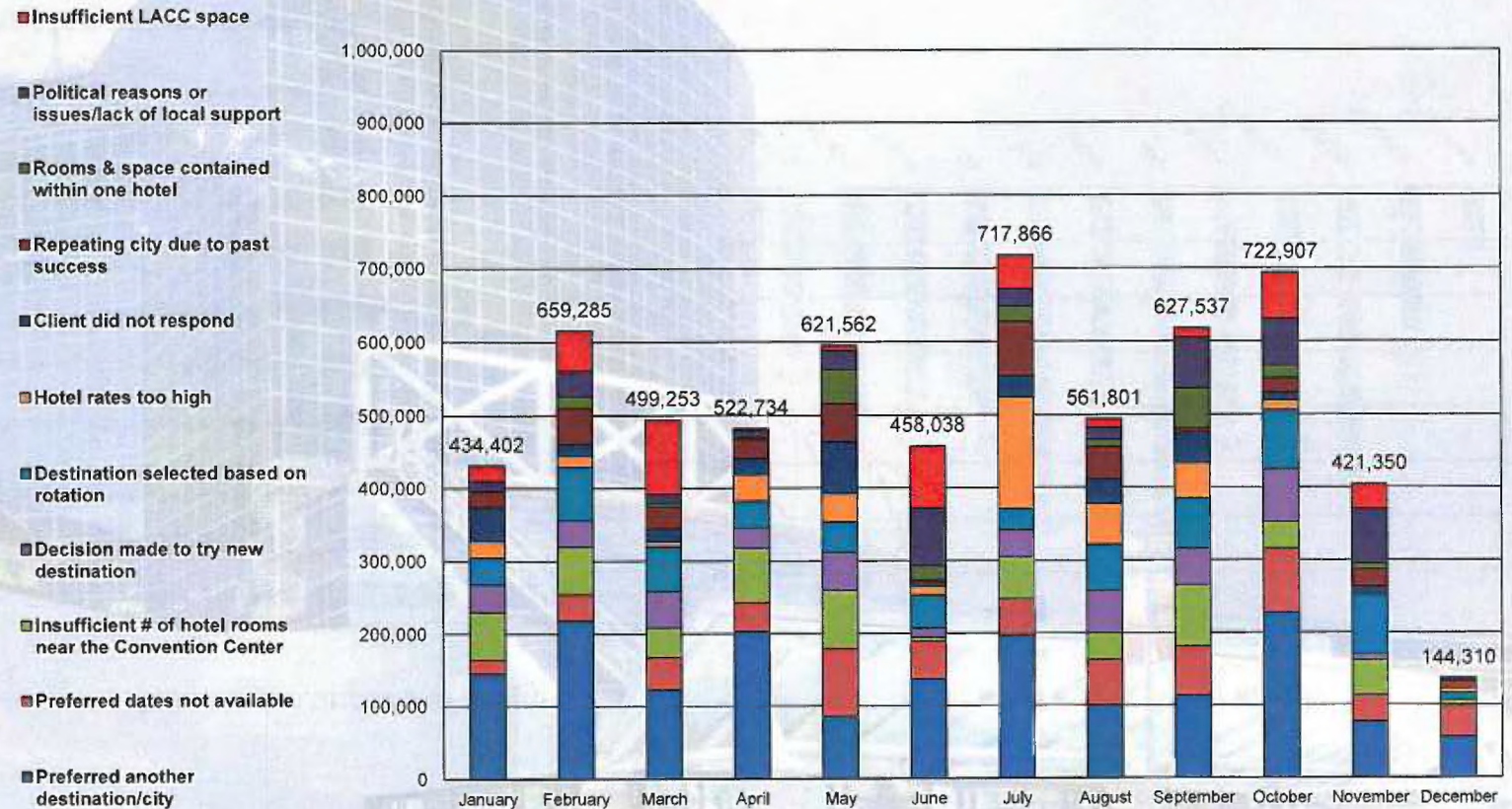


Unbooked Business by Month



Source: CSL International, facility management, 2015

Unbooked Business – Total Room Nights Unbooked by Month and Reason (2010 - 2026)



Note: Reasons for unbooked events shown above represent top 11 most common reasons found in the data set
 Source: CSL International, facility management, 2015



Analysis of Competitive and Comparable Facilities and Markets

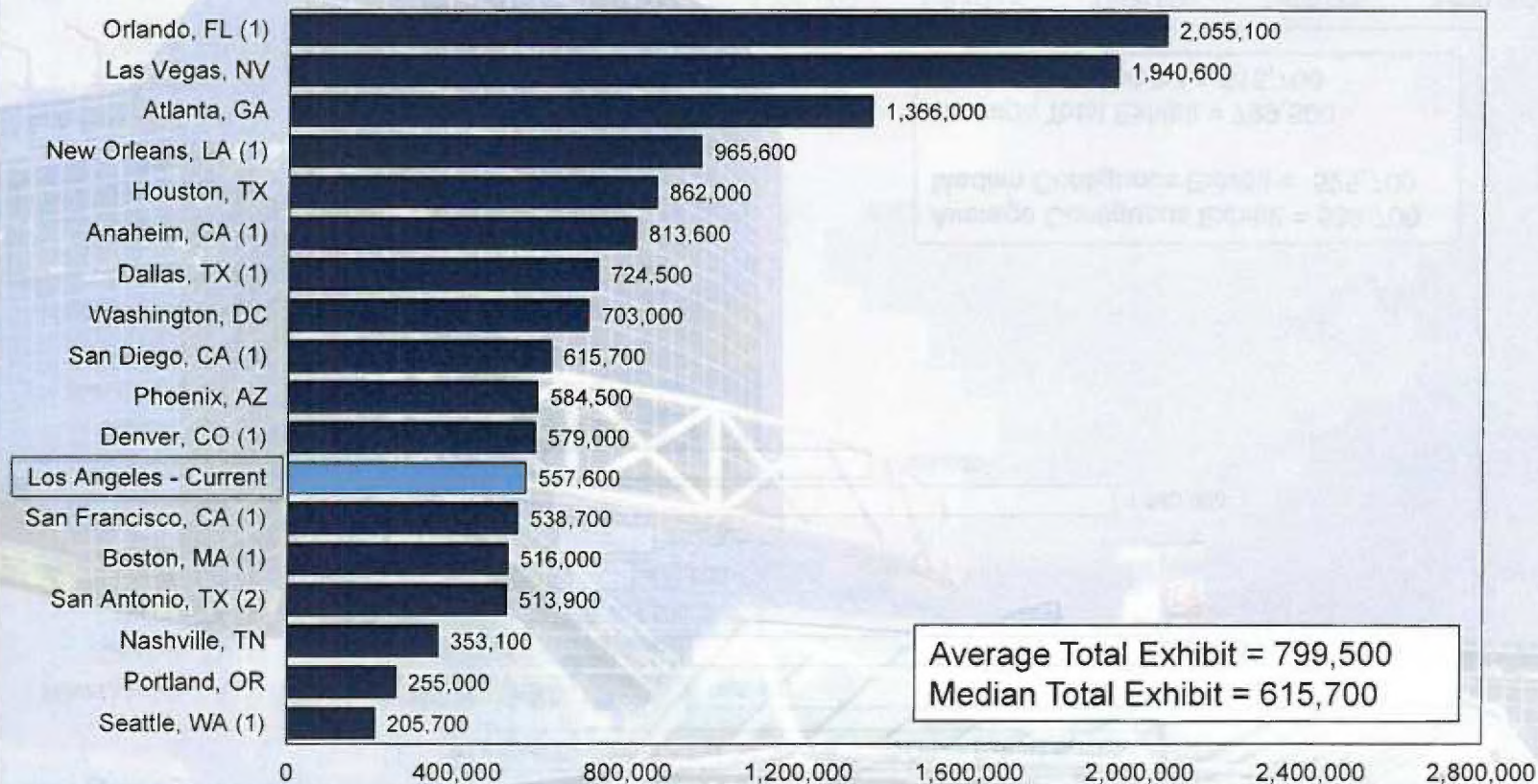
Comparable Convention Centers

Facility	City, State
Anaheim Convention Center (1)	Anaheim, CA
Georgia World Congress Center (4)	Atlanta, GA
Boston Convention & Exhibition Center (1,4)	Boston, MA
Dallas Convention Center (1)	Dallas, TX
Colorado Convention Center (1)	Denver, CO
George R. Brown Convention Center (4)	Houston, TX
Las Vegas Convention Center (1)	Las Vegas, NV
Music City Center (3)	Nashville, TN
New Orleans Morial Convention Center (1)	New Orleans, LA
Orange County Convention Center (1)	Orlando, FL
Phoenix Convention Center	Phoenix, AZ
Oregon Convention Center (4)	Portland, OR
Henry B. Gonzalez Convention Center (2)	San Antonio, TX
San Diego Convention Center (1,4)	San Diego, CA
Moscone Center (1)	San Francisco, CA
Washington State Convention Center (1,4)	Seattle, WA
Walter E. Washington Convention Center	Washington, DC

- (1) Planning or considering the addition of event space at the Center
 (2) Includes space that is either planned or currently under construction.
 (3) Ongoing or recent headquarter hotel development
 (4) Planning or considering headquarter hotel development

Comparable Convention Centers

Total Exhibit Space



(1) Planning or considering the addition of event space at the Center

(2) Includes space that is either planned or currently under construction

Notes: Los Angeles figure does not include Kentia Hall (162,000 sf), Petree Hall (21,600 sf), or Concourse Hall (26,300 sf).

Exact exhibit space measurements included in preliminary expansion plans are unknown.

Source: CVB's and industry publications, 2015

Comparable Convention Centers

Largest Contiguous Exhibit Space



(1) Planning or considering the addition of event space at the Center

(2) Includes space that is either planned or currently under construction

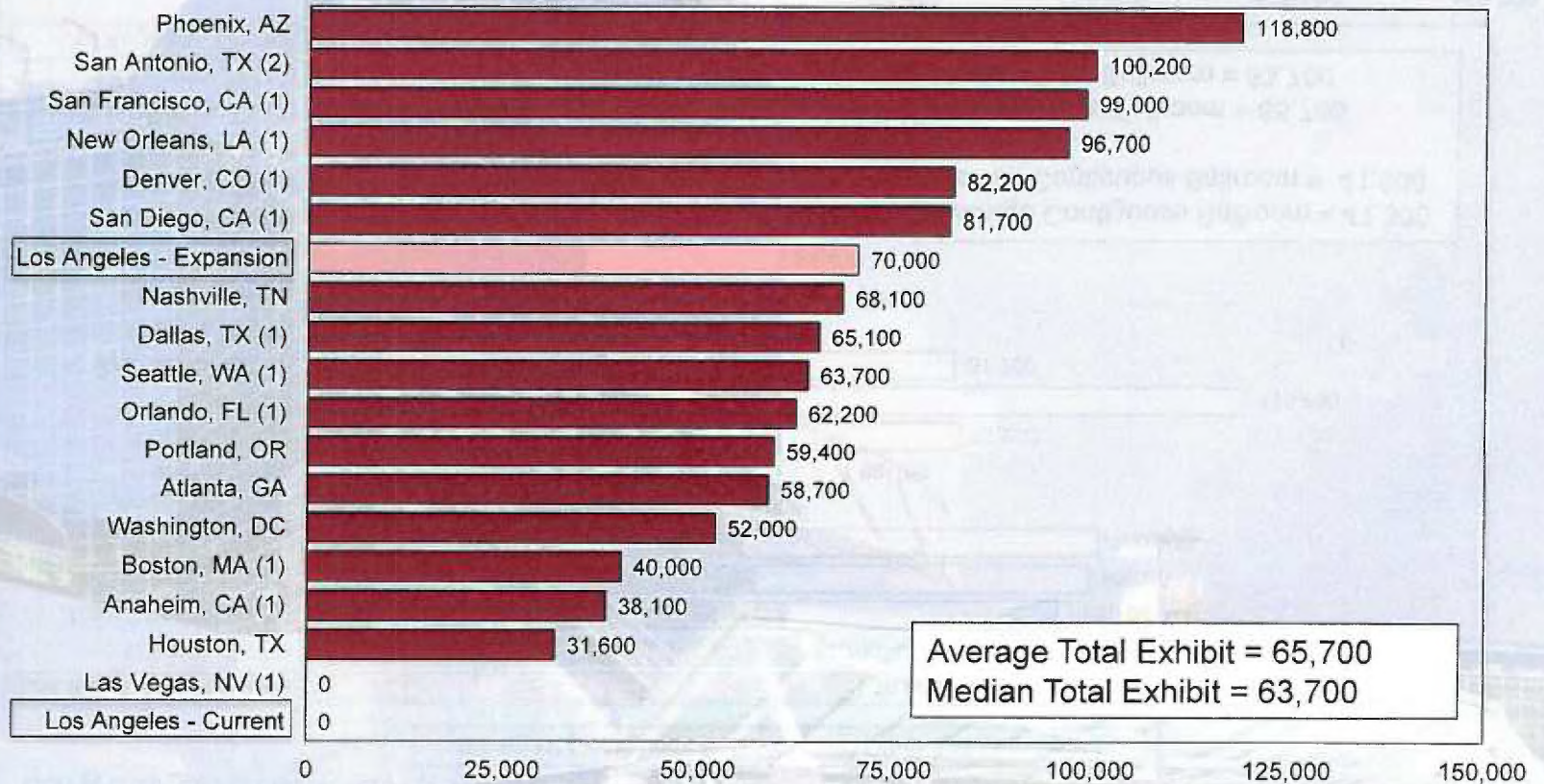
Notes: Los Angeles figure does not include Kentia Hall (162,000 sf), Petree Hall (21,600 sf), or Concourse Hall (26,300 sf).

Exact exhibit space measurements included in preliminary expansion plans are unknown.

Source: CVB's and industry publications, 2015

Comparable Convention Centers

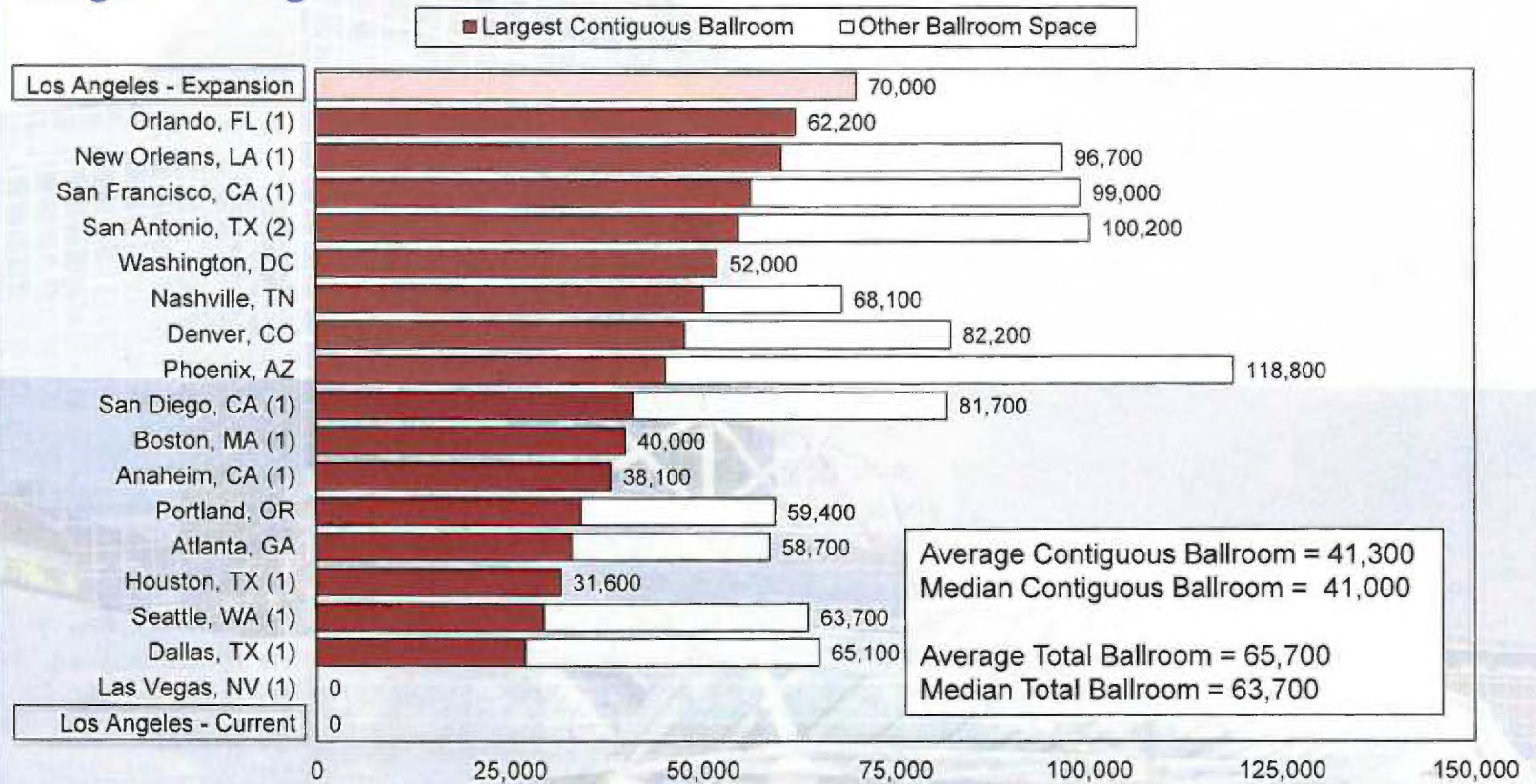
Total Ballroom Space



(1) Planning or considering the addition of event space at the Center
(2) Includes space that is either planned or currently under construction
Note: Preliminary expansion plans include a 70,000 square foot ballroom.
Source: CVB's and industry publications, 2015

Comparable Convention Centers

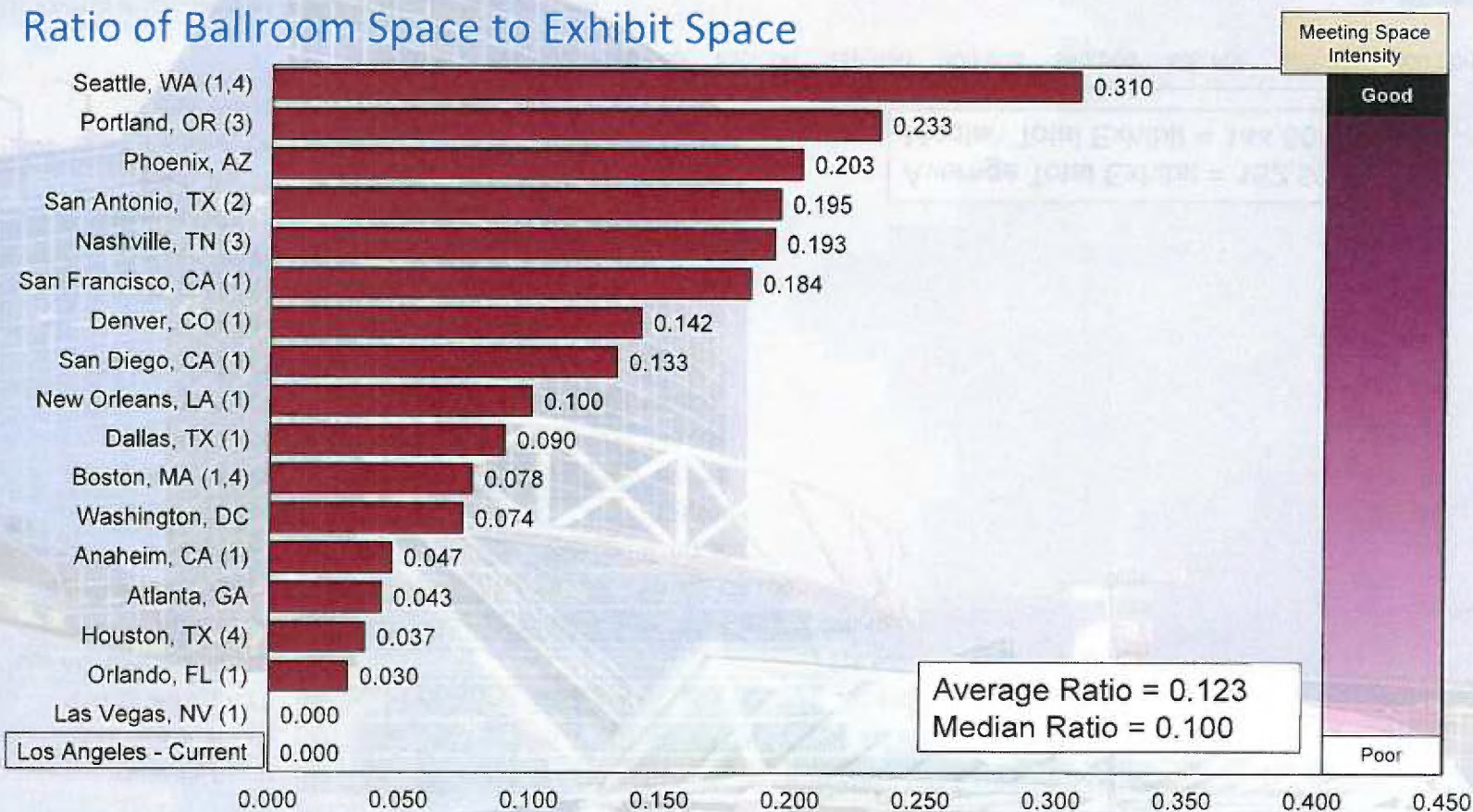
Largest Contiguous Ballroom



(1) Planning or considering the addition of event space at the Center
 (2) Includes space that is either planned or currently under construction
 Note: Preliminary expansion plans include a 70,000 square foot ballroom.
 Source: CVB's and industry publications, 2015

Comparable Convention Centers

Ratio of Ballroom Space to Exhibit Space



(1) Planning or considering the addition of event space at the Center

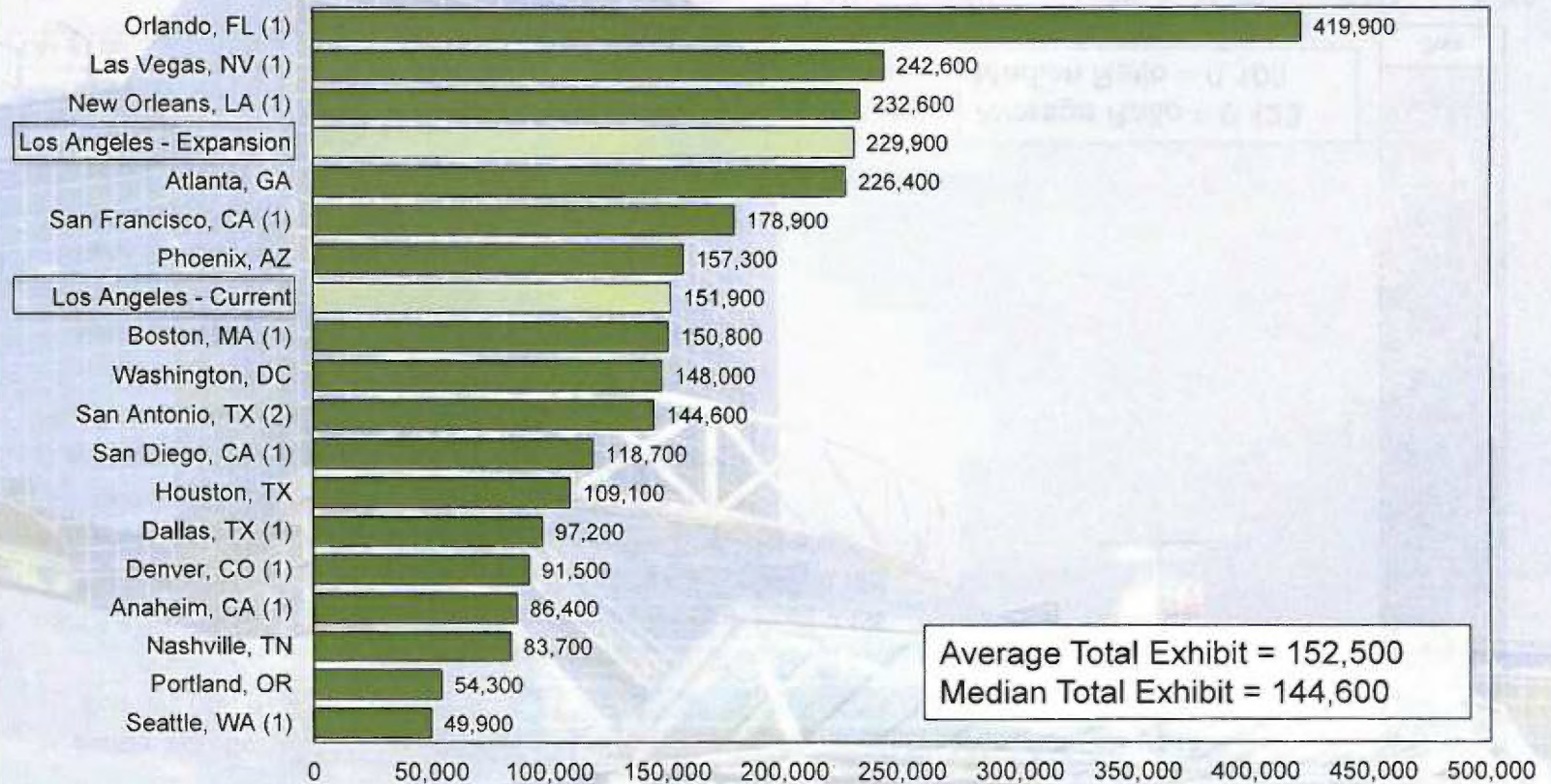
(2) Includes space that is either planned or currently under construction

Note: Preliminary expansion plans include a 70,000 square foot ballroom, but the amount of additional exhibit space has not yet been determined.

Source: CVB's and industry publications, 2015

Comparable Convention Centers

Total Meeting Space



(1) Planning or considering the addition of event space at the Center

(2) Includes space that is either planned or currently under construction

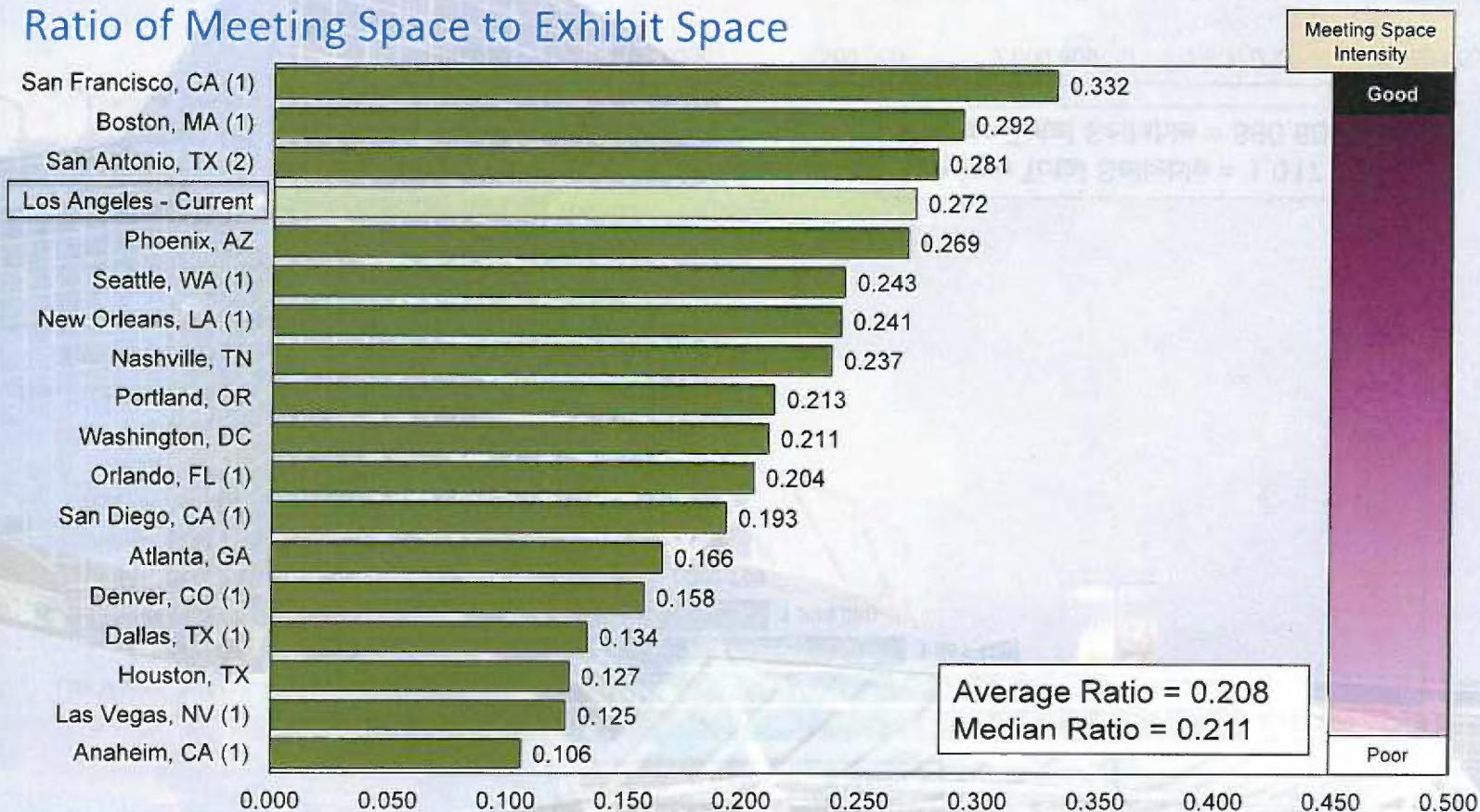
Notes: Los Angeles figure includes Petree Hall (21,600 sf) and Concourse Hall (26,300 sf).

Preliminary expansion plans include 78,000 square feet of meeting space.

Source: CVB's and industry publications, 2015

Comparable Convention Centers

Ratio of Meeting Space to Exhibit Space



(1) Planning or considering the addition of event space at the Center

(2) Includes space that is either planned or currently under construction

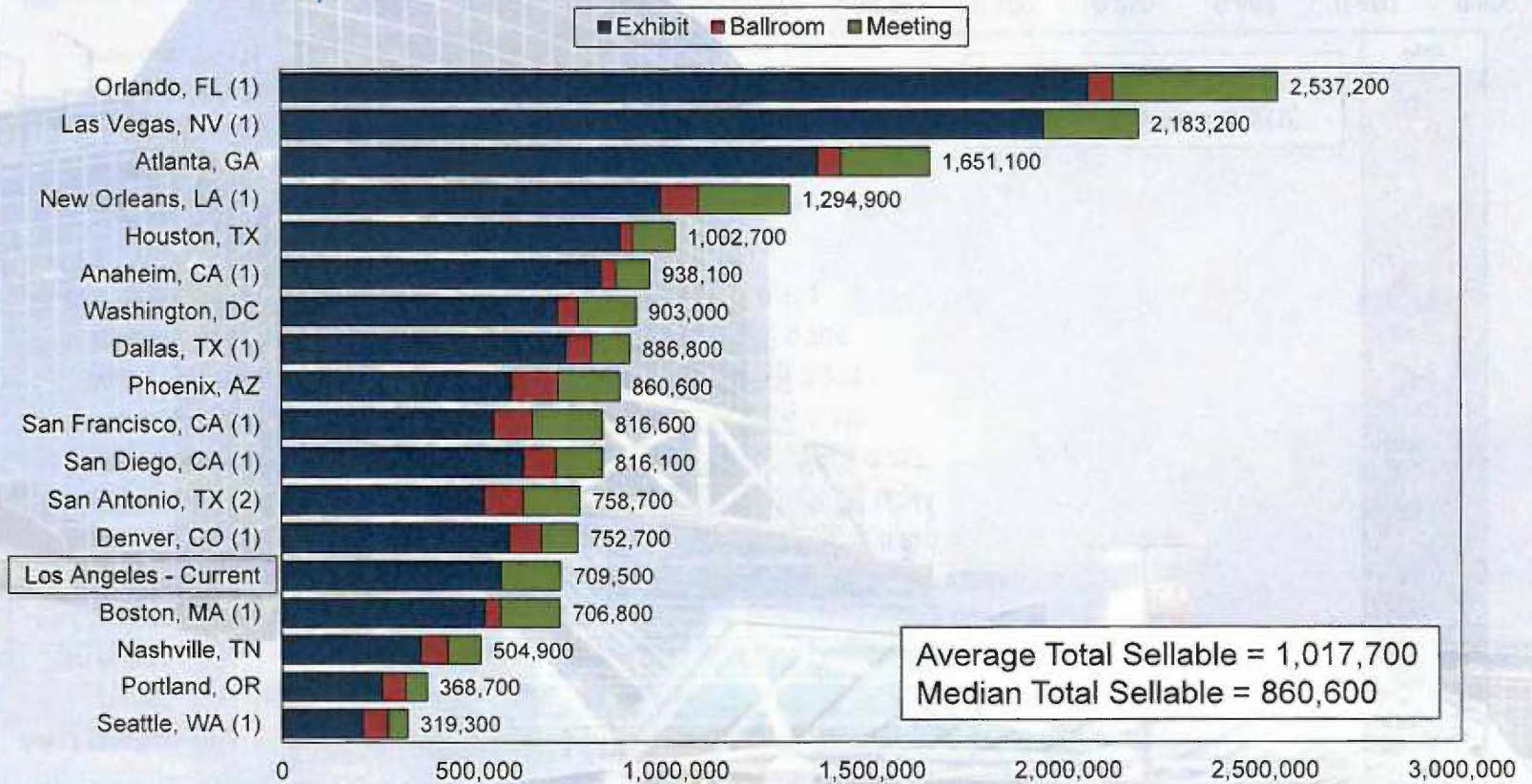
Notes: Los Angeles figure includes Petree Hall (21,600 sf) and Concourse Hall (26,300 sf).

Preliminary expansion plans include 78,000 square feet of meeting space but the amount of additional exhibit space has not yet been determined.

Source: CVB's and industry publications, 2015

Comparable Convention Centers

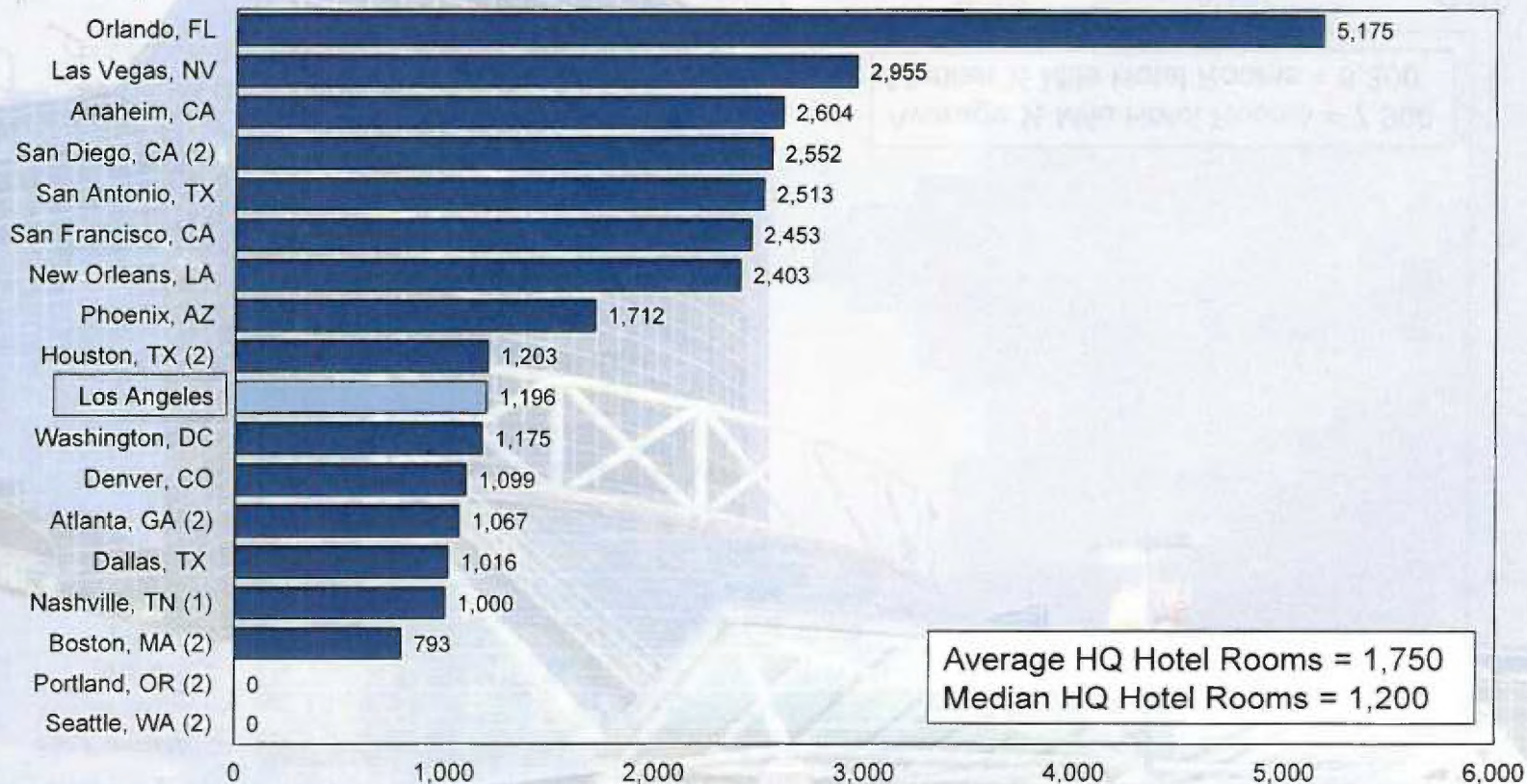
Total Sellable Space



(1) Planning or considering the addition of event space at the Center
(2) Includes space that is either planned or currently under construction
Note: Los Angeles figure does not include Kentia Hall.
Source: CVB's and industry publications, 2015

Comparable Convention Centers

Headquarter Hotel Rooms



(1) Ongoing or recent headquarter hotel development

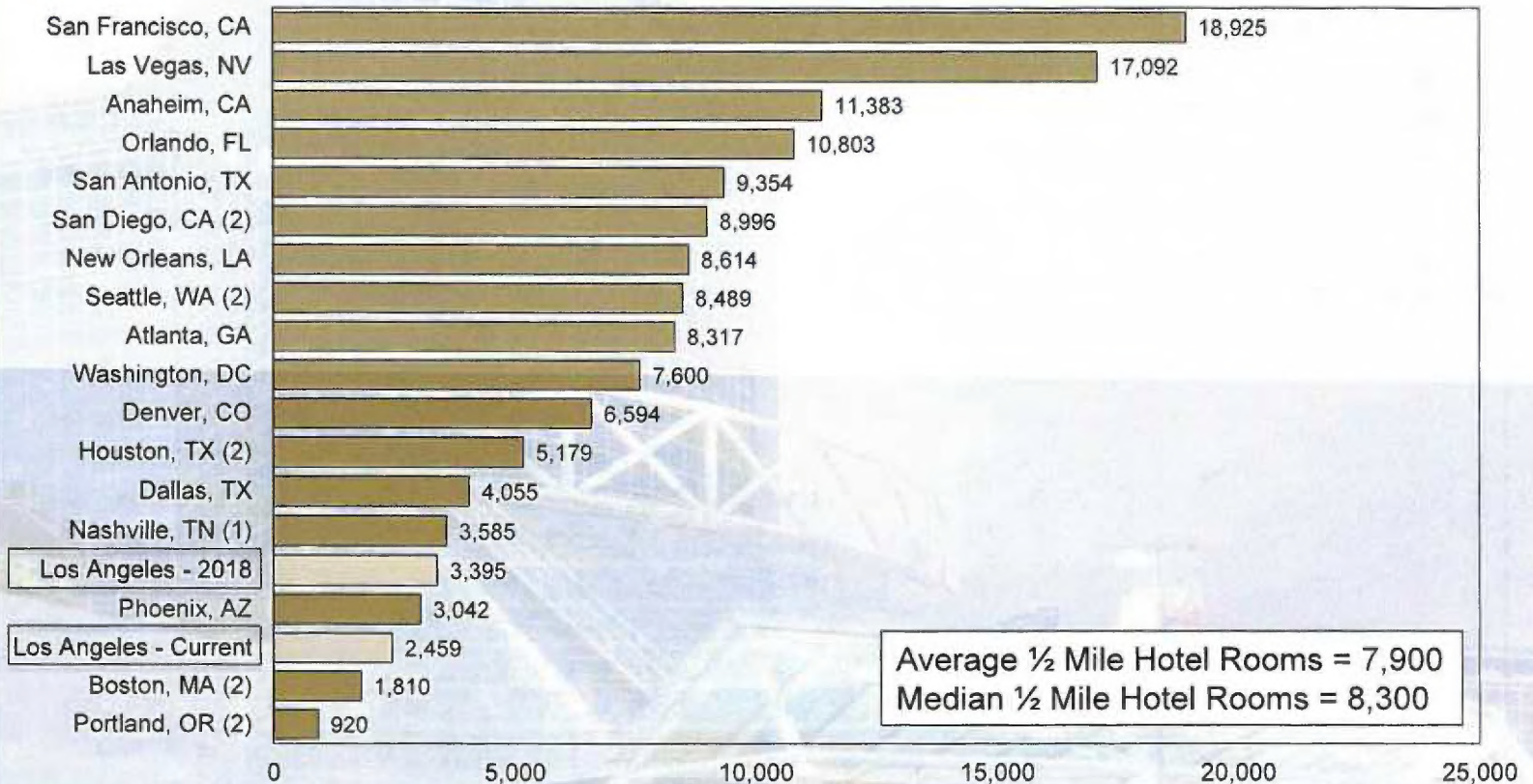
(2) Planning or considering headquarter hotel development

Note: Los Angeles figure includes 878-room JW Marriott, 123-room Ritz-Carlton and 195-room Luxe City Center.

Source: CVB's and industry publications, 2015

Comparable Convention Centers

Hotel Rooms within ½ Mile



(1) Ongoing or recent headquarter hotel development

(2) Planning or considering headquarter hotel development

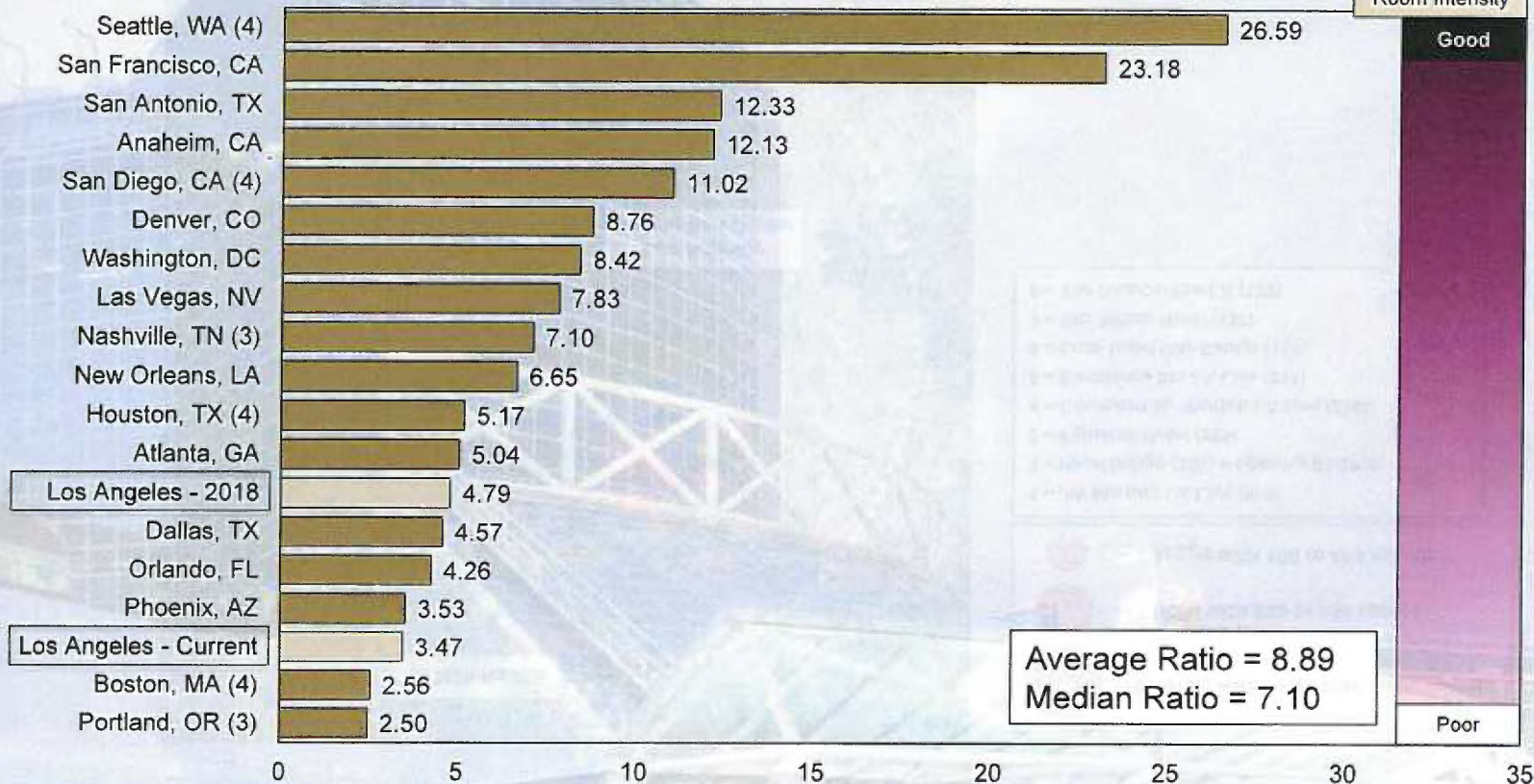
Current: Includes 350-room Indigo Project planned for July 2015 opening.

2018: Includes downtown "pipeline" properties (Hotel Indigo, JW Marriott Expansion, and LA Figuera Central).

Source: CVB's and industry publications, 2015

Comparable Convention Centers

Ratio of Hotel Rooms within ½ mile per 1,000 SF Sellable Space



(1) Ongoing or recent headquarter hotel development

(2) Planning or considering headquarter hotel development

Current: Includes 350-room Indigo Project planned for July 2015 opening.

2018: Includes downtown "pipeline" properties (Hotel Indigo, JW Marriott Expansion, and LA Figuera Central).

2018b: Includes proposed LACC expansion in calculation of ratio.

Source: CVB's and industry publications, 2015

Comparable Convention Centers

Hotel Rooms within ½ mile of the Los Angeles Convention Center



- – 0 hotels with more than 1,000 rooms.
- – 1 hotel with 500 to 999 rooms.
- – 7 hotels with 100 to 499 rooms.

- 1 – JW Marriott LA Live (878)
- 2 – Hotel Indigo (350) – opening 07/2016
- 3 – Figueroa Hotel (285)
- 4 – Courtyard by Marriott LA Live (220)
- 5 – Residence Inn LA Live (219)
- 6 – Luxe Hotel City Center (180)
- 7 – Ritz Milner Hotel (137)
- 8 – The Ritz-Carlton LA (123)

Comparable Convention Centers

Hotel Rooms within ½ mile of the Anaheim Convention Center



Source: CSL International, 2015

Comparable Convention Centers

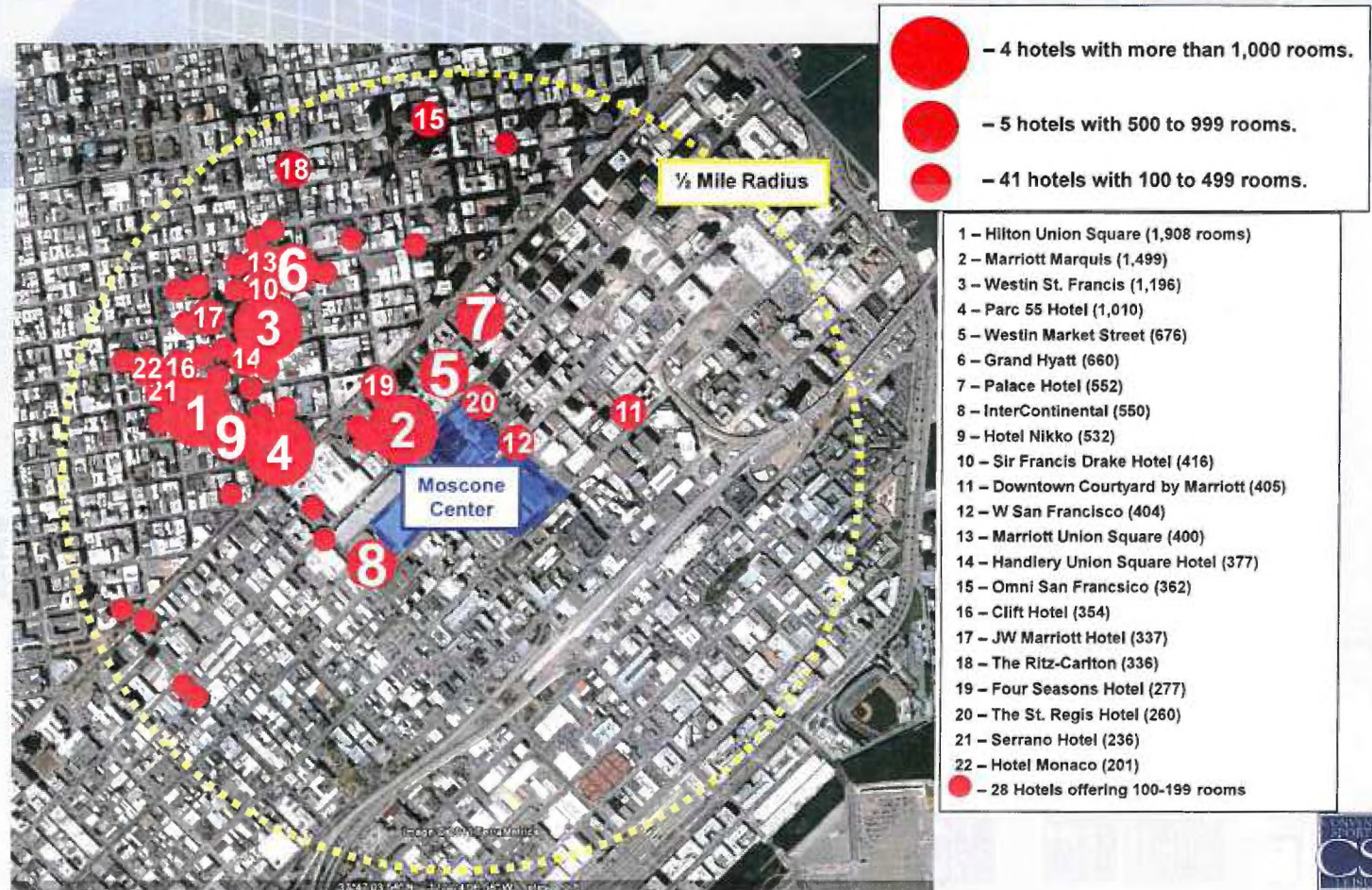
Hotel Rooms within ½ mile of the San Diego Convention Center



Source: CSL International, 2015

Comparable Convention Centers

Hotel Rooms within ½ mile of the Moscone Center (San Francisco, CA)

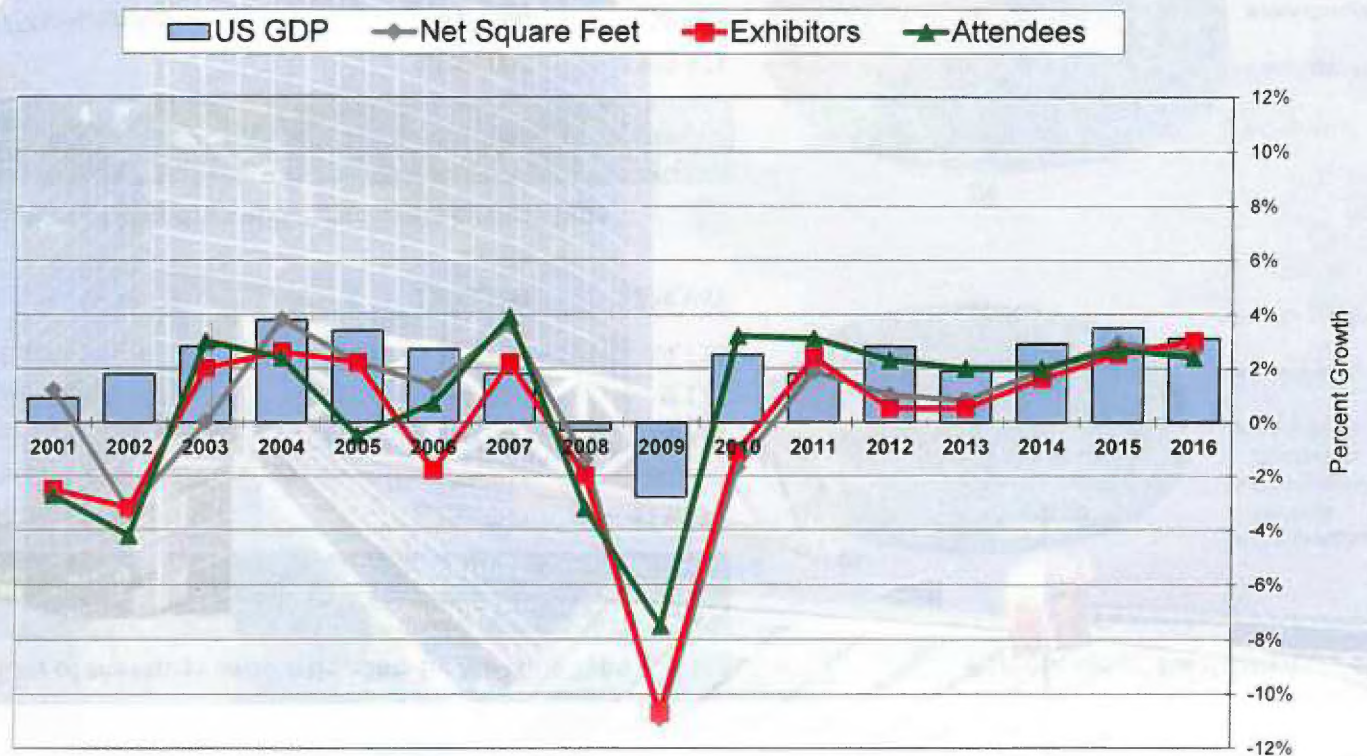


Source: CSL International, 2015

Industry Trends

Convention & Tradeshow Demand

Annual Demand Change vs. United States GDP



Note: Data for 2014 through 2016 is based on forecasts.
Source: Center for Exhibition Industry Research (CEIR), 2014

Meeting and Event Industry Overview

Number of Meetings and Participants

Number of Meetings and Participants by Meeting Type

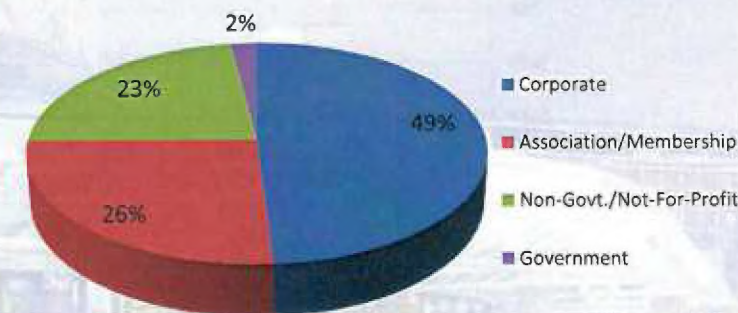
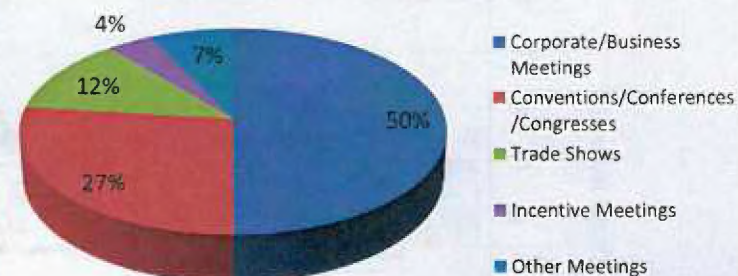
Meeting Type	Number of Meetings	Participants (in millions)
Corporate/Business Meetings	1,298,300	113,337
Conventions/Conferences/Congresses	273,700	60,960
Trade Shows	10,900	26,768
Incentive Meetings	67,700	9,172
Other Meetings	182,600	14,710
Total	1,833,200	224,947

Number of Meetings and Participants by Host Type

Host Type	Number of Meetings	Participants (in millions)
Corporate	1,017,000	109,571
Association/Membership	315,400	59,495
Non-Govt./Not-For-Profit	432,100	51,572
Government	68,600	4,308
Total	1,833,200	224,947

Source: PWC, The Economic Significance of Meetings in the U.S. Economy, 2014

Percentage of Participants



Exhibition Industry Overview

Number of Exhibition Events by Industry Sector

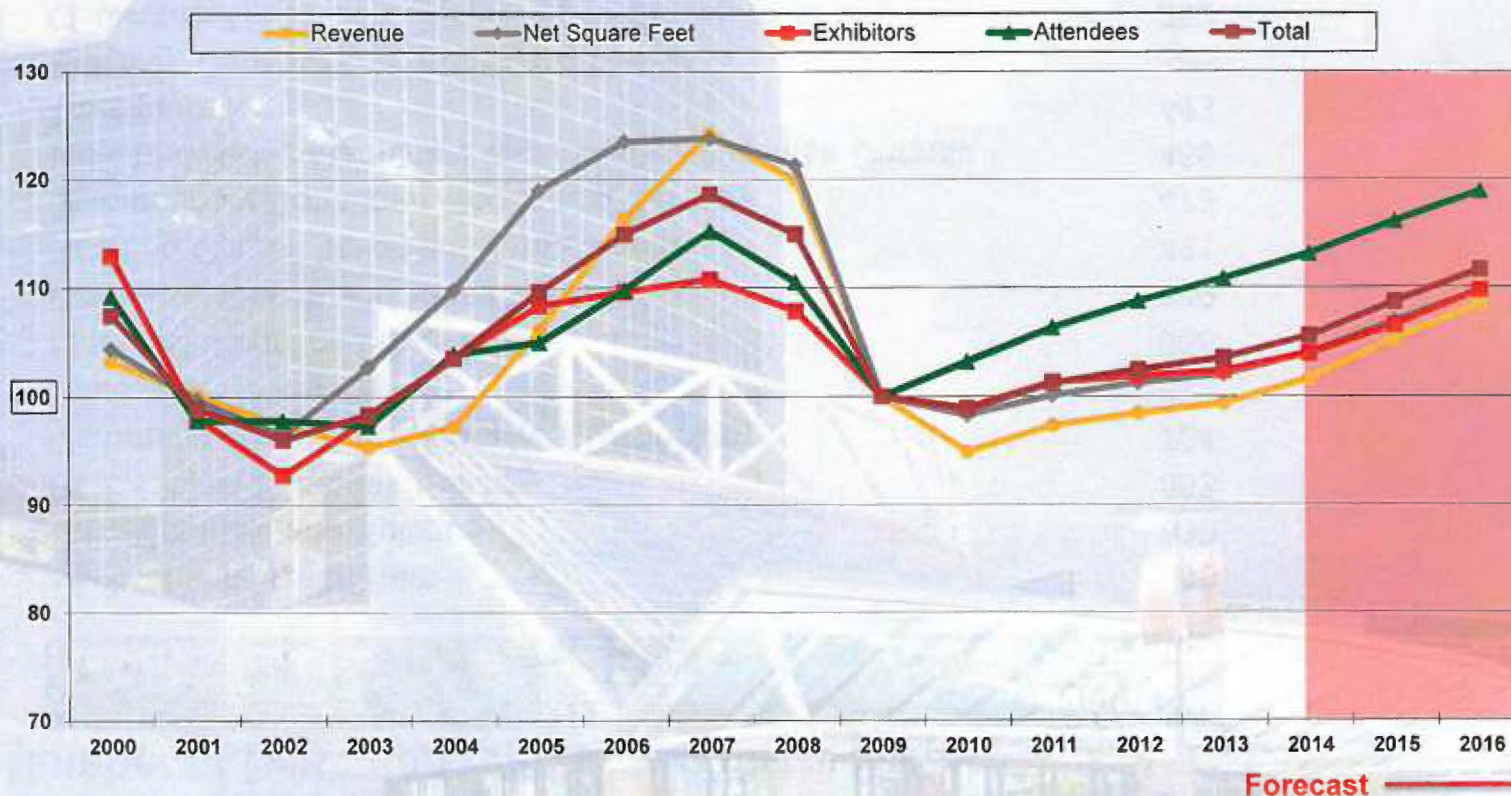
Industry Sector	Number of Events
Medical and Health Care	1,549
Raw Materials and Science	930
Professional Business Services	893
Communications and Information Technology	784
Education	672
Financial, Legal and Real Estate	658
Consumer Goods and Retail Trade	649
Sporting Goods, Travel and Amusement	491
Discretionary Consumer Goods and Services	472
Industrial/Heavy Machinery and Finished business Outputs	435
Transportation	413
Building, Construction, Home and Repair	386
Government	352
Food	278
Total Events	8,962

Source: Center for Exhibition Industry Research (CEIR), 2014



Exhibition Industry Overview

Comparison of Overall Exhibition Industry Performance (2000-2016)

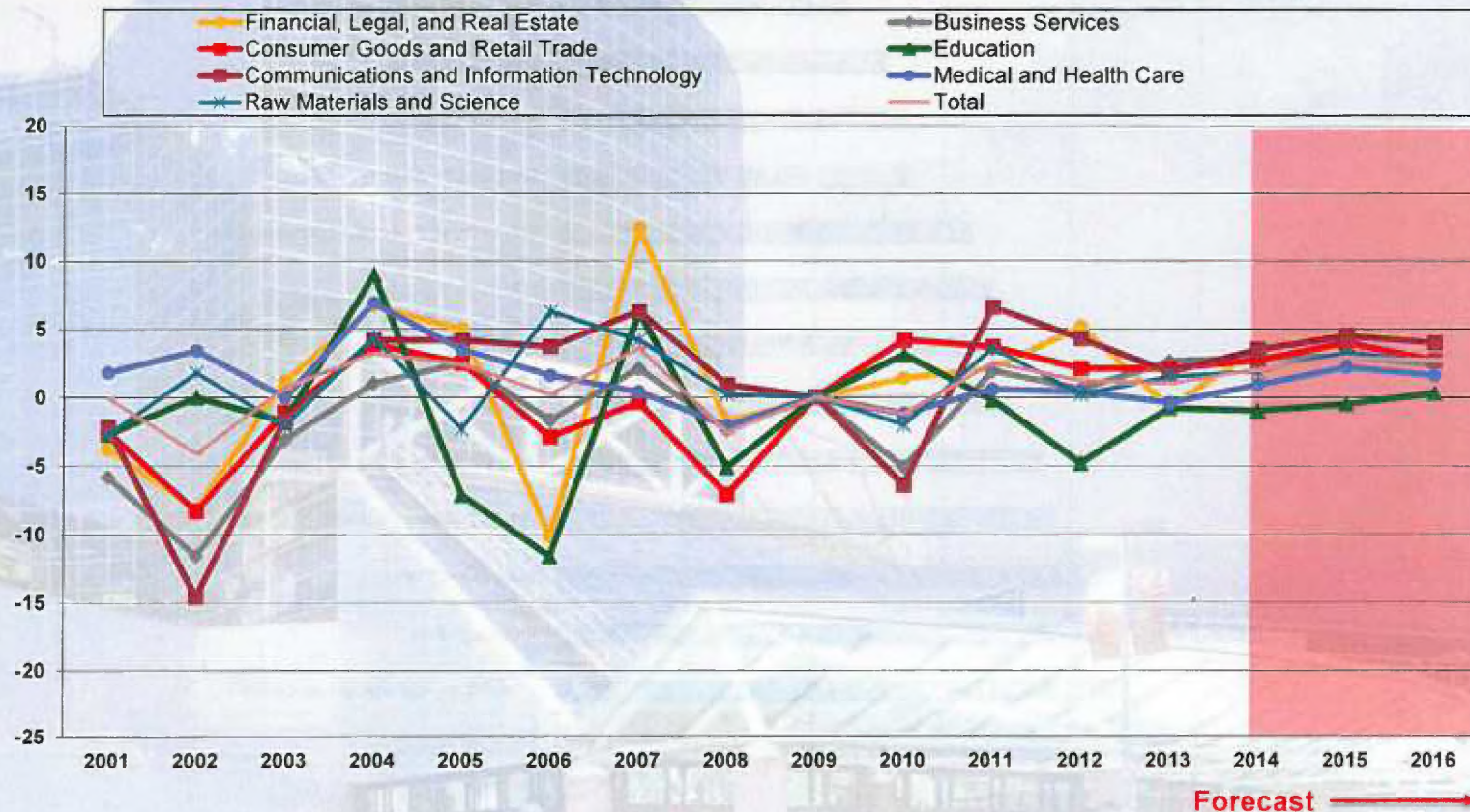


Note: 2009 is the base year and is assigned a value of 100. Years 2014 – 2016 are forecasted data
Source: Center for Exhibition Industry Research (CEIR), 2014



Exhibition Industry Overview

Performance Percentage Change by Market Segment (2000-2016)



Note: 2009 is the base year and is assigned a value of 0. Years 2014-2016 are estimated data
Source: Center for Exhibition Industry Research (CEIR), 2014

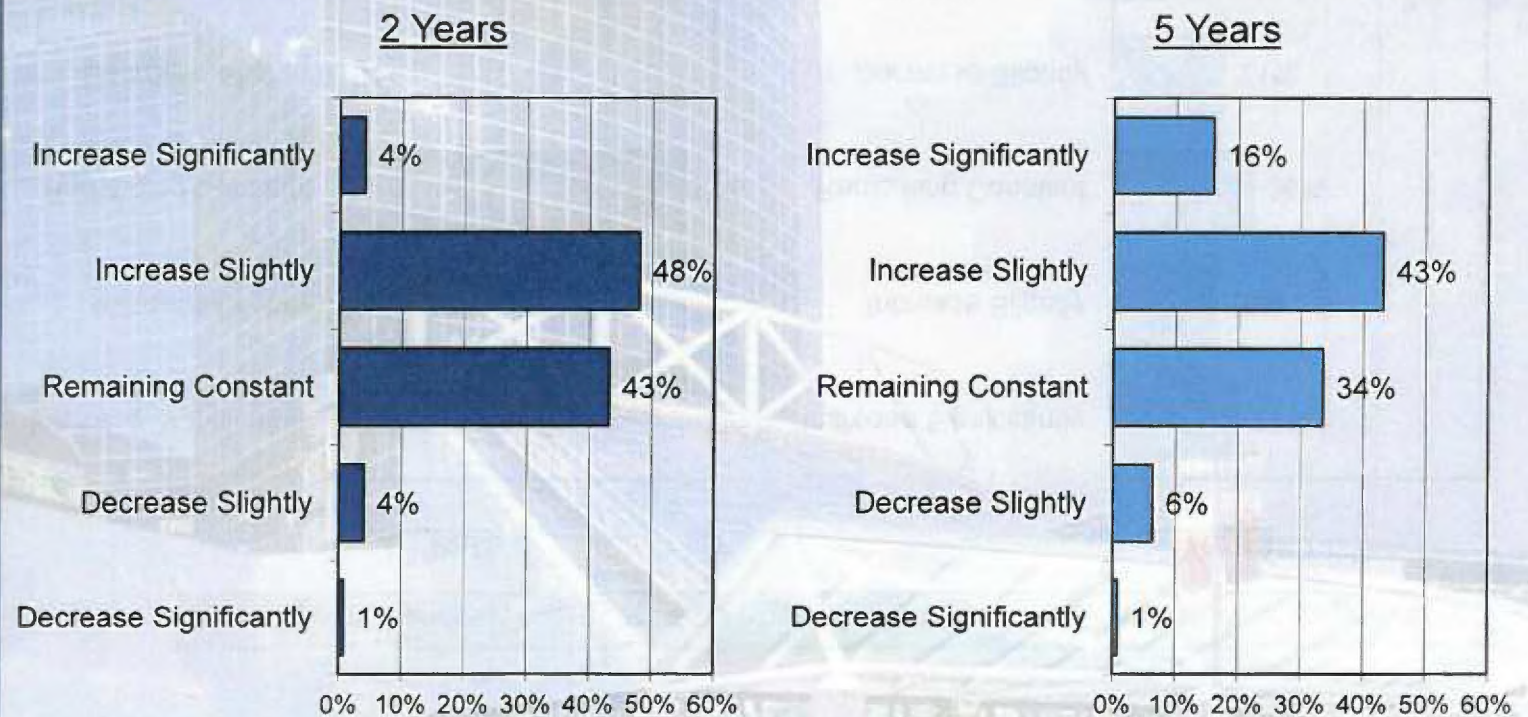
Rating of Desired Center and Community Features



Note: Figures represent average score given by national event planners.
Source: CSL National Organization Survey, 2015.

National Organization Survey – Exhibit Space Growth

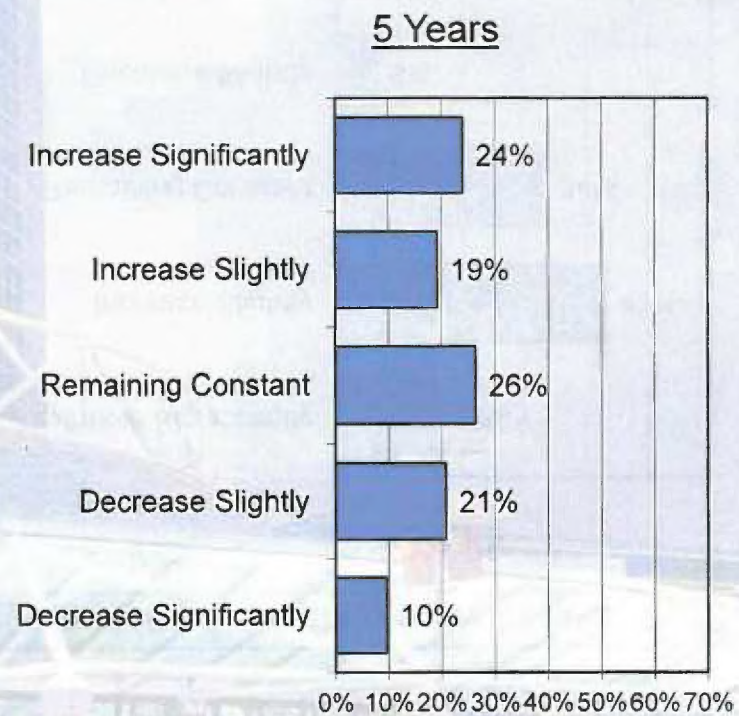
How do you believe your event's exhibit space needs will change over the next: ?



Source: CSL Event Planner Surveys, 2015

National Organization Survey – Ballroom Space Growth

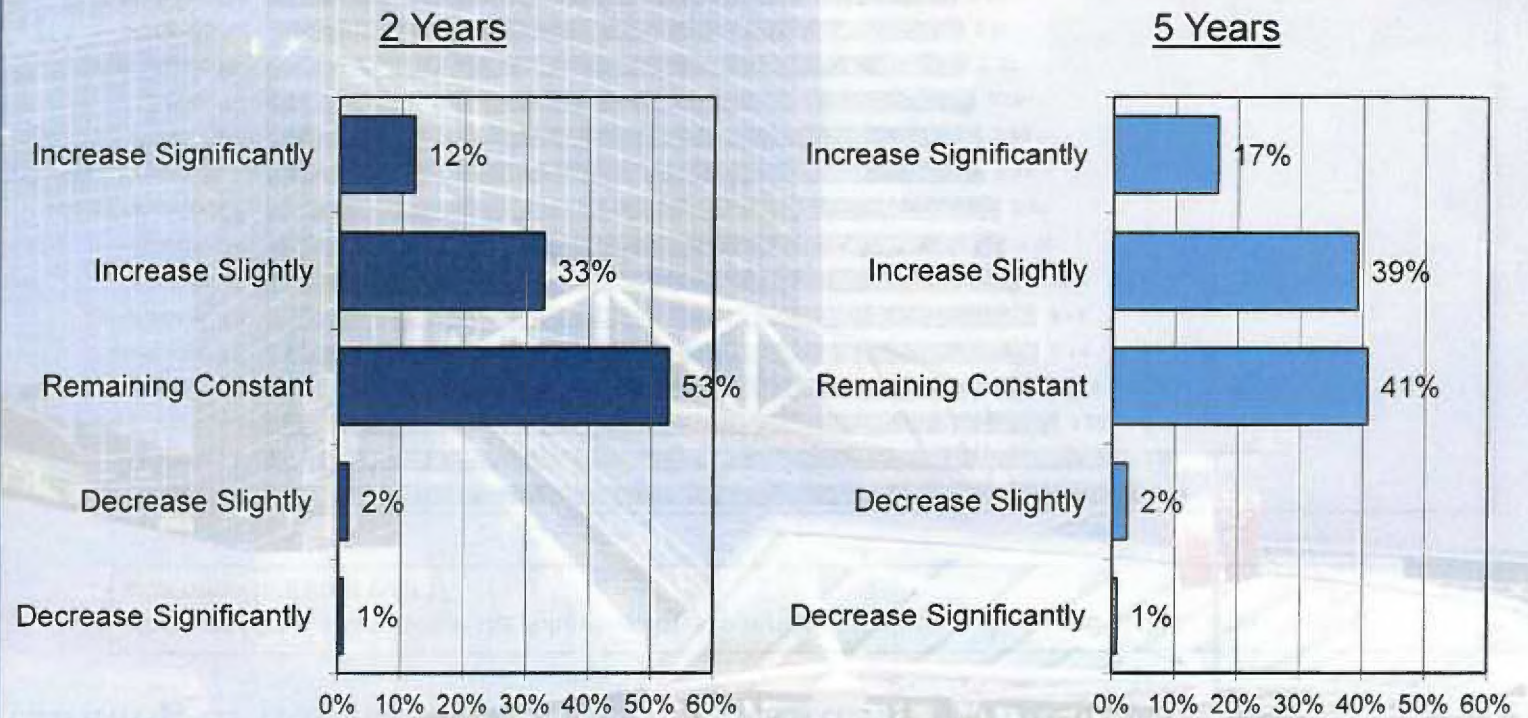
How do you believe your event's ballroom space needs will change over the next: ?



Source: CSL Event Planner Surveys, 2015

National Organization Survey – Meeting Space Growth

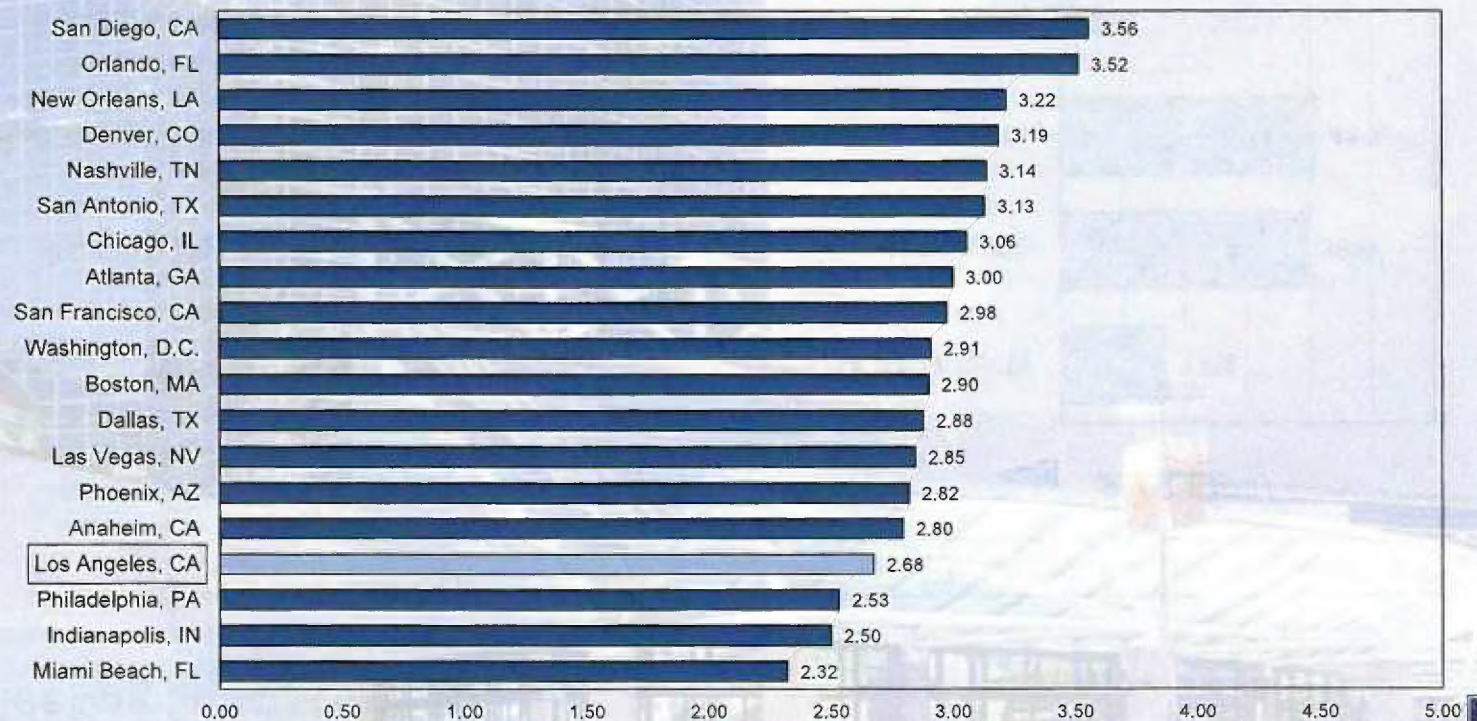
How do you believe your event's meeting space needs will change over the next: ?



Source: CSL Event Planner Surveys, 2015

National Organization Survey – Ranking of Competitive and Comparable Markets

How would you characterize the following cities in terms of their desirability and ability to successfully accommodate your event?



Note: Figures represent average score given by national event planners.
Source: CSL National Organization Survey, 2015.

Current/Past Users and Unbooked Events Analyses

Current/Past Users and Unbooked Events – Surveys

Surveyed 26 planners of current and past events at the LACC:

Current and Past LACC Users

AEG	National Business Media
Aloha Spirit Productions	National Fitness Productions
American Pharmacists Association	National Marine Manufacturers Association
Association of Film Commissioners International	National Park Service
California Association of REALTORS	NeighborWorks America
Cascade Games LLC	Nintendo of America
Comikaze Expo/ RuPauls DragCon	Reed Exhibitions
El Shaddai DWXI Prayer Partners Fellowship Intl	Risk and Insurance Management Society, Inc
Freeman	Robbins Research International
International Association of Exhibitions & Events	Ski Dazzle LLC
KelbyOne	Southern California Volleyball Association
Los Angeles Area Chamber of Commerce	The Los Angeles Auto Show
MusiCares	The Recording Academy (The Grammy Awards)

And 18 planners of unbooked events:

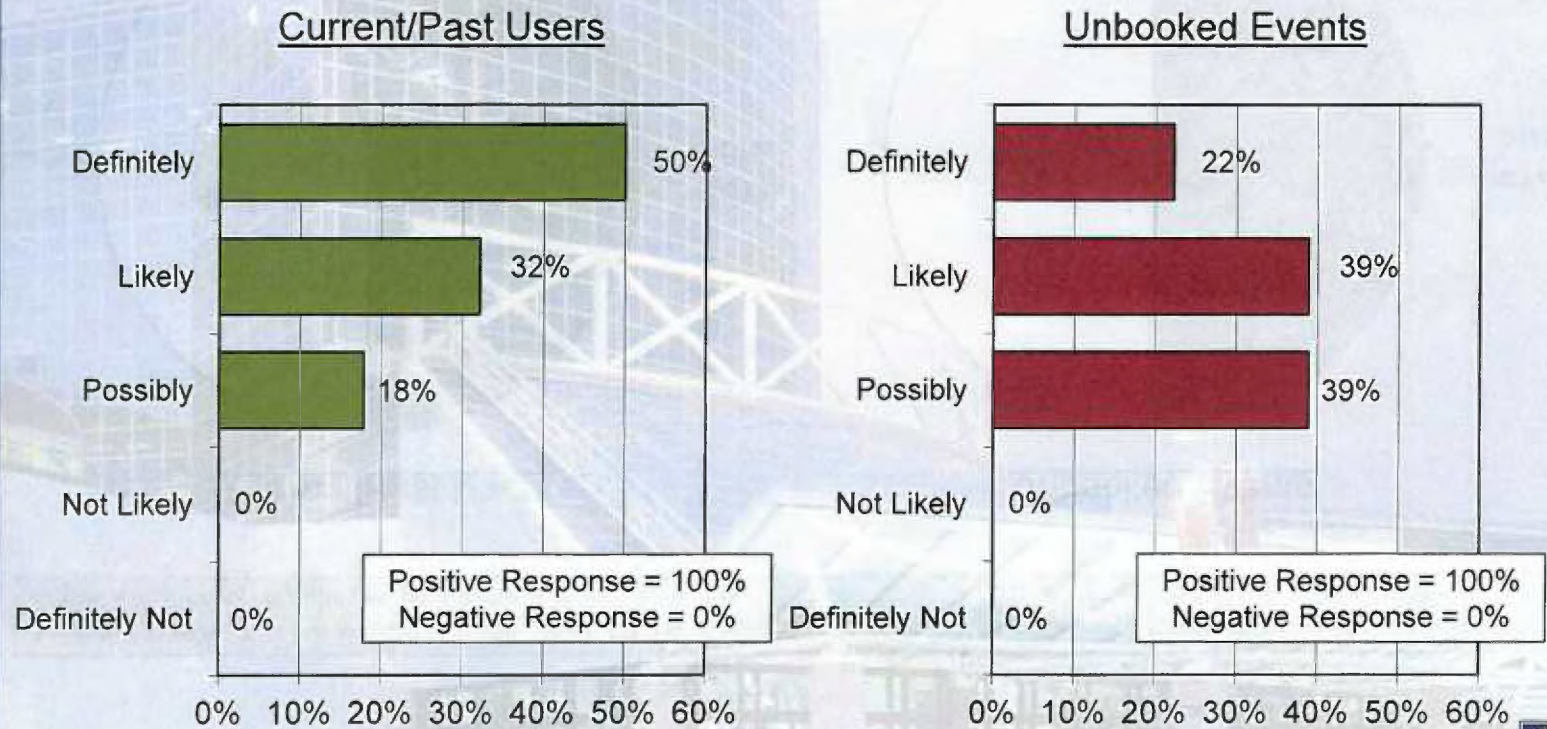
Unbooked LACC Business

The Performance Group of Northern California	National Apartment Association
National Trade Productions, Inc.	EventaGlobal/Keystone Automotive
Experient	Office of Small Disadvantaged Business Utilization
Veterans of Foreign Wars of the US	TESOL International Association
Meeting Expectations	American College of Physicians
Experient - Sourcing for Microsoft	Progress In Planning, Inc
Design Automation Conference	Advanstar Communications
National Cable Telecommunications Association	Keller Williams Realty Inc.
Council for Exceptional Children	International City/County Management Association

Source: CSL International, facility management, 2015

Current/Past Users and Unbooked Events - Likelihood of Future LACC Usage

How likely is it that you would book an event at an expanded/improved Los Angeles Convention Center, assuming that all of your hotel and event space needs were met?

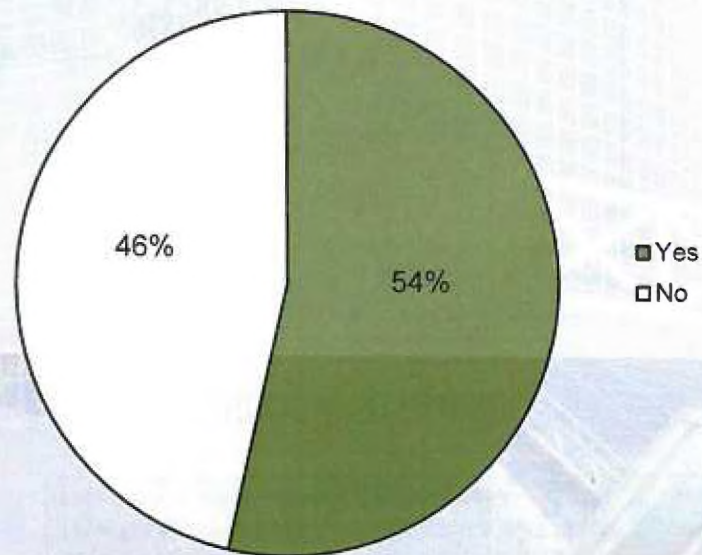


Source: CSL Event Planner Surveys, 2015

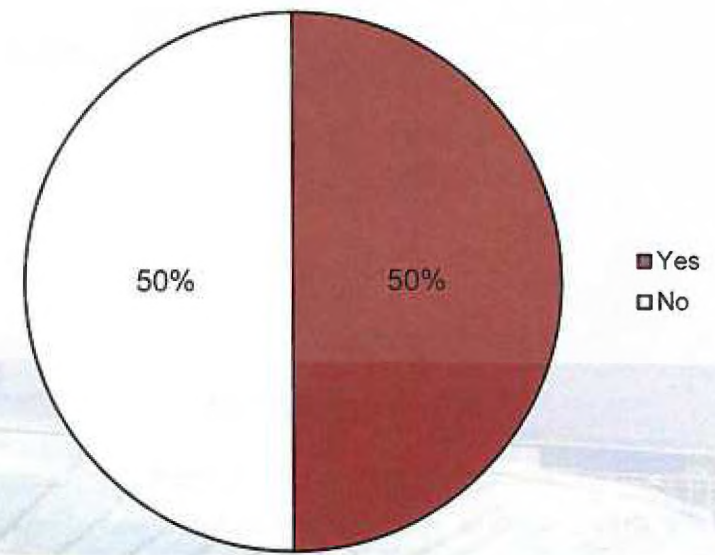
Current/Past Users and Unbooked Events

Are there limitations to the amount or quality of exhibit, meeting, ballroom or circulation/registration space at the Los Angeles Convention Center that unfavorably affected your event(s)?

Current/Past Users



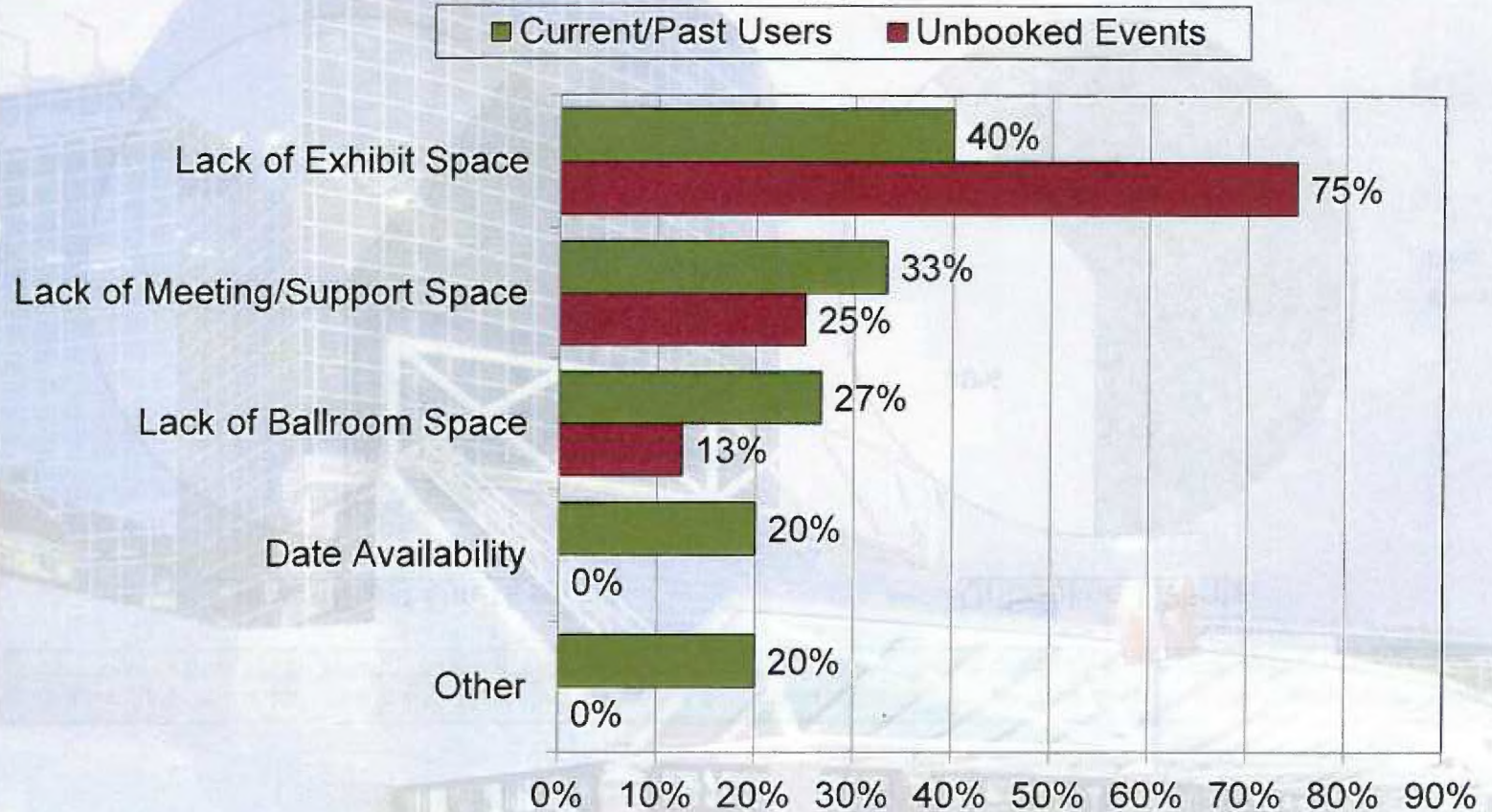
Unbooked Events



Source: CSL Event Planner Surveys, 2015



Current/Past Users and Unbooked Events - LACC's Event Space Limitations

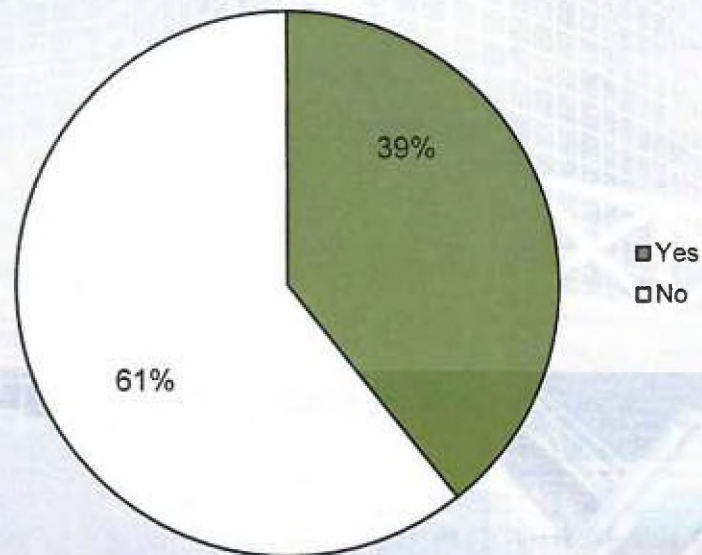


Source: CSL Event Planner Surveys, 2015

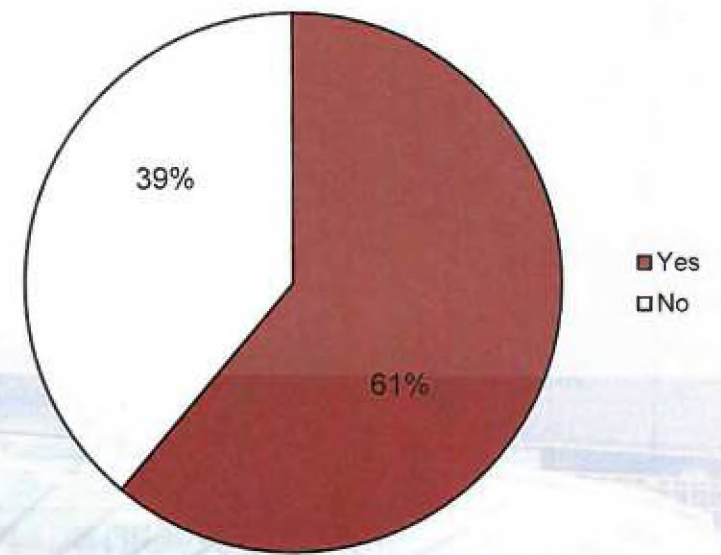
Current/Past Users and Unbooked Events

Are there limitations to the Los Angeles destination in terms of destination appeal, transportation access, hotel/entertainment/restaurant accessibility or other visitor industry infrastructure that may prevent you from booking the Los Angeles Convention Center?

Current/Past Users

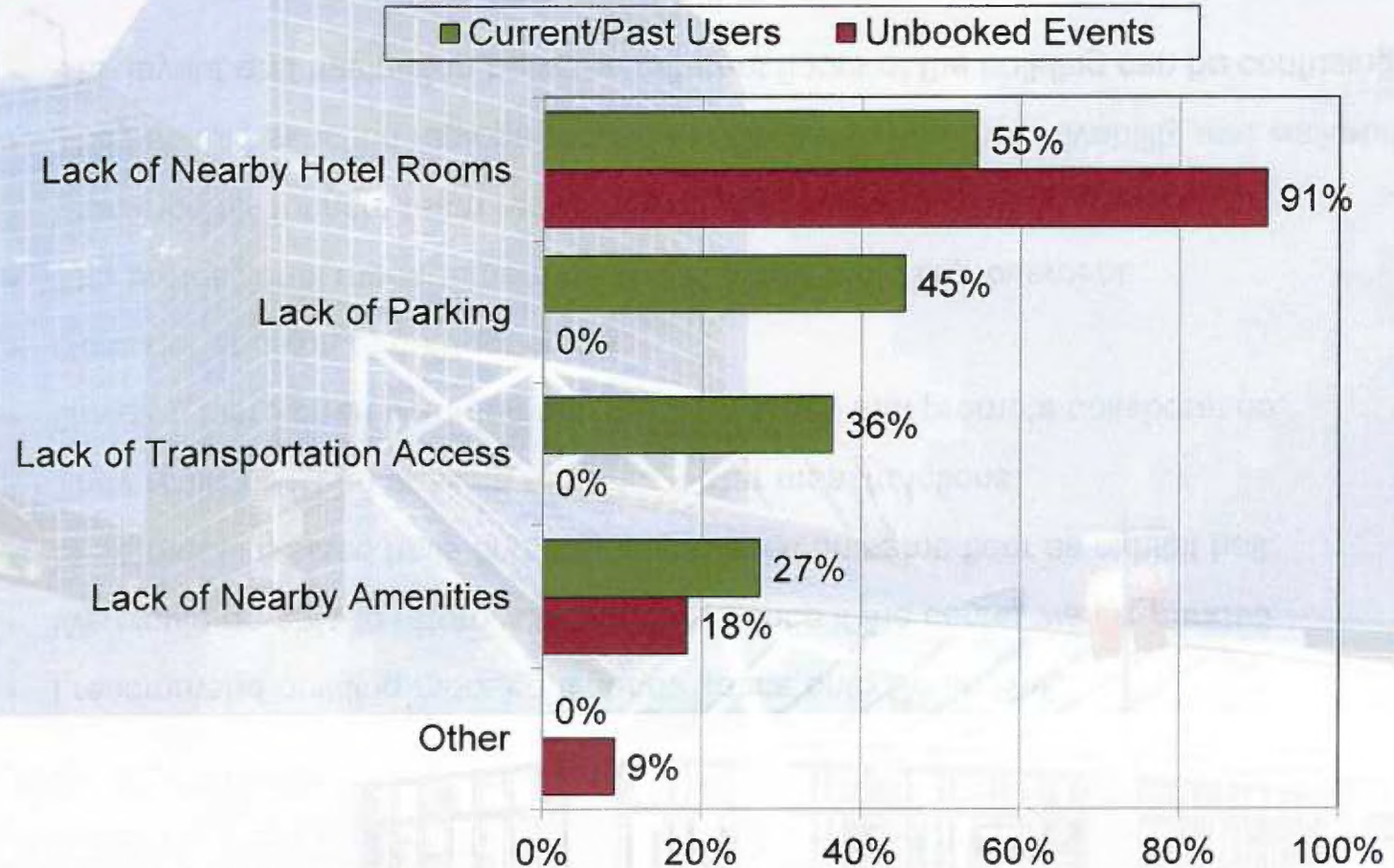


Unbooked Events



Source: CSL Event Planner Surveys, 2015

Current/Past Users and Unbooked Events - Los Angeles Destination Limitations



Note: "Nearby Amenities" signifying restaurants, shopping and entertainment within walking distance
Source: CSL Event Planner Surveys, 2015

Current/Past Users and Unbooked Events - Other Comments

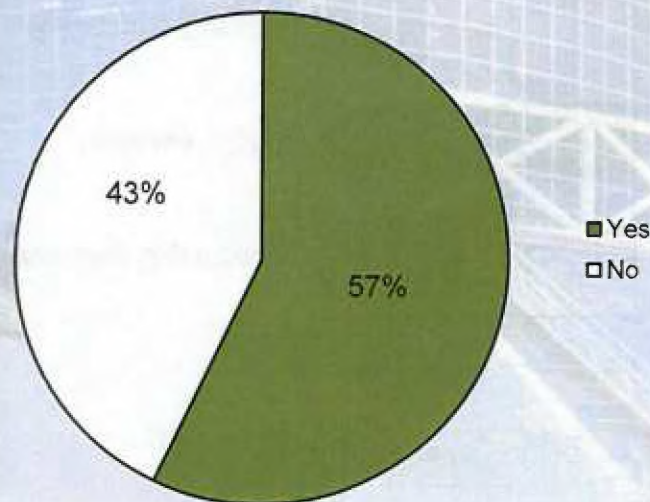
- I recommend building more contiguous space onto South Hall.
- We would be able to return with our conference if the center was expanded.
- More medium-sized halls and meeting spaces on same floor as exhibit hall.
- They really need an upscale room for 4-star meal functions.
- Develop more open common and meeting areas that promote collaboration.
- Consider addition of outdoor space.
- The professional management has been made a big improvement.
- Los Angeles Tourism team really thinks outside the box.
- They should sanction regions around the Center to improve drivability and walkability.
- The layout and navigation between different floors of the building can be confusing.

Source: CSL Event Planner Surveys, 2015



Current/Past Users – Potential to Increase Usage

Is there any potential that you would increase your usage of the Los Angeles Convention Center if improvements were made that are beneficial to your event(s) (either larger or additional events)?

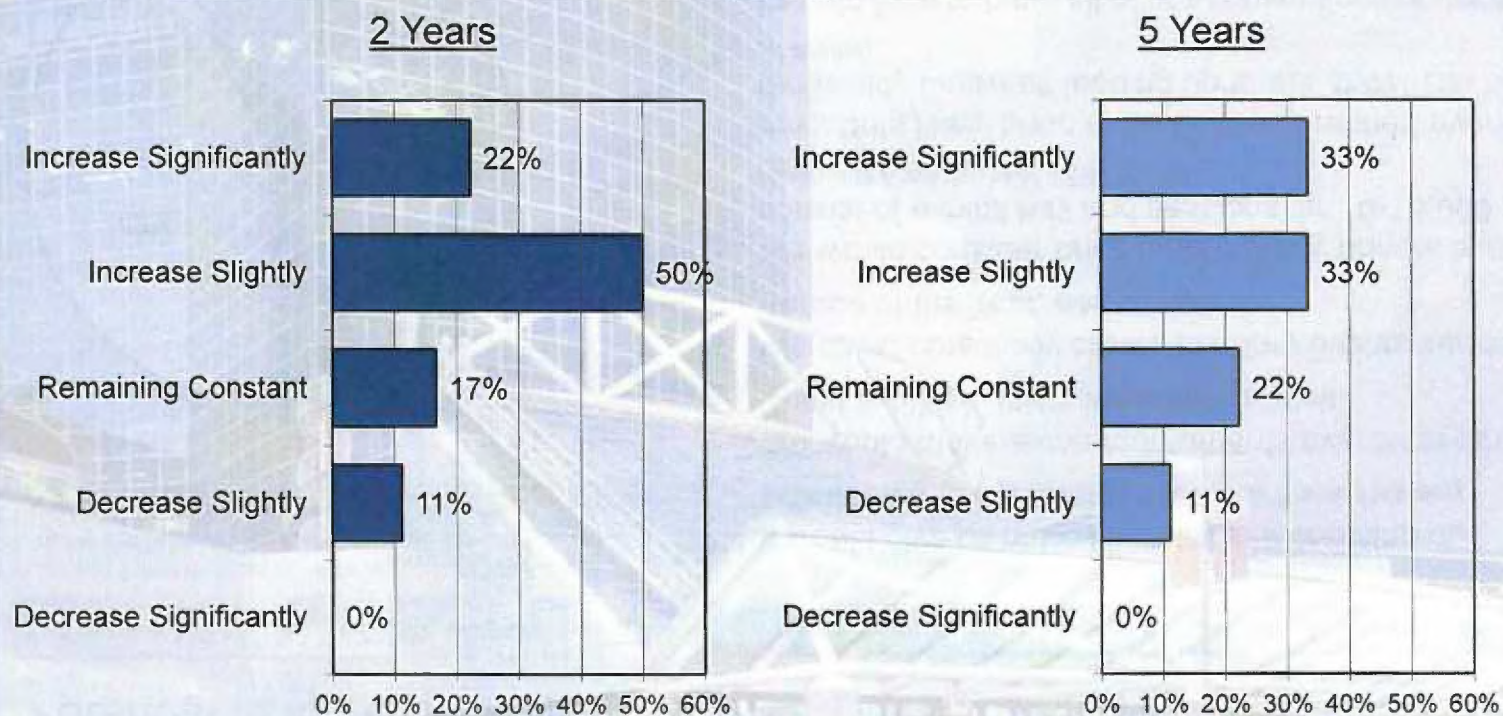


Please explain how your usage of the facility would increase.

- It would give us more flexibility in increasing our attendance to our event. *(El Shaddai Prayer Partners)*
- We would move some tournaments over from other West Coast facilities. *(SoCal Volleyball Association)*
- We could potentially create ancillary events surrounding Person of the Year. *(MusiCares)*
- We would consider bringing our 3-day annual event which consist of exhibit hall and sessions for 10-15,000 people. *(California Association of REALTORS)*
- We would likely bring more Grammy-related events in to the facility the week leading up to our show. *(The Recording Academy)*
- I would love to have all of our conventions at the space and would like to work with the LACC on growing with us. *(Comikaze Expo/ RuPauls DragCon)*

Unbooked (lost) Events— Exhibit Space Growth

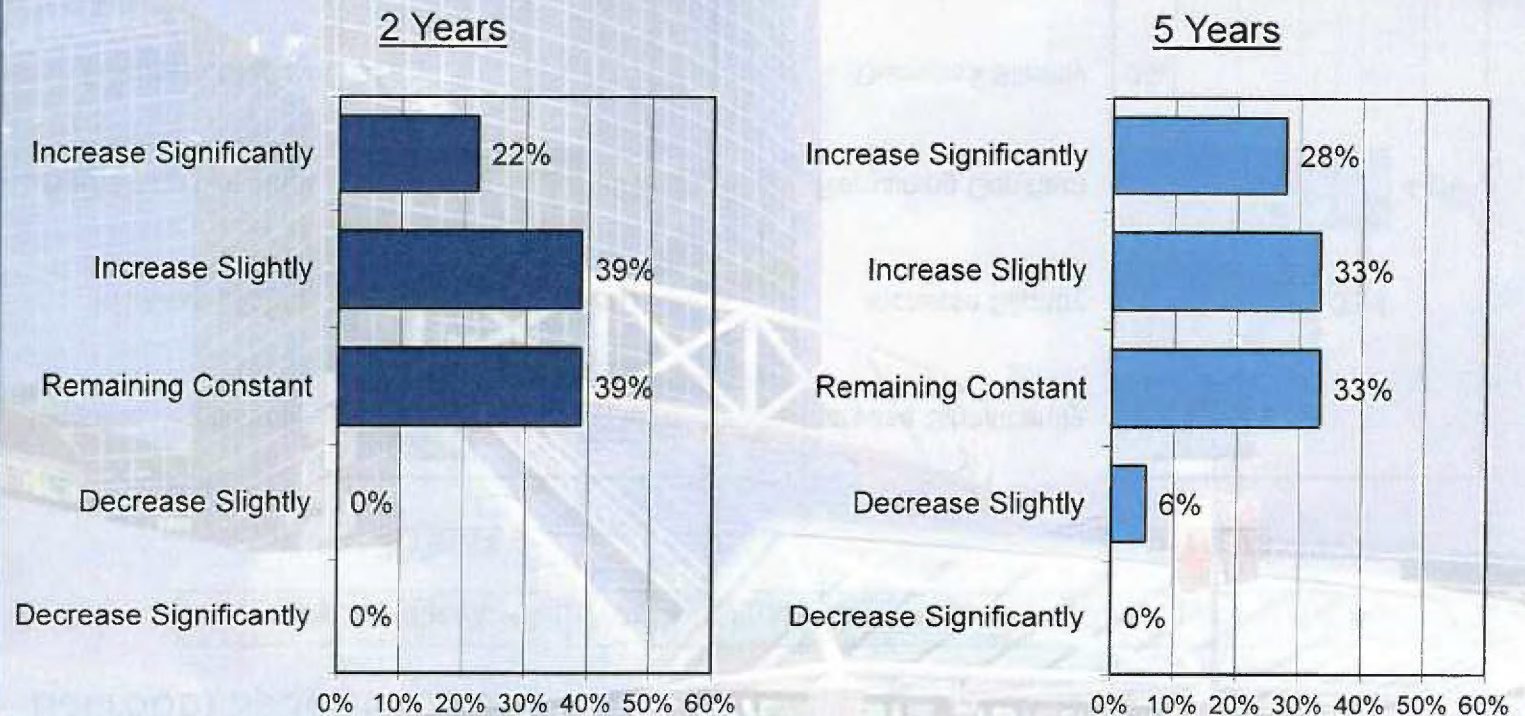
How do you believe your event's exhibit space needs will change over the next: ?



Source: CSL Event Planner Surveys, 2015

Unbooked (lost) Events – Meeting Space Growth

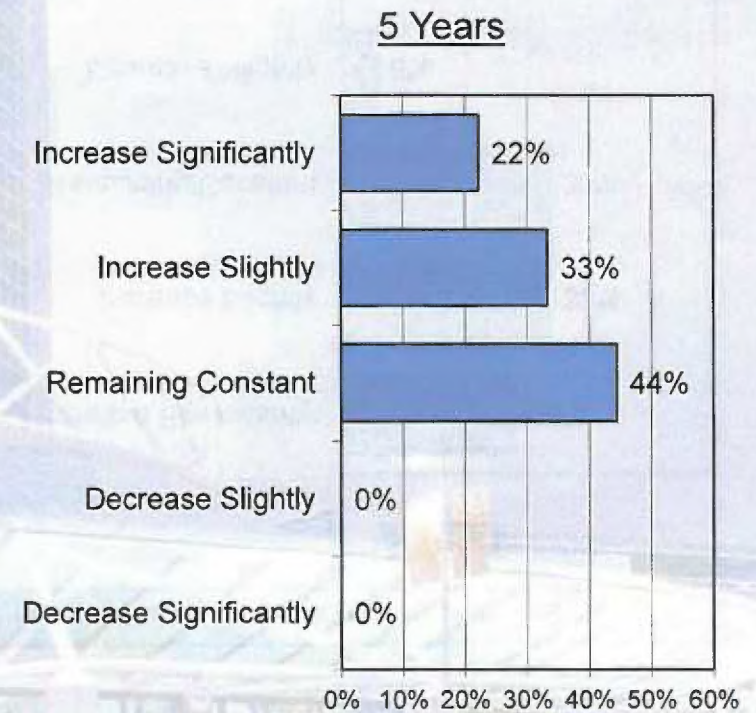
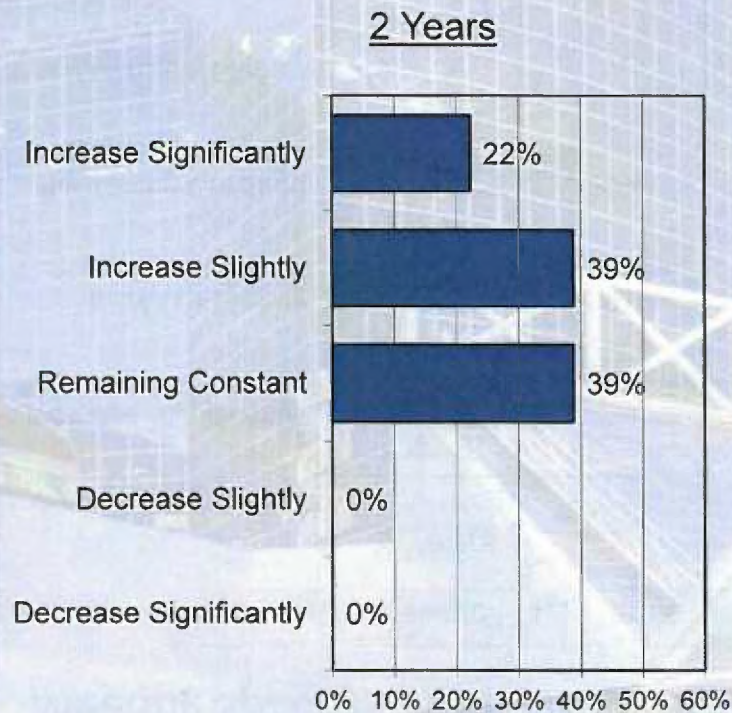
How do you believe your event's meeting space needs will change over the next: ?



Source: CSL Event Planner Surveys, 2015

Unbooked (lost) Events – Ballroom Space Growth

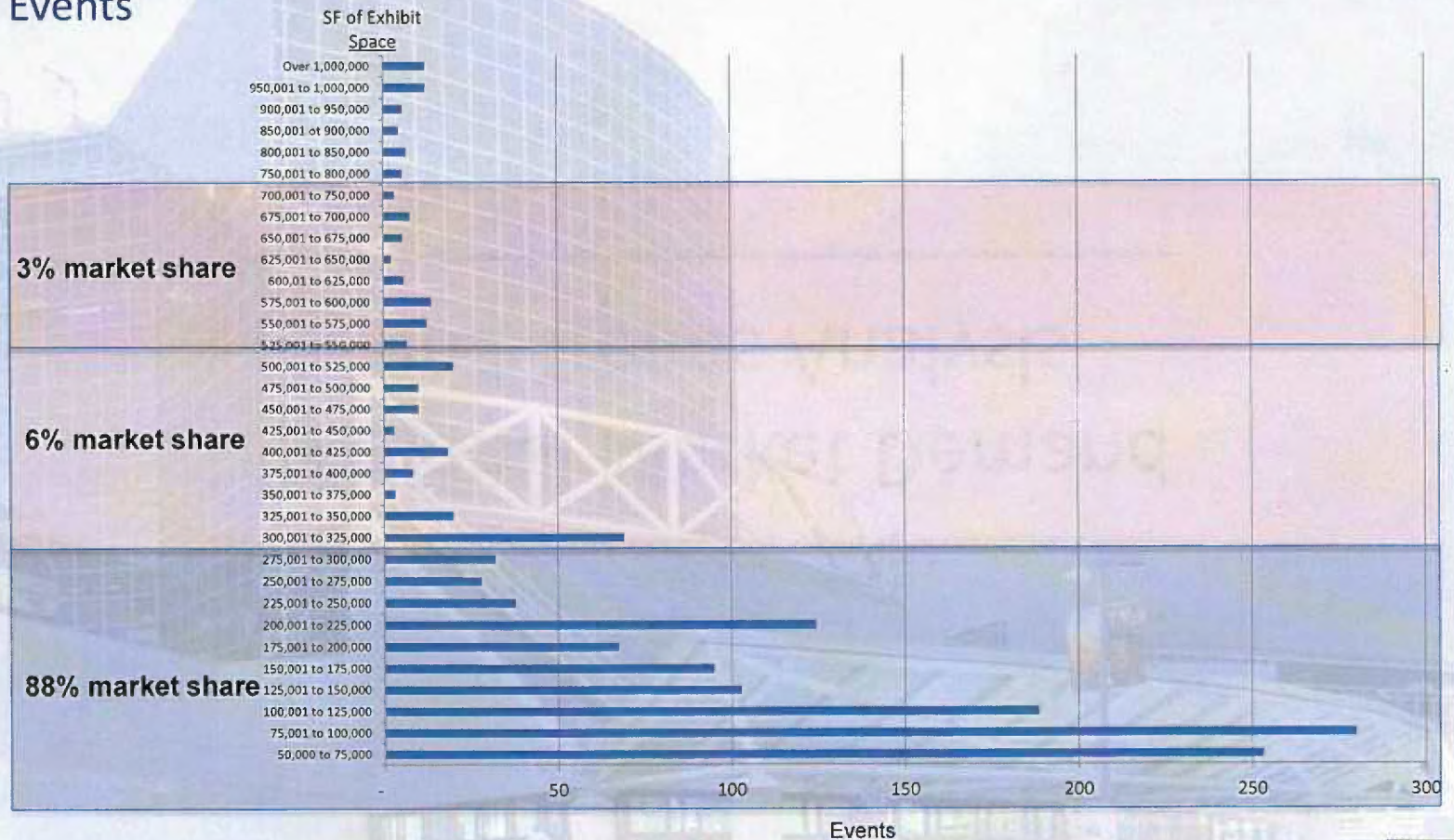
How do you believe your event's ballroom space needs will change over the next: ?



Source: CSL Event Planner Surveys, 2015

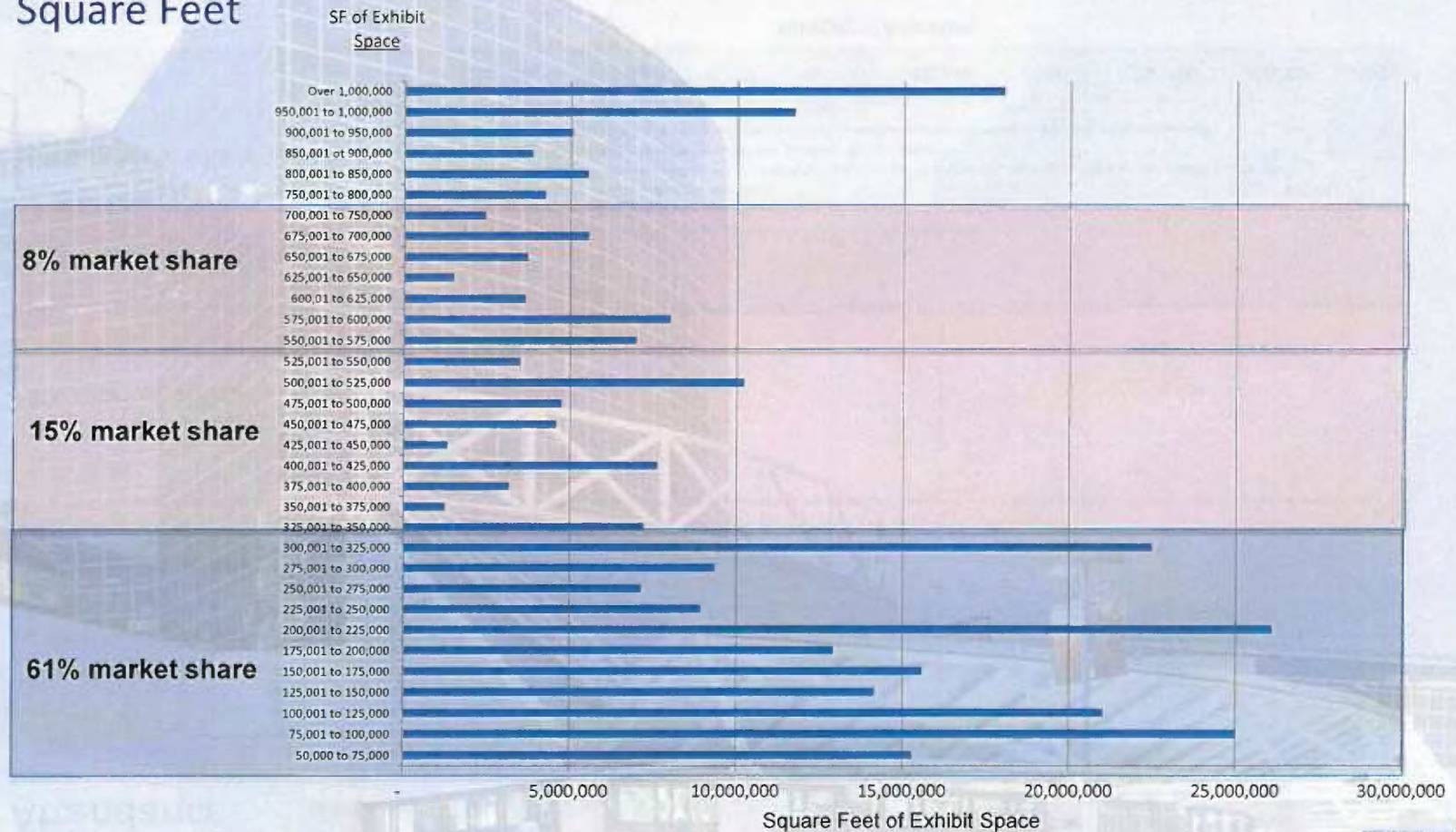
National Market Demand and Trends Analysis

Distribution of National Market Events



Notes: Data displays percentage of national events accommodated by the LACC's amount of exhibit space.
Source: DMAI Mint Database, 2015

Distribution of National Market Square Feet

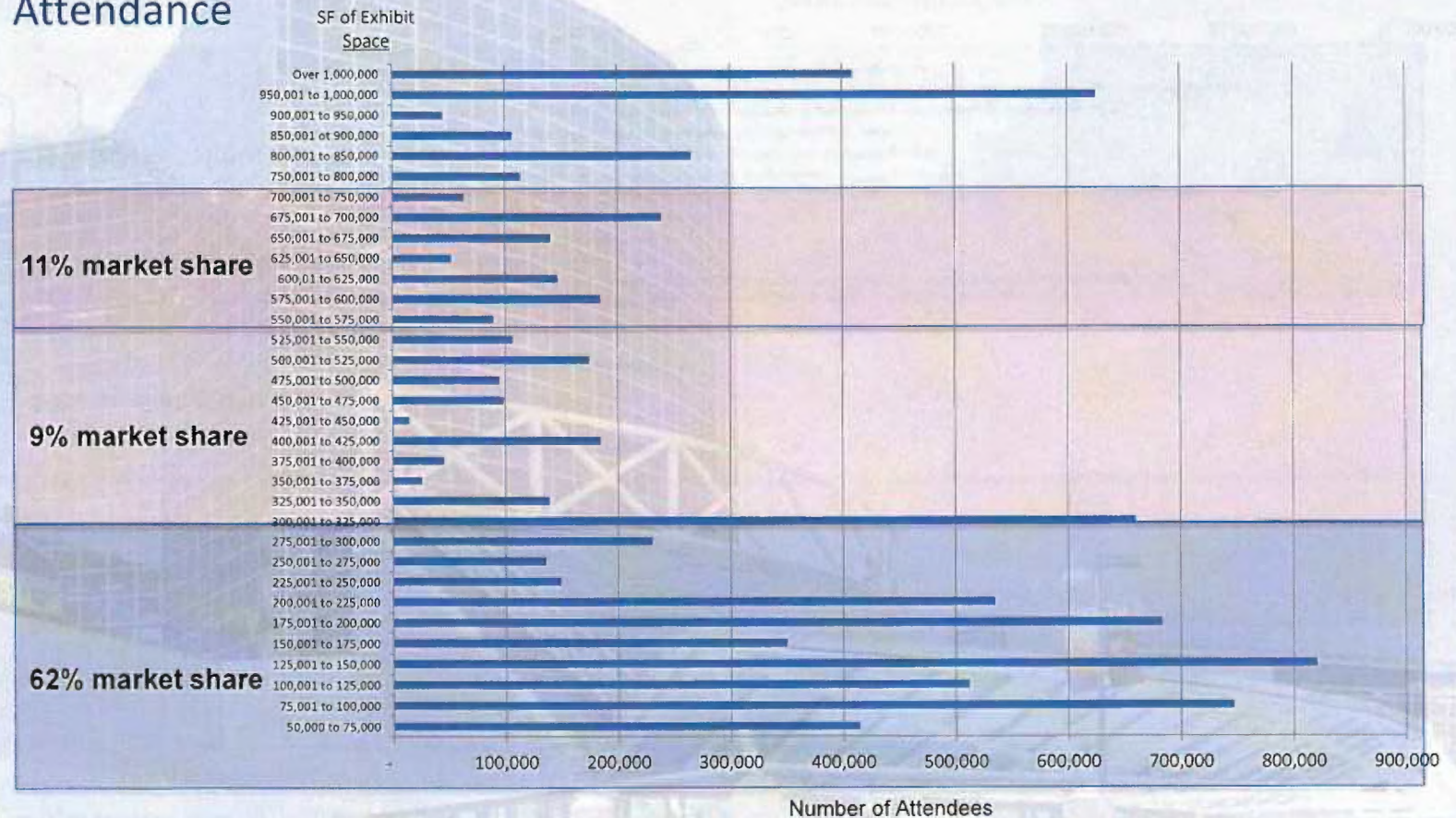


Note: Data displays percentage of total national exhibit square footage accommodated by the LACC's amount of exhibit space.

Kentia Hall not considered true "prime" exhibit space.

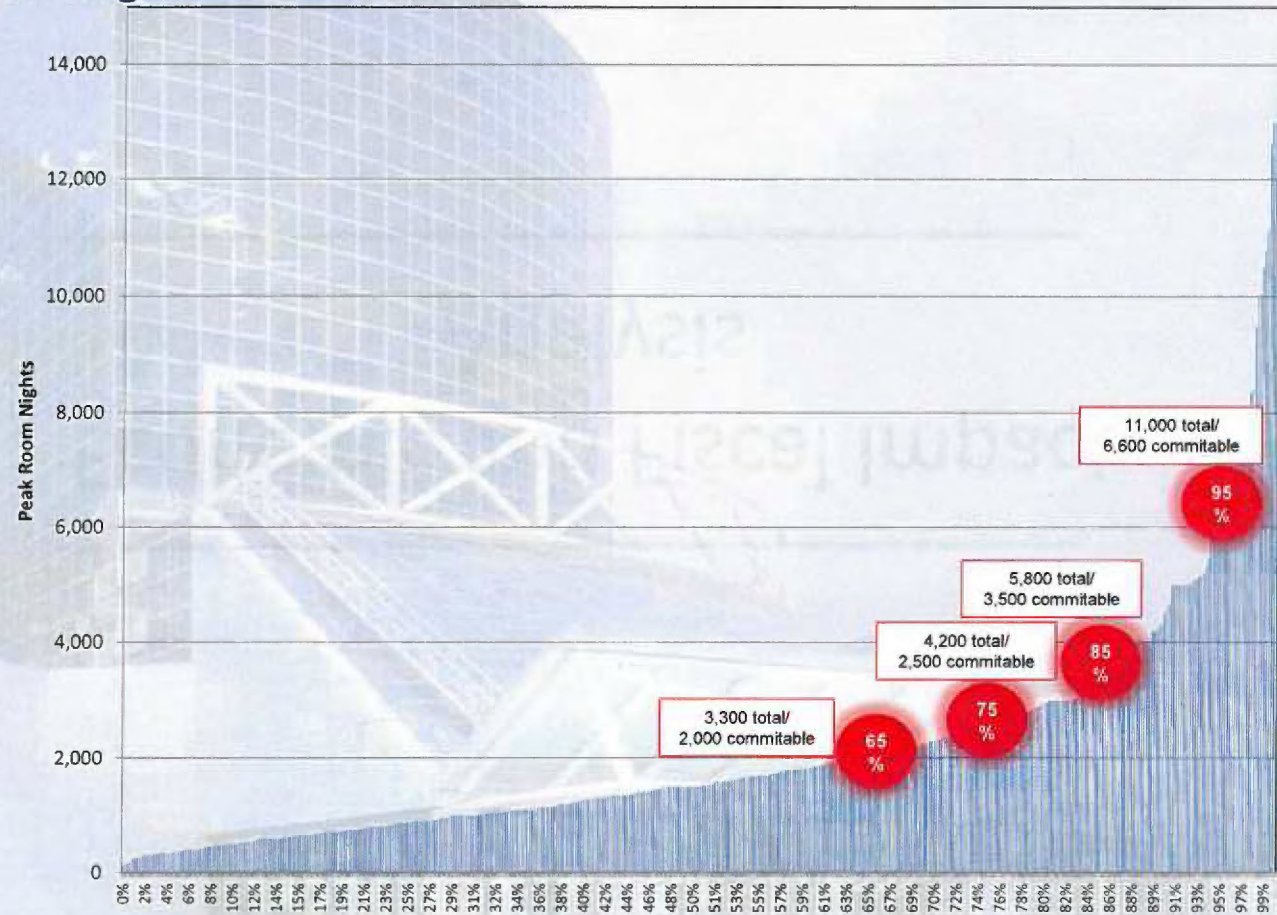
Source: DMAI Mint Database, 2015

Distribution of National Market Attendance



Note: Data displays percentage of total national event attendance accommodated by the LACC's amount of exhibit space.
 Kentia Hall not considered true "prime" exhibit space.
 Source: DMAI Mint Database, 2015

National Market Capture Analysis Peak Room Nights



Source: DMAI Mint Database, 2015

Economic and Fiscal Impact Analysis

Economic Impact Analysis Event and Room Night Projections

Citywide Conventions
Audited Citywide Room Nights
Estimated Total Citywide Room Nights

Historical LACC Operations -Citywide Convention Summary						
FY12	FY13	FY14	FY15	FY16	FY17	6-yr avg
21	24	23	25	24	18	23
261,500	237,700	157,500	186,200	234,700	214,800	215,400
348,700	317,000	210,000	248,200	312,900	286,400	287,200

LACC Development Scenarios	
Expansion	No Expansion
34	19
306,100	172,200
408,100	229,600

Other Events
Other Events Estimated Total Room Nights
Total Events
Total Estimated Room Nights

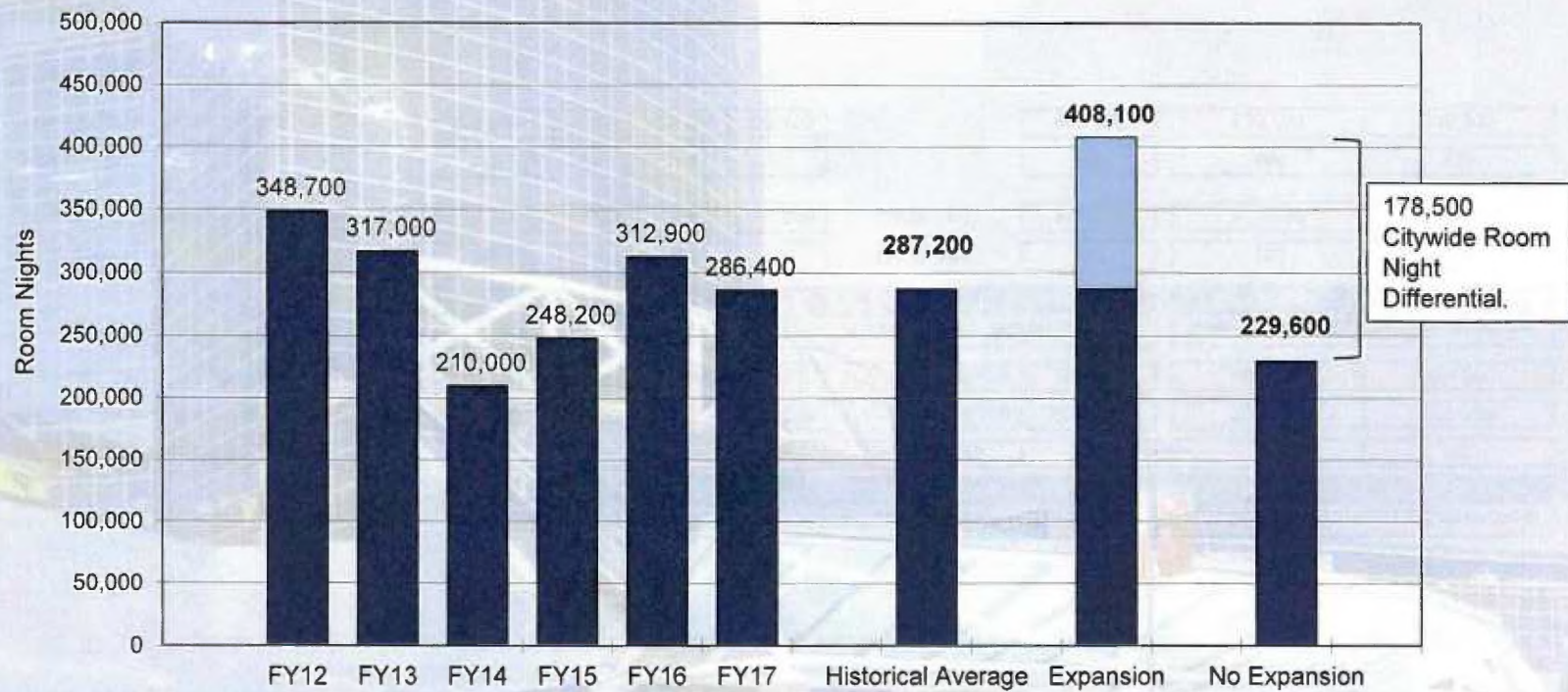
Historical LACC Operations - Other Events Summary						
FY12	FY13	FY14	FY15	FY16	FY17	6-yr avg
117	114	121	116	DATA N/A		117
120,200	114,800	115,400	112,600	DATA N/A		115,800
138	138	144	141			140
468,900	431,800	325,400	360,800			403,000

LACC Development Scenarios	
Expansion	No Expansion
130	117
128,600	115,700
164	136
536,700	345,300

Notes: Figures shown for the expansion scenario assumes mature sixth year of operations.
Figures for FY16-FY18 represent definite and 30 percent of tentative bookings.
Total figures of 6-yr average made up of 6-yr average for citywides and 4-yr average for other events.

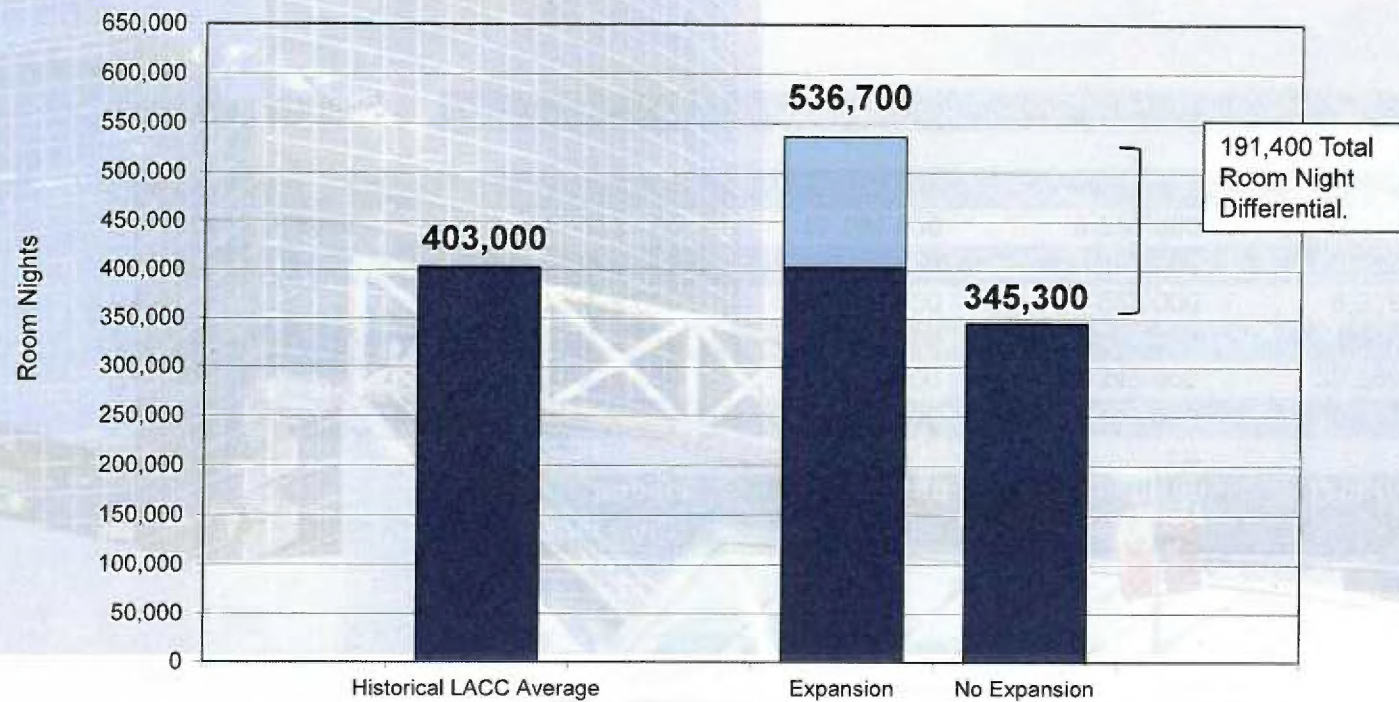
Economic Impact Analysis

Citywide Room Nights Estimates



Note: Estimates are based on a mature sixth year of operations for both the expansion and non-expansion scenarios.
Source: LATCB, facility management, 2015

Economic Impact Analysis Total Room Nights Estimates



Note: Estimates are based on a mature sixth year of operations for both the expansion and non-expansion scenarios.
Source: LATCB, facility management, 2015

Economic Impact Analysis

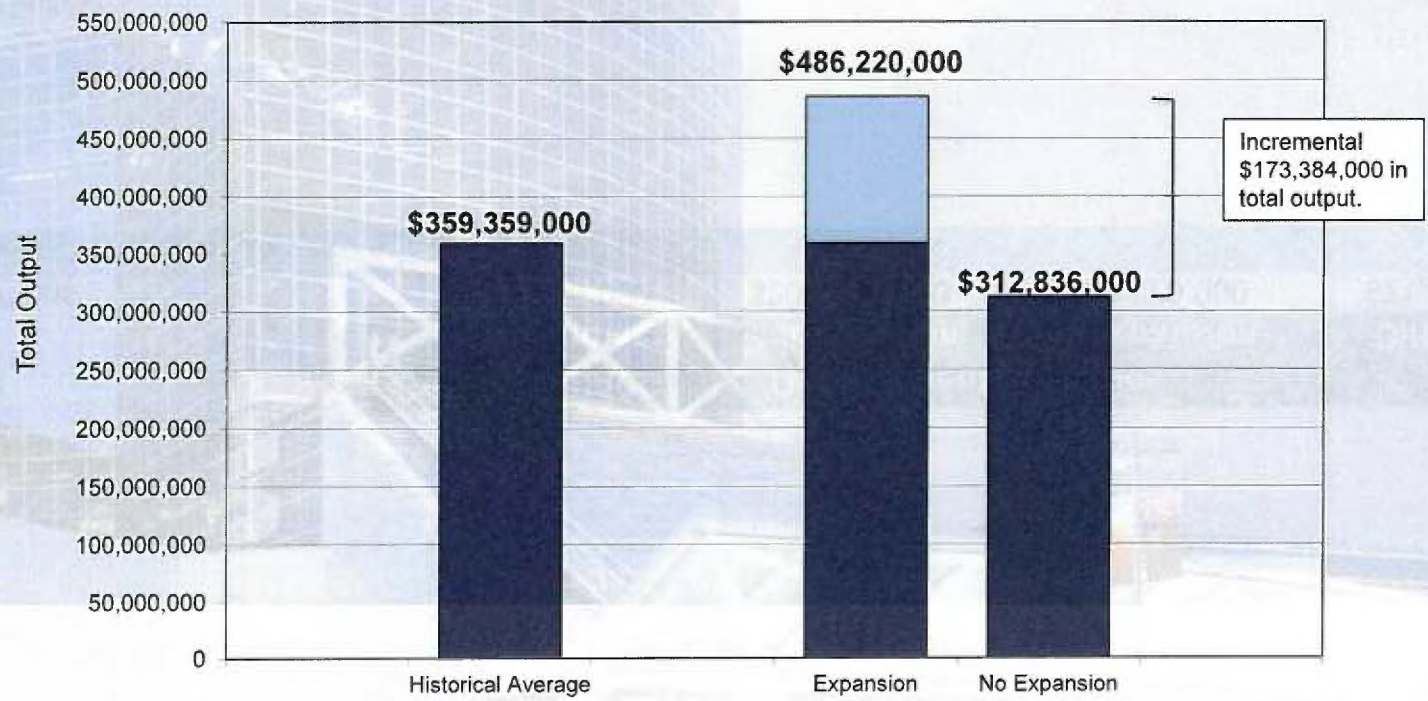
Direct Spending

	Existing LACC Impact	Development Scenarios		Differential
		Expansion	No Expansion	
Direct Spending:				
Hotel	\$94,413,000	\$127,743,000	\$82,191,000	\$45,552,000
Restaurant	55,537,000	75,143,000	48,347,000	26,796,000
Entertainment	8,331,000	11,271,000	7,252,000	4,019,000
Retail	19,438,000	26,300,000	16,922,000	9,378,000
Auto Rental	6,664,000	9,017,000	5,802,000	3,215,000
Other Local Transit	11,223,000	15,184,000	9,770,000	5,414,000
Other Industries	27,769,000	37,572,000	24,174,000	13,398,000
Total Direct Spending	\$223,375,000	\$302,230,000	\$194,458,000	\$107,772,000

Note: Existing LACC data reflecting average data from FY 2012 through FY 2015.
 Future estimates reflect a stabilized year of operations in 2015 Dollars.
 Differential reflects difference between "Expansion" and "No Expansion" scenarios.



Economic Impact Analysis Total Economic Output



Note: Estimates are based on a mature sixth year of operations for both the expansion and non-expansion scenarios.
Source: LATCB, facility management, 2015

Economic Impact Analysis Earnings and Employment

	Existing LACC Impact	Development Scenarios		
		Expansion	No Expansion	Differential
Earnings	\$148,035,000	\$200,294,000	\$128,870,000	\$71,424,000
Employment	3,900	5,300	3,400	1,900

Note: Estimates are based on a mature sixth year of operations for both the expansion and non-expansion scenarios.
Source: LATCB, facility management, 2015

Fiscal Impact Analysis

Summary of City Tax Collections Generated by LACC Operations

	Current Tax Rate	Existing LACC	Development Scenarios	
			Expansion	No Expansion
LA Sales Tax	0.75%	\$864,574	\$1,169,786	\$752,644
Hotel/Motel Tax in LA	14.00%	\$12,556,987	\$16,989,859	\$10,931,337
Sales Tax - Indirect Spending	0.75%	\$265,286	\$358,937	\$230,942
LA Business Tax	0.13%	\$13,114	\$17,744	\$11,417
LA Parking User Tax	10.00%	\$295,075	\$352,423	\$275,505
TOTALS		\$13,995,037	\$18,888,749	\$12,201,844

Note: Existing LACC data reflecting average data from FY 2012 through FY 2015.
Future estimates reflect a stabilized year of operations in 2015 Dollars.