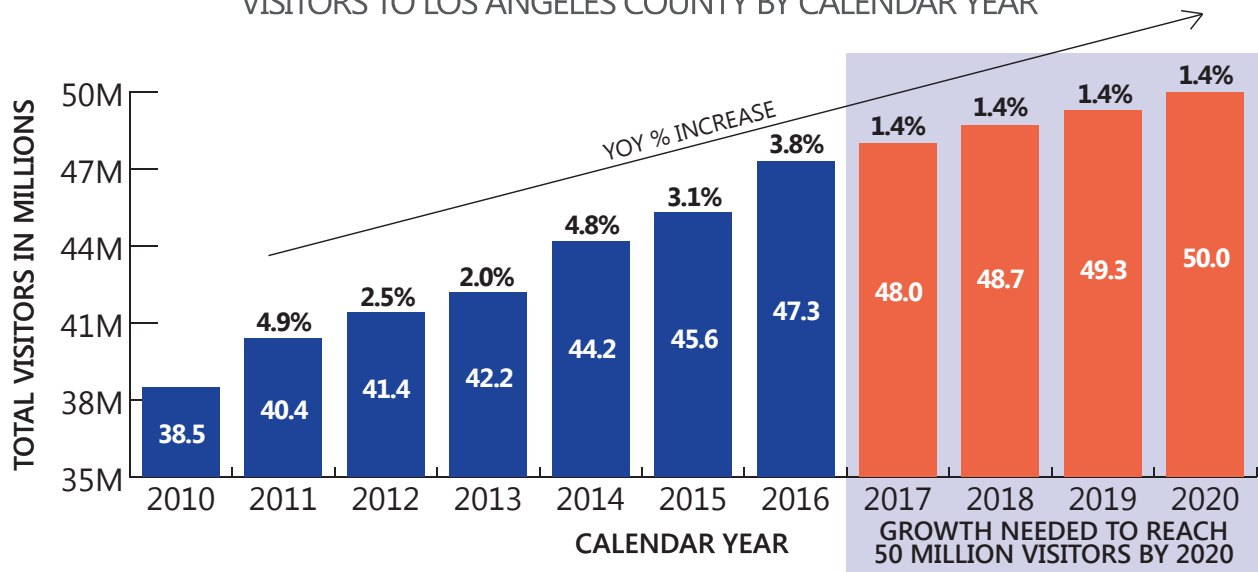




VISITATION TO LOS ANGELES

VISITORS TO LOS ANGELES COUNTY BY CALENDAR YEAR



Los Angeles County received **47.3 million visitors** in 2016, a 3.8 percent increase over 2015 and the sixth consecutive year of record-breaking visitation. Tourism is among the largest and healthiest contributors to the Los Angeles economy, bringing billions in direct spending at local businesses, and generating billions more in economic impact for the region. LA is on target to reach Mayor Garcetti's goal of 50 million visitors by 2020!

INTERNATIONAL VISITORS

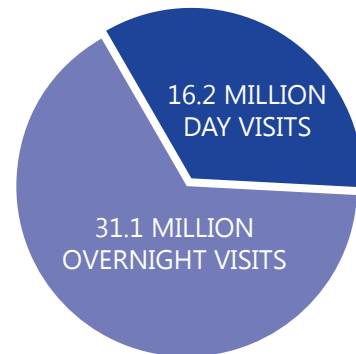
The **record-breaking 7.1 million international visitors** to LA County in 2016 accounted for 15 percent of total visitation. Nearly one-third of all visitor spending results from international visitation.

TOP 7 INTERNATIONAL MARKETS FOR LA

MARKET	2016	2015	+/- VISITORS	% CHANGE
MEXICO	1,757,000	1,737,000	20,000	1.1%
CHINA	1,005,000	824,000	181,000	21.9%
CANADA	708,000	728,000	-20,000	-2.8%
AUSTRALIA	425,000	430,000	-5,000	-1.3%
U.K.	362,000	354,000	8,000	2.3%
JAPAN	340,000	315,000	25,000	8.1%
SOUTH KOREA	296,000	295,000	1,000	0.2%

Los Angeles is the **first U.S. destination** to welcome **more than 1 million visitors from China**. This marks the seventh consecutive year of at least 20 percent visitation growth for China.

OVERNIGHT / DAY VISITS

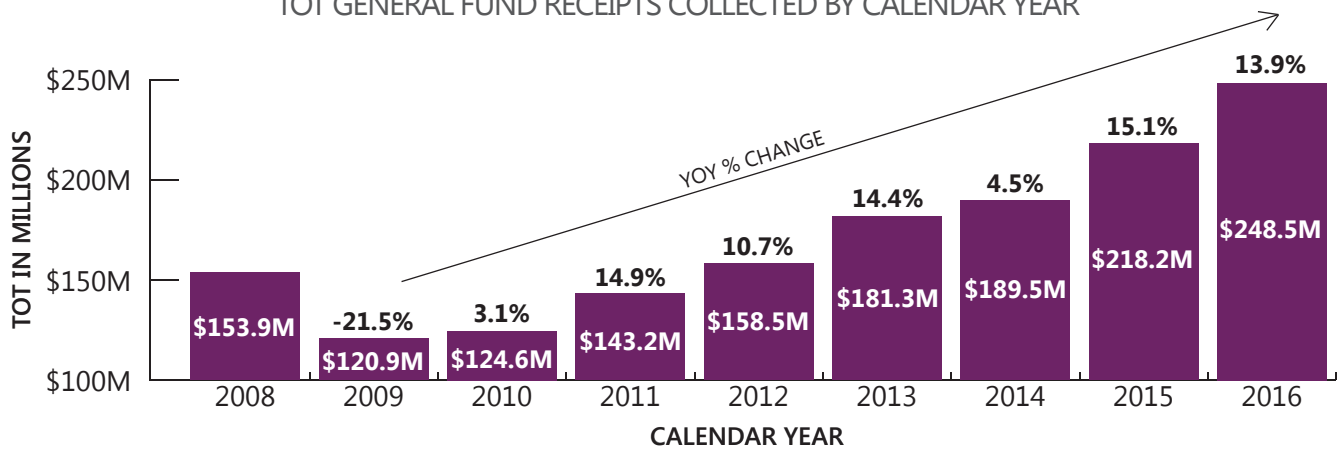


Day visitors to LA County increased by 900,000 to 16.2 million, a 5.7 percent year-over-year increase. Overnight visitors increased by 800,000 to reach a total of 31.1 million, a 2.8 percent year-over-year increase. Overnight visitation is responsible for over 90 percent of all visitor spending.

Source: Tourism Economics, January 2017 preliminary estimate

TRANSIENT OCCUPANCY TAX

TOT GENERAL FUND RECEIPTS COLLECTED BY CALENDAR YEAR

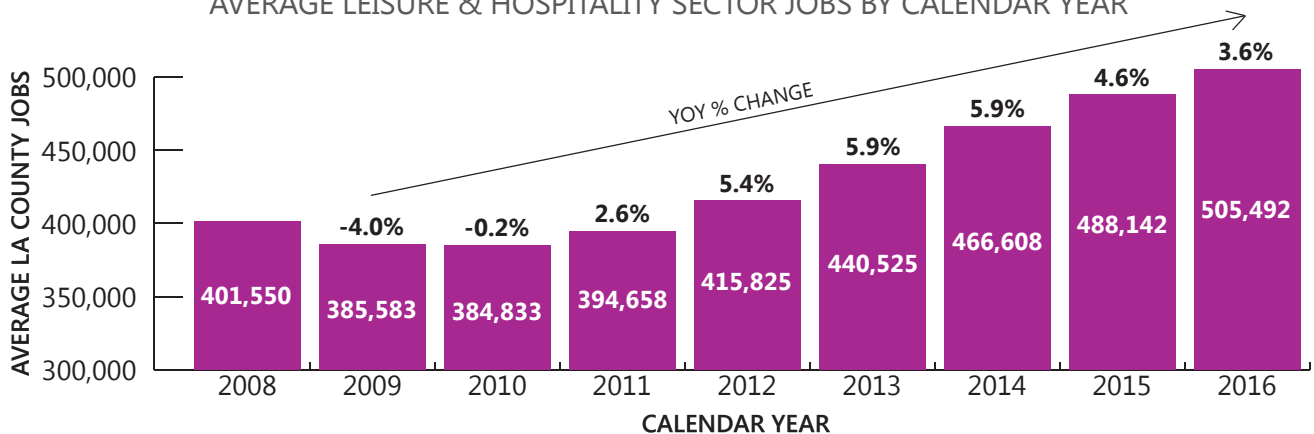


Transient Occupancy Tax (TOT) is a 14 percent tax levied on rent of hotel rooms, and is collected by the hotel operator and remitted to the City each month. TOT revenue for 2016 was **\$248.5 million**, exceeding the 2015 total by \$30.2 million, or a 13.9 percent year-over-year increase. Compared to the top General Fund revenue sources in Fiscal Year 2014-15, TOT was the City's seventh highest source and had the highest year-over-year percent growth.

Sources: City of Los Angeles Office of Finance; tax revenue comparison based off the Proposed Budget Revenue Outlook

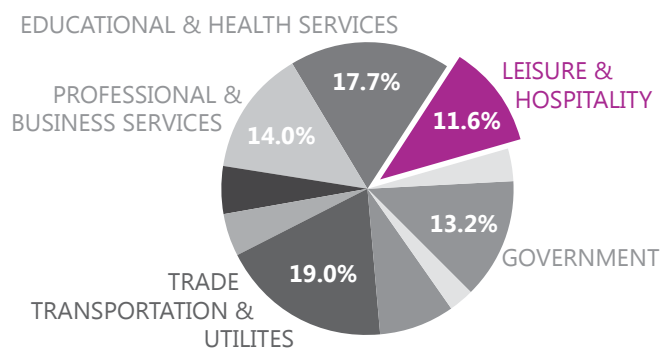
LEISURE & HOSPITALITY SECTOR JOB GROWTH

AVERAGE LEISURE & HOSPITALITY SECTOR JOBS BY CALENDAR YEAR



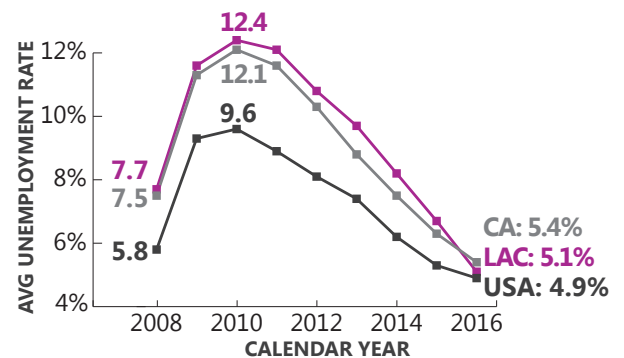
Tourism continued to be a huge driving force behind the Los Angeles County economy, as the average number of leisure and hospitality jobs increased to **505,492** in 2016, a 3.6 percent year-over-year increase.

L&H VS NON-FARM EMPLOYMENT



11.6 percent of total nonfarm jobs are in the leisure and hospitality sector, meaning more than one of every nine jobs in LA County is in the tourism industry. Of the eleven major super sectors in LA County, leisure and hospitality had the **second greatest year-over-year growth** in 2016 (17,350 new jobs), trailing only educational and health services (30,658 new jobs).

LA COUNTY UNEMPLOYMENT



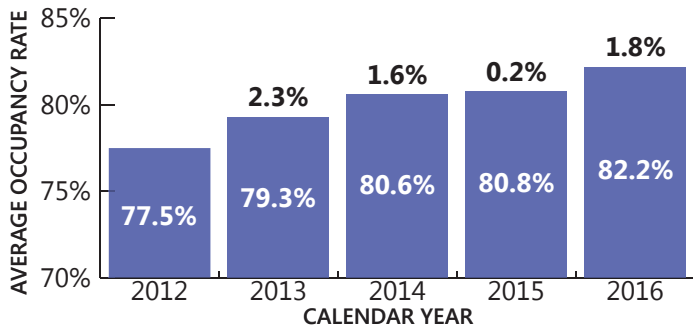
The LA County average unemployment rate (5.1 percent) decreased below California's rate (5.4 percent), and closed the gap between the nation's rate (4.9 percent) in 2016.

Sources: California Employment Development Department; Bureau of Labor Statistics

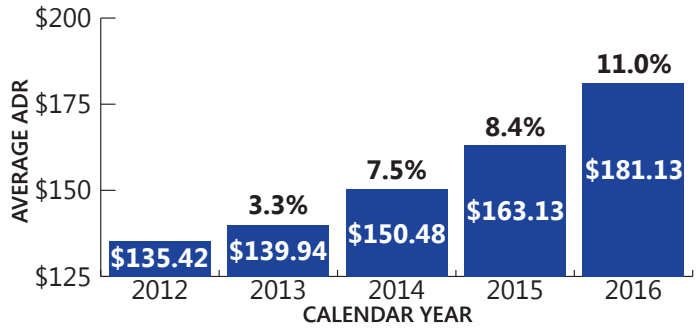
LODGING AND HOTELS

CITY OF LOS ANGELES LODGING STATISTICS

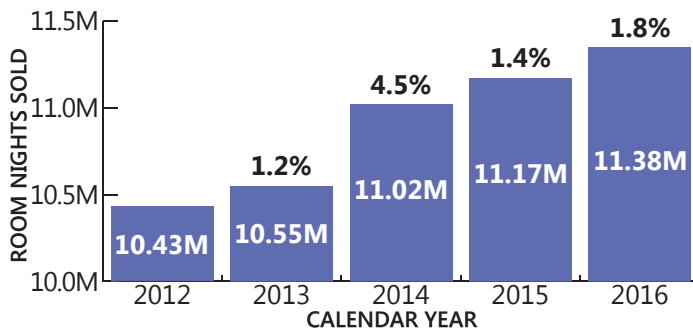
AVERAGE OCCUPANCY RATE BY CALENDAR YEAR



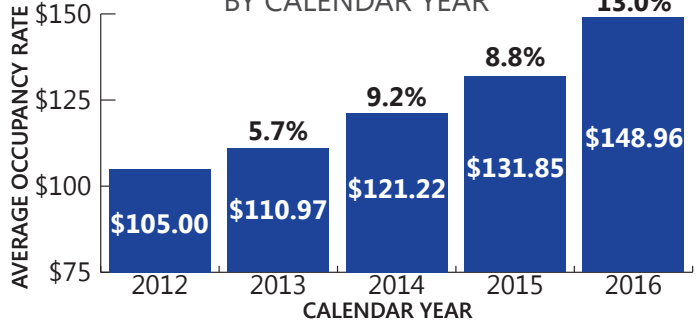
AVERAGE DAILY RATE BY CALENDAR YEAR



ROOM NIGHTS SOLD BY CALENDAR YEAR



AVERAGE REVENUE PER AVAILABLE ROOM BY CALENDAR YEAR



City of Los Angeles hotels had a great year in 2016, with double-digit percent increases in both average daily rate (ADR) and revenue per available room (RevPAR), and the occupancy rate averaged above 80 percent for the third consecutive year.

Among the top 25 U.S. markets, Los Angeles County had the **highest year-over-year RevPAR growth**, with 10.8% in 2016.

Source: Smith Travel Research

GOAL: 8,000 HOTEL ROOMS BY 2020

In 2013, Mayor Eric Garcetti and the Department of Convention and Tourism Development set the goal of reaching 8,000 hotel rooms within walking distance of the Los Angeles Convention Center by 2020. The additional hotel inventory is integral to keeping the City competitive with convention destinations such as Anaheim, San Diego, and San Francisco.

Currently, there are 3,172 rooms open within walking distance and 1,990 additional hotel rooms under construction. The City is getting within striking distance of reaching the 8,000 hotel-room goal!

HOTEL ROOMS WITHIN WALKING DISTANCE OF THE LACC	
EXISTING	3,172
UNDER CONSTRUCTION	1,990
SUBTOTAL EXISTING + CONSTRUCTION	5,162
UPCOMING	1,778



Renderings above, from left to right: Hotel Indigo, 300 rooms (Metropolis); InterContinental Los Angeles Downtown, 900 rooms (Wilshire Grand); Park Hyatt, 183 rooms (Oceanwide Plaza)

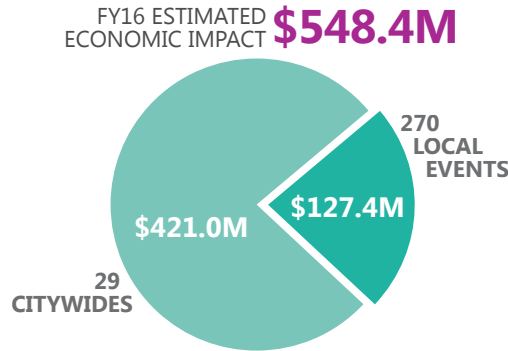
LOS ANGELES CONVENTION CENTER 2016

AEG Facilities' management of LACC has proven to be a financial and operational success. It changed LACC's financial direction in a short period of time, saving millions of dollars for Los Angeles' General Fund. - Mayor Eric Garcetti

ECONOMIC IMPACT

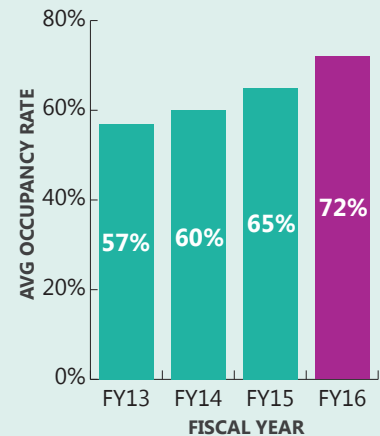
During Fiscal Year 2015-16, the LACC generated an estimated **\$548.4 million in economic impact**, 33.5 percent higher than FY15.

Just 29 citywide events are responsible for \$421 million, or **76.8 percent**, of FY16's total economic impact. Citywides typically draw more out-of-town and overnight guests than local events.



OCCUPANCY RATE

LACC EXHIBIT HALL OCCUPANCY RATE

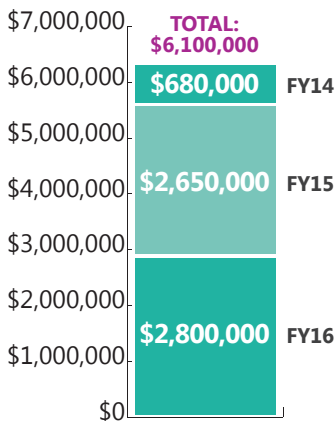


The LACC exhibit halls maintained an average occupancy rate of **72%** during FY16, 10.8 percent higher than prior year.

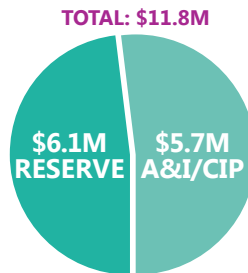
According to industry standards the "practical maximum" is 70 percent. Higher occupancy rates increase the potential for lost business or "turn-aways."

LACC OPERATIONAL PROFIT ALLOCATION

LACC RESERVE BY FISCAL YEAR



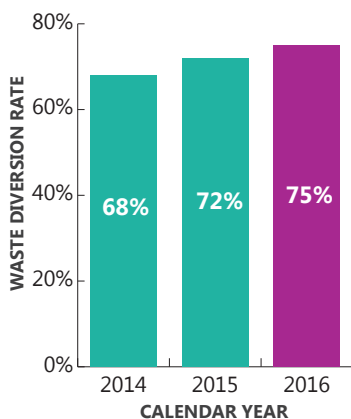
LACC PROFIT ALLOCATION



As a result of three consecutive years of operational profits under AEG Facilities' management, including an **\$8.1 million** profit in FY16, the LACC has funded \$5.7 million in alterations and improvements (A&I) and capital improvement projects (CIP), while building the LACC's Reserve to amount to \$6.1 million.

SUSTAINABILITY

WASTE DIVERSION RATE



The LACC has continued to improve the waste diversion rate year-over-year, finishing calendar year 2016 with a **75% waste diversion rate** compared to 72% in 2015 and 68% in 2014.

They also successfully hosted the USGBC "GREENBUILD Conference" this past October, setting a new record for this conference with an astounding waste diversion rate of **90.3%**.

During 2016, the "cool roof" replacement project was completed. Approximately **525,000 square feet** of gravel on the South Hall and Concourse Hall roofs was removed and replaced with insulation and a durable, reflective roofing membrane that will significantly moderate the buildings' temperature, thus reducing energy consumption.

The removal of the old roofing material freed up load capacity on the roof, which will allow for installation of the upcoming solar array project.

