

# LOS ANGELES BUSINESS JOURNAL

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## Public Works Pay Dividends

**ECONOMY:** Construction outfits gain on city contracts

By **HOWARD FINE** Staff Reporter

A surge in public works construction projects led a strong year for companies that contract with the city of Los Angeles, according to the Business Journal's annual list of city contractors.

Companies whose primary business is construction saw a 23 percent jump to \$160 million in receipts from city contracts for fiscal

**THE LIST:**  
CITY  
CONTRACTORS  
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year 2016-17, ending this past June.

A total of \$728 million was paid to the 25 largest city contractors, up nearly 6 percent from the prior year.

The list is based on payments to contractors over the course of the city's last fiscal year, ended June 30, but does not rank the values

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CITY OF LOS ANGELES BUREAU OF ENGINEERING

**Sixth Street Bridge: Spending rose as demolition began.**

**Mark Surrey: Leads the medical team at Southern California Reproductive Center, which has seen a spike in revenue thanks to medical tourism.**



## FERTILE GROUND

Reproductive service centers grow business thanks to influx of Chinese clients

By **DANA BARTHOLOMEW**  
Staff Reporter

ONE of the best-known fertility centers in Beverly Hills is bursting at the seams with hopeful moms and dads, many of them from China.

The **Southern California Reproductive Center**, long a go-to hub for Hollywood stars and well-heeled couples seeking to have children, in the past two years has seen a nearly 1,000 percent spike in inter-

national clients for some fertility services.

"It should be bigger, but we've run into some bandwidth problems," said **Kyle Francis**, chief executive of the center known as SCRC. "We just can't handle them all."

Not yet—but SCRC just spent \$7 million to upgrade its boutique fertility service center at Roxbury Drive and South Santa Monica Boulevard, and now it's recruiting physicians and is poised to expand again thanks in part to the crush of clients from overseas.

The center also has hired a half-dozen

translators who speak both Mandarin and Cantonese to handle the influx.

Other reproductive clinics across the region are seeing a spike in so-called medical tourism from China, where the fertility rate has fallen sharply, analysts said.

China abolished a decades-old and long-controversial one-child-per-couple policy instituted as a population control measure in order to populate what is now a

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## New Leaf for Former Unicorn

By **GARRETT REIM** Staff Reporter

**Leaf Group** has profitability in sight again after a steep fall from grace.

The Santa Monica-based internet portfolio company's Chief Executive **Sean Moriarty** believes the firm has turned a corner after bleeding cash and watching its annual revenue sink 70.2 percent to \$113.5 million in 2016 from its peak at \$380 million in 2012.

The company posted \$191 million in losses

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**Moriarty**

## Kosmont Survey Sees Relative Improvement

By **HOWARD FINE** Staff Reporter

The L.A. area remains a costly place to do business thanks to government fees and taxes, but cities in other Western regions are catching up, according to an annual survey of business costs being released this week.

The survey from Manhattan Beach-based economic development consulting firm **Kosmont Cos.** and the Rose Institute of State and Local Government at **Claremont McKenna**



**Kosmont**

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## Developer Plans Fight Over Eminent Domain

By **NEIL NISPEROS** Staff Reporter

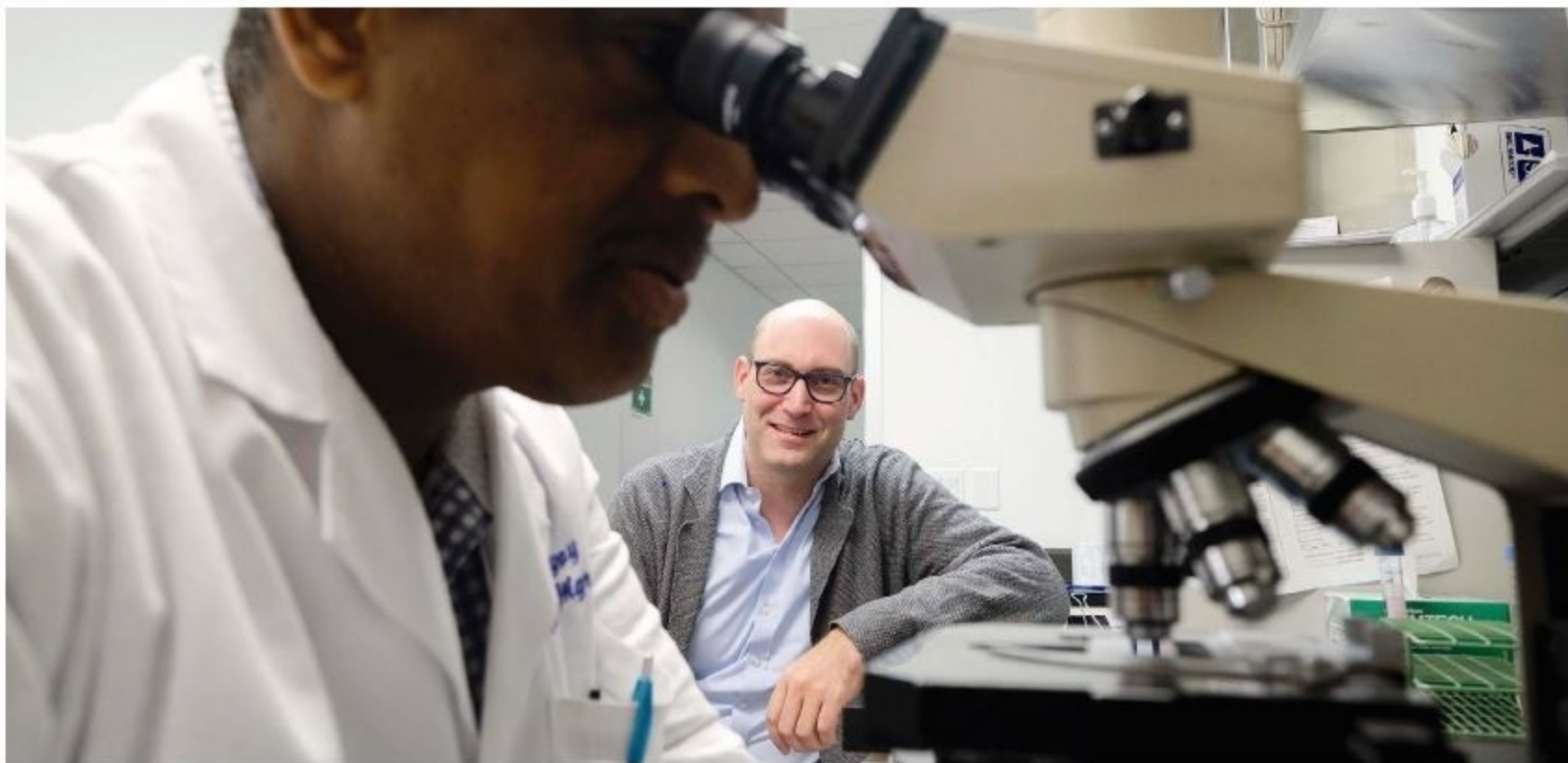
A tug-of-war is brewing over a two-block-long property that has gone largely overlooked in recent years amid the hoopla over the new football stadium project just a few miles away in Inglewood.

Now Los Angeles County officials plan to seize by eminent domain the 4-acre vacant



**Ridley-Thomas**

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PHOTOS: RINGO H.W. CHILVLABI

**Business Boom:** SCRC Chief Executive Kyle Francis came aboard three years ago to help the center handle increased demand for its services.

## Health Care: Fertility Clinic Draws From China

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diminishing labor force. The shift has led numerous couples well into middle age to try for a second child, and many face struggles.

Most would-be Chinese parents, however, don't have access to legal egg donors, legal third-party surrogates or the latest in fertility technology, such as egg freezing.

So those with money are flocking to the U.S. and Europe for top fertility care.

**HRC Fertility**, based in Newport Beach with offices in Encino and Pasadena, saw a 30 percent to 35 percent increase in growth last year, with a 40 percent jump in international patients, mostly from Asia.

"We are definitely seeing more of an international group that's coming in for this procedure," said **Dr. Jane Frederick**, founder and chief executive of HRC, and a pioneer in semen and embryo freezing. "China has a huge increase in business professionals."

### Reproductive referrals

Businesses in China that link potential patients to medical services in the U.S. and elsewhere have reported a surge in fertility-clinic referrals.

**Global Q**, a Beijing-based telemedicine company with an office in Pasadena, specializes in such medical tourism. Of its 20,000 internet visitors a day inquiring about health

Many are willing to pay cash here. "When they come to the L.A. area they pay out of pocket," Zhao said through an interpreter. "I estimate the total Chinese women seeking IVF treatment in the U.S. to be 1,000 to 2,000 a year."

Zhao said the rollback of the one-child policy is a big factor in the boost, with older couples seeking out fertility services.

"More importantly, some couples are not of child-bearing age, because of the one-child policy," she said. "So some couples who are not of childbearing age now have an opportunity to have a second child."

Analysts expect the global fertility services market to grow from an estimated \$13.5 billion in 2015 to more than \$21 billion by 2020, according to **TechNavio**, a market research company based in London.

The 55-percent growth is attributed to a global rise in infertility and advancements made in assisted reproductive technology, analyst **Amber Chourasia** said in an email.

The fertility services market in the U.S. is expected to reach \$5 billion by 2021, she said, with treatments such as IVF comprising an estimated 65 percent of the market.

### Growing up

**Dr. Mark Surrey** co-founded SCRC nearly two decades ago with a goal to provide the most innovative fertility treatments. The center started in 1999 in a rented one-floor office in



**Cutting Edge:** SCRC offers a full slate of fertility services at its Beverly Hills headquarters, including in vitro fertilization and egg freezing.

neurological services at main offices in Beverly Hills and Santa Barbara, plus seven smaller clinics from Bakersfield to Santa Monica.

SCRC employs seven reproductive endocrinologists — physicians who specialize in fertility — up from four a few years ago. It also employs 140 fertility technicians and other workers who operate two laboratories, an in-house surgery center, and a warren of exam, ultrasound, hormone testing, sperm collection and fertility-related service suites.

"I'm most pleased with our results," said Surrey, who acts as SCRC's medical director. "We have some of the best (results) in the world. We've had royalty trying to get an heir to the throne."

He declined to give any details on royal visits to the center.

The private company also declined to disclose its revenue, but it costs patients roughly \$7,700 for egg freezing, \$21,000 for in vitro

fertilization and between \$3,000 and \$5,000 for fertility enhancing medications.

Since Francis signed on three years ago as chief executive, SCRC has seen 20 percent year-over-year growth, he said.

Much of the recent growth can be attributed to Chinese and other international clients who come to the U.S. for treatment. The center was once lucky to see three international patients a month for IVF. Now it sees 30, Francis said. One in five patients overall now comes from overseas.

The center works in conjunction with **UCLA** and **Cedars-Sinai** and is recruiting three more fertility doctors for 2018, while expanding its Beverly Hills center by 7,000 square feet, including a new lobby on the ground floor.

"We think the pie is just going to continue to grow, as fertility becomes more accessible," Francis said. "More does by 2018, and new labs opening across Southern California."

**'We have some of the best (results) in the world. We've had royalty trying to get an heir to the throne.'**

DR. MARK SURREY, Southern California Reproductive Center

care overseas, 25 percent ask about fertility services such as in vitro fertilization, or IVF, officials said.

**Global Q** Chief Executive **Jacy Zhao** said many clients want medical help bearing sons, and often chafe against the long waits in China, where few fertility clinics are available to meet the high demand.

a Beverly Hills high-rise — and that was too much room, according to Surrey.

The reproductive center now occupies two floors and provides a wide range of fertility services, including in vitro fertilization, egg freezing and third-party surrogacy.

The physician-owned practice serves more than 2,000 patients a year for fertility and gy-