

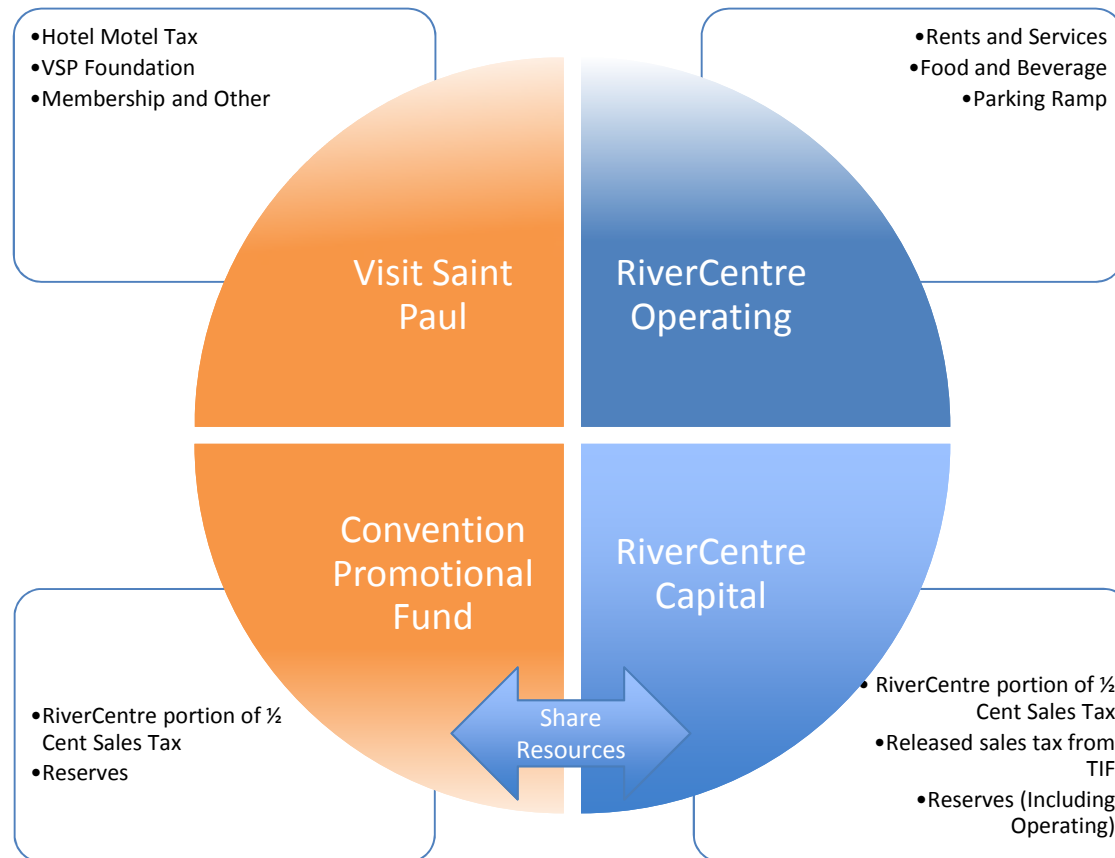
RiverCentre 2018 Capital Funding Summary

Overview

- Saint Paul RiverCentre, Roy Wilkins Auditorium and the RiverCentre Parking Ramps are city facilities
- Unlike many convention centers across the region and the country, the current expectations are that the RiverCentre covers its operating costs.
- In order to do this, we believe we need to offer a higher level of quality service and facilities so that a strong value proposition exists and that groups that may get a better “deal” elsewhere will elect to “pay” for the RiverCentre. The RiverCentre parking ramp net revenue currently provides the operating subsidy for the convention center where other cities use taxes for their facilities.
- Staff is preparing a contingency budget which will be offered for approval after the outcome of the 2018 legislative session.
- Keeping the facility, now 19 years old, at a premium level is paramount to this plan. 2018 will be the facility’s 20th Anniversary.

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Funding Mechanisms



Capital/Operations Comparison

	a	b	c	d	e	f	g
	Minneapolis/St. Paul Comparison*	2018	2018				
		Minneapolis	St. Paul	Difference	%		What if
1	Rentable Square Feet (RSF)	647153	240000	407153	170%		240000
2	Operating Revenues	\$ 20,010,000.00	\$ 10,783,232.00	\$ 9,226,768.00	86%		\$ 7,420,810.84
3	Operating Expenditures	\$ 28,460,000.00	\$ 10,524,201.00	\$ 17,935,799.00	170%		\$ 10,554,536.56
4	Net from Operating	\$ (8,450,000.00)	\$ 259,031.00	\$ (8,709,031.00)	-3362%		\$ (3,133,725.72)
5	Operating Rev Per RSF	\$ 30.92	\$ 44.93	\$ (14.01)	-31%		\$ 30.92
6	Operating Exp Per RSF	\$ 43.98	\$ 43.85	\$ 0.13	0%		\$ 43.98
7	Net Operating Per RSF	\$ (13.06)	\$ 1.08	\$ (14.14)	-1310%		\$ (13.06)
8	FT Employees*	173.1	46	127.1	276%		64
9	Employees per RSF	0.00027	0.00019	0.00008	40%		0.00027
10	Capital/Equipment Budget	\$ 7,833,000.00	\$ 1,600,000.00	\$ 6,233,000.00	390%		\$ 2,904,908.11
11	CE Budget Per RSF	\$ 12.10	\$ 6.67	\$ 5.44	82%		\$ 12.10
						*	Estimates based on
							internet research

VSP Diversity Efforts

- Our racial equity initiatives have continued through 2017 we have been working with Julie Nelson and Gordan Goodwin on training staff “Advancing Racial Equity - Moving Theory to Practice. “
- The City’s Human Resource department has been a great partner allowing us to use there resources and guidance for hiring practices.
- Three of our team members have participated in the City’s Inclusive Workforce Hiring Workshop.
- Our racial equity and inclusion efforts will continue with a commitment to participate in GARE’s “Advancing Racial Equity: putting theory into action” 2018 program. GARE’s program is a one-year commitment of which VSP has budgeted to include MHC and RiverCentre staff, our commitment extends to 6-9 employees.
- Staff Profile - Gender Female 65% Male 35%, Race/Ethnicity 12% Diverse, 88% White
- Board Profile – Gender Female 29% Male 71%, Race/Ethnicity 29% Diverse, 71% White

Capital Budget

2018 Capital Building and Equipment

Capital needs are many however the 2018 priorities that (assuming Ramp Reconstruction Funding is not approved) fit our funding capacity (\$1,600,000) are:

Kitchen Roof	225,000.00
Energy Efficiencies	15,000.00
Event Equipment	30,000.00
Operational Equipment	30,000.00
Security System Upgrades	50,000.00
Ramp Demo Design	250,000.00
Ramp Repair Phase 1	250,000.00
Ramp Repair Phase 2	750,000.00

Parking Ramp Legislative Proposal

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Saint Paul Minnesota

SAINT PAUL RIVERCENTRE & KELLOGG BLVD INFRASTRUCTURE PROJECT



PROPOSAL

Design, construct, furnish and equip a new RiverCentre Parking Ramp and adjacent Eastbound Kellogg Boulevard Bridge.
Total Project Cost: \$116 million. \$58 million requested from the State of Minnesota. \$58 million match from the City of Saint Paul.

Parking Ramp Legislative Proposal

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WHY IS THIS PROJECT A PRIORITY?



END OF LIFE

RiverCentre Parking Ramp

A 2015 engineering study deemed the ramp **structurally deficient** due to outdated design, condition of the ramp and age. (See images on reverse side). Engineers have deemed a complete rebuild by the year 2020 is necessary for its continued operation.

Kellogg Blvd Bridge

The most recent MnDOT structural inventory report deems the eastbound Kellogg Bridge as structurally deficient and after 81 years has reached the end of its useful design life.



FISCALLY RESPONSIBLE

With 2.1 million visitors each year to this event complex, rebuilding the Saint Paul RiverCentre parking ramp is the fiscally responsible thing to do. To continue to pour hundreds of thousands of dollars a year to put patches on an unrepairable ramp is not prudent or sustainable.



VITAL DOWNTOWN & STATEWIDE RESOURCE

Without this critical infrastructure, the convention center (Saint Paul RiverCentre) **would become obsolete** and the vitality of the downtown businesses and residents would suffer. Events at Saint Paul RiverCentre would be impaired, challenging the ability to continue to do many of the longstanding and cherished events Minnesotans enjoy every year.

HISTORY



Existing Kellogg
Boulevard Bridge
structure constructed



Saint Paul
RiverCentre Parking
Ramp constructed

**BOTH HAVE REACHED
THE END OF THEIR
USEFUL DESIGN LIFE**

Parking Ramp Legislative Proposal

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COST

- 2018 Capital Investment Proposal to the State of MN: \$58 million
- Match by City of Saint Paul: \$58 million
- Total Project Cost: \$116 million

*An Investment in
Critical Infrastructure
for a Thriving Region*



Sales Tax
Impact of
\$12,047,597



Over **2.1 MILLION**
event attendees
per year



Guests arrive from every
corner of Minnesota
All **50** states
Over **40** different
countries



Rebuild the road
to the Stanley Cup:
798,569 Wild fans
per year



259 Minnesota
communities
compete here for
high school state
champion title
bragging rights

Parking Ramp Legislative Proposal

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Due to rain, salt and outdated ramp design, chlorides have penetrated the concrete, causing the supporting steel to rust and the concrete to corrode and flake or break off. Photo taken as the beam was in the process of being repaired.



Damage on the north side of the ramp due to runoff.

Capital/Promotional Fund Sources

2018 RiverCentre Budget

RC Sources

CITY BUDGETED RC SALES TAX	\$1,200,000
CITY BUDGETED SALES TAX FROM TIF	\$1,100,000
RIVERCENTRE CAPITAL RESERVE	\$ 300,000
<u>CITY ALLOCATION FROM PARKING TRANSIT FUND</u>	<u>\$ 500,000</u>
TOTAL SOURCES	\$3,100,000

RC Uses

RC DEBT AND OBLIGATIONS	-\$1,001,247
CAPITAL AND EQUIPMENT EXPENSE	-\$1,600,000
<u>CONVENTION PROMOTIONAL FUND</u>	<u>-\$ 498,753</u>
TOTAL USES	-\$3,100,000

- 2018 Operating Budget is expected to have a slight positive bottom line after a strong positive position in 2017
- The RiverCentre ramp subsidizes the RC convention center operations – if not city would have to cover over \$1.9 million/year in operating losses
- Parking and Transit Fund benefits from Complex events (conventions, festivals, concerts, etc.) so it is logical to help pay for some RC ramp repairs and keep RC healthy and competitive.

RiverCentre Convention & Visitors Authority
2018 Budget **DRAFT (NO RAMP DEMO)**

		VS FORECAST			VS BUDGET				
		(a)	(b)	(c)	(d)	(e)	(f)		
		YTD +							
		2018 Budget	2017 Forecast	Variance	2018 Budget	2017 Budget	Variance		
RIVERCENTRE									
REVENUES									
Building Rent	1	1,937,954	1,928,082	9,873	1	1,937,954	1,858,740	79,214	1
Service Income	2	3,398,093	3,442,035	(43,942)	2	3,398,093	3,185,982	212,111	2
Parking Ramp	3	3,037,099	3,441,247	(404,147)	3	3,037,099	3,224,974	(187,875)	3
Food & Beverage	4	2,065,043	2,340,345	(275,302)	4	2,065,043	2,000,585	64,458	4
Sponsorship	5	98,087	104,670	(6,583)	5	98,087	82,850	15,237	5
Other Income	6	246,956	206,881	40,075	6	246,956	204,956	42,000	6
TOTAL REVENUE	7	10,783,232	11,463,259	(680,027)	7	10,783,232	10,558,087	225,145	7
EXPENSES									
Facility Operations	8	2,449,191	2,457,961	(8,770)	8	2,449,191	2,399,639	49,553	8
Event Operations	9	2,761,047	2,767,938	(6,891)	9	2,761,047	2,509,100	251,947	9
Parking Ramp Costs	10	962,312	940,455	21,858	10	962,312	998,653	(36,341)	10
Overhead	11	1,193,767	1,249,813	(56,046)	11	1,193,767	1,247,853	(54,086)	11
Utilities	12	1,957,091	1,897,129	59,962	12	1,957,091	1,957,844	(753)	12
Administration/SPAC Marketing-Sales	13	911,246	948,329	(37,083)	13	911,246	906,947	4,299	13
Management Fee	14	289,547	308,969	(19,423)	14	289,547	308,969	(19,423)	14
TOTAL EXPENSES	15	10,524,201	10,570,594	(46,392)	15	10,524,201	10,329,006	195,196	15
RC NET OPERATING PROFIT (LOSS)	16	259,030	892,665	(633,635)	16	259,030	229,081	29,949	16
AUTHORITY									
REVENUES	17	2,529,333	2,554,454	(25,121)	17	2,529,333	2,352,463	176,870	17
EXPENSES	18	2,529,333	2,394,859	134,474	18	2,529,333	2,394,859	134,474	18
AUTHORITY NET PROFIT (LOSS)	19	0	159,595	(159,595)	19	0	(0)	42,396	19
COMBINED NET INCOME FROM OP (LO	20	259,030	1,052,260	(793,230)	20	259,030	229,081	29,950	20
RCVA Amortization/Depreciation	21	39,480	47,607	8,127	21	39,480	46,771	7,291	21
Net Income (Loss) after Depreciation	22	219,550	1,004,654	(785,104)	22	219,550	7,153	212,397	22
FOUNDATION									
REVENUES	23	333,067	267,100	65,967	23	333,067	317,508	15,559	23
EXPENSES	24	333,067	306,050	27,017	24	333,067	317,508	15,559	24
NON OPERATING									
CAPITAL and EQUIPMENT BUDGET									
CITY BUDGETED RC SALES TAX	27	1,200,000	1,200,000	-	27	1,200,000	1,200,000	-	27
CITY BUDGETED SALES TAX FROM TIF	28	1,100,000	1,000,000	100,000	28	1,100,000	1,000,000	100,000	28
CITY BUDGETED RC BOND PROCEEDS	29	0	2,300,000	(2,300,000)	29	0	2,300,000	(2,300,000)	29
CITY ALLOCATION FROM TRANSIT FUND	30	500,000	500,000	-	30	500,000	500,000	-	30
TOTAL AVAILABLE	31	2,800,000	5,000,000	(2,200,000)	31	2,800,000	5,000,000	(2,200,000)	31
RC DEBT AND OBLIGATIONS	32	(1,001,247)	(998,782)	(2,465)	32	(1,001,247)	(998,782)	(2,465)	32
CAPITAL AND EQUIPMENT EXPENSE	33	(1,600,000)	(2,746,218)	1,146,218	33	(1,600,000)	(2,746,218)	1,146,218	33
CONVENTION PROMOTIONAL FUND	34	(498,753)	(1,255,000)	756,247	34	(498,753)	(1,255,000)	756,247	34
TOTAL EXPENDITURES	35	(3,100,000)	(5,000,000)	1,900,000	35	(3,100,000)	(5,000,000)	1,900,000	35
REMAINING OR (FROM RESERVES)	36	(300,000)	0	(300,000)	36	(300,000)	0	(300,000)	36

11/7/2017