

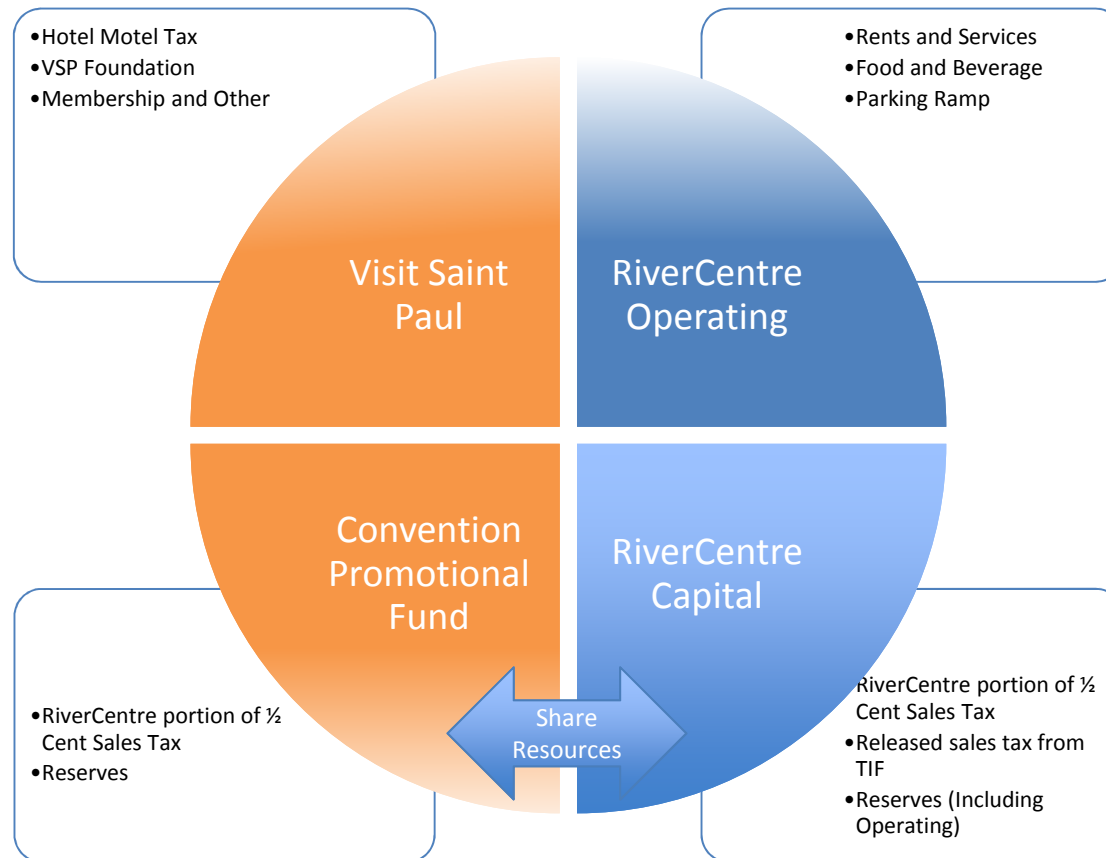
RiverCentre 2017 Capital Funding Summary

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.
- Keeping the facility, now 18 years old, at a premium level is paramount to this plan.

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Funding Mechanisms

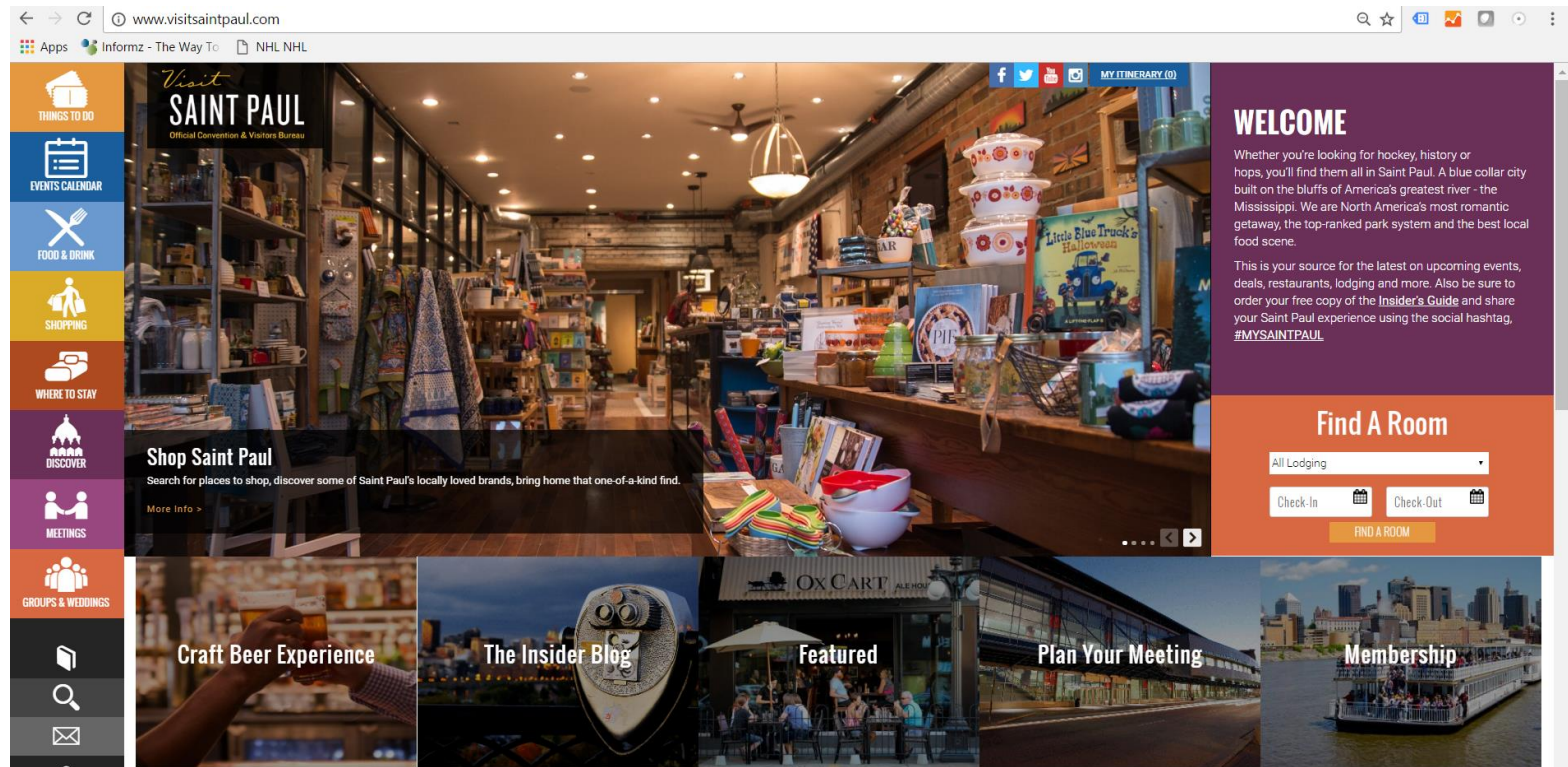


2016 By the Numbers



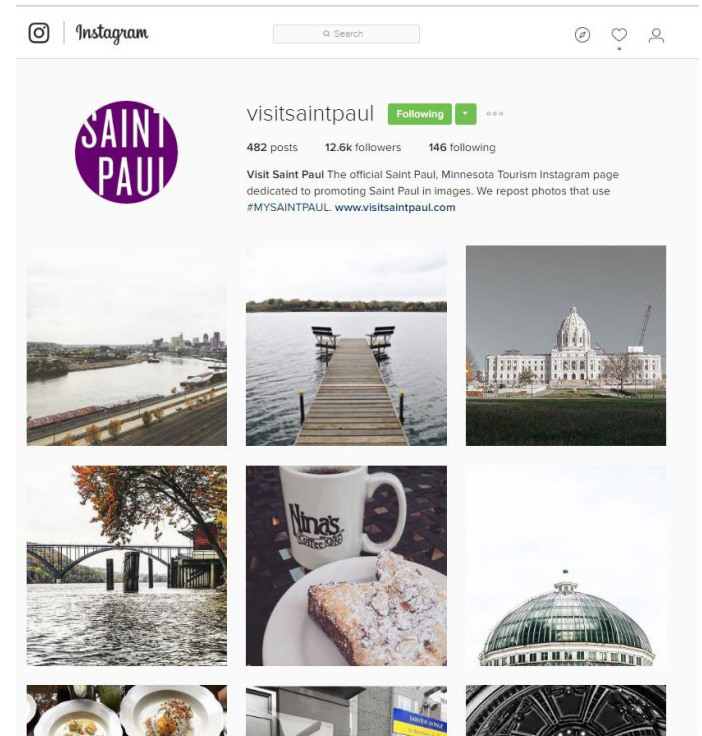
Website

- Strong growth in website traffic YOY (74% sessions, 63% users, 59% page views)



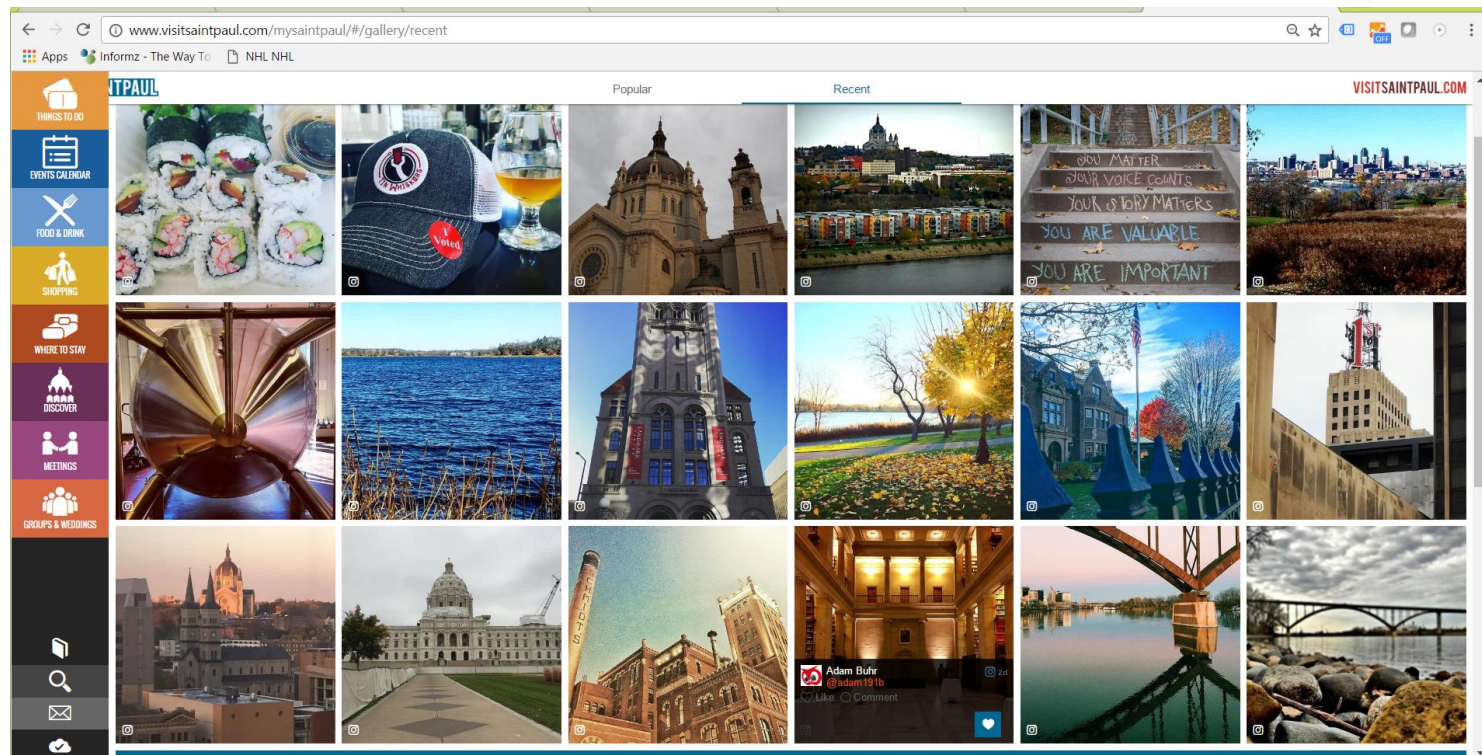
Social Media

- Hired full time Social Media Coordinator
- Strong Growth
 - Instagram up 859%
 - Facebook up 56%
 - Twitter up 52%
- 60+ Blog Posts



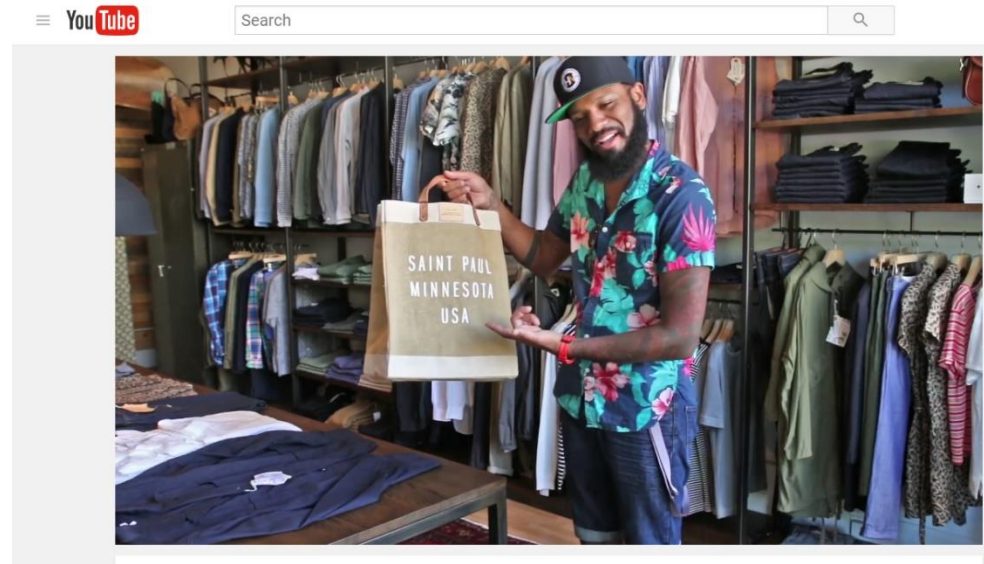
User Generated Content

- 3,100 user generated images pulled through to company homepage
- Recently recognized by Crowdriff as one of seven destination online experiences that stand out worldwide



Video

- Produced 15 videos for YouTube & Facebook
- Garnered over 300,000 views
- 572% growth over 2015



Signature Experiences

- Developed 6 Signature Experiences with partners to promote to the group travel market.



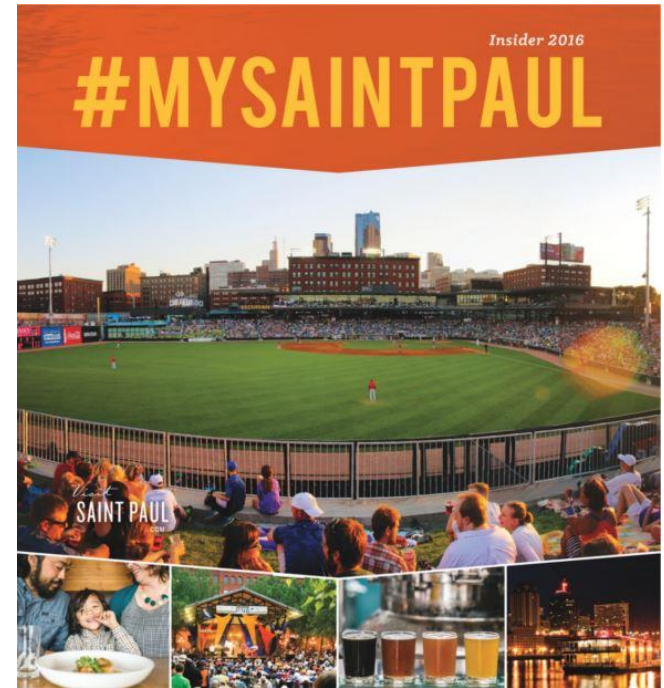
Events

- Organized the two largest street festivals on West 7th Street
- Welcomed 75,000 people over the two events



Visitor Guide

- 160,000 copies
- Mail an average of 900/month in response to visitor requests
- Sent to all 50 states and internationally to 50 countries
- 42,000 copies went to Minnesota Monthly subscribers, poly-wrapped with June issue
- Available in high-traffic areas: MSP Airport, MOA, Regional Welcome Centers, hotels, attractions & businesses



2017 Convention Promotional Fund

| | | | | |
|------|------------------|-------------------------------------|----|------------|
| 2017 | RiverCentre | Aging Services | \$ | 21,775.00 |
| 2017 | RiverCentre | Midwest Poultry | \$ | 20,250.00 |
| 2017 | Midwest Poultry | Midwest Poultry | \$ | 3,950.00 |
| 2017 | Transportation | Urban Parks Conference | \$ | 20,000.00 |
| 2017 | RiverCentre | Urban Parks Conference | \$ | 12,780.00 |
| 2017 | Meet Minneapolis | National Sports Forum | \$ | 5,834.00 |
| 2017 | RiverCentre | MN Wellness Conference | \$ | 15,000.00 |
| 2017 | RiverCentre | Minnesota Power Systems | \$ | 6,000.00 |
| 2017 | RiverCentre | National Adaption Forum - Eco Adapt | \$ | 4,900.00 |
| 2017 | RiverCentre | SuperValue | \$ | 50,000.00 |
| 2017 | RiverCentre | Citizen Science Assn | \$ | 15,000.00 |
| 2017 | RiverCentre | Artic Cat | \$ | 25,000.00 |
| 2017 | RiverCentre | MN Petroleum Marketers | \$ | 7,375.00 |
| 2017 | RiverCentre | Nat Assn of Campus Activites | \$ | 10,000.00 |
| 2017 | Xcel Center | Lynx | \$ | 233,500.00 |
| 2017 | Various Groups | Op Fund 2017 amount | \$ | 400,000.00 |
| 2017 | HTK | Marketing Campaign | \$ | 100,000.00 |
| 2017 | HTK | Insider's Guide | \$ | 160,000.00 |
| 2017 | MN Wild | Suite | \$ | 136,500.00 |
| 2017 | Red Bull | Red Bull Crashed Ice | \$ | 225,000.00 |

Capital Comparison

| | a | b | c | d | e | f | g | |
|----|----------------------------------|-------------------|------------------|-------------------|--------|---|--------------------------------------|--|
| | Minneapolis/St. Paul Comparison* | 2017 | 2017 | | | | | |
| | | Minneapolis | St. Paul | Difference | % | | What if | |
| 1 | Rentable Square Feet (RSF) | 647153 | 240000 | 407153 | 170% | | 240000 | |
| 2 | Operating Revenues | \$ 18,759,000.00 | \$ 10,558,087.00 | \$ 8,200,913.00 | 78% | | \$ 6,956,871.10 | |
| 3 | Operating Expenditures | \$ 26,826,000.00 | \$ 10,329,006.00 | \$ 16,496,994.00 | 160% | | \$ 9,948,559.31 | |
| 4 | Net from Operating | \$ (8,067,000.00) | \$ 229,081.00 | \$ (8,296,081.00) | -3621% | | \$ (2,991,688.21) | |
| 5 | Operating Rev Per RSF | \$ 28.99 | \$ 43.99 | \$ (15.01) | -34% | | \$ 28.99 | |
| 6 | Operating Exp Per RSF | \$ 41.45 | \$ 43.04 | \$ (1.59) | -4% | | \$ 41.45 | |
| 7 | Net Operating Per RSF | \$ (12.47) | \$ 0.95 | \$ (13.42) | -1406% | | \$ (12.47) | |
| 8 | FT Employees | 173.1 | 48 | 125.1 | 261% | | 64 | |
| 9 | Employees per RSF | 0.00027 | 0.00020 | 0.00007 | 34% | | 0.00027 | |
| 10 | Capital/Equipment Budget | \$ 19,953,000.00 | \$ 2,600,000.00 | \$ 17,353,000.00 | 667% | | \$ 7,399,672.10 | |
| 11 | CE Budget Per RSF | \$ 30.83 | \$ 10.83 | \$ 20.00 | 185% | | \$ 30.83 | |
| | | | | | | | Inflated due to parking ramp issues | |
| | | | | | | * | Estimates based on internet research | |

Capital Budget

2017 Capital Building and Equipment

Capital needs are many however the 2017 priorities that fit our funding capacity (\$2,746,218) are:

| | |
|-------------------------|----------------|
| Finish Lighting Control | \$300,000.00 |
| Eyebrow Roof | \$200,000.00 |
| Wilkins Re-lamp | \$35,000.00 |
| Event Equipment | \$50,000.00 |
| Operational Equipment | \$22,000.00 |
| 40' Articulating Lift | \$55,000.00 |
| Ramp Design | \$1,200,000.00 |
| Ramp Repair | \$800,000.00 |
| Security | \$30,000.00 |
| Lighting Retrofits | \$55,000.00 |

RiverCentre Parking Ramp Study

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Parking Study Outline:

Observations and testing of the River Centre parking garage were performed over a two month period between March and April of 2015.

The parking ramp consists of a post-tensioned concrete deck, (the original button head slab system was replaced by ½” strand approximately 20 years ago), the original grouted button headed beams have not been repaired (approximately four (4) of the beams have been repaired on an emergency basis) and reinforced concrete columns.

- This structure was one of the first (if not the first) parking structure designed and built with the new technology (at the time) utilizing post-tensioning.
- One of the major vulnerabilities of early parking garages was lack of sloped floors for drainage.
- Another major vulnerability of this vintage structure is the lack of a double column design at the expansion joints.
- The public works Kellogg Bridge has directly affected the expedited deterioration of the entire north side of the structure because of its continuous leaking of high chloride level water through cracks and unsealed joints.
- The concrete spandrel panels that are framing the entire south and east sections of the garage should be replaced.
- Structural concrete repairs required at all levels including: partial and full depth vertical at columns, and walls, partial and full depth horizontal at slabs
- Following any major concrete repairs at either the plaza or any of the helixes, the traffic coating system should be replaced.
- The majority of the mechanical/electrical/operational systems are original or in a severely deteriorated condition.
- The stairwells and elevator lobbies and elevators are original/dated or in a deteriorated condition.

Repair History Parking Ramp

| | | | | | |
|--|--|--------------|--|--|-----------------|
| 2016 Ramp Repairs | | | 2014 Ramp Repairs | | |
| General Conditions & Mobilizations | | \$33,000.00 | Engineering and Design (Reigstad) | | \$26,000.00 |
| Partial Depth Concrete Repair; Floor | | \$70,000.00 | SW Stairwell Repair | | \$98,650.00 |
| Full Depth Concrete Repair; Vert | | \$15,000.00 | Fencing to close SW Stairwell | | \$10,000.00 |
| Full Depth Concrete Repair; Floor | | \$24,000.00 | Level 4-7 Column Repair | | \$57,000.00 |
| New Columns North Section of Ped Ramp | | \$40,000.00 | Lower Entrance Bridge Repair | | \$108,000.00 |
| Supplemental Beam Reinforcement Carbon | | \$154,372.00 | Total | | \$299,650.00 |
| Epoxy Injection of Beams | | \$6,000.00 | | | |
| Miscellaneous Flexible Sealant | | \$3,000.00 | 2013 Ramp Repairs | | |
| Expansion Joint Repair: Sealant | | \$3,000.00 | Concrete Repairs | | \$76,515.35 |
| Expansion Joint Repair: Concrete | | \$6,000.00 | | | |
| Northeast Stair Tower Landings and Risers Level 4 to Grade | | \$35,000.00 | 2012 Ramp Repairs | | |
| Northeast Stair Tower Paint Metal to Match Existing | | \$3,500.00 | Concrete Repairs, Trench Drain, NW Stairs | | \$180,491.79 |
| NE Column Repair | | \$50,000.00 | | | |
| Structural Ramp Repairs Design, Bid Specs and Project Management | | \$49,225.00 | 2011 Ramp Repairs | | |
| Fire Panel Upgrade | | \$35,000.00 | Concrete Repairs, Replace Store Room, Drain Replacement, Traffic Topping | | \$321,360.60 |
| Cabling Upgrades for Security Upgrades | | \$41,330.00 | | | |
| Ramp Marquee (Amount is net \$1,729 Xcel Rebate) | | \$22,513.00 | 2010 Ramp Repairs | | |
| Level 7 Ped Ramp Overhead Repairs and Sealant | | \$15,200.00 | Concrete Repairs, N Stairwell, Traffic Topping | | \$231,004.68 |
| Post tension cble Repair | | \$15,000.00 | | | |
| Total | | \$621,140.00 | 2009 Ramp Repairs | | |
| | | | Concrete Repairs, N Stairwell, Traffic Topping | | \$1,857,066.61 |
| 2015 Ramp Repairs | | | | | |
| RiverCentre Parking Ramp Study | | \$20,747.50 | 1999-2008 Ramp Repairs | | |
| West Elevators Renovations and Upgrades | | \$499,805.00 | Various Tendon-Concrete | | \$7,883,000.00 |
| RC Ramp concrete repairs and expansion joint repairs | | \$72,000.00 | | | |
| RC Ramp Structural Engineering | | \$20,000.00 | TOTAL 2009-2015 | | |
| RC Ramp repair of 2 beams and columns | | \$92,800.00 | Not including 2017 potential projects | | \$12,361,122.54 |
| RC Ramp repair 1 beam and middle helix concrete repairs | | \$42,200.00 | | | |
| Security Call Boxes | | \$94,878.00 | | | |
| DVR's | | \$38,778.01 | | | |
| Standpipe relocation from SouthEast Stairwell | | \$9,685.00 | | | |
| Total | | \$890,893.51 | | | |

RiverCentre Parking Sample Repairs 2017

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Rebar that exploded from ramp tendon



Shored up concrete NE support column with steel post



Repair overhead concrete at ped ramp



NE Column Structure

Capital/Promotional Fund Sources

2017 RiverCentre Budget

RC Sources

| | |
|--|-------------------|
| CITY BUDGETED RC SALES TAX | \$1,200,000 |
| CITY BUDGETED SALES TAX FROM TIF | \$1,000,000 |
| CITY BUDGETED RC BOND PROCEEDS | \$2,300,000 |
| <u>CITY ALLOCATION FROM PARKING TRANSIT FUND</u> | <u>\$ 500,000</u> |
| TOTAL SOURCES | \$5,000,000 |

RC Uses

| | |
|------------------------------------|---------------------|
| RC DEBT AND OBLIGATIONS | -\$ 998,782 |
| CAPITAL AND EQUIPMENT EXPENSE | -\$2,746,218 |
| <u>CONVENTION PROMOTIONAL FUND</u> | <u>-\$1,255,000</u> |
| TOTAL USES | -\$5,000,000 |

- 2017 Operating Budget is expected to have a slight positive bottom line after a positive position in 2016
- 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 logical to help pay for some RC ramp repairs and keep RC healthy and competitive.

RiverCentre Convention & Visitors Authority

2017 Budget-DRAFT

RiverCentre Confidential

OPERATING**RIVERCENTRE****VS FORECAST****VS BUDGET****REVENUES**

(a) (b) (c)

(d) (e) (f)

YTD +
2017 Budget 2016 Forecast Variance

2017 Budget 2016 Budget Variance

| | | | | | | | | | |
|--|-----------|--------------------|--------------------|--------------------|-----------|--------------------|--------------------|--------------------|-----------|
| Building Rent | 1 | 1,858,740 | 1,860,429 | (1,689) | 1 | 1,858,740 | 1,744,217 | 114,523 | 1 |
| Service Income | 2 | 3,185,982 | 3,288,168 | (102,186) | 2 | 3,185,982 | 3,051,287 | 134,695 | 2 |
| Parking Ramp | 3 | 3,224,974 | 3,455,916 | (230,942) | 3 | 3,224,974 | 2,925,488 | 299,486 | 3 |
| Food & Beverage | 4 | 2,000,585 | 2,233,936 | (233,351) | 4 | 2,000,585 | 1,701,423 | 299,163 | 4 |
| Sponsorship | 5 | 82,850 | 87,160 | (4,310) | 5 | 82,850 | 82,850 | 0 | 5 |
| Other Income | 6 | 204,956 | 203,641 | 1,314 | 6 | 204,956 | 203,642 | 1,314 | 6 |
| TOTAL REVENUE | 7 | 10,558,087 | 11,129,251 | (571,164) | 7 | 10,558,087 | 9,708,907 | 849,180 | 7 |
| EXPENSES | | | | | | | | | |
| Facility Operations | 8 | 2,399,639 | 2,481,234 | (81,596) | 8 | 2,399,639 | 2,065,876 | 333,763 | 8 |
| Event Operations | 9 | 2,509,100 | 2,591,806 | (82,707) | 9 | 2,509,100 | 2,315,624 | 193,476 | 9 |
| Parking Ramp Costs | 10 | 998,653 | 802,610 | 196,043 | 10 | 998,653 | 866,426 | 132,228 | 10 |
| Overhead | 11 | 1,247,853 | 1,480,556 | (232,703) | 11 | 1,247,853 | 1,239,509 | 8,344 | 11 |
| Utilities | 12 | 1,957,844 | 1,886,839 | 71,005 | 12 | 1,957,844 | 1,972,180 | (14,336) | 12 |
| Administration/SPAC Marketing-Sales | 13 | 906,947 | 838,703 | 68,244 | 13 | 906,947 | 876,619 | 30,329 | 13 |
| Management Fee | 14 | 308,969 | 449,694 | (140,725) | 14 | 308,969 | 312,684 | (3,715) | 14 |
| TOTAL EXPENSES | 15 | 10,329,006 | 10,531,444 | (202,438) | 15 | 10,329,006 | 9,648,918 | 680,088 | 15 |
| RIVERCENTRE NET OPERATING PROFIT (LOSS) | 16 | 229,081 | 597,807 | (368,726) | 16 | 229,081 | 59,989 | 169,092 | 16 |
| AUTHORITY | | | | | | | | | |
| REVENUES | 17 | 2,352,463 | 2,377,174 | (24,711) | 17 | 2,352,463 | 2,180,835 | 171,628 | 17 |
| EXPENSES | 18 | 2,352,463 | 2,222,887 | 129,576 | 18 | 2,352,463 | 2,180,715 | 171,748 | 18 |
| AUTHORITY NET PROFIT (LOSS) | 19 | 0 | 154,287 | (154,287) | 19 | 0 | (0) | (120) | 19 |
| COMBINED NET INCOME FROM OP (LOSS) | 20 | 229,081 | 752,094 | (523,013) | 20 | 229,081 | 59,989 | 169,092 | 20 |
| RCVA Amortization/Depreciation | 21 | 46,771 | 52,838 | 6,067 | 21 | 46,771 | 52,836 | 6,065 | 21 |
| Net Income (Loss) after Depreciation | 22 | 182,310 | 699,257 | (516,947) | 22 | 182,310 | 7,153 | 175,157 | 22 |
| FOUNDATION | | | | | | | | | |
| REVENUES | 23 | 322,500 | 267,100 | 55,400 | 23 | 319,508 | 317,508 | 2,000 | 23 |
| EXPENSES | 24 | 312,500 | 306,050 | 6,450 | 24 | 319,508 | 317,508 | 2,000 | 24 |
| NON OPERATING | | | | | | | | | |
| CAPITAL and EQUIPMENT BUDGET | | | | | | | | | |
| CITY BUDGETED RC SALES TAX | 27 | 1,200,000 | 1,000,000 | 200,000 | 27 | 1,200,000 | 1,000,000 | 200,000 | 27 |
| CITY BUDGETED SALES TAX FROM TIF | 28 | 1,000,000 | 1,000,000 | - | 28 | 1,000,000 | 1,000,000 | - | 28 |
| CITY BUDGETED RC BOND PROCEEDS | 29 | 2,300,000 | | 2,300,000 | 29 | 2,300,000 | | 2,300,000 | 29 |
| CITY ALLOCATION FROM PARKING TRANSIT FUND | 30 | 500,000 | 500,000 | - | 30 | 500,000 | 500,000 | - | 30 |
| TOTAL AVAILABLE | 31 | 5,000,000 | 2,500,000 | 2,500,000 | 31 | 5,000,000 | 2,500,000 | 2,500,000 | 31 |
| RC DEBT AND OBLIGATIONS | 32 | (998,782) | (1,044,422) | 45,640 | 32 | (998,782) | (1,044,422) | 45,640 | 32 |
| CAPITAL AND EQUIPMENT EXPENSE | 33 | (2,746,218) | (1,050,000) | (1,696,218) | 33 | (2,746,218) | (1,050,000) | (1,696,218) | 33 |
| CONVENTION PROMOTIONAL FUND | 34 | (1,255,000) | (700,000) | (555,000) | 34 | (1,255,000) | (700,000) | (555,000) | 34 |
| TOTAL EXPENDITURES | 35 | (5,000,000) | (2,794,422) | (2,205,578) | 35 | (5,000,000) | (2,794,422) | (2,205,578) | 35 |
| REMAINING OR (FROM RESERVES) | 36 | 0 | (294,422) | 294,422 | 36 | 0 | (294,422) | 294,422 | 36 |

10/21/2016