

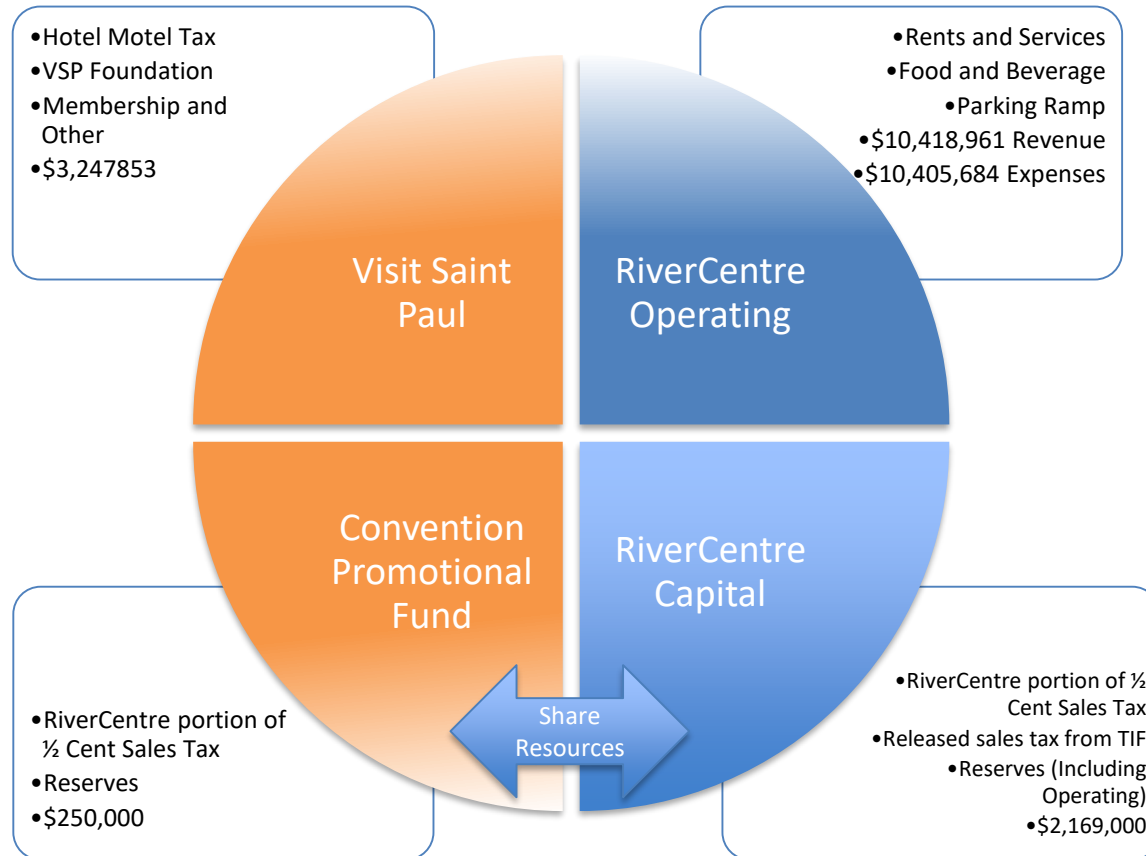
RiverCentre
Convention & Visitors Authority
2020 Program and RiverCentre
2020 Capital Funding
Summary

Overview

- Saint Paul RiverCentre, Roy Wilkins Auditorium and the RiverCentre Parking Ramps are city facilities with an operating budget of \$10.4M and debt/capital investment from the city of \$2.17M.
- 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 20+ years old, at a premium level is paramount to this plan.
- Sustainability in operations is also our focus. We were just awarded LEED Platinum certification, one of the first few in the country to receive this designation. We have recently renewed our Green Globes certification and our Apex/ASTM certification.

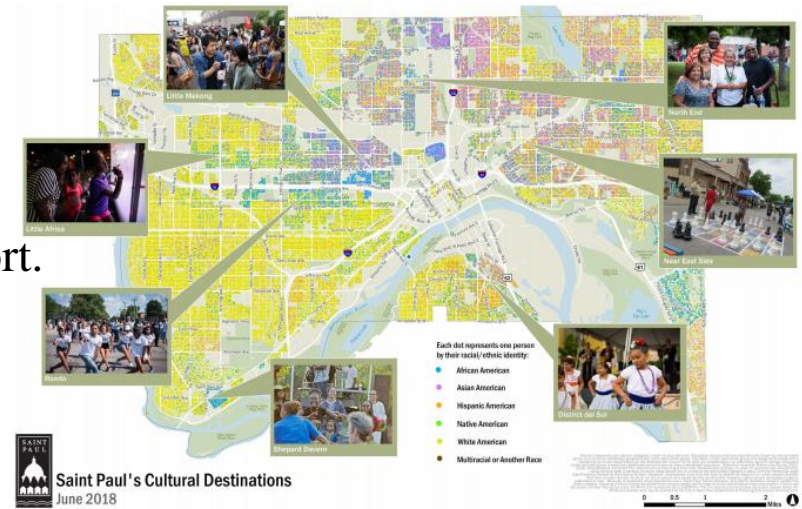
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Funding Mechanisms



Equity & Inclusion Efforts

- Partnering with the City of Saint Paul in helping to build the Cultural Destination Areas platform by providing marketing support.
- Membership in the Government Alliance on Race and Equity and participation in annual member meeting in Albuquerque, NM
- Participation in the Saint Paul Area Chamber of Commerce Equity Series
 - March 13, 2019
 - April 10, 2019
 - May 8, 2019
 - August 14, 2019
 - November 13, 2019
- Host sponsor of the Equity Summit presented by the Saint Paul Area Chamber of Commerce October 24, 2019 at the RiverCentre.



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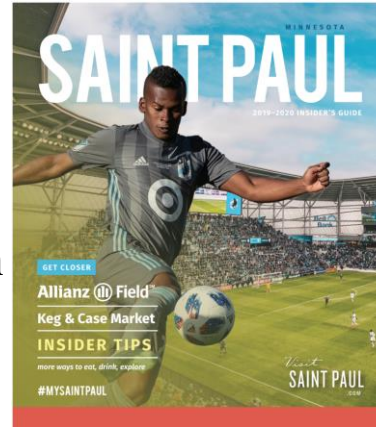
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Leisure Travel

The Saint Paul Insider's Guide is a tool to share the story of Saint Paul and why it should be the city of choice for a day trip, weekend stay, conference or event – or even to live, work or start a business.

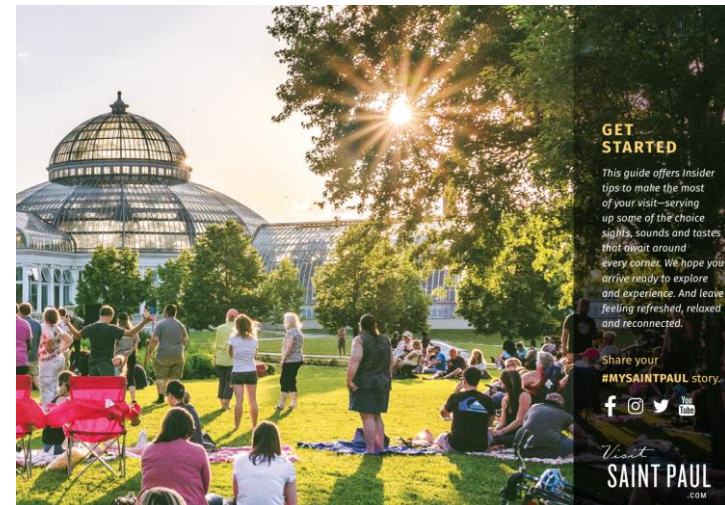
Distribution is 125,000 copies:

- Local hotels and visitor centers
- EMT Welcome Centers across the state
 - Including MSP Airport & MOA
- Copies were poly-wrapped with Minnesota Monthly Magazine in June.
- Direct Mail: Copies are mailed to requests from all 50 states and 50 countries – an average of 1,000 mailed per month.



Flavorful experience

Saint Paul is home to the largest Hmong community in the nation, making Hmong Village and Hmongtown Marketplace must-stop dining spots. Get a taste of Southeast Asia at food courts serving up authentic eats including pho, chicken wings, barbecue, curry, spring rolls, boba tea, pupuys salad and more. In addition to delicious food, you'll also find clothing, produce, gifts and furniture from hundreds of vendors.



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The Insider's Guide is presented through the voices of "Insiders", people who know and love Saint Paul and share their favorite spots to visit in the city.

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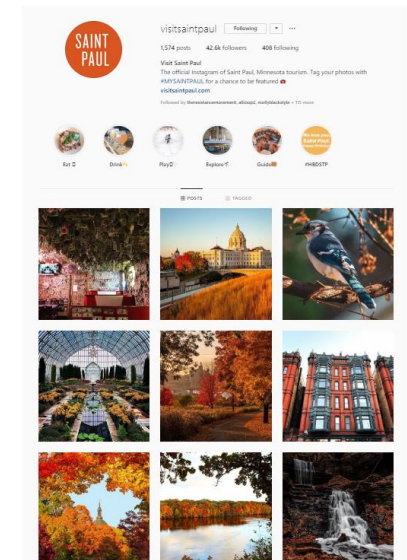
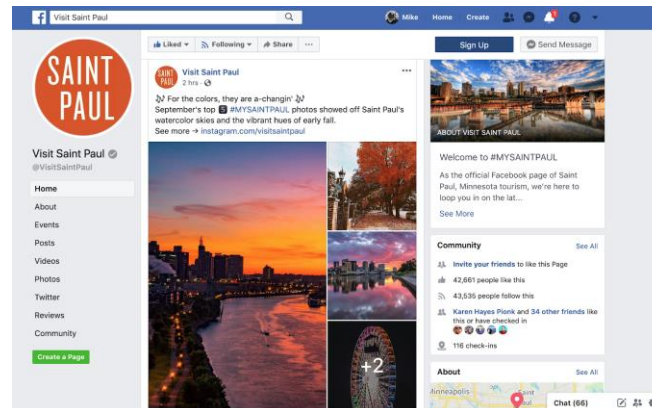
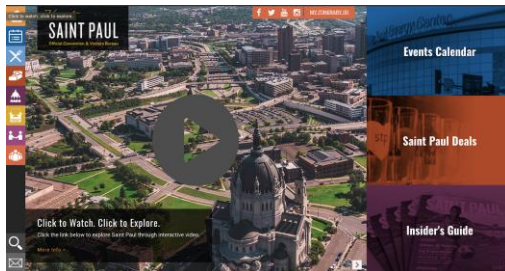
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1% Increase in Lodging Tax - Additional investments

Beginning in 2020, we will grow travel to Saint Paul from our primary markets, within a 300-mile radius, by investing in paid efforts across multiple digital channels.

We will target potential visitors to Saint Paul in ways we've never been able to do before: to understand their behaviors, intersect with them as they explore potential getaways, and nurture their interests towards spending time in Saint Paul.

Building on successful brand platforms:



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Developing Personas

JULIE—Mom, Planner

Age: 35-44



How to reach her:



Brand affinity:



The 411:

Julie's juggling, like, 100 things a day. She's good at it. When the end of the day comes, she's happy to have ten minutes of quiet reflection before winding it up. Everybody's priorities get put in front of her own. Despite that, her biggest priority isn't herself, it's cutting through the noise to enjoy a couple days away as a family. That's her greatest joy.

Trigger for traveling:

Life's been coming at breakneck speed, and the family is just too disconnected. The underlying need to reconnect is mounting, and Julie's starting to search for options.

This makes me happy:

Watching kids play; Actual conversation around a dinner table.

What she needs:

Two days of family time in a relatively convenient destination would bridge the gap that Julie feels exists within her family. At least until the next big vacation.

How to break through:

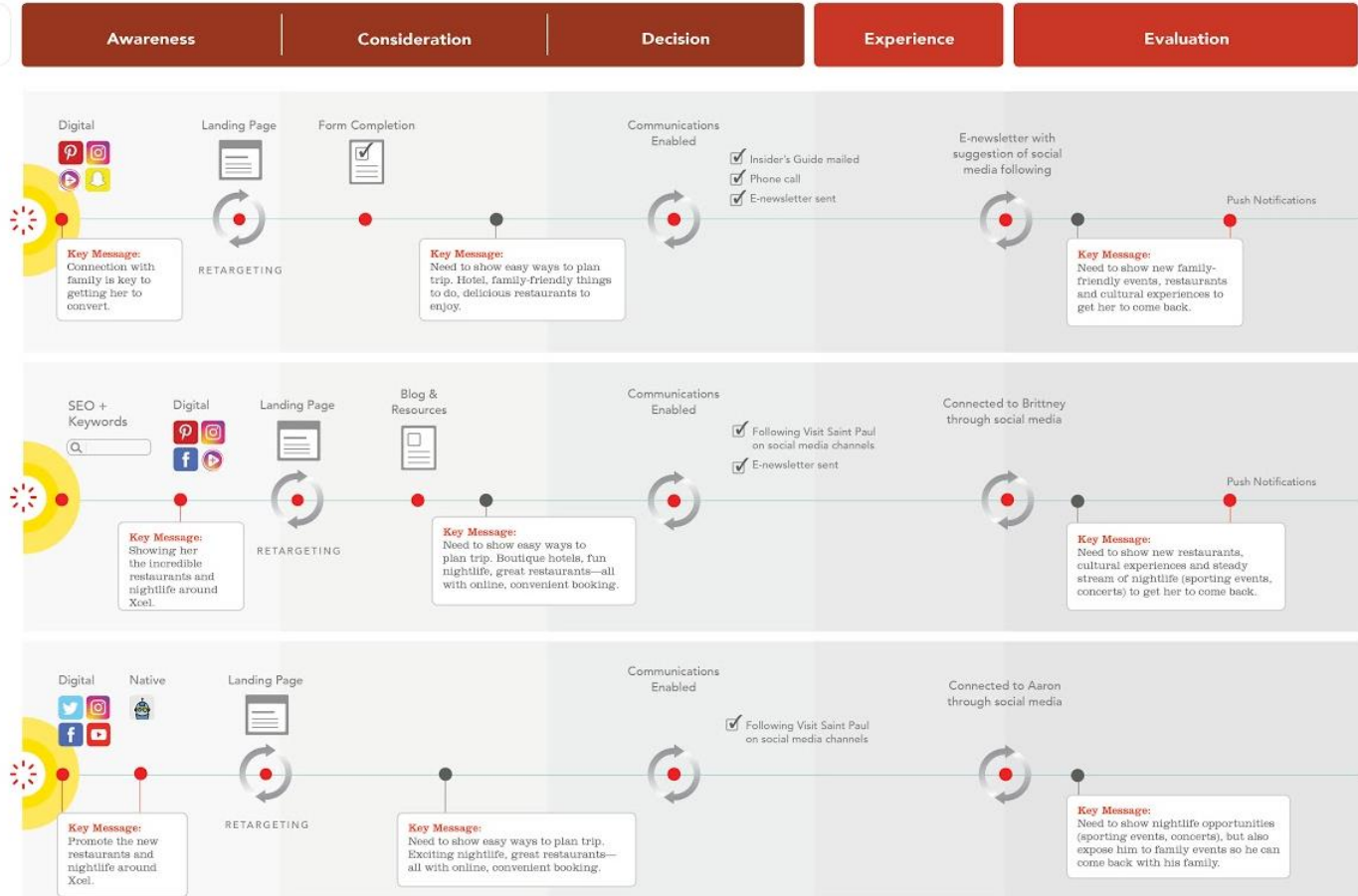
- Two days of getting away is reasonable, so convenience is critical.
- Family activities will be at the center of her search.
- Great restaurants are key. So is comfortable - if not extravagant - lodging. She's willing to spend on these since airfare isn't a consideration.

Visitor Journey Map



Julie

Trigger: Needs the family to reconnect.
Entry Point: VisitSaintPaul.com



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Visitor Journey Map

Meetings and Conventions

Cash Incentive Program

Developed to incentivize meeting planners to book hotels in the St Paul taxing district for the short-term, 2020 and 2021. We are promoting this program via email campaign, tradeshow and on our website. We have currently received commitments from 3 national/regional meetings which will bring 3200 room nights to our city, one of which will be held at the RiverCentre.

New lead program

Created with Integrated Marketing Media (IMM) a company specializing in lead generation and working with CVBs across the country. We will partner with IMM to create new potential clients via email, telesales and future site inspections. IMM will provide us with new client databases that we are not currently working on to generate new business for the future.



Saint Paul Meetings Cash Incentives

Book your next meeting or event in Historic Saint Paul in 2020 & 2021 and receive a cash offer!

Book any hotel in the Saint Paul area taxing district and receive the following cash reward:

- Groups with 100-199 room nights will receive \$500
- Groups with 200-399 room nights will receive \$1000
- Groups with 400-599 room nights will receive \$1500
- Groups with 600-999 room nights will receive \$2500
- Groups over 1000 room nights and utilizing the Saint Paul RiverCentre will receive up to \$5000 based on entire package.

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Convention Promotional Fund

Created to offset rental costs at the RiverCentre as well as other auxiliary expenses so our city remains competitive in the marketplace. Cities across the country have large funding sources to “buy” convention groups as meetings and conventions bring economic impact from hotel revenues, and dollars spent in and around the city. Our CPF has given us the opportunity to bid and win many large groups over the past 5 years and has become an essential part of Saint Paul’s meetings package.

Convention Promotional Fund Economic Impact

Group Name	Event Date	Confirmed or Tentative	Economic Impact
SuperValu	2019	Confirmed	\$ 4,409,960.00
US Gold Cup	2019	Confirmed	\$ 436,126.00
Clifton Larson Allen-Private	2020	Confirmed	\$ 1,178,019.00
Clifton Larson Allen-Regulated Industry Conference	2021	Confirmed	\$ 1,093,034.00
Baptist Conference	2021	Confirmed	\$ 599,309.00
Clifton Larson Allen-LEARN Meeting	2020	Confirmed	\$ 471,552.00
Norwegian Development Confererence	2020	Confirmed	\$ 203,782.00
TC in Motion	2019	Confirmed	\$ 2,057,895.00
Leading Age	2021-2023	Confirmed	\$ 5,596,284.00
Latino Peace Officers Association	2019	Confirmed	\$ 201,128.00
National Assoc of State Aviation Officials	2019	Confirmed	\$ 366,180.00
Flugtag	2019	Confirmed	\$ 1,031,669.00
NACA	2022	Tentative	\$ 1,031,669.00
Society of America Foresters	2022	Tentative	\$ 1,728,979.00
Eco Adapt	2021	Tentative	\$ 1,176,995.00
Unity	2022	Tentative	\$ 2,591,755.00
Independent Schools	2022	Tentative	\$ 581,383.00
American Physical Therapy	2020	Tentative	\$ 612,929.00
American Society of Civil Engineers	2022	Tentative	\$ 1,432,043.00
Hotel Promotion	2020-2021	Confirmed	
MN Power Systems	2020-2021	Confirmed	\$ 518,069.00
Church Network	2023	Tentative	\$ 1,294,588.00
TOTAL ECONOMIC IMPACT			\$ 28,613,348.00

DMO 2019 BUDGET COMPARISON (regl and natl competitors)

Destination DMO	2019 Budget	Population (City)	Population (Metro)	Notes
Ann Arbor	\$7.0 million	122,000	345,000	\$7.5 million (2020 - approved)
Chattanooga	\$9.2 million	179,000	375,000	
Columbus	\$14.2 million	879,000	2,000,000	2018 budget
Des Moines	\$6.5 million	230,000	600,000	
Grand Rapids	\$11 million	198,000	1,000,000	Does NOT include Sports: 9,300 rooms by end of 2020
Lansing	\$6.1 million	116,000	290,000	
Madison	\$6.6 million	260,000	54,000	
Milwaukee	\$10.3 million	595,000	952,000	
Minneapolis	\$14.1 million	422,000	3,280,000	2018 budget
Omaha	\$6.4 million	450,000	900,000	Does NOT include Sports, separate sports commission
Raleigh	\$8.2 million	464,000	1,200,000	
Rockford	\$3.1 million	150,000	300,000	
Saint Paul	\$3.3 million	306,000	3,280,000	2020 budget
Wisconsin Dells	\$13.2 million	520	5,200	

Capital Budget

2020 Capital Building and Equipment

Capital needs are many however the 2020 priorities that fit our funding capacity (\$1,778,637) are:

Lobby Interior Design \$50K-(Rebrand Kellogg Lobby)

Design Engineering-Wilkins Pass thru \$50K (Pathway to Wilkins improvements)

Networking \$62K (We may lease this equipment-working with City finance)

iMacs \$10K(Used for CAD drawing for event layouts)

Roof \$650K (Ongoing roofing replacements)

Dock Door \$75K (Original dock door past its useful life)

Marquee \$210K (Parts no longer available for existing sign)

Event Equipment \$50K

Ops Equipment \$50K

Security Equipment \$25K

HVAC -VAV Ballroom \$90K (Replacing outdated controls with newer technology)

Projectors \$82K (Large auditorium use projectors-used heavily-lamps/parts no longer made)

POS \$99K (Updated point of sale technology for food and beverage sales)

F&B Equipment \$275K (replacing outdated equipment)

Capital Budget

2020 Debt and Capital Building and Equipment Summary (\$2,169,000)

•Debt/Other Obligations	\$390,363
•Safety/Security	\$675,000
•Revenue Producing	\$725,000
•Expense Reduction/Efficiency	\$271,500
•Brand Enhancements	\$100,000

2020 Capital/Promotional Fund Sources Budget

RC Sources

CITY BUDGETED RC SALES TAX	\$ 1,219,000
CITY BUDGETED SALES TAX FROM TIF	\$ 1,200,000
<u>TOTAL SOURCES</u>	<u>\$ 2,419,000</u>

RC Uses

RC DEBT AND OBLIGATIONS	-\$ 390,363
CAPITAL AND EQUIPMENT EXPENSE	-\$ 1,778,637
<u>CONVENTION PROMOTIONAL FUND</u>	<u>-\$ 250,000</u>
<u>TOTAL USES</u>	<u>-\$ 2,419,000</u>

- 2020 Operating Budget is expected to have a slight positive bottom line even after compensating for the loss of a major convention.
- The RiverCentre ramp subsidizes the RC convention center operations – if not city would have to cover over \$2.9 million/year in operating losses.
- Parking ramp repairs and projects will be coordinated with the city and planned to be funded with funds reserved in the HRA Parking and Transit Fund as needs are identified.

		RiverCentre Convention & Visitors Authority						
		2020 Operating Budget						
		VS FORECAST			VS BUDGET			
RiverCentre Confidential		(a)	(b)	(c)		(d)	(e)	(f)
OPERATING			(9+3) YTD +					
RIVERCENTRE		2020 Budget	2019 Forecast	Variance		2020 Budget	2019 Budget	Variance
REVENUES								
Building Rent	1	1,793,658	1,820,092	(26,434)	1	1,793,658	1,830,668	(37,010)
Service Income	2	2,980,112	3,132,793	(152,681)	2	2,980,112	3,450,374	(470,262)
Parking Ramp	3	3,938,809	3,215,896	722,913	3	3,938,809	3,175,183	763,626
Food & Beverage (Net)	4	1,406,721	1,897,413	(490,692)	4	1,406,721	2,238,581	(831,859)
Sponsorship	5	79,728	67,157	12,571	5	79,728	78,583	1,145
Other Income	6	219,933	251,289	(31,356)	6	219,933	214,227	5,706
TOTAL REVENUE	7	10,418,961	10,384,639	34,322	7	10,418,961	10,987,617	(568,656)
EXPENSES								
Facility Operations	8	2,548,700	2,530,182	18,519	8	2,548,700	2,602,225	(53,525)
Event Operations	9	2,502,159	2,494,415	7,744	9	2,502,159	2,787,210	(285,052)
Parking Ramp Costs	10	1,006,699	987,502	19,198	10	1,006,699	982,422	24,277
Overhead	11	1,247,187	1,219,657	27,531	11	1,247,187	1,231,671	15,516
Utilities	12	1,881,556	1,834,356	47,200	12	1,881,556	1,951,774	(70,218)
Administration/SPAC Marketing-Sales	13	938,029	915,934	22,095	13	938,029	940,549	(2,520)
Management Fee	14	281,354	281,354	(0)	14	281,354	281,354	0
TOTAL EXPENSES	15	10,405,684	10,263,398	142,285	15	10,405,684	10,777,205	(371,522)
RC NET OPERATING PROFIT (LOSS)	16	13,277	121,241	(107,964)	16	13,277	210,411	(197,134)

		RiverCentre Convention & Visitors Authority						
		2020 Operating Budget						
RiverCentre Confidential		(a)	(b)	(c)		(d)	(e)	(f)
OPERATING		2020 Budget	(9+3) YTD + 2019 Forecast	Variance		2020 Budget	2019 Budget	Variance
AUTHORITY								
REVENUES								
Administration-Hotel Motel Tax from City	17	2,810,721	2,344,747	465,974	17	2,810,721	2,223,583	587,138
Membership	19	364,404	356,344	8,060	19	364,404	362,900	1,504
Tourism/Marketing	20	62,000	84,750	(22,750)	20	62,000	67,000	(5,000)
Overhead	21	10,728	13,633	(2,905)	21	10,728	8,280	2,448
Convention Services	22	-	-	0	22	-		0
TOTAL REVENUE	23	3,247,853	2,799,474	448,379	23	3,247,853	2,661,763	586,090
EXPENSES								
Administration	24	722,185	712,497	9,688	24	722,185	741,573	(19,388)
Convention Sales	25	946,925	726,664	220,261	25	946,925	768,643	178,282
Membership	26	522,673	479,755	42,918	26	522,673	420,780	101,893
Tourism/Marketing	27	898,212	650,516	247,696	27	898,212	594,281	303,931
Overhead	28	68,940	74,477	(5,537)	28	68,940	50,976	17,964
Convention Services	29	88,918	78,332	10,586	29	88,918	85,510	3,408
TOTAL EXPENSES	30	3,247,853	2,722,241	525,612	30	3,247,853	2,661,763	586,090
AUTHORITY NET PROFIT (LOSS)	31	-	77,233	(77,233)	31	-	0	0
COMBINED NET INCOME FROM OP (LOSS)	32	13,277	198,474	(185,197)	32	13,277	210,411	(197,134)
RCVA Amortization/Depreciation	33	24,840	41,414	(16,574)	33	24,840	38,016	(13,176)
Net Income (Loss) after Depreciation	34	(11,563)	157,060	(168,623)	34	(11,563)	172,396	(183,959)
FOUNDATION								
REVENUES	34	5,000	302,806	(297,806)	34	5,000	277,000	(272,000)
EXPENSES	36	-	305,510	(305,510)	36	-	277,000	(277,000)

		RiverCentre Convention & Visitors Authority						
		2020 Capital Budget						
		VS FORECAST			VS BUDGET			
RiverCentre Confidential		(a)	(b)	(c)	(d)	(e)	(f)	
			(9+3) YTD +					
		2020 Budget	2019 Forecast	Variance	2020 Budget	2019 Budget	Variance	
NON OPERATING								
CAPITAL and EQUIPMENT BUDGET								
CITY BUDGETED RC SALES TAX	37	1,219,000	1,300,000	(81,000)	37	1,219,000	1,300,000	(81,000)
CITY BUDGETED SALES TAX FROM TIF	38	1,200,000	1,229,838	(29,838)	38	1,200,000	1,100,000	100,000
CITY BUDGETED RC BOND PROCEEDS	39	-	0	-	39	-	-	-
CITY ALLOCATION FROM TRANSIT FUND	40	-	500,000	(500,000)	40	-	500,000	(500,000)
TOTAL AVAILABLE	41	2,419,000	3,029,838	(610,838)	41	2,419,000	2,900,000	(481,000)
RC DEBT AND OBLIGATIONS	42	(390,363)	(1,003,469)	613,106	42	(390,363)	(1,003,495)	613,132
CAPITAL AND EQUIPMENT EXPENSE	43	(1,778,637)	(1,600,000)	(178,637)	43	(1,778,637)	(1,600,000)	(178,637)
CONVENTION PROMOTIONAL FUND	44	(250,000)	(500,000)	250,000	44	(250,000)	(500,000)	250,000
TOTAL EXPENDITURES	45	(2,419,000)	(3,103,469)	684,469	45	(2,419,000)	(3,103,495)	684,495
REMAINING OR (FROM RESERVES) CONTINGENCY*	46	(0)	(73,631)	73,631	46	(0)	(203,495)	203,495