

CITY OF MINNEAPOLIS

Minneapolis Convention Center

2016 Mayor recommended budget

October 30, 2015

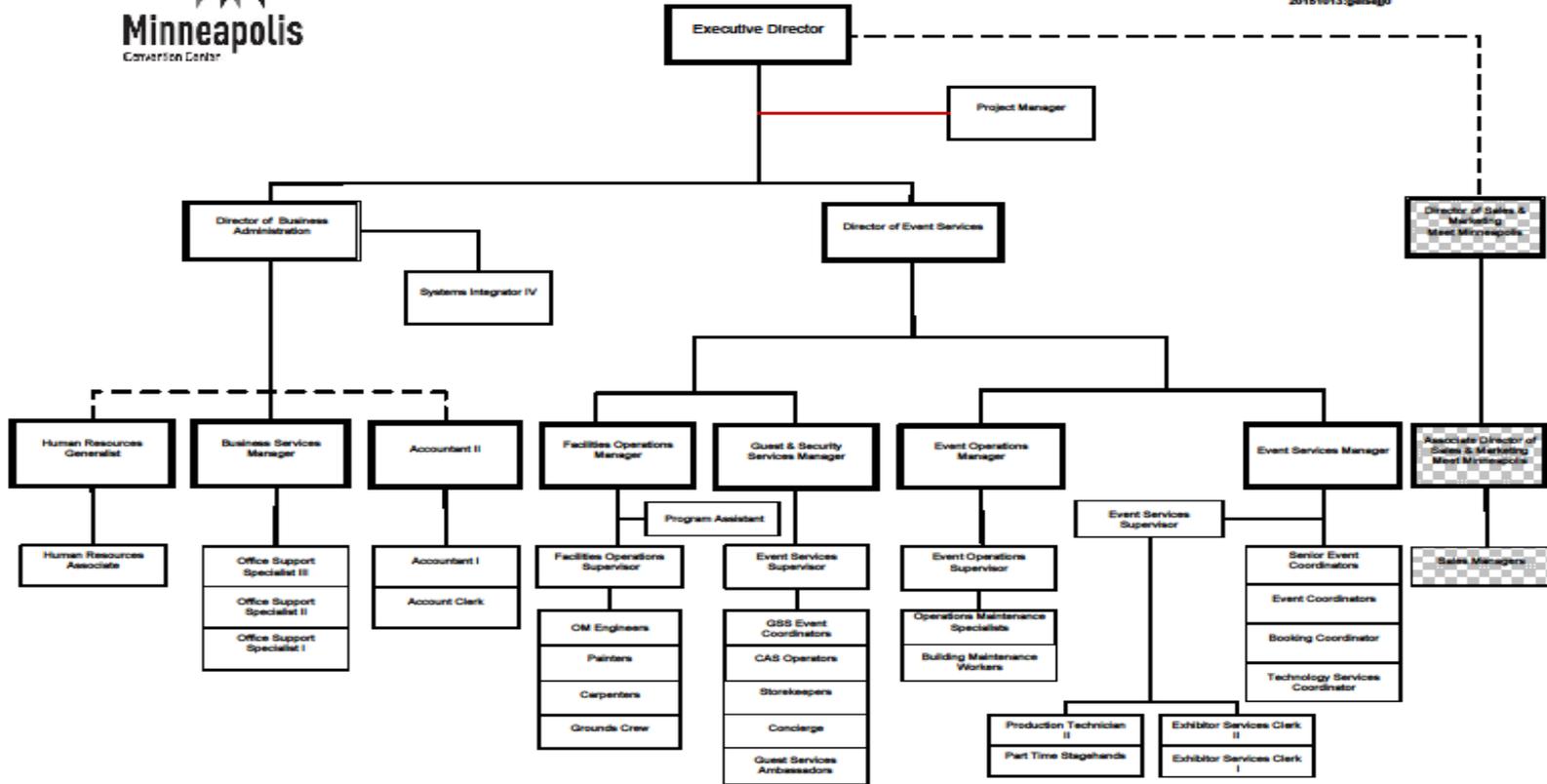
Budget Book Pages F66 – F74

Department Organizational Chart



Minneapolis Convention Center Organization Chart

October 13, 2015
20151013:gs14g0



Denotes Meet Minneapolis Personnel



Budget Summary

Program name	2015 adopted		2016 Recommended funding		Enhancements (new dollars)		FTEs	
	General fund	Non-general fund	General fund	Non-general fund	General fund	Non-general fund	Current	New
Facilities Program	0	\$21,456,149	0	\$22,282,386			30.8	
Tallmadge Program	0	\$200,000	0	\$175,000			0	
Target Center Program	0	\$6,764,844	0	\$8,153,797			1.2	
Events Program	0	\$24,206,834	0	\$23,499,898		\$175,000	141.3	
Meet Minneapolis (Sister City)						\$50,000	0	
Total		\$52,627,827		\$54,111,080		\$225,000	173.3	

Core Programs



Facilities Program

2015 Adopted Budget		2016 Recommended Funding		FTEs	Funding
General Fund	Non-General Fund	General Fund	Non-General Fund	Current	One-Time (Yes/No)
	\$21,456,149		\$22,282,386	30.8	No

Goals					
Living Well	One Minneapolis	A Hub of Innovation and Activity	Great Places	A City that Works	
	X	X	X	X	
Values					
Equity	Safety	Health	Vitality	Connectedness	Growth
	X		X		

Facilities Program

Purpose and Context

The Convention Center Facility Program provides the physical building and grounds of the Convention Center as well as the staff to maintain this City asset. The Events Program utilizes the facility to sell space and host events.

The Facilities Program includes repair and maintenance expenditures.

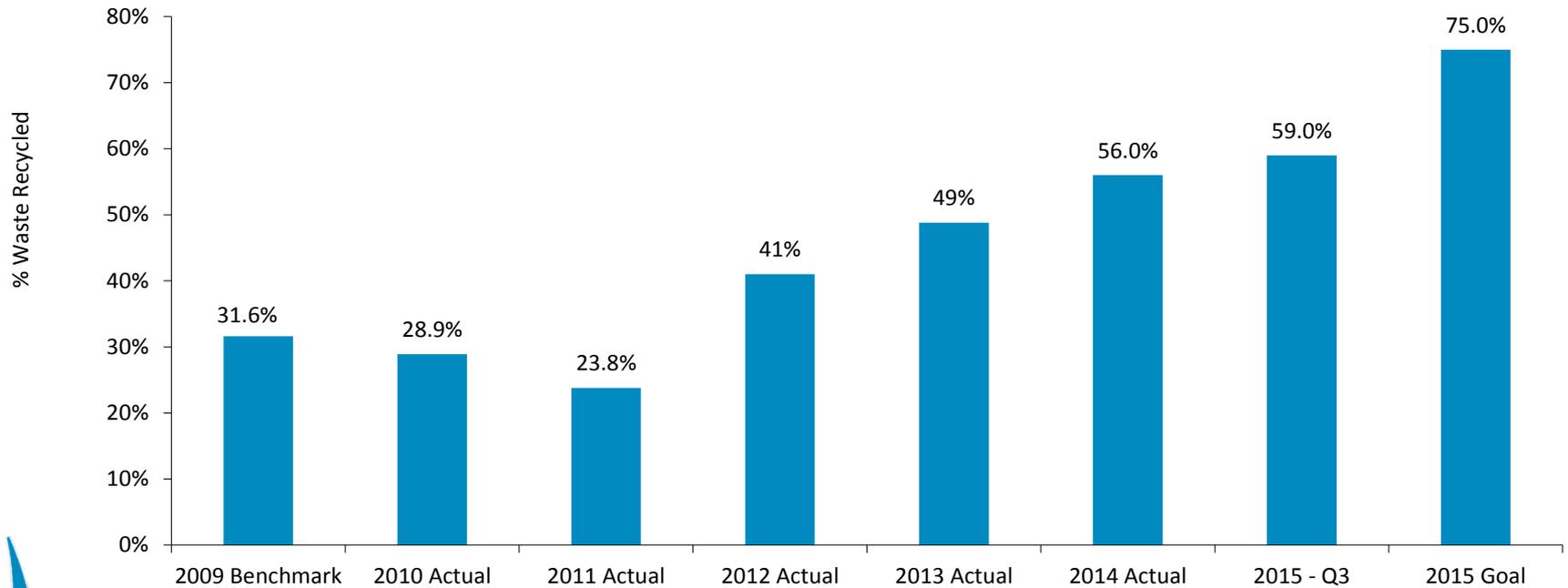
- Funded from Hospitality Taxes
- \$10.6 million in Procurement
- Living Wage Jobs

Services Provided

The facilities program provides repair and maintenance services for the facility including snow removal, grounds, utilities, and all City charges.

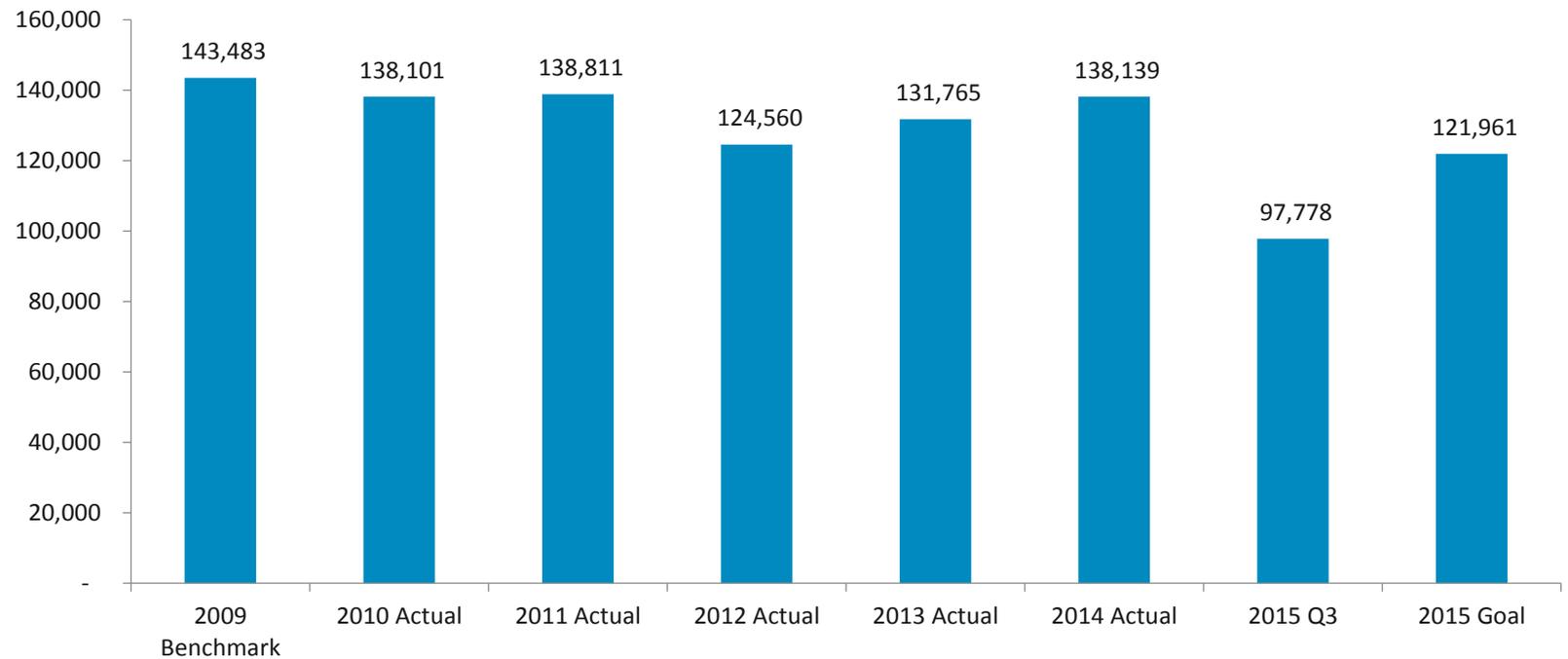
Facilities Program

Recycling Percentage



Facilities Program

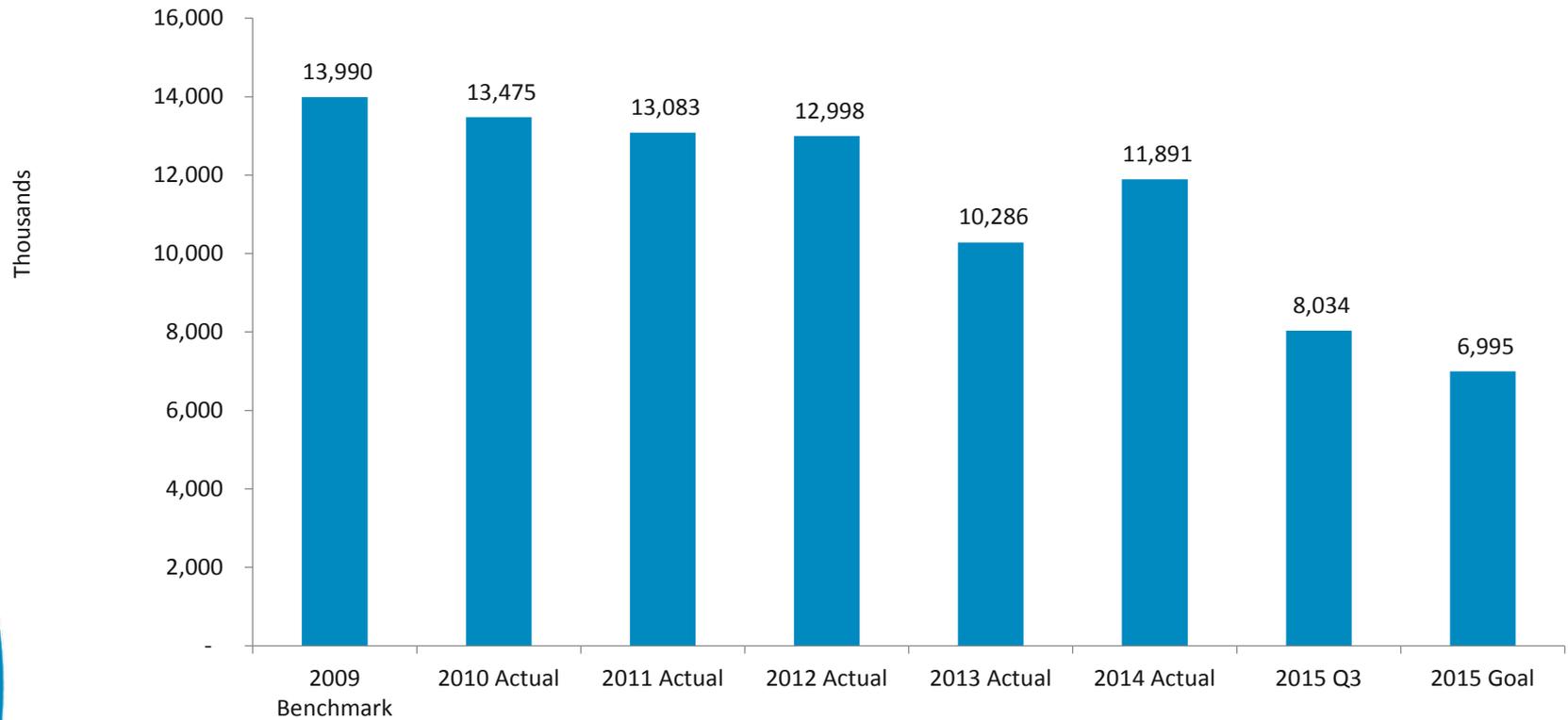
Total Energy* Use kBTU (in thousands)



* Total energy includes electricity, natural gas, cooling and heating.

Facilities Program

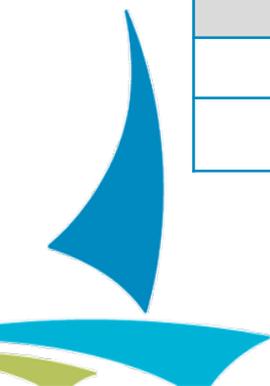
Gallons of Water Used
(in thousands)



Tallmadge Program

2015 Adopted Budget		2016 Recommended Funding		FTEs	Funding
General Fund	Non-General Fund	General Fund	Non-General Fund	Current	One-Time (Yes/No)
	\$200,000		\$175,000	0	No

Goals					
Living Well	One Minneapolis	A Hub of Innovation and Activity	Great Places	A City that Works	
		X			X
Values					
Equity	Safety	Health	Vitality	Connectedness	Growth
			X		X



Tallmadge Program

Purpose and Context

The Tallmadge Building is currently operated as an office building that is leased to local businesses.

Long-term competitive strategy

In 2016, the future of the Tallmadge Building and Convention Center plaza will be evaluated and decided upon.

Operating Revenues = **\$114,000**

Significant improvements are needed to Tallmadge
City SUBP/WMBE goals would be targeted in this process.

Target Center Program

2015 Adopted Budget		2016 Recommended Funding		FTEs	Funding
General Fund	Non-General Fund	General Fund	Non-General Fund	Current	One-Time (Yes/No)
0	\$6,764,844	0	\$8,153,796	1.2	No

Goals					
Living Well	One Minneapolis	A Hub of Innovation and Activity	Great Places	A City that Works	
		X		X	
Values					
Equity	Safety	Health	Vitality	Connectedness	Growth
			X		X

Target Center Program

Purpose and Context

The Target Center program provides an operating subsidy and capital funds for this City-owned facility through a contractual agreement with its operator, AEG.

Revenues generated = **\$2.7 million** from taxes and rents

The Target Center program provides living wage jobs through their event activities as well as those of contractors.

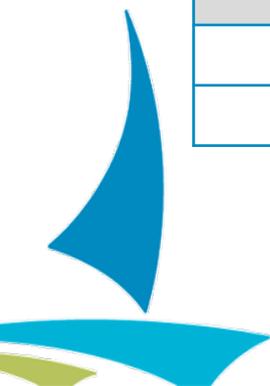
Provides an estimated \$100 million in economic impact as well as cultural and arts activities to the Minneapolis community.



Events Program

2015 Adopted Budget		2016 Recommended Funding		FTEs	Funding
General Fund	Non-General Fund	General Fund	Non-General Fund	Current	One-Time (Yes/No)
	\$24,206,834		\$23,499,898	141.3	No

Goals					
Living Well	One Minneapolis	A Hub of Innovation and Activity	Great Places	A City that Works	
	X	X	X	X	
Values					
Equity	Safety	Health	Vitality	Connectedness	Growth
X	X		X		X



Events Program

Purpose and Context

A POWERFUL ECONOMIC ENGINE: Minneapolis Convention Center events **drive economic activity** to the City. These clients and visitors purchase goods and services from the convention center as well as local restaurants, hotels, retail establishments, recreational, and arts & cultural businesses contributing to a vibrant downtown and providing living wage jobs.

Events drive economic impact and contribute to City growth through

- Hospitality Jobs Sustained = **6,311***
- Hospitality Taxes Directly Attributable to MCC Activities Generated = **\$14,992,236***
- Economic Impact = **\$292 million***

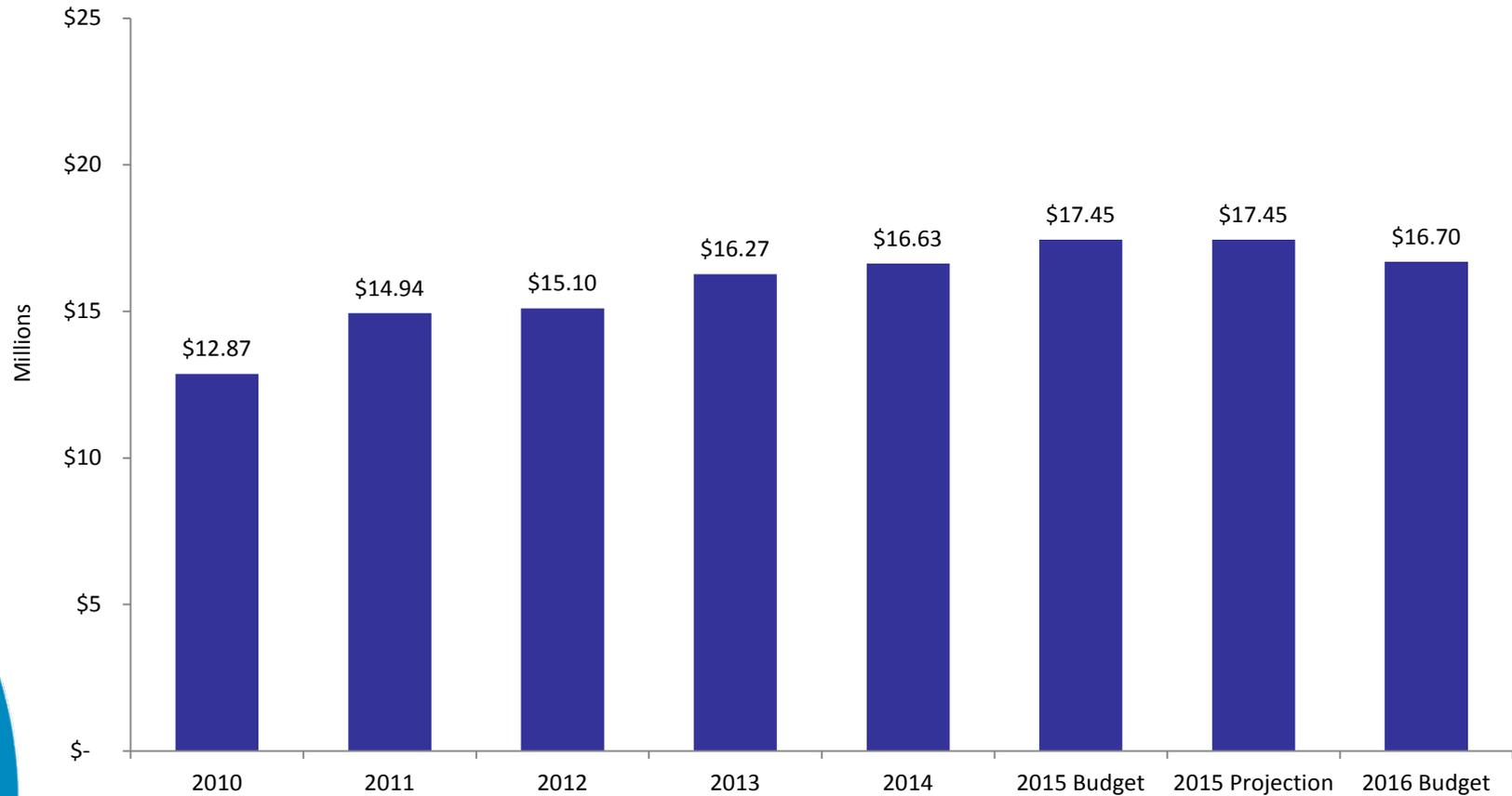
Services Provided

The Minneapolis Convention Center Events Program sells space, coordinates event services, delivers audio visual, utility, security and guest services for our clients.

- Includes the City's contract with Meet Minneapolis
- Operating Revenues Generated = **\$16,697,000***
- Subsidy Funded from Hospitality Tax Collections

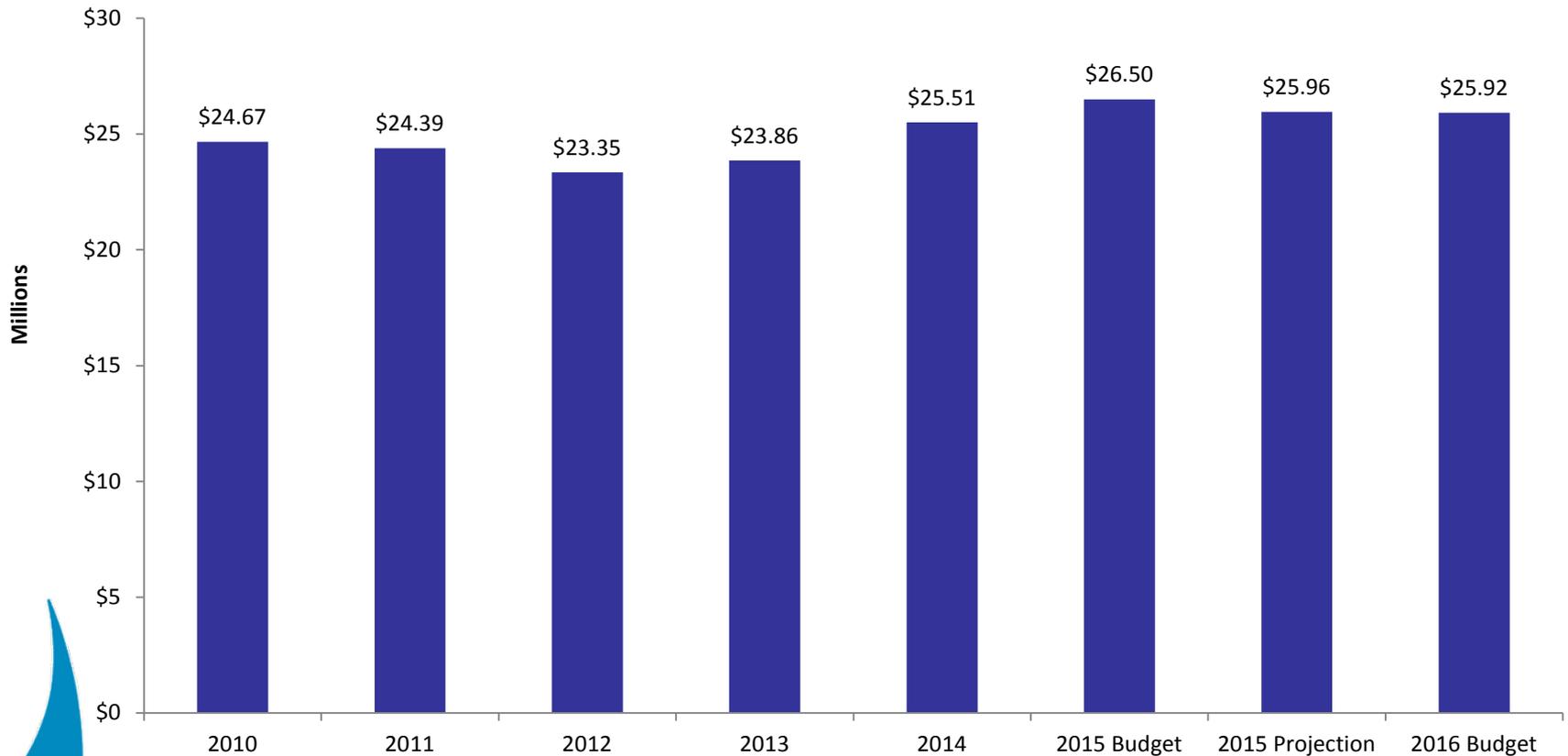
All Convention Center Programs

Total Operating Revenue (in millions)



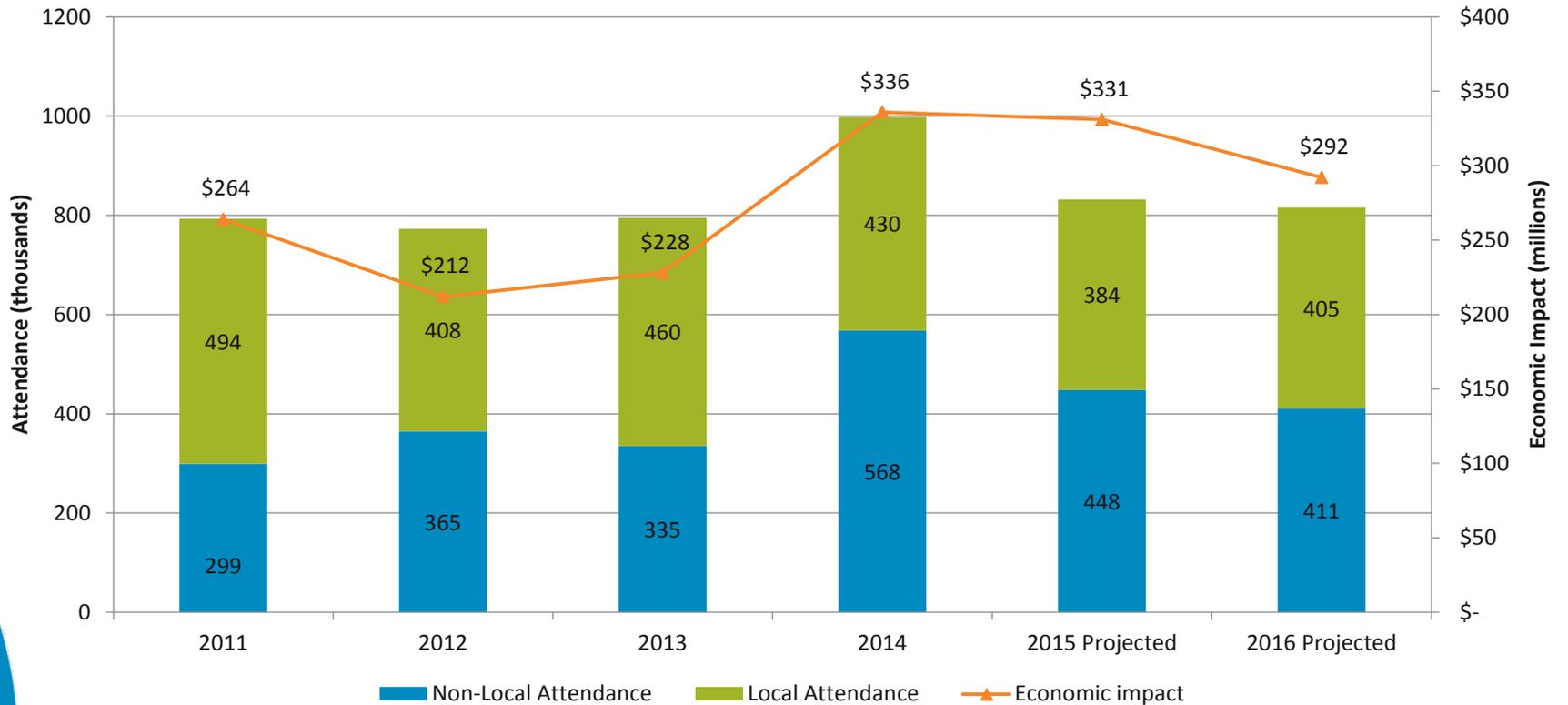
All Convention Center Programs

Operating Expenses (in millions)



Events Program

Attendance and Economic Impact



Events Program – Meet Minneapolis

Purpose and Context

The Events Program includes Sales & Marketing for the Minneapolis Convention Center as well as Convention and Tourism Services for the City of Minneapolis through our contract with Meet Minneapolis:

- Base funding = \$9,180,000
- Incentive Funding = up to \$500,000 based on Key Performance Indicator goals
- Enhancement Requests
 - Tourism Master Plan = \$175,000
 - Sister City Program = \$50,000

➤ **Key Performance Indicators - 2016 Goals:**

- Convention Center Revenue
- Destination Sales - Group Room Nights
- Leisure Room Nights
- Private Revenue

Services Provided

2016 Key Initiatives:

- Need Period Initiatives
- MVI – Minneapolis Visitor Information on Nicollet
- Minneapolis PR Program
- Collaborate on 2023 World Expo Bid

Events Program – Meet Minneapolis

Services Provided

- **Need Period Initiatives** – Focus on driving hotel occupancy in Q1 and promoting winter. The MCC occupancy is high at this time. Initiatives will be primarily be targeted at tourists and events that do not require the MCC.
- **MVI** – Soft opening on 10/10/15. Grand opening Mid-December. Home to the Meet Minneapolis Social Media Command Center the online visitor concierge. Weekly in-store events and promotions to drive traffic. Educating visitors, partnering with a retail vendor and Move Minneapolis.
- **PR** – Develop a 2 year PR program with messaging re: major infrastructure changes to Minneapolis involvement will include various stakeholders including city, board, media and PR community leaders. Primary audiences: Meeting and Event Planners – Visitors and Residents.
- **World Expo** – Collaborate with Expo LOC to assess financial risk, bid content needs, hotel and other hospitality needs in Minneapolis. Support ongoing communications and PR.

Minneapolis Visitor Information

- St. Croix Retail – Shop Minneapolis
- TMO – Move Minneapolis
- Social Media Command Center



Minneapolis
Visitor Information

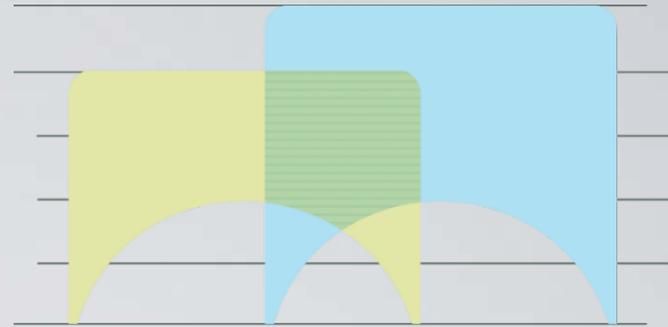


SHOP MOVE FIND
MINNEAPOLIS INSPIRED ARTISTIC RETAIL

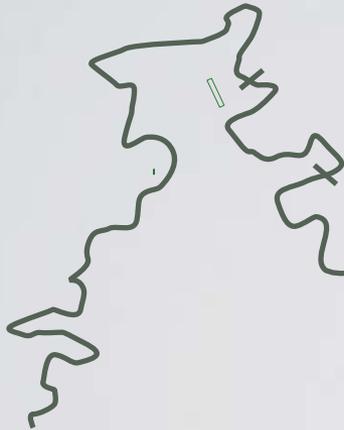
Events Program – Meet Minneapolis Key Performance Indicators Tracking



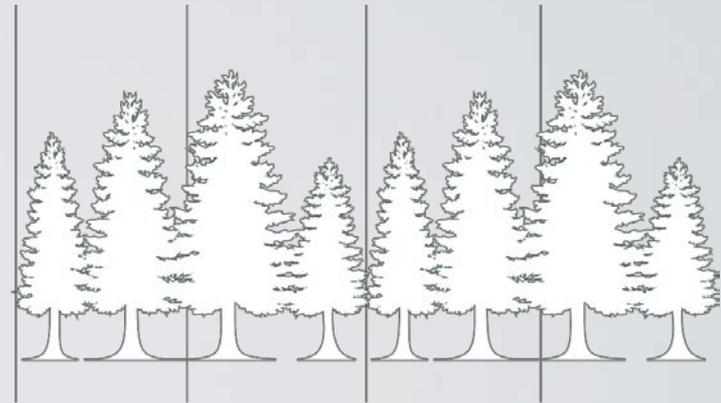
GROUP ROOM NIGHTS



MCC REVENUE



LEISURE ROOM NIGHTS



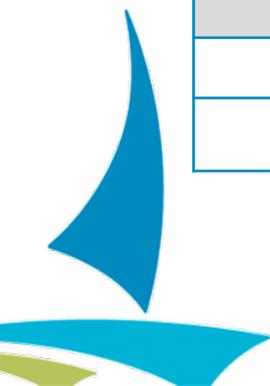
PRIVATE REVENUE



Events Program – Enhancement Tourism Meet Minneapolis

2015 Adopted Budget		2016 Enhancement #1		FTEs	Funding
General Fund	Non-General Fund	General Fund	Non-General Fund	Current	One-Time (Yes/No)
0	0	0	\$175,000		Yes

Goals					
Living Well	One Minneapolis	A Hub of Innovation and Activity	Great Places	A City that Works	
		X	X	X	
Values					
Equity	Safety	Health	Vitality	Connectedness	Growth
X			X		X



Events Program – Enhancement Tourism Meet Minneapolis

Purpose and Context

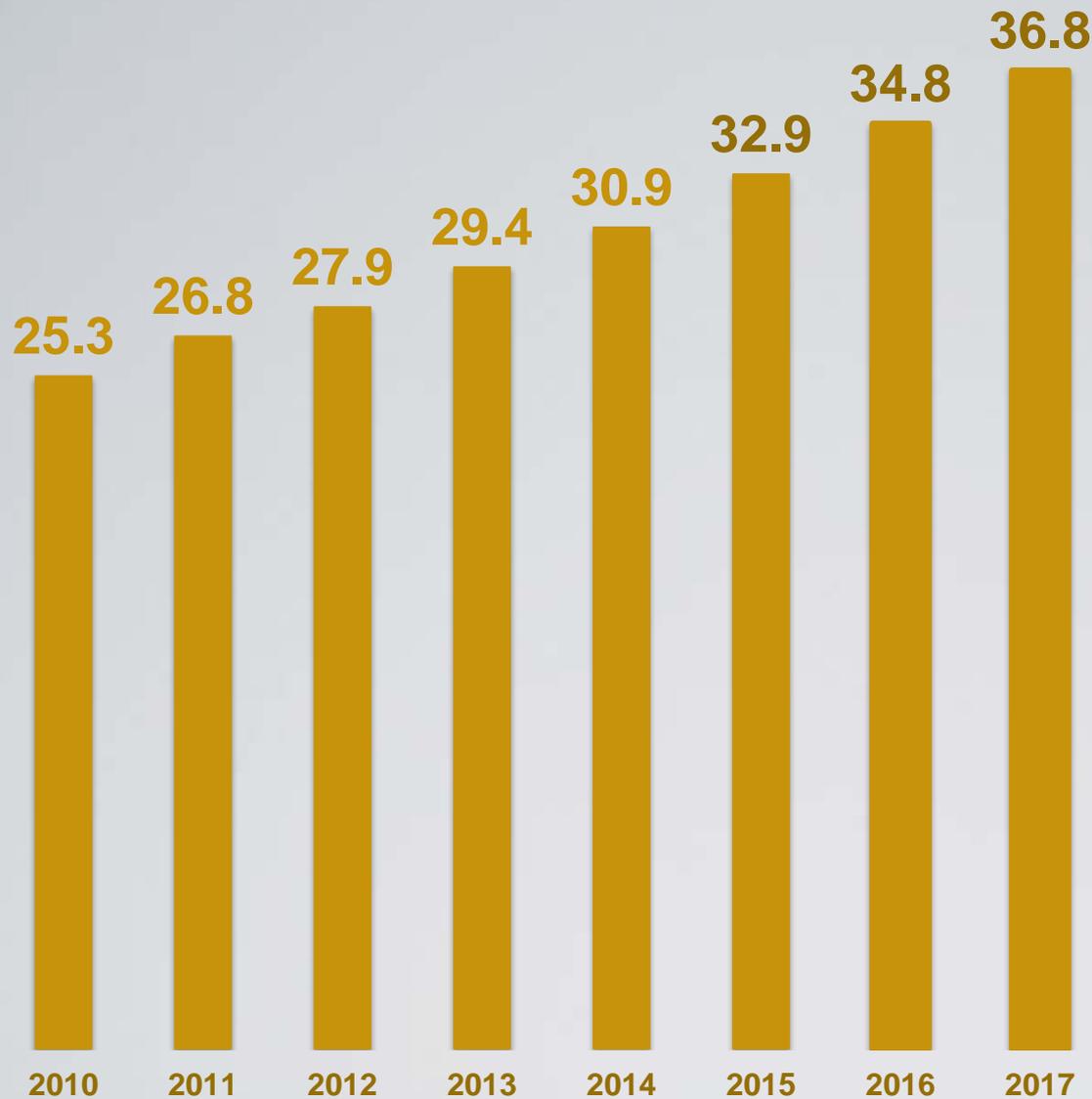
The Events Program Enhancement for Tourism provides funding for Meet Minneapolis 2016 key initiative:

- **Tourism Master Plan (TMP)**

Services Provided

- TMP - A long-term (10 – 20 years) development plan which provides an organized and structured framework for tourism development and promotion within a clearly defined geography such as a city, with focus on *Accommodations, Transportation, Tourist Activities, and Product Development*. A tourism master plan unifies these disparate industries by developing a singular vision to improve all, as well as the city infrastructure, for the benefit of tourists and residents.

MINNEAPOLIS ST. PAUL DOMESTIC VISITORS (MILLIONS)



TOURISM PRODUCES ECONOMIC IMPACT

VISITOR SPENDING

Billions of Dollars

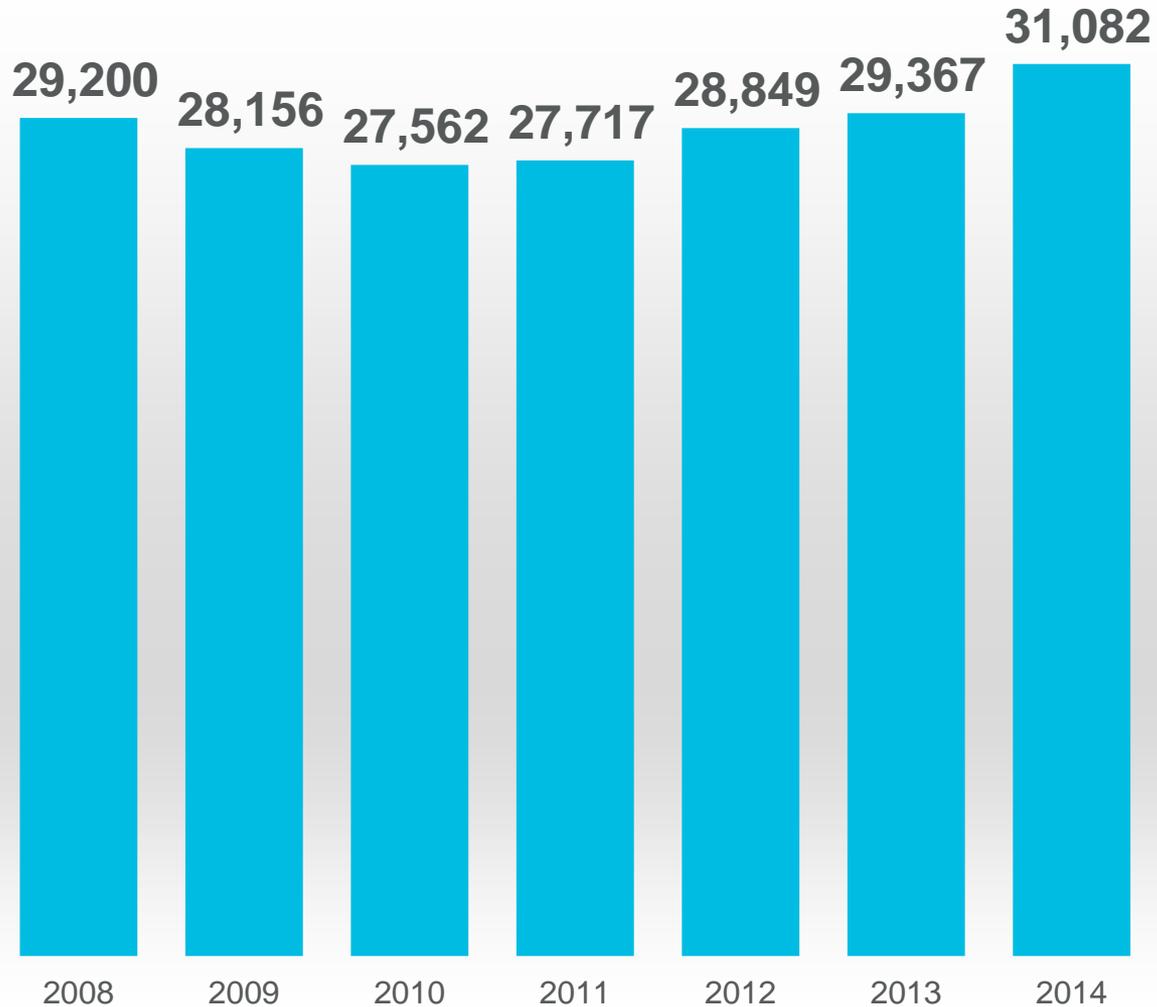


Minneapolis
City by Nature

Meet Minneapolis
Convention & Visitors Association

Source: D.K. Shifflet & Associates, Ltd.
Minneapolis-St. Paul Metropolitan Area

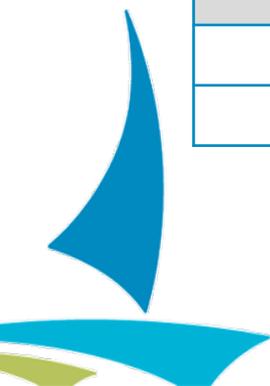
LEISURE AND HOSPITALITY JOBS IN MINNEAPOLIS



Sister City Enhancement Request

2015 Adopted Budget		2016 Enhancement #2		FTEs	Funding
General Fund	Non-General Fund	General Fund	Non-General Fund	Current	One-Time (Yes/No)
0	0	0	\$50,000	0	Yes

Goals					
Living Well	One Minneapolis	A Hub of Innovation and Activity	Great Places	A City that Works	
	X		X		
Values					
Equity	Safety	Health	Vitality	Connectedness	Growth
			X	X	



Sister City Enhancement Request

Purpose and Context

The Sister City Enhancement Request will provide the initial funding for Minneapolis to participate in the Foire de Tours at the invitation of our sister city of Tours, France. Minneapolis has been invited to be the featured destination during this annual trade fair in May 2017 attracting approximately 300,000 visitors.

Services Provided

This funding will allow for Meet Minneapolis to:

- Secure additional partners for the event
- Develop a detailed business plan for Minneapolis to participate in this event
- Develop a tourism sales and promotional plan with local tourism partners and airlines

CITY OF MINNEAPOLIS

Questions?

THANK YOU

