

MINNEAPOLIS CONVENTION CENTER

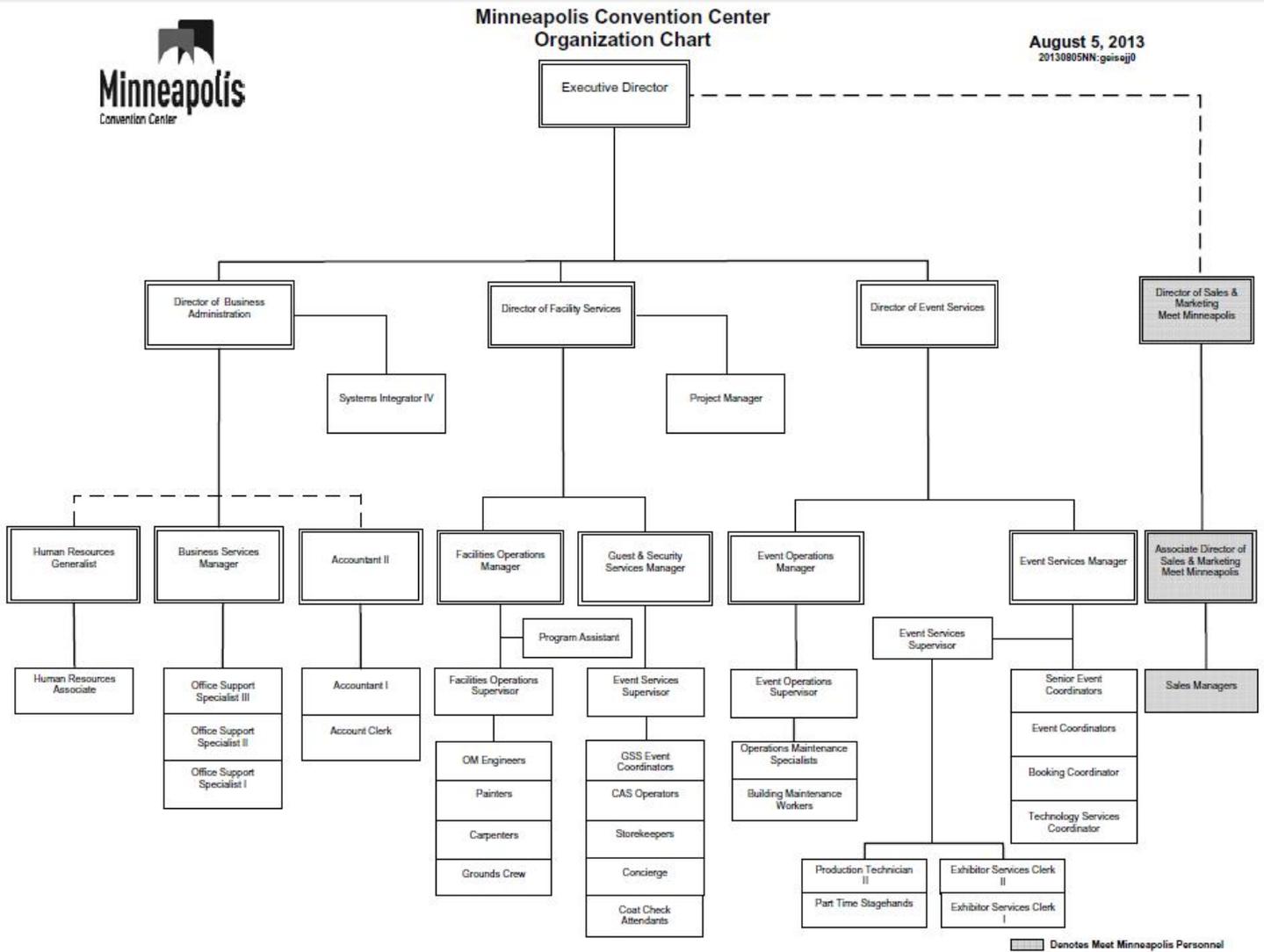
MISSION

The Minneapolis Convention Center will be the best Convention Center by providing an exceptional facility, outstanding internal and external customer service, and responsible use of our resources.

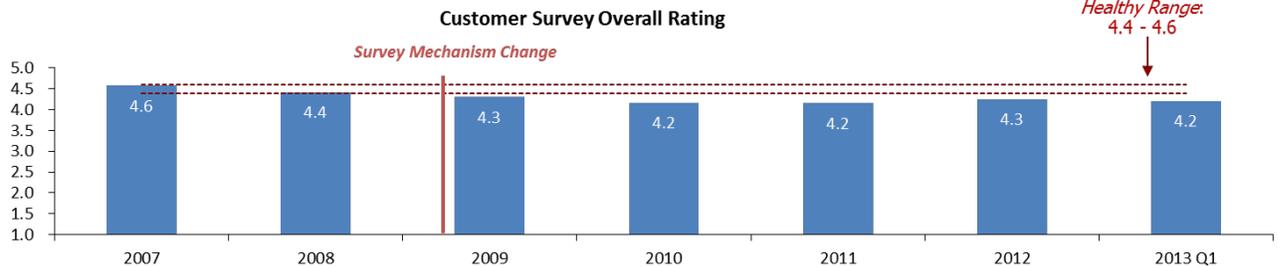
BUSINESS LINES

- ◆ **Event Services** is responsible for providing an exceptional product through the coordination of both in-house departments and contracted services for these major event activities: Event Services, Event Operations, Custodial Operations and Technology Services. These business units work to address the areas of production, set-up, event coordination, and other client needs.
- ◆ **Facility Services** ensures that sufficient building, safety, and capital resources are available to maintain a world-class facility for our customers. Proper maintenance, contract management, and capital planning are keys to maintaining a world-class facility. Facility Services coordinates the areas of safety and security, guest services, parking and marshaling operations, building and grounds maintenance, and capital project planning and management.
- ◆ **Sales and Marketing Services** provides the first point of contact for all business. This group is responsible for providing information about the facility, identifying and attracting events, maintaining relationships, and gathering data on how the MCC serves customers. The majority of these services are provided through our partnership with Meet Minneapolis, in coordination with the Convention Center's Executive Management Team.
- ◆ **Business and Employee Services** addresses the need for depth and sophistication of the business reporting requirements for our Executive Management Team and stakeholders, as well as responds to employee relations and employee development needs. We recognize that the labor force at the Convention Center must be fully developed, fully utilized, and fully recognized in order to move us to the next level of superior customer service.

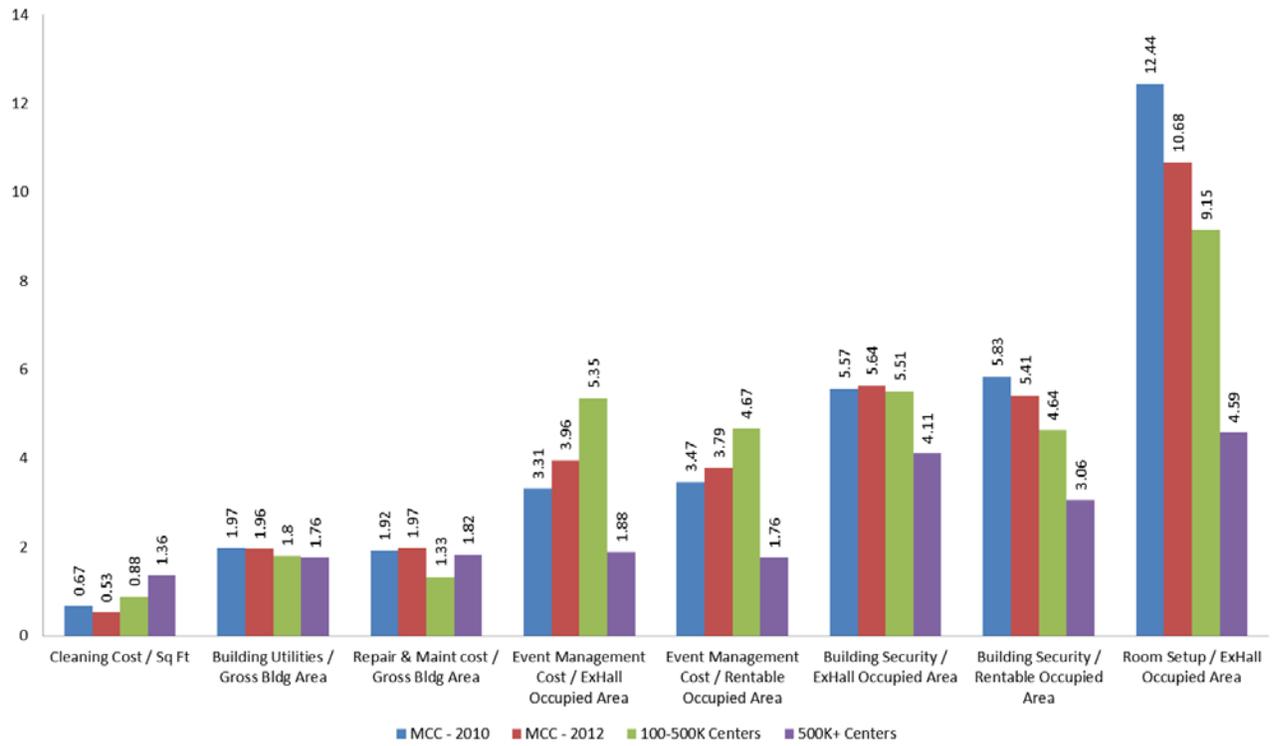
ORGANIZATION CHART



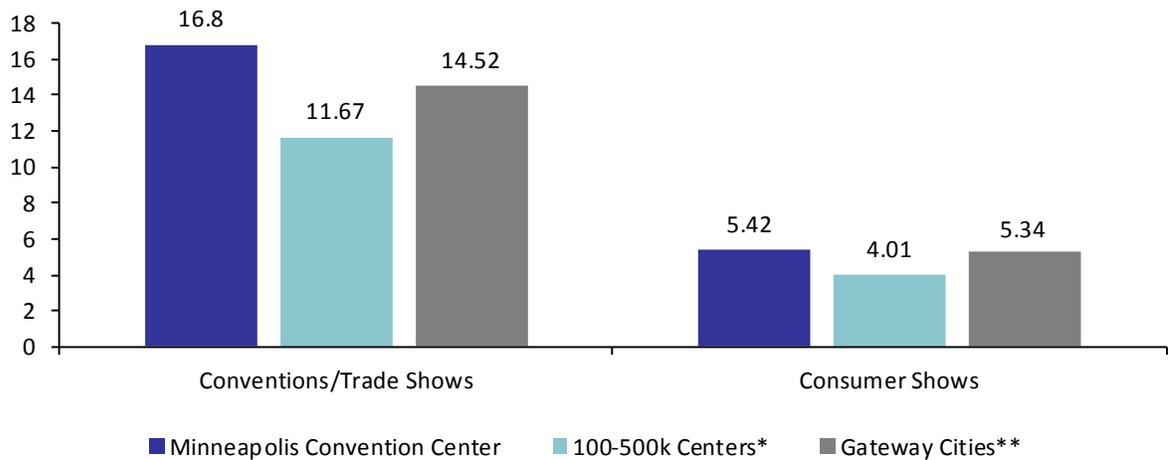
SELECTED RESULTS MINNEAPOLIS MEASURES



Operating Costs



Per Attendee Rental Revenue Comparison (2011)

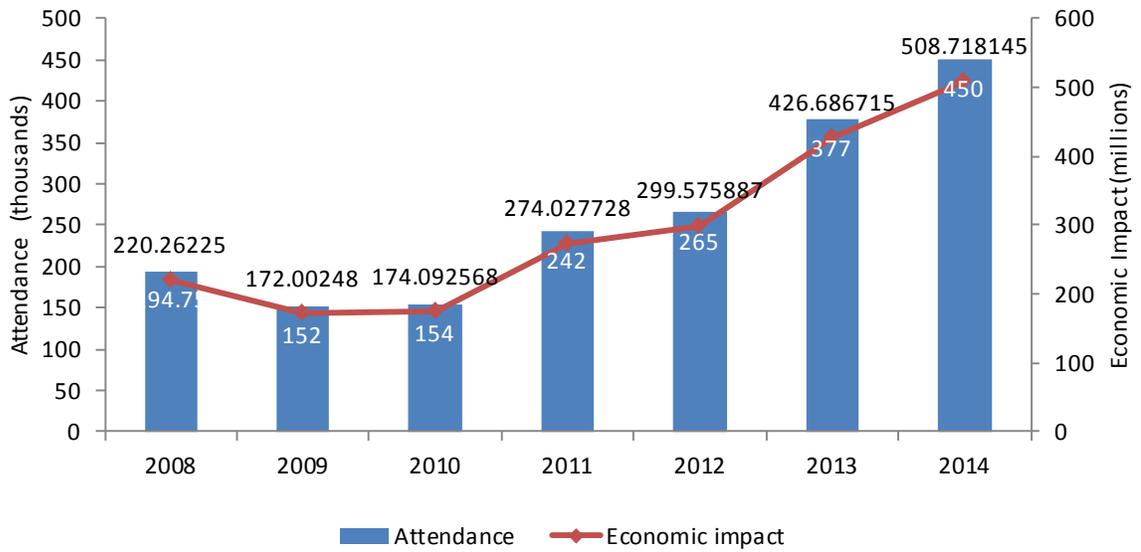


Source: PriceWaterhouseCooper 2012 Convention Center Report

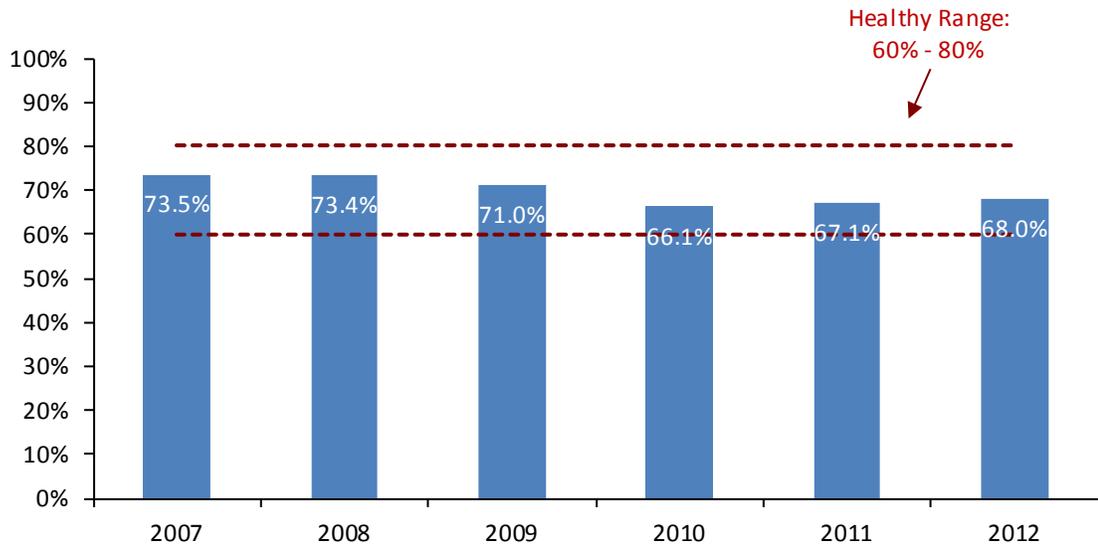
* Centers with 100,000 to 500,000 of sq. ft. of exhibit space

** Metropolitan areas with at least 30,000 hotel rooms

Non-local Attendance and Economic Impact



MCC Repeat Customers



Jobs & Economic Vitality

Minneapolis Convention Center Events Program

Other Fund: \$23,083,157

The Convention Center Events Program provides sales, event coordination, delivery of audio visual, utility, security and guest services to international, national, regional, state and local clients and their attendees. This program also includes the City's contract with Meet Minneapolis, which provides sales services for the convention center as well as destination marketing for the City of Minneapolis.

Convention Center events drive economic impact to the City as these clients and attendees purchase goods and services from the convention center as well as local businesses contributing to a vibrant downtown. Meet Minneapolis also pursues leisure travelers and sponsorship opportunities.

Minneapolis Convention Center Facilities

Other Fund: \$20,876,169

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 and host events. The Facilities Program includes capital expenditures.

Minneapolis Convention Center Tallmadge Building

Other Fund: \$200,000

The Convention Center Tallmadge Building is currently operated as an office building that is leased to local businesses. Within the next several years, as lease contracts expire, the Convention Center will implement our long-term competitive strategy to repurpose this building into a visitor center and restaurant to provide amenities and access to cultural and recreational activities to visitors. This will assist in attracting national business and economic impact to our City.

Target Center

Other Fund: \$6,931,832

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

Events and Community Engagement

Other Fund: \$400,000

This program will enhance the City's community engagement by allowing the City to partner with organizations in facilitating events.

FINANCIAL ANALYSIS

Expenditure

The department's budget for 2014 is \$51.5 million, representing a 6.3% increase over the year 2013. This increase is primarily attributable to new funding for capital maintenance requests as well as events and community engagement programming.

Revenue

The revenue recognized in the Convention Center at the organizational level drops significantly from 2013 to 2014 because the local-option sales taxes are no longer recognized as revenue in the Convention Center Fund, but rather in the General Fund. This change was made to comply with State law changes regarding Minneapolis local taxes and City contributions to funding a portion of the Minnesota People's Stadium to be used by the Minnesota Vikings. A portion (\$46.6 million) of the local tax revenue will be transferred from the General Fund to the Convention Center Fund in 2014, which is explained in the Convention Center Fund Financial Plan in the Financial Plans portion of this document. Transfers completed at the fund level are not tied to a specific department in the City's budget, which results in the large drop in revenues shown within this department.

Fund Allocation

This department is completely funded from the Convention Center Special Revenue Fund, though the Convention Center Fund will receive the aforementioned transfer from the General Fund.

Mayor's Recommended Budget

The Mayor recommended increasing the transfer from the General Fund to the Convention Center Fund by \$400,000 (\$100,000 in ongoing funding, \$300,000 in one-time funding) to use for events and community engagement programming such as the Secret City Festival.

Council Adopted Budget

The Council approved the Mayor's recommendations and amended the budget to increase the Convention Center's appropriation by \$250,000 to be allocated for Meet Minneapolis on a one-time basis. The funding for this appropriation increase is to come from prior years' local tax revenue currently in the Convention Center's fund balance. The Council further directed staff to request a quarterly report from Meet Minneapolis detailing the expenses and resulting benefits associated with the one-time \$250,000 allocation and present this report to the City Coordinator on a quarterly basis, with a further request to present this report to the Ways and Means/Budget Committee on a semiannual basis.

**CONVENTION CENTER
EXPENSE AND REVENUE INFORMATION**

EXPENSE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
SALARIES AND WAGES	9,389,459	8,670,074	9,417,127	9,442,105	0.3%	24,979
FRINGE BENEFITS	3,469,041	3,318,568	4,253,453	4,161,173	-2.2%	(92,280)
CONTRACTUAL SERVICES	19,445,533	19,769,760	20,458,213	22,122,001	8.1%	1,663,788
OPERATING COSTS	1,319,460	1,225,580	1,396,883	1,416,915	1.4%	20,032
CAPITAL	2,923,704	6,991,884	12,925,839	14,348,964	11.0%	1,423,125
TOTAL SPECIAL REVENUE	36,547,198	39,975,866	48,451,514	51,491,158	6.3%	3,039,644

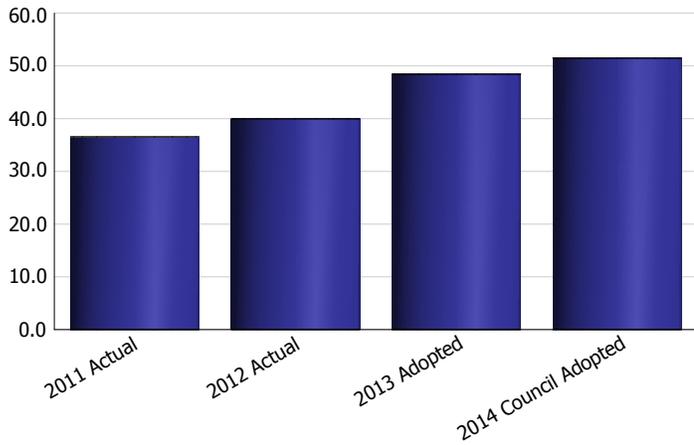
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REVENUE	2011 Actual	2012 Actual	2013 Adopted	2014 Council Adopted	Percent Change	Change
SPECIAL REVENUE						
CHARGES FOR SALES	35,731	552,337	0		0.0%	0
CHARGES FOR SERVICES	5,311,598	5,405,038	5,339,000	5,720,000	7.1%	381,000
CONTRIBUTIONS	250,000	0	0		0.0%	0
INTEREST	359,760	314,359	265,132	214,631	-19.0%	(50,501)
LONG TERM LIABILITIES PROCEEDS	0	0	0	250,000	0.0%	250,000
OTHER MISC REVENUES	2,758,318	2,702,235	3,044,000	3,300,000	8.4%	256,000
RENTS	6,580,122	7,005,147	6,400,000	6,980,000	9.1%	580,000
SALES AND OTHER TAXES	65,929,924	56,349,332	57,300,000	1,275,000	-97.8%	(56,025,000)
TRANSFERS IN	1,389,759	1,987,650	0		0.0%	0
SPECIAL REVENUE	82,615,212	74,316,097	72,348,132	17,739,631	-75.5%	(54,608,501)

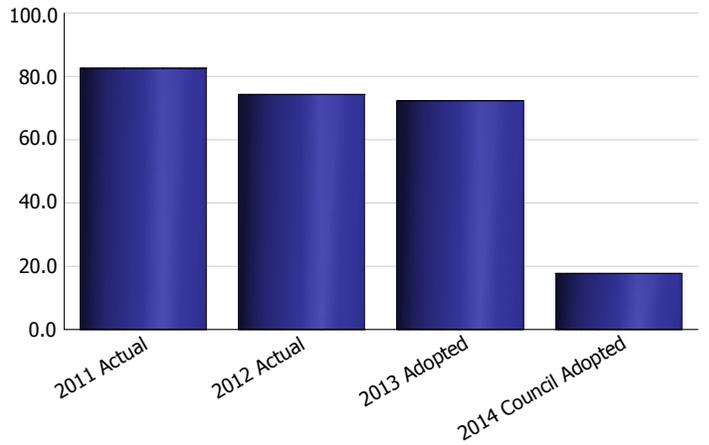
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CONVENTION CENTER EXPENSE AND REVENUE INFORMATION

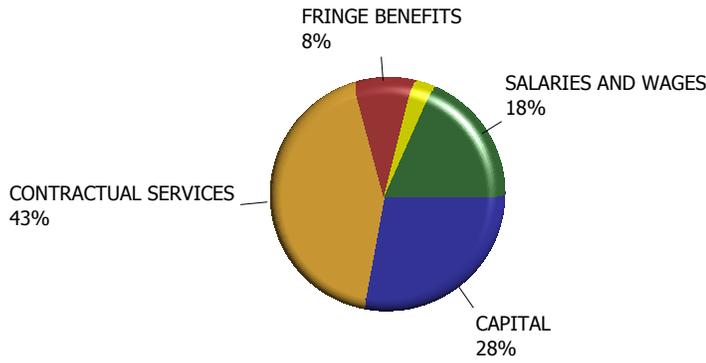
Expense 2011 - 2014
In Millions



Revenue 2011 - 2014
In Millions



Expense by Category



CONVENTION CENTER

Staffing Information

Division	2011 Budget	2012 Budget	2013 Budget	2014 Council Adopted	% Change	Change
CONVENTION CENTER	0.00					0
CONVENTION CENTER OPERATIONS	193.00	194.10	177.10	177.10	0.0%	0
Overall	193.00	194.10	177.10	177.10	0.00	0

Positions 2011-2014

