

PALM BEACH COUNTY
Convention Center Operations

FY 2015 Budget

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PALM BEACH COUNTY CONVENTION CENTER

MISSION STATEMENT:

The mission of the Palm Beach County Convention Center is to work harmoniously with Discover Palm Beach County and its affiliated agencies to attract regional, national and international tradeshows, conventions and meetings to the facility that will create a profound economic impact on the surrounding community. Our staff is dedicated to exceeding the expectations of our clients by offering state-of-the-art accommodations, detail-oriented sales and events teams, expertly trained service staff and an award-winning culinary department.

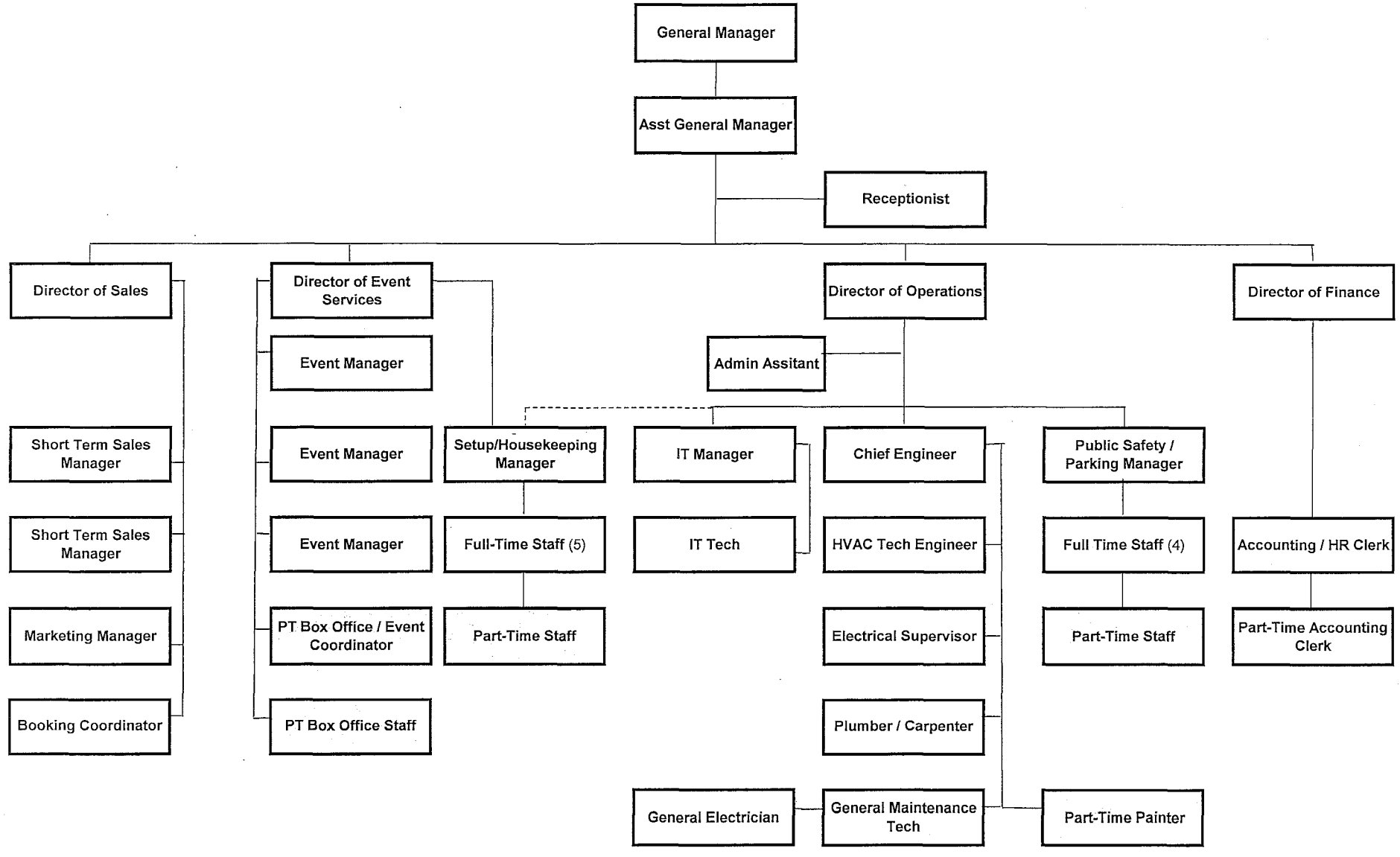
The Convention Center opened on January 1, 2004. The 350,000 square foot facility includes 100,000 square feet of exhibit space, 22,000 square feet of ballroom space and 21,000 square feet of meeting space. The building is owned by Palm Beach County and financed with revenue bonds. The Convention Center is located at 650 Okeechobee Boulevard, West Palm Beach, Florida.

Palm Beach County contracted Global Spectrum as the management and operational team for the building as well as, Ovations Food Services to handle all food and beverage operations. Global Spectrum employs approximately 35 full time employees and Ovations Food Services employs approximately 10 full time employees.

Global Spectrum has the task of overseeing the daily operations and management of the entire facility. Their main responsibilities include; sales, marketing, event management and facility operations. The types of business they pursue include, but not limited to; conventions, conferences, tradeshows, consumer shows, sporting events and meetings. Ovations, provides food and beverage support for these events as well as contracts stand-alone social food and beverage events.

Operating costs are offset by the generation of revenue through space rentals, food and beverage sales and building services and equipment. Other means of financing the Convention Center include the inter-local agreement with the City of West Palm Beach, Transfer In, bed tax allocation, miscellaneous advertising revenue, and interest.

Palm Beach County Convention Center Organizational Chart (Budget FY15)



FY 2015 OBJECTIVES

- 1 Achieve targeted gross rental revenue of \$1,772,561 during new hotel and parking garage construction.
- 2 Partner with the Discover, Sports Commission and Global Spectrum National Sales office to maximize room night generation during hotel and garage construction with unique and or incentivized event bookings.
- 3 Realize Food & Beverage gross sales of \$2,140,750.
- 4 Create real time information center (both online and at the center) that will assist clients, attendees and exhibitors with the ever changing landscape of the facility during hotel and parking garage construction.
- 5 Work in cooperation with County Facilities department to schedule and complete major renewal and replacement projects in advance of hotel opening in 2016.

<u>PERFORMANCE MEASUREMENTS</u>	Actual FY 2013	Estimated FY 2014	Projected FY 2015	Type	Obj
Division Name					
Gross Rental Revenue	\$1,750,064	\$ 1,789,003	\$ 1,772,561	Output	1
Total number of events	307	344	276	Output	2
Food and beverage sales (Gross) millions	\$ 2,206,025	\$ 2,292,200	\$ 2,140,750	Output	3
Number of events Food & Beverage/Banquets	72	\$ 71	80	Output	3
Number of events Meetings, Conventions, and Shows	235	\$ 273	196	Output	2
Number of room nights 0-17 months PBCCC	13,773	11,000	11,000	Output	2

**TOURIST DEVELOPMENT COUNCIL FY 2015
PROPOSED BUDGET**

	7.87%	11.05%	9.00%	4.00%	4.00%	7.00%	5.00%
	ACTUAL	ACTUAL	FORECAST	Adopted	Modified	FORECAST	Proposed
CONVENTION CENTER OPERATIONS CATEGORY F - FUND 1450	2012	2013	2013	BUDGET	BUDGET	2014	BUDGET
	2012	2013	2013	2014	2014	2014	2015
BALANCE FORWARD	\$ 1,551,227	\$ 1,440,485	\$ 1,440,485	\$ 1,661,059	\$ 2,013,581	\$ 2,013,581	\$ 1,747,981
BED TAX REVENUE	\$ 253,807	\$ 253,807	\$ 253,807	\$ 253,807	\$ 253,807	\$ 253,807	\$ 253,807
OTC SETTLEMENT TAXES	\$ 14,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RENTAL REVENUE	\$ 1,649,838	\$ 1,772,799	\$ 1,750,064	\$ 1,789,003	\$ 1,789,003	\$ 1,789,003	\$ 1,772,561
FOOD & BEVERAGE (NET)	\$ 411,374	\$ 488,689	\$ 455,824	\$ 566,988	\$ 566,988	\$ 541,250	\$ 533,355
CITY OF WEST PALM BEACH ILA	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
NET BLDG. SERVICE REVENUE	\$ 866,607	\$ 1,016,401	\$ 803,488	\$ 846,637	\$ 846,637	\$ 910,225	\$ 901,092
INTEREST INCOME	\$ 25,299	\$ (4,603)	\$ 13,158	\$ 14,285	\$ 14,285	\$ -	\$ -
ADVERTISING AND OTHER MISC. INCOME	\$ 18,666	\$ 10,000	\$ 13,000	\$ 20,000	\$ 20,000	\$ 10,459	\$ 20,000
TRANSFERS IN FUND 1453,1458	\$ 825,000	\$ 880,000	\$ 1,280,000	\$ 1,400,000	\$ 1,400,000	\$ 800,000	\$ 1,100,000
STATUTORY HOLDBACK RETURN PYF	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STATUTORY HOLDBACK	\$ -	\$ -	\$ -	\$ (187,036)	\$ (187,036)	\$ -	\$ (186,541)
TOTAL AVAILABLE FUNDS	\$ 5,866,197	\$ 6,107,578	\$ 6,259,826	\$ 6,614,743	\$ 6,967,265	\$ 6,568,325	\$ 6,392,255
CONVENTION CENTER OPERATING EXPENSE	\$ 3,916,503	\$ 3,770,060	\$ 4,012,993	\$ 4,288,082	\$ 4,288,082	\$ 4,200,093	\$ 4,348,610
INSURANCE	\$ 388,170	\$ 194,085	\$ 388,170	\$ 388,170	\$ 388,170	\$ 388,170	\$ 388,170
LEGAL	\$ 12,039	\$ 855	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 5,000
CAPITAL OUTLAY	\$ 13,746	\$ 27,830	\$ 70,559	\$ 100,000	\$ 100,000	\$ 100,000	\$ 75,000
OTHER	\$ 7,335	\$ 8,222	\$ 10,938	\$ 11,194	\$ 11,194	\$ 8,898	\$ 11,294
TDC CHARGE-OFF ADMIN.	\$ 84,112	\$ 89,138	\$ 102,300	\$ 115,203	\$ 115,203	\$ 109,376	\$ 126,201
COLLECTION FEES	\$ 3,807	\$ 3,807	\$ 3,807	\$ 3,807	\$ 3,807	\$ 3,807	\$ 3,807
TRANSFERS OUT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL OPERATING EXPENSES	\$ 4,425,712	\$ 4,093,997	\$ 4,598,767	\$ 4,916,456	\$ 4,916,456	\$ 4,820,344	\$ 4,958,082
CONV. CTR. RESERVE	\$ 1,440,485	\$ 2,013,581	\$ 1,661,059	\$ 1,698,287	\$ 2,050,809	\$ 1,747,981	\$ 1,434,173
TDC RESERVE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONV. CTR. RESERVE	\$ 1,440,485	\$ 2,013,581	\$ 1,661,059	\$ 1,698,287	\$ 2,050,809	\$ 1,747,981	\$ 1,434,173
OVERALL EXPENSE BUDGET	\$ 5,866,197	\$ 6,107,578	\$ 6,259,826	\$ 6,614,743	\$ 6,967,265	\$ 6,568,325	\$ 6,392,255

PALM BEACH COUNTY CONVENTION CENTER
Financial Operations Budget
BUDGET - FISCAL YEAR 2015

	FY12 Actual	FY13 Actual	FY14 Budget	FY14 Forecast	FY15 Budget
Operating Revenue					
Gross Rent Revenue	\$ 1,649,838	\$ 1,772,799	\$ 1,789,003	\$ 1,789,003	\$ 1,772,561
Net F&B Revenue	\$ 411,374	\$ 488,689	\$ 566,988	\$ 541,250	\$ 533,355
Advertising Revenue	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000	\$ 20,000
Net Building Services Revenue	\$ 866,607	\$ 1,016,401	\$ 846,637	\$ 910,225	\$ 901,092
Total Operating Revenue	\$ 2,937,819	\$ 3,287,889	\$ 3,222,628	\$ 3,250,478	\$ 3,227,008
Operating Expenses					
Executive	\$ 292,763	\$ 349,439	\$ 372,338	\$ 366,039	\$ 375,416
Sales & Marketing	\$ 368,547	\$ 400,024	\$ 444,385	\$ 449,111	\$ 467,008
Finance	\$ 156,606	\$ 172,602	\$ 214,269	\$ 201,469	\$ 213,301
Event Services	\$ 211,100	\$ 211,637	\$ 319,381	\$ 290,067	\$ 296,704
Operations - Administrative	\$ 235,819	\$ 243,949	\$ 257,894	\$ 255,204	\$ 260,776
Operations - Setup & Housekeeping	\$ 329,014	\$ 320,664	\$ 342,231	\$ 346,433	\$ 351,207
Operations - Engineering & Maintenance	\$ 1,399,145	\$ 1,358,469	\$ 1,390,424	\$ 1,383,129	\$ 1,458,517
Operations - Security	\$ 311,074	\$ 310,969	\$ 368,863	\$ 333,498	\$ 336,394
Operations - Information Technology	\$ 149,884	\$ 175,453	\$ 199,148	\$ 185,297	\$ 188,677
Parking Operations	\$ 5,933	\$ 7,206	\$ 7,150	\$ 7,245	\$ 6,600
Overhead	\$ 334,739	\$ 363,798	\$ 371,999	\$ 382,601	\$ 394,011
			\$ -	\$ -	\$ -
Total Operating Expenses	\$ 3,794,624	\$ 3,914,210	\$ 4,288,082	\$ 4,200,093	\$ 4,348,610
			\$ 3,859,274		
Net Operating Income (Loss) Before Cap-X	\$ (856,805)	\$ (626,321)	\$ (1,065,454)	\$ (949,615)	\$ (1,121,602)
Capital Expenditures	\$ 13,746	\$ 27,830	\$ 100,000	\$ 100,000	\$ 75,000
Net Operating Income (Loss) After Cap-X	\$ (870,551)	\$ (654,151)	\$ (1,165,454)	\$ (1,049,615)	\$ (1,196,602)
Direct County Revenue					
Bed Tax Revenue	\$ 268,186	\$ 253,807	\$ 253,807	\$ 253,807	\$ 253,807
City of WPB Contributions	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Pool Investment Interest Income	\$ 25,298	\$ (4,602)	\$ 14,285	\$ 14,192	\$ 14,219
Change in Fair Value	\$ 8,666				
Transfers In Fund Reserves	\$ 825,000	\$ 880,000	\$ 1,400,000	\$ 800,000	\$ 1,100,000
Statutory Holdback Return PYF					
Statutory Holdback			\$ (187,036)	\$ -	\$ (187,252)
Total Direct County Revenue*	\$ 1,377,150	\$ 1,379,205	\$ 1,731,056	\$ 1,317,999	\$ 1,430,774
Direct County Expenses					
Legal Services	\$ 12,039	\$ 855	\$ 10,000	\$ 10,000	\$ 5,000
Communications/Suncom-Toll					
Insurance & Surety Bonds	\$ 388,170	\$ 194,085	\$ 388,170	\$ 388,170	\$ 388,170
Tax Collector Commissions	\$ 3,807	\$ 3,807	\$ 3,807	\$ 3,807	\$ 3,807
TDC Charge-Off Admin	\$ 84,112	\$ 89,138	\$ 115,203	\$ 109,383	\$ 126,201
Inspector General Fee	\$ 7,296	\$ 8,195	\$ 8,194	\$ 8,194	\$ 8,430
Materials/Supplies Operating	\$ 38	\$ 27	\$ 3,000	\$ 3,000	\$ 3,100
Total Direct County Expenses*	\$ 495,462	\$ 296,107	\$ 528,374	\$ 522,554	\$ 534,708
Net Income (Loss)	\$ 11,137	\$ 428,947	\$ 37,228	\$ (254,170)	\$ (300,536)

*Note: County Revenue & Expenses are recorded on Cash Basis Accounting

PALM BEACH COUNTY

Convention Center Actuals
FY 2003 to Present

Staff	8 Actual FY 03	32 Actual FY 04	35 Actual FY 05	39 Actual FY 06	38 Actual FY 07	40 Actual FY 08	35 Actual FY 09	34 Actual FY 10	53 Actual FY 11	63 Actual FY 12	60 Actual FY 13	67 Actual FY 14
BALANCE FORWARD	-	1,720,984	2,192,829	1,927,277	1,374,870	2,033,383	2,368,087	1,797,870	1,526,480	1,551,227	1,440,485	2,013,581
REVENUES												
Convention Center Sales		1,689,704	2,750,771	2,737,289	2,905,485	3,027,161	3,070,364	3,168,186	2,713,238	2,937,819	3,287,888	3,264,577
Refund Prior Yr Exp	-	-	-	-	-	62,757	3,093	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-	-	-	-	8,666	-	459
Interest	45,942	49,642	38,266	45,626	98,309	71,480	105,649	52,768	9,070	25,299	(4,601)	21,427
City of WPB	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Bed Taxes	253,807	253,807	253,807	253,807	253,807	253,807	253,807	253,807	253,807	268,186	253,807	253,807
Transfer In 4th Cent	1,000,000	1,700,000	700,000	270,000	1,350,000	900,000	500,000	500,000	-	-	-	-
Transfer In 1st Cent	-	-	-	-	-	-	-	-	1,350,000	825,000	880,000	800,000
Transfer In Special Prj	1,157,516	4,341	-	-	-	-	-	-	-	-	-	-
Transfer In CVB	-	-	-	-	-	253,800	-	-	-	-	-	-
Total Revenues	2,457,265	3,947,494	3,992,844	3,556,722	4,857,601	4,819,005	4,182,913	4,224,761	4,576,115	4,314,970	4,667,094	4,590,269
Total Sources of Funds	2,457,265	5,668,478	6,185,673	5,483,999	6,232,471	6,852,388	6,551,000	6,022,631	6,102,595	5,866,197	6,107,579	6,603,850
EXPENDITURES												
Contract/Operating Expense	413,843	2,858,941	3,633,865	3,745,114	3,938,533	4,094,953	4,302,111	4,026,483	3,991,894	3,930,249	3,797,890	4,129,305
Insurance/ Audit	29,700	373,769	415,728	144,279	186,661	379,517	438,649	440,000	440,000	388,170	194,085	388,170
Legal Fees	-	4,338	3,813	4,018	19,800	5,973	7,980	25,605	2,520	12,039	855	75
TDC Indirect	-	-	-	-	-	-	-	-	107,964	84,112	89,138	103,755
Transfers Out - CVB	288,931	234,795	201,184	211,911	50,287	-	-	-	-	-	-	-
Other	-	-	-	-	-	52	583	256	5,183	7,335	8,223	5,878
Tax Collectors Fees	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807	3,807
Total Expenditures	736,281	3,475,649	4,258,396	4,109,129	4,199,088	4,484,302	4,753,130	4,496,151	4,551,368	4,425,712	4,093,998	4,630,990
Profit/ (Loss) before subsidies*	(690,339)	(1,736,303)	(1,469,359)	(1,326,214)	(1,195,294)	(1,322,903)	(1,574,024)	(1,275,197)	(1,829,060)	(1,453,928)	(810,711)	(1,344,528)
Ending Reserve Balance	1,720,984	2,192,829	1,927,277	1,374,870	2,033,383	2,368,087	1,797,870	1,526,480	1,551,227	1,440,485	2,013,581	1,972,860

* Profit/(Loss) before other revenue subsidies. Subsidies include funds from the City of West Palm Beach, Transfers In and bed taxes .

Number of Events	-	144	288	309	311	359	265	253	294	354	307	315
Number of Attendees at Event	-	223,913	241,675	199,057	218,119	224,285	225,336	287,056	278,986	238,355	225,493	196,013
Actual Room Nights	-	798	883	2,124	2,983	3,891	6,329	10,958	8,411	9,289	13,773	11,150

**PALM BEACH COUNTY
 TOURIST DEVELOPMENT COUNCIL
 CONVENTION CENTER OPERATIONS
 RESERVES**

<u>FUND1450-CONVENTION CENTER</u>	2014 ACTUAL
BALANCE FORWARD	\$ 2,013,581
BED TAXES	\$ 253,807
RENTAL REVENUE	1,781,170
FOOD & BEVERAGE (NET)	471,959
CITY OF WEST PALM BEACH	250,000
NET BLDG SERVICE REVENUE	1,001,448
ADVERTISING REVENUE	10,000
INTEREST INCOME	21,426
OTHER MISCELLANEOUS INCOME	459
TRANSFERS IN 1ST CENT	800,000
TOTAL REVENUES	<u>\$ 4,590,269</u>
TOTAL AVAILABLE FUNDS	\$ 6,603,850
OPERATING EXPENSE - INDIRECT	\$ 103,755
LEGAL SERVICES - COUNTY ATTORNEY	75
OTHER CONTRACTUAL SERVICES -CONV. CTR. OPERATIONS	4,129,305
CAPITAL OPERATING EXPENSE	-
COMMUNICATION/ OTHER OPERATING EXPENSES	10
INSURANCE	388,170
TAX COLLECTOR COMMISSION	3,807
INSPECTOR GENERAL FEE	5,868
TOTAL EXPENDITURES	<u><u>\$ 4,630,990</u></u>
RESERVES	<u><u>\$ 1,972,860</u></u>



Palm Beach County Convention Center

THE BEST OF EVERYTHING FOR EVERY EVENT™

FACT SHEET

Description

A 350,000 square feet, two level, \$83 million multi-purpose venue includes a 100,000 square foot exhibition hall, a 22,000 square foot ballroom and 20,000 total square feet of flexible meeting room space and a 450,000 square foot parking lot accommodating over 1,000 cars. The PBCCC is constructed on a historical ocean shoreline that is millions of years old. The building's ground elevation is one of the highest in South Florida; more than 40 feet above sea level. The facility is one mile from I-95, less than 3 miles from the Palm Beach International Airport, and directly across the street from CityPlace, a \$600 million downtown development project with various shopping, dining and entertainment options.

Open Date

January 10, 2004

Management

Building Operations: Global Spectrum, LP
Food & Beverage: Ovations Food Services

Location

The Palm Beach County Convention Center is located on a 19 acre site at 650 Okeechobee Boulevard, West Palm Beach.

Events

The PBCCC is host to over 300 events per year including tradeshow, conferences, conventions, consumer shows, meetings and banquets.

Hotel Accommodations

A brand new Hilton hotel is scheduled to open Spring of 2016 located adjacent to the PBCCC. There are over 3,000 additional hotel rooms located within a 3 mile radius of the Convention Center.