

2020

DEPARTMENT





results
minneapolis











Downtown Assets Fund

Minneapolis Convention Center / Target Center
Peavey Plaza / The Commons

Performance summary

Enterprise priorities (page 3): Workforce diversity, Spending with diverse suppliers
Department priorities (page 4-5): Economic indicators, Fund resources & uses

Trend Key			
	Year-over-year (YoY) increase by more than 5%		Less than 5% YoY change
	YoY decrease by more than 5%		No trend

Budget program	2019 Budget	Performance measure	2019 performance	Trend from prior year	Trend: Red/yellow/green
Minneapolis Convention Center Events Program	\$25.3M	1. Total operating revenue 2. Operating subsidy 3. Total occupancy 4. Future room nights; Future leisure room nights	1. \$21.3M 2. \$6.6M 3. 57% 4. 556,741 group rooms; 154,882 leisure nights	1. Decrease 2. Increase 3. Decrease 4. Stable	1.  2.  3.  4. 
Minneapolis Convention Center Facilities Program	\$24.4M	1. Total energy use 2. Gallons of water used 3. Recycling rate	1. 124 kBTU 2. 7.52 million 3. 62%	1. Decrease 2. Decrease 3. Increase	1.  2.  3. 
Target Center Program	\$6.4M	1. Entertainment taxes	1. \$23.7M	1. Decrease	1. 
The Commons Program	\$1.0M	1. N/A: Pass-through program	1. N/A	1. N/A	1. 
Peavey Plaza Program	\$0.4M	1. N/A: Pass-through program	1. N/A	1. N/A	1. 

Enterprise Priorities

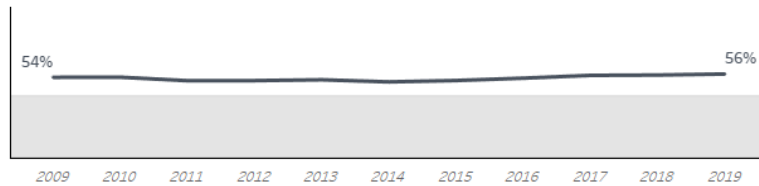
Workforce diversity

- **Exceeds** enterprise goal of 41% people of color
- **Does not meet** enterprise goal of 45% women
- The Minneapolis Convention Center develops a recruitment plan and strategy to meet the placement goals established for each position when hiring. These strategies include targeted advertising in neighborhoods and schools, and participation in job fairs. Our recruitment video is available on our web page.
- In 2019, we experienced 11 separations, 18% of these employees were women.

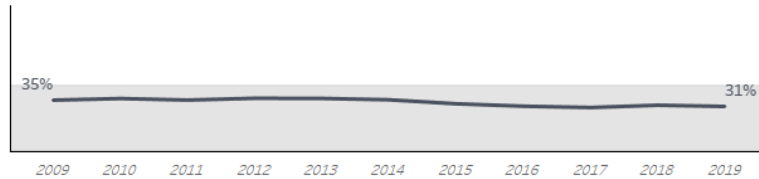
Workforce diversity (2009-2019)

Convention Center

People of color



Women



Notes:

(1) Grey shading indicates enterprise goals (41% people of color and 45% women).

Definition for Regular City Workforce:

(a) Includes: all regular full-time, regular part-time, regular intermittent, and seasonal full-time City employees.

(b) Excludes: ACA seasonal and all temporary City employees including individuals on permit, outside trades, Election Judges, METP Summer Youth, and contractors.

Spending with diverse suppliers

- **Does not meet** Citywide percent diverse spending of 16%
- **Exceeds** Citywide percent spending with minority-owned suppliers of 7%
- **Does not meet** Citywide percent spending with non-minority women-owned suppliers of 9%
- The Convention Center is committed to utilizing Target Market Program vendors whenever possible. In 2019, 11% or \$3M of the sourceable spend was with TMP vendors.
- Data below does not include second-tier spending, subcontractors that would have fallen into the SUBP goals. In 2019, 70% or almost \$19M of the sourceable spend was bid or part of an RFP process.
- \$1M or 4% of the sourceable spend is contractual with single source vendors.

Summary

Total supplier spending* over selected years

\$27.3M

Amount spent with diverse suppliers over selected years

\$2.0M (8%)

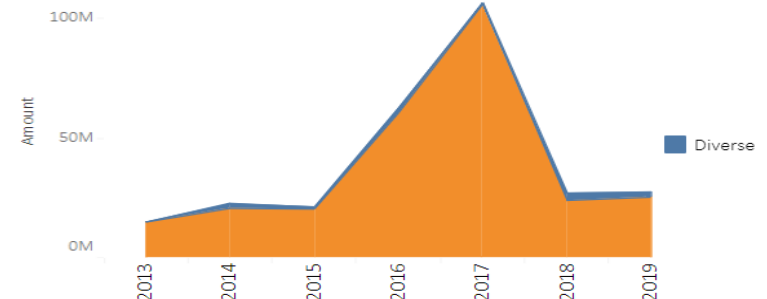
Minority-owned

\$1.0M (4%)

Non-minority women

\$1.0M (4%)

Share of diverse spending* (all years)

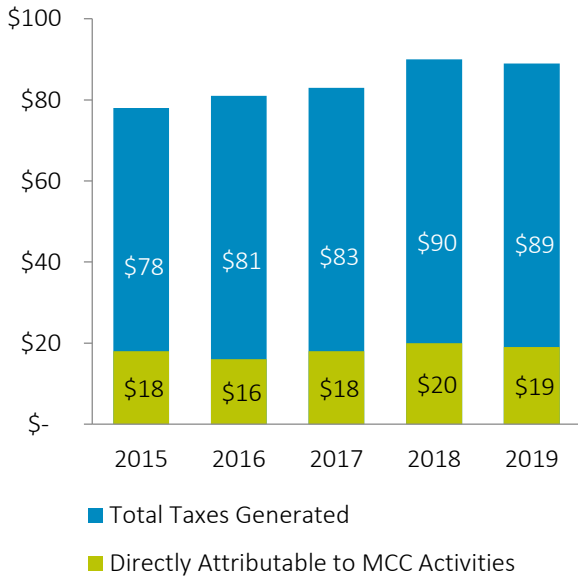


Department Priorities

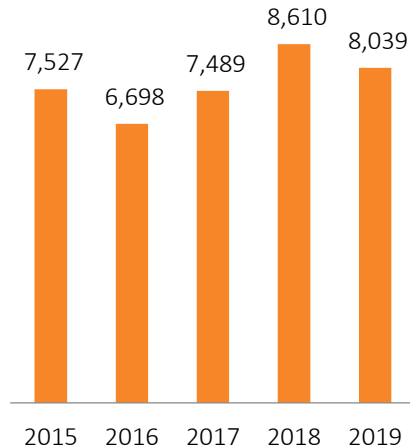
Priority #1 – Economic Health Indicators

- 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 economic impact and growth in the community through the generation of local taxes and living wage jobs.
- Events drive our revenues, thereby reducing our operating subsidy.
- Local taxes attributable to MCC activity covers the costs of the MCC subsidy and repair & maintenance investments.
- Keys to our success are our people, responsible resource use, investing in our facility and funding marketing efforts to continue to attract business in a competitive environment.
- Support the Destination Transformation 2030 plan. This plan strives to provide opportunities for Minneapolis to grow economic activity, jobs and local tax generation through increased tourism and hospitality.

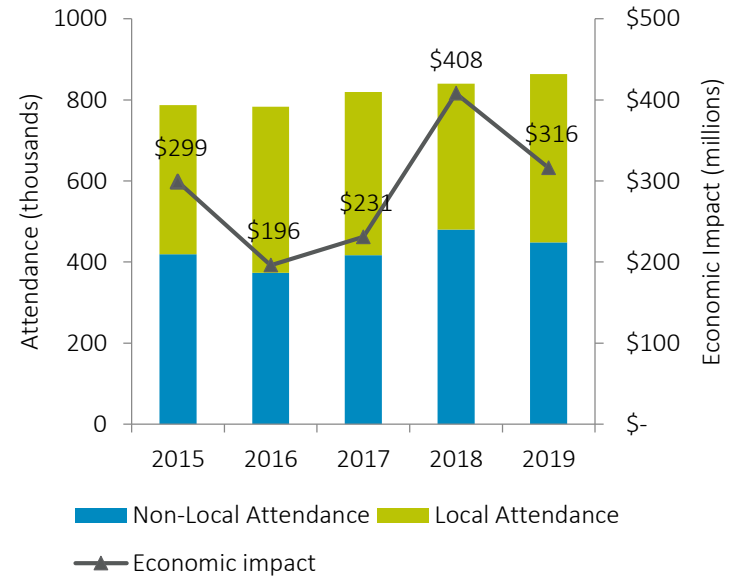
Hospitality Taxes Generated (millions)



Hospitality Jobs Sustained



Attendance and Economic Impact



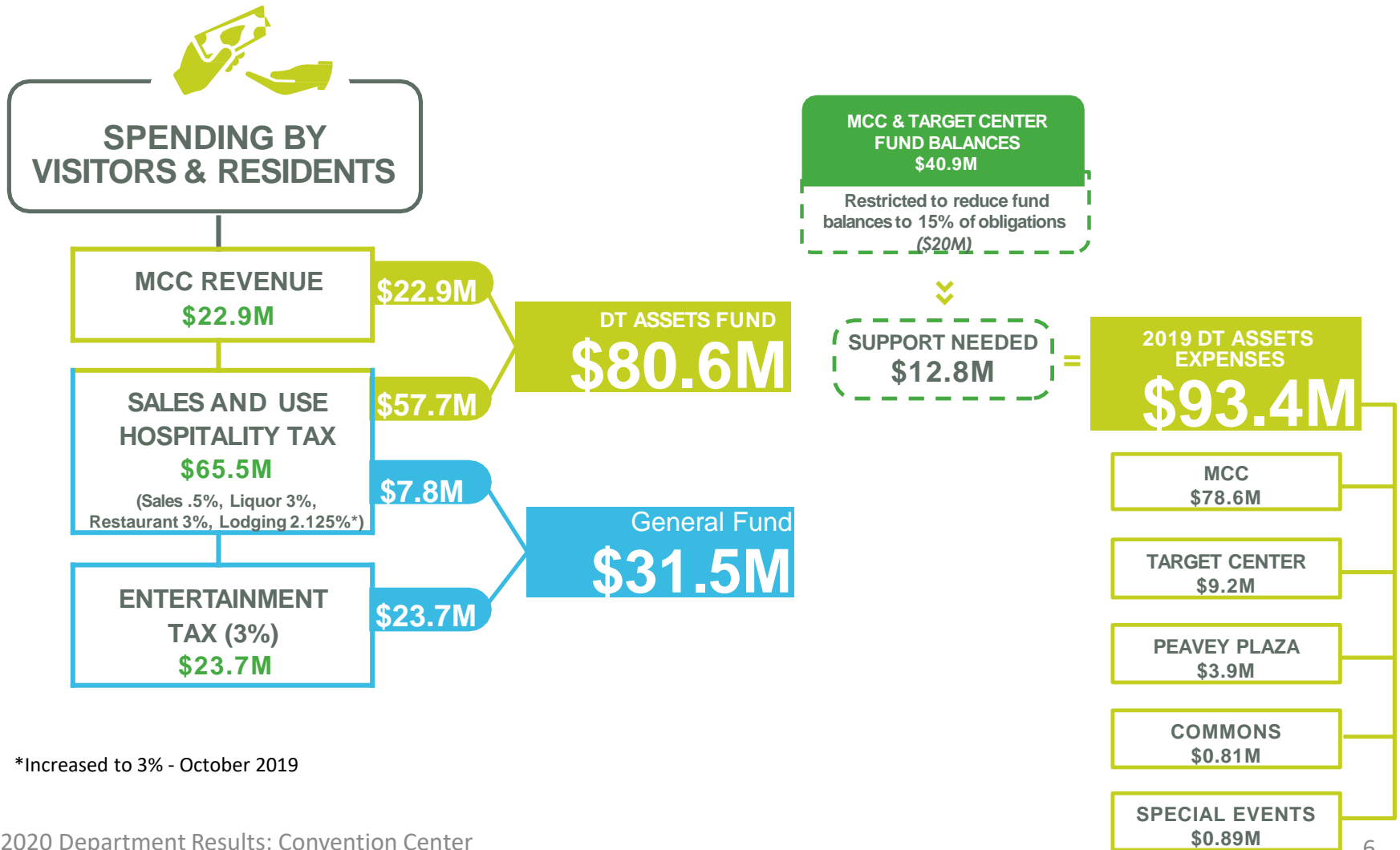
Department Priorities

Priority #2 – Downtown Assets Fund Resources & Uses – 2019 Actual

- In 1986, the Sales and Use taxes were enacted to fund the Convention Center. Currently those funds would cover the operations of the convention center.
- Changes in the legislation due to of US Bank stadium construction and the creation of the DT Assets allows an additional \$19.1 million to offset City General Fund and DT Assets expenses outside of the convention center.
 - This includes an annual transfer of \$7.8 million to the General Fund for economic development initiatives and \$11.3 million for the funding of the Target Center, Commons, and Peavey Plaza (\$3.5 million additional from other sources for Peavey construction).
 - These additional transfers continue to reduce the DT Assets reserve fund towards its goal of reserves that are 15% of obligations. As we approach this goal, increasing tax receipts must be in place in order to sustainably continue to access sales and use taxes in the same ways going forward. Reductions in sales and use taxes would lead to either a reduction in the General Fund transfer or in reductions to funding the DT Assets facilities or both.
- In 2018, all our budget programs were moved under the umbrella of the DT Assets Fund. While the local tax collections are housed in this fund, new budget program responsibilities were also included.
- Hospitality tax receipts are volatile and assume growth.
- Minneapolis Convention Center is 30 years old. Reinvestment in the facility is necessary to maintain revenue streams, create new revenue streams, and continue to compete in a competitive national environment.
- The chart on the following page provides a visual illustration of the DT Assets Fund revenue resources and uses.

Department Priorities (continued)

Priority #2 – Downtown Assets Fund Resources & Uses – 2019 Actual (continued)



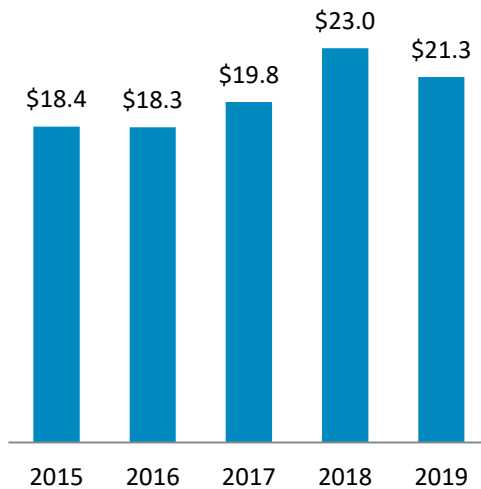
*Increased to 3% - October 2019

Minneapolis Convention Center Events Program

Program description: The Convention Center Events Program provides sales, event coordination, delivery of audio visual, utilities, 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 and marketing services for the convention center as well as destination marketing for the City of Minneapolis. Events drive our revenues, thereby reducing our operating subsidy, and contribute to economic growth in the community through the generation of local taxes, sustaining jobs and creating economic impact.

Performance measures

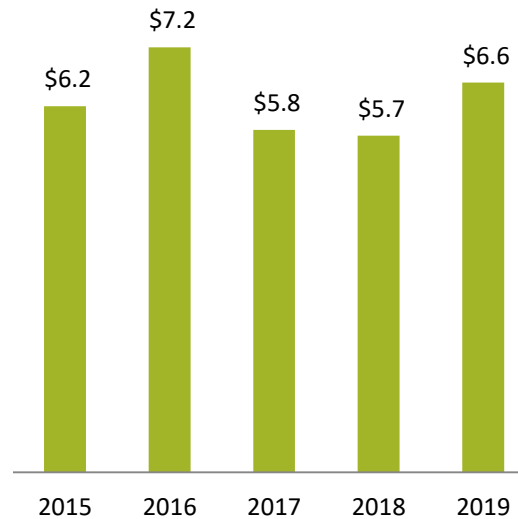
**Total Operating Revenue
(in millions)**



Definition:

- Operating revenues are earned from the purchase of MCC services (audio/visual equipment rental, utilities, security guards, space rental, ushers, etc.) by clients, as well as commissions from our partners.

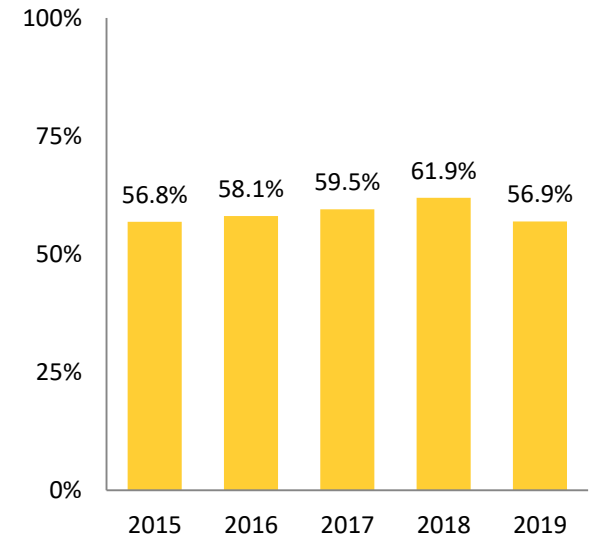
Operating Subsidy (in millions)



Definition:

- Operating subsidy is the difference between operating revenues and operating expenses.

Total Occupancy



Definition:

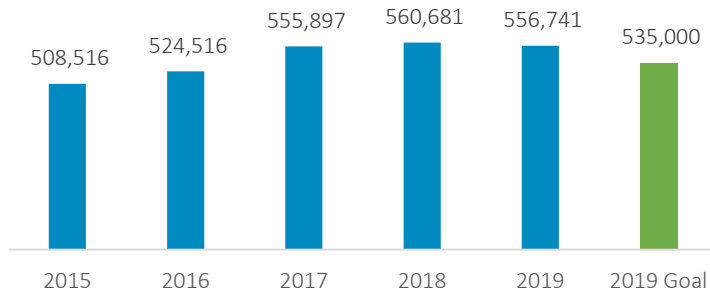
- Occupancy represents the percentage of space contracted by clients. In the conventions and meeting industry, the 2018 national average for occupancy is 47%. At 60%, business is often turned away.

Minneapolis Convention Center Events Program (continued)

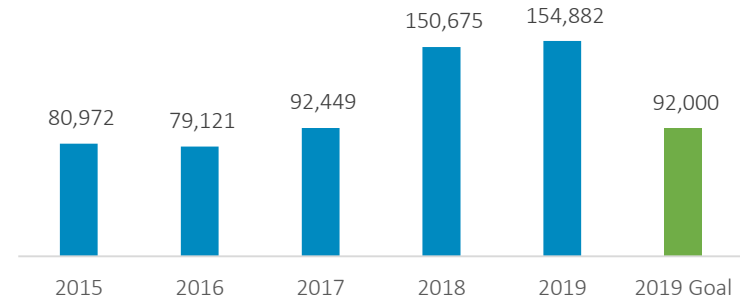
Program description: The Convention Center Events Program includes funding for Meet Minneapolis. Meet Minneapolis champions efforts to attract events and future room nights that generates revenue, taxes, jobs and improves the quality of life for residents through a variety of sales efforts. Goals are accomplished by selling and marketing the destination at convention and travel industry trade shows, sales missions, site inspections, PR and advertising.

Performance measures

Future Group Room Nights



Leisure Room Nights



Definition:

- Number of future events, meetings and convention room nights secured at hotels determined annually by measuring the number of room nights included in signed contracts and letters of commitment.
- For reporting, this number is provided by third party program software, iDSS, from Meet Minneapolis owned data sources. It is audited by a third party at the year end.

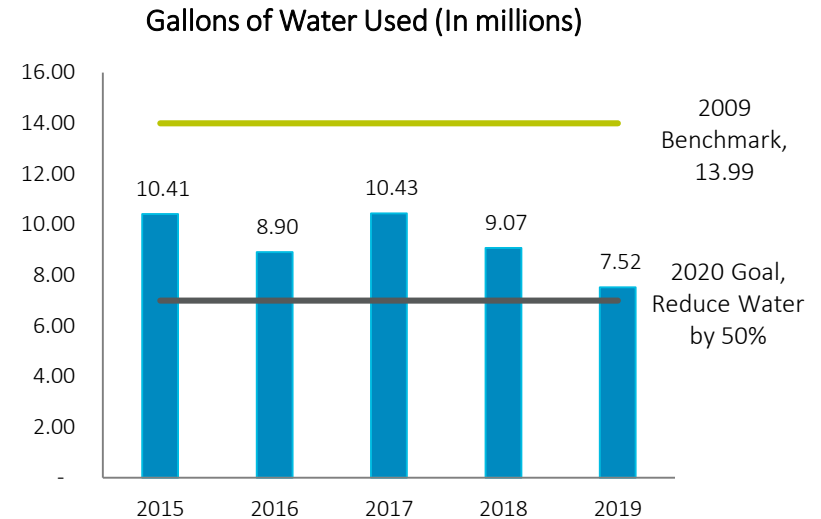
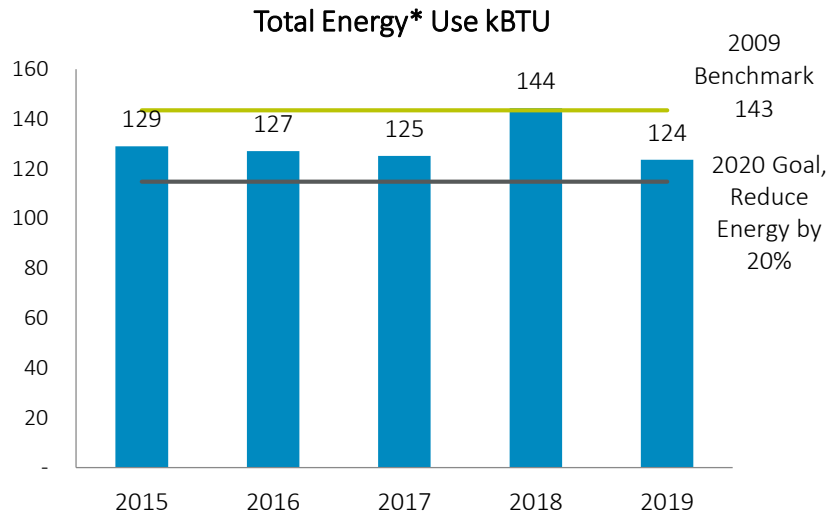
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Minneapolis Convention Center Facilities Program

Program description: 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, services and host events. The Facilities Program includes repair and maintenance expenditures as well as Internal Service Charges.

Performance measures



Definition:

- The Convention Center is committed to becoming a carbon neutral / more efficient and environmentally-conscious facility. Investments in infrastructure such as LED fixtures, lighting control systems, and upgrading our HVAC units has resulted in savings of over 15 million kWh of energy, the equivalent energy use for 1,546 homes in a year and a calculated \$1.4M in cost avoidance since 2011. Energy use fluctuates with attendance and occupancy.

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

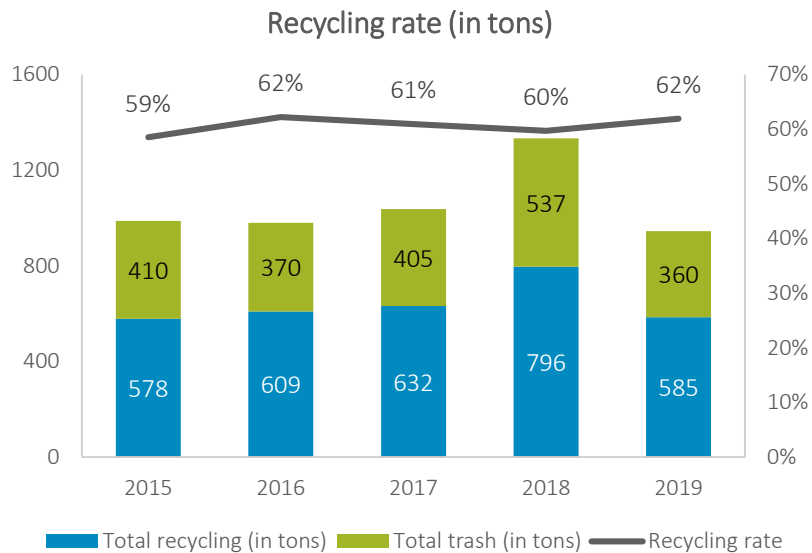
Definition:

- Investments in infrastructure such as low-flow fixtures in our restrooms and a cistern to collect rainwater for our irrigation needs has resulted in a savings of over 30 million gallons of water and a calculated savings of over \$165,000 since our benchmark year of 2009. Water use fluctuates with increase attendance and building occupancy.

Minneapolis Convention Center Facilities Program (continued)

Program description: 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 as well as Internal Service Charges.

Performance measures



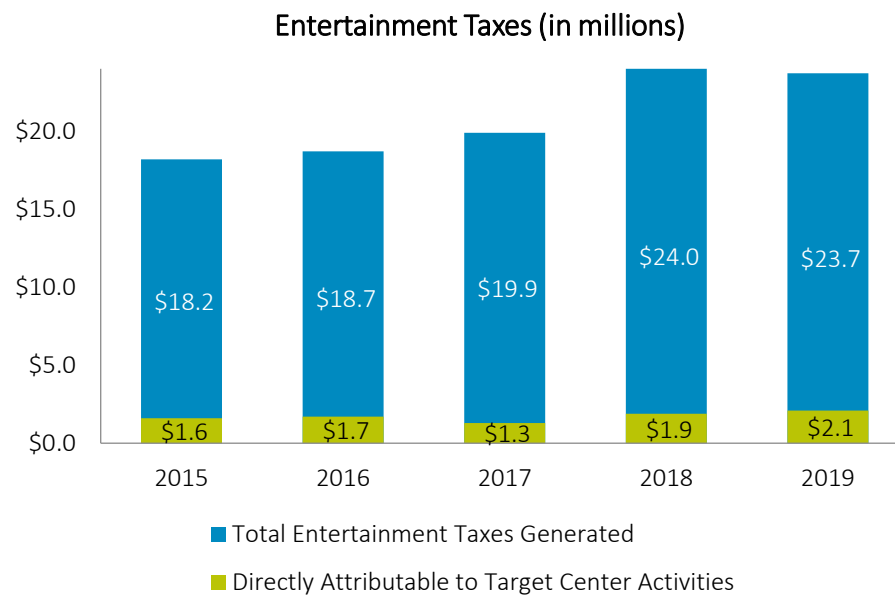
Definition:

- Our recycling program has been in place since 2011. Our recycling rate was 62% in 2019 and includes organics. Attendance, occupancy and the type of events impact total trash and total recycling tonnage.

Target Center Program

Program description: The Target Center program provides an operator reimbursement and capital funds for this City-owned facility through a contractual agreement with its operator, AEG Facilities. The Target Center was closed for 6 months in 2017 to complete a major renovation. The Target Center is a generator of entertainment taxes. The Target Center provides an estimated \$100 million in economic impact as well as cultural and arts activities to the Minneapolis community.

Performance measures



Definition:

- Target Center generates entertainment taxes through ticket sales.

The Commons Program

Program description: The Commons Program provides operating, maintenance, assessment and property tax funds for maintenance and upkeep of this City-owned asset.

This budget program area does not have performance metrics because it is a pass-through.

Peavey Plaza Program

Program description: The Peavey Plaza Program provides operating and capital funds for this City-owned asset.

This budget program area does not have performance metrics because it is a pass-through.