

Goal: ECONOMIC VITALITY

Desired Community Condition(s)

The economy is vital, prosperous and consistent with local and regional resources.

Program Strategy: TOURISM

25590

Promote Tourism

Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activities

- Albuquerque Convention and Visitor's Bureau
- Hispano Chamber of Commerce
- All Indian Pueblo Cultural Center
- Convention Center Operating Contribution
- Convention Center Operating
- Convention Center Lodgers Tax Reimbursed

Strategy Purpose and Description

Maximize the value of tourism to the local economy within the greater Albuquerque area through the use of public/private partnerships.

This presentation incorporates 2 program strategies that combines general fund and Lodgers Tax resources.

This presentation covers destination marketing through contracts with ACVB, the Hispano Chamber, and the Indian Pueblo Cultural Center, as well as the operations and local marketing of the Albuquerque Convention Center. The later is now done under contract with SMG.

Changes and Key Initiatives

FY 2005 is the first complete year of operation of the Albuquerque Convention Center under contract with a private management company, SMG.

Input Measure (\$000's)

2005	110	110 GENERAL FUND	2,158
2005	220	220 LODGER'S TAX FUND	4,130
2005	221	221 HOSPITALITY TAX FUND	786
2006	110	110 GENERAL FUND	1,778
2006	220	220 LODGER'S TAX FUND	4,178
2006	221	221 HOSPITALITY TAX FUND	856

Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Promote Tourism	Lodger's Tax Revenue	2005	8,826,000.0	4,490,977.5		2001-8,488,118, 2002-8,319,031, 2003-8,326,069
		2006	8,442,000			

Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Maximize use of the Convention Center for conventions and community use	<i>Facility utilization</i>	2005	20%	12%		2001-26%
		2006	24%			

Strategy Outcome	Measure	Year	Project	Mid Year	Actual	Notes
Maximize use of the Convention Center for conventions and community use	<i># of events</i>	2005	600	176		2001-775
		2006	600			

Goal: ECONOMIC VITALITY
Parent Program Strategy: TOURISM
Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activity: Albuquerque Convention and Visitor's Bureau 1351000

Service Activity Purpose and Description

ACVB receives approximately \$4.0 million dollars annually to market Albuquerque as a destination for tourists and convention business. Contract with ACVB runs on a three-year basis, with annual work plan and performance measures; actual amounts received vary depending on tax income generated. Current contract was negotiated with new performance measures.

Changes and Key Initiatives

ACVB contract expires in March 2005; new contract will include a 2 year to allow FY05 performance measurements a twelve month cycle. FY06 performance measurements will be developed by third party consulting firm and mutually agreed upon between ACVB and City.

Input Measure (\$000's)

2005	220	220 LODGER'S TAX FUND	3,622
2005	221	221 HOSPITALITY TAX FUND	692
2006	220	220 LODGER'S TAX FUND	3,668
2006	221	221 HOSPITALITY TAX FUND	753

Strategic Accomplishments

FY/03: Implemented recommendations from study of effectiveness of the contractors, and the relationship with the Convention Center. New performance measures based on "Return on Investment" were developed as were stronger reporting and accountability measures. Performance measures call for a return of \$15 in direct expenditures for every \$1 of Lodgers Tax invested. For FY02, ACVB achieved a 17:1 ratio (not including the Bowling Congress, which put it at 32:1). ACVB met or exceeded most of its performance goals even at a time of significant disruption in the hospitality industry.

The contract for Marketing the City of Albuquerque and Booking Conventions went through the RFP process in FY05. The contract for FY06 will call for performance measures that enhance and diversify Albuquerque's economy by increased numbers of conventions and sports events.

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Return On Investment	2005	15:1	18:1		
	2006	15:1			

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Room Nights attributed to ACVB	2005	90,000	24,411		
	2006	90,000			

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Service Activity: Hispano Chamber of Commerce 1352000

Service Activity Purpose and Description

Hispano receives approximately \$500,000 annually to market Albuquerque as a destination for convention business for the Hispanic and Native American markets. Contract with Hispano runs on a three-year basis, with annual work plan and performance reviews. Actual amounts received vary depending on tax income generated.

Changes and Key Initiatives

An audit of calculating direct spending had a significant impact on FY2005 reporting resulting in negative numbers for direct spending

Input Measure (\$000's)

2005	220	220 LODGER'S TAX FUND	478
2005	221	221 HOSPITALITY TAX FUND	94
2006	220	220 LODGER'S TAX FUND	480
2006	221	221 HOSPITALITY TAX FUND	103

Strategic Accomplishments

FY/03: Implemented recommendations from the study of effectiveness of the contractors, and the relationship with the Convention Center. New performance measures based on "Return on Investment" were instituted. Performance measures call for a return of \$15 in direct expenditures for every \$1 of Lodgers Tax invested.

Improved reporting and accountability measures were incorporated into the new contract.

Performance measurements for FY06 will be changed to narrow the scope of services and focus on booking Hispanic group tours and conventions/ meetings.

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Return on Investment	2005	15:1	9:1		
	2006	15:1			

<i>Output Measures</i>	<i>Year</i>	<i>Projected</i>	<i>Mid-Year</i>	<i>Actual</i>	<i>Notes</i>
Room Nights attributed to Hispano	2005	7920	6981		
	2006	tbd			

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Service Activity: All Indian Pueblo Cultural Center 1353000

Service Activity Purpose and Description

IPCC receives approximately \$30,000 annually to market Albuquerque as a destination for tourists, particularly the Indian Pueblo Cultural Center. Contract with IPCC runs on an annual basis. This contract was managed by the Cultural Services Department, and transferred to OED this FY.

Changes and Key Initiatives

Indian Pueblo Cultural Center did not submitted marketing plan for allocated monies in FY04, waiting for marketing plan for FY05.

Input Measure (\$000's)

2005	220	220 LODGER'S TAX FUND	30
2006	220	220 LODGER'S TAX FUND	30

Strategic Accomplishments

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Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activity: Convention Center Operating Contribution 2593000

Service Activity Purpose and Description

This service activity funds the negotiated subsidy for SMG that represents the difference between anticipated revenues and projected operating expenses, determined pursuant to the contract between the City and SMG. This contract is performance based. If results exceed the negotiated operating contribution, there are provisions for sharing the improvement (75% to City, 25% to contractor, not to exceed a preset limit). The operating subsidy can be increased only under extraordinary circumstances, defined in the contract and requires Mayor and City Council approval. It should be noted that "Citywide" conventions are the revenue driver for the Convention Center. These large conventions are most often booked years in advance. Additional revenue is developed by renting the facility for local uses and by the use of concession services (food and beverage, AV, electrical, telecommunications services, etc.) by the renters.

SMG reports monthly to the city on utilization, customer satisfaction, new bookings, collaboration with the marketing partners, facility maintenance, capital repair needs, etc.

Changes and Key Initiatives

New service activity for 2005

Input Measure (\$000's)

2005	110	110 GENERAL FUND	987
2006	110	110 GENERAL FUND	544

Strategic Accomplishments

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Department: FINANCE AND ADMINISTRATIVE SERVICES

Service Activity: Convention Center Operating 2594000

Service Activity Purpose and Description

This service activity covers costs to the City attributable to the Convention Center, which are considered unavoidable. This includes certain risk management costs and facility capital costs. These costs were identified in the RFP process and factored into the recommendation of contract award during the RFP process.

Changes and Key Initiatives

New service activity for 2005.

Input Measure (\$000's)

2005	110	110 GENERAL FUND	1,077
2006	110	110 GENERAL FUND	1,102

Strategic Accomplishments

Output Measures	Year	Projected	Mid-Year	Actual	Notes
number of capital projects over \$5,000.	2005	TBD	0		<i>City is responsible for capital improvements and renovations pursuant to management contract.</i>
	2006	TBD			

Output Measures	Year	Projected	Mid-Year	Actual	Notes
number of tort claims involving ACC and the City.	2005	TBD			
	2006	TBD			

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Service Activity: Convention Center Lodgers Tax Reimbursed 2595000

Service Activity Purpose and Description

This service activity provides oversight of Lodgers Tax contracts as well as the convention center management contract. These contracts are performance based and involve tracking overall results.

Changes and Key Initiatives

New service activity for 2005.

Input Measure (\$000's)

2005	110	110 GENERAL FUND	94
2006	110	110 GENERAL FUND	132

Strategic Accomplishments