

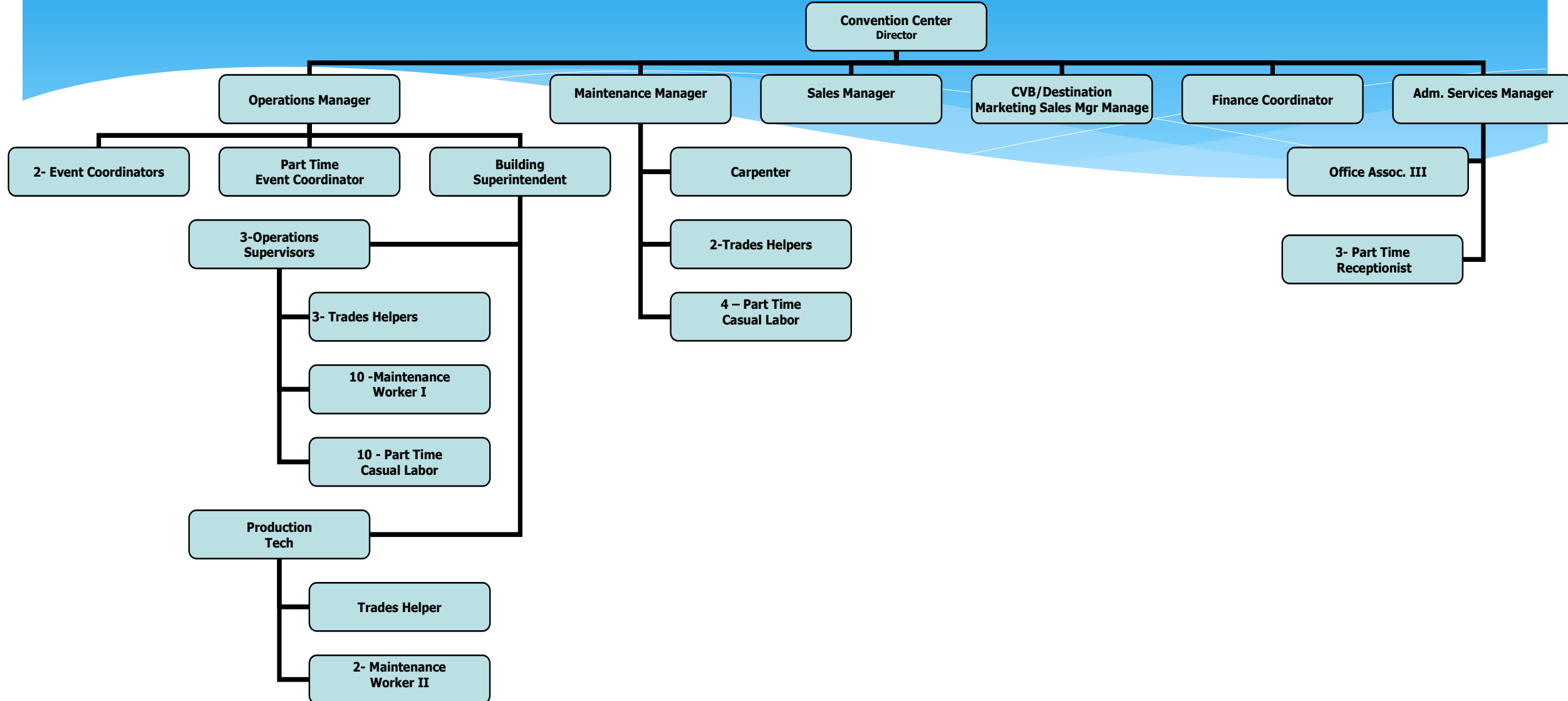
Roland E. Powell Convention Center & The Performing Arts Center for FY20



CHALLENGES OVER THE PAST TEN YEARS AND THE FUTURE

- ❑ Labor: with a limit of 1,560 hours annually per part time employee;
- ❑ Performing Arts Center: Popular venue is very labor intensive and additional staff is needed;
- ❑ The flip side to the above is that many groups use the PAC for their general sessions thereby not having to set-up chairs/tables/staging etc.; while it offsets some of the labor costs, some of it, not so much;
- ❑ Eventually, we will need a Production Manager to manage all technical direction in the Performing Arts Center; presently, this is “farmed out” to production companies that can charge anywhere from \$2,500 to \$6,500; a competitive salary, in our region, would be between \$55,000 - \$65,000;
- ❑ If Phase III is approved, we will need an additional Sales Manager; my plan is to bring this position back no later than July 1, 2020, around a year prior to “ribbon cutting”; our “selling window” is anywhere between six month’s and eighteen month’s.

FY20 Organization Chart



Staffing

- We have 34 full time employees and 18 part time employees;
- No changes requested for FY20

Financials at a Glance

	FY19 (anticipated)	FY20
<input type="checkbox"/> Hall Rental	\$844,000	\$840,000
<input type="checkbox"/> PAC	\$71,000	\$80,000
Combined Totals	\$914,000	\$920,000
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<input type="checkbox"/> City Sponsored Events	\$75,000	\$100,000
<input type="checkbox"/> F & B Concessions	\$410,000	\$410,000
<input type="checkbox"/> Service Charges	\$327,000	\$325,000
Combined Totals	\$812,000	\$835,000

Expenses

	Increase	Decrease
Salaries & Benefits	\$124,663	
Equip. & Bldg. Maint.		\$19,020
Contracted Services	\$9,001	
Supplies & Materials	\$12,943	
Energy Costs		\$20,000
Fleet Supplies/Fuel/Repairs	\$4,421	

- While equipment and building maintenance shows a decrease of \$19,000, we must note that HVAC repairs of \$109,000, recommended by PW Facilities Manager will be funded through the capital improvement fund.

How Well is the Performing Arts Center Performing

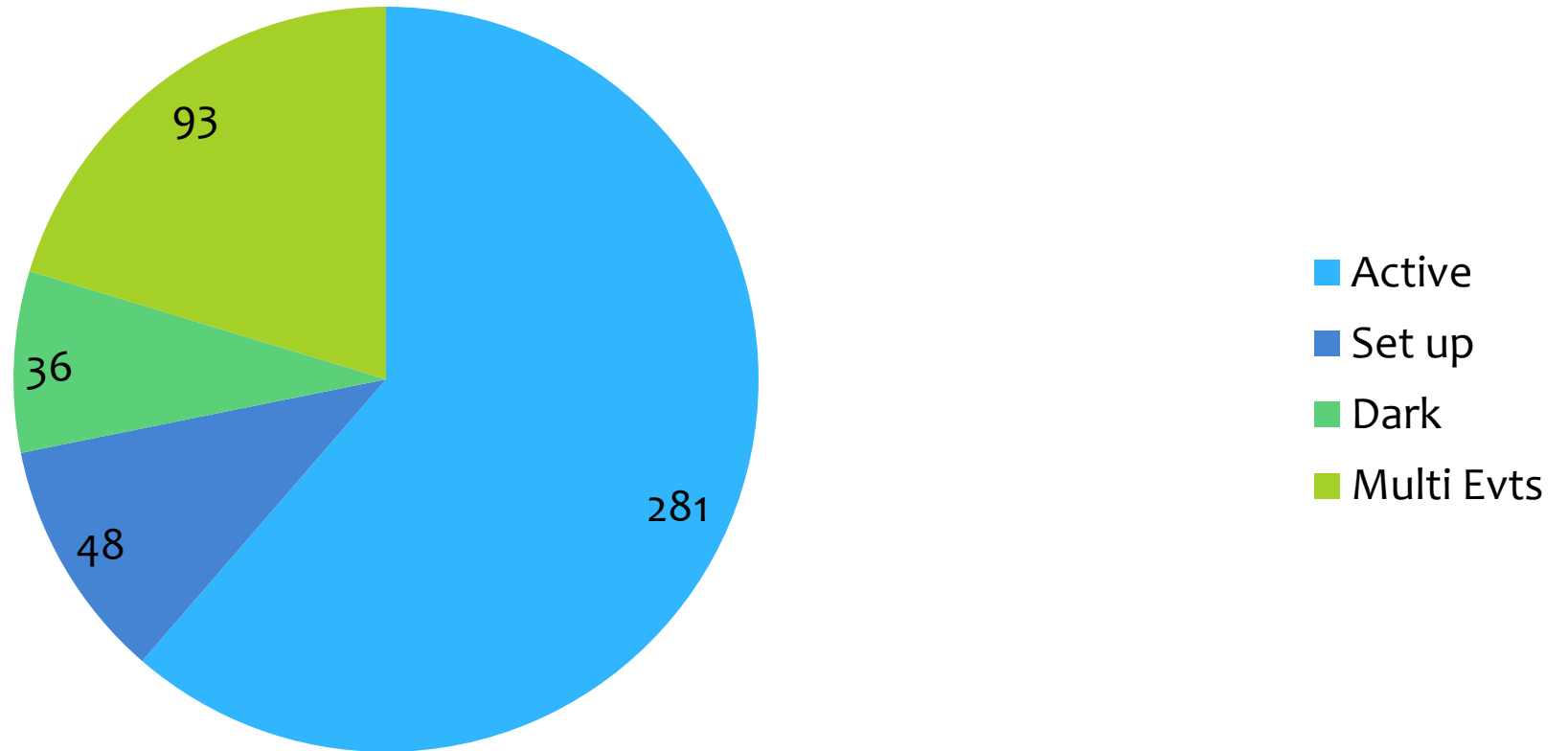
	Concerts	General Sessions/Meetings	Totals	
FY16	4	20	24	
FY17	8	25	33	38% incr.
FY18	10	30	40	20% incr.
FY19 (anticipated)	11	44	55	38% incr.
FY20	18	50	68	24% incr.

The box office not only sells tickets for the PAC events but also serves the Seaside Boat Show, Ward Foundation, Holiday Shoppers Fair, Springfest, Sunfest, Winterfest, Volleyball Tournament, Jellyfish Festival and Play it Safe wristbands.

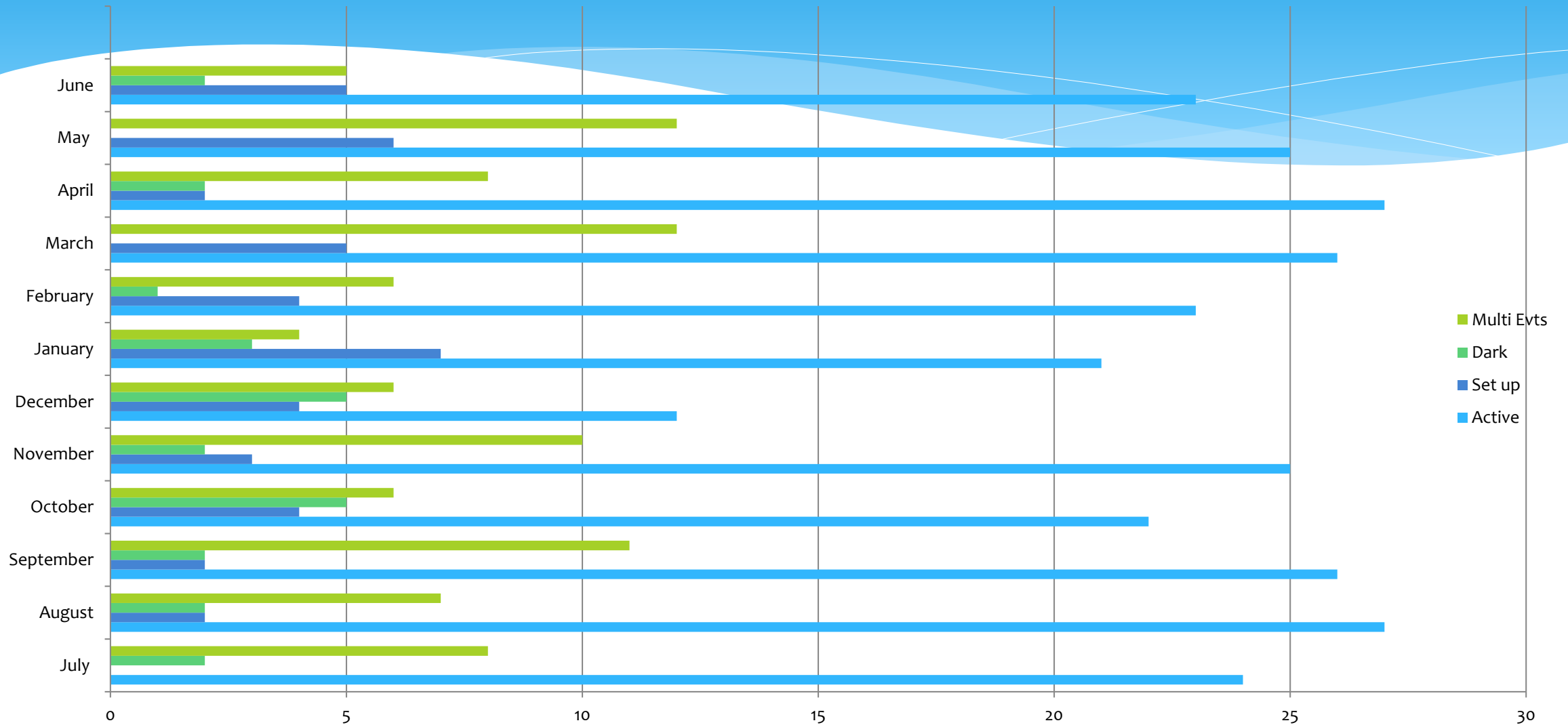
PAC COMPSETS

VENUE	SEATS	RENTAL COST	PER SEAT
OCCC PAC	1,212	\$ 2,000	\$ 1.65
LANCASTER AM. MUSIC THEATRE (PA)	1,600	\$ 3,000	\$ 1.88
LYRIC (BALTIMORE)	2,564	\$ 7,500	\$ 2.93
STRATHMERE (SILVER SPRING)	1,976	\$ 5,000	\$ 2.53
HIPPODROME (BALTIMORE)	2,248	\$ 10,000	\$ 4.45
SALISBURY CIVIC CENTER	5,600	\$1000-\$6000	\$ 1.20
SOUND STAGE (BALTIMORE)	1,000	\$2500-\$5000	\$ 3.25
BERGEN PAC (NJ)	1,367	\$ 4,000	\$ 2.93
MAYO PAC (NJ)	1,300	\$ 3,250	\$ 2.50
CHESAPEAKE CC/TODD PAC (EASTON)	903	\$ 1,850	\$ 2.05
STATE THEATRE (EASTON)	1,500	\$ 4,500	\$ 3.00
SANDLER PAC (VA BEACH)	2,500	\$ 4,500	\$ 1.80
NONE OF THESE FEES INCLUDE A/V, SET-UP, BOX OFFICE AND TICKETING			

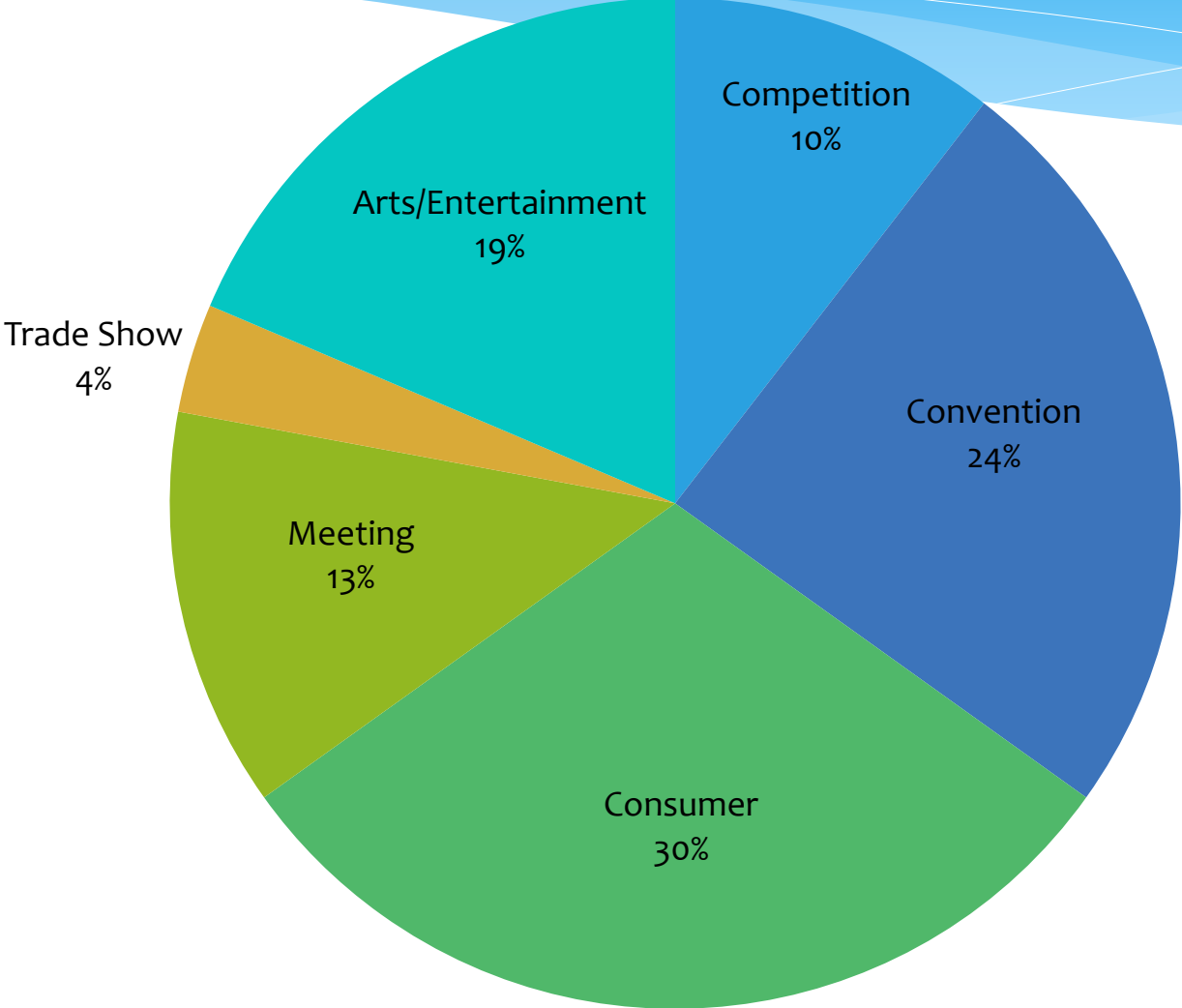
Active Days vs. Dark Days in Convention Center



Active Days vs. Dark Days by Month



MARKET ANALYSIS



The General Fund contribution for operations is budgeted to increase from \$1,488,364 in FY19 to \$1,534,536 in FY20 or a increase of \$46,172 due mainly to salaries and wages and building and equipment maintenance.

LOST BUSINESS REPORT

GROUP	DATE	REASON
MD Nurses Assoc	October	Preferred closer to city
Casey Hot Tub Expo	March or October	Dates/Availability
PA/DE Cleaners Assoc	October	Distance
Pearson Education	December	Distance
Kingsbury-Spirit (Cheer)	Spring	Conflict
MD State Child Care	Spring	Dates/Availability
Gem/Jewelry	Spring	Dates/Availability
US Foods	Spring	Dates/Availability

LOST BUSINESS REPORT

GROUP	DATE	REASON
Pickleball	May-August	Soccer has become their focus
Basketball	June	Cost to rent courts
NASP-Archery	June	Space/Availability
USA Fencing	Spring	Space/Availability
Eastern Shore RV & Camping	Spring	Insufficient Planning
Field Hockey Summit	March	Dates/Availability
Futsal	January	Parks & Rec sufficient space for now
Table Hockey	March	Dates/Availability
World Horseshoe Tourney	July	Space Availability

Summary of Estimated Economic and Fiscal Impacts to the Roland E. Powell Convention Center – Since FY18

The REPCC is a unique business entity that generates significant economic activity to the Town of Ocean City, Worcester County and the State. In FY19, the REPCC will host 110 events and attract approximately 604,200 attendees. This activity was estimated to generate direct spending of approximately \$137.8mm in the County and \$145.7mm in the State (including the County & Ocean City). Outputs from the ***IMPLAN*** (**impact analysis for planning**) model indicate that total spending, including direct, indirect and induced impacts, will be approximately \$198.8mm in the County and \$254.9mm in the State (including the County & Ocean City) in FY19. This spending was estimated to support approximately 2,260 jobs in the State that created \$95.4 mm in personal earnings at the State level. In addition, these transactions were subject to taxes that were estimated to generate approximately \$15.1mm in FY19 including \$11.9mm at the State level.

In FY19, the State's investment in the REPCC will be approximately \$1.4mm including its contribution towards debt service (\$1.49mm), the operating deficit and capital improvements (\$50,000). The estimated tax revenues generated from the REPCC operations at the State level resulted in a 8.8 to 1.0 ratio of fiscal benefits to costs representing a significant ROI for the State. In 2009, prior to Phase I, II and hopefully III, the ROI was 2.5 to 1. (Source: Crossroads Consulting)