

American College of Cardiology

One of the top 5 medical Citywides in the country with a peak of 13,000 room nights and a total of approximately 50,000 total room nights consumed. This group will be with us for the first time from March 11 – 19, 2015 and has blocks at 59 hotels with a total average rate of approximately \$280.

We are in negotiations to secure their 2019 citywide competing with New Orleans and Anaheim. We expect both of these destinations will offer significant incentives and rental rate reductions to secure this business. While I believe we still have a good shot at securing the 2019 Convention, it will hinge on two key issues; the success of their 2015 San Diego Convention and our ability to submit a competitive bid.

I have attempted to calculate the 2015 and 2019 costs for the Association as well as the income to the Convention Center and associated TOT and TMD revenues.

Association Cost Model				
		2015		2019
Rack Rate Rental		568,8		687,9
F & B Credit @ 14.4% of spend	(400,0)	57,6	(700,0)	100,8
A/V Credit @ 11% of spend	(50,0)	5,5	(50,0)	5,5
Sub Total		523,7		581,6
Rental Discount	(25%)	130,9	(20%)	116,3
Net Rental Cost		392,8		465,,3

Convention Center Revenue				
		2015		2019
Net Rental		392,8		465,3
Commission on F & B @ 36%	(400,0)	144,0	(700,0)	252,0
Commission on A/ V @ 24%	(50,0)	12,0	(50,0)	12,0
Sub Total		548,0		729,3

- Hotels in block charged \$2.50 per room as a subsidy collected by the Center that is intended to cover transportation costs. Totals \$100,0. This is shown as a reduction in rental costs paid by Hotels to the Center.
- \$15,00 per room Convention Services rebate to Cardiology
- 10% commission

Financial Impact to the City and TMD:

- TOT only, excludes all other tax revenues - 50,000 room nights @ 280. = 14,0 million total room revenue = 1,470,0 TOT to the City
- TMD - 50,000 room nights @ 280. = 14,0 million total room revenue = 280,0 TMD Revenue