



Convention Center Operating Expenses 2008 Benchmarking Survey Report





Convention Center Operating Expenses 2008 Benchmarking Survey Report

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Convention Center Operating Expenses 2008 Benchmarking Survey Report

OVERVIEW

On behalf of IAAM, the Convention Center / Exhibit Hall Committee (CC/EH Committee) and the Venue Research Institute (VRI), we are pleased to present the Convention Center Operating Expenses 2008 Benchmarking Survey Report (the “Report”). It is the goal of IAAM, the CC/EH Committee and the VRI to provide members with operational expense metrics that can be used to assist managers in improving facility operations through facility performance benchmarking.

We thank you very much for participating in this groundbreaking survey, and are pleased to present your facility’s results to you along with consolidated results from all other participating facilities.

The 2008 Benchmarking Survey was developed in part from previous benchmarking work performed over the last few years. Most recently, the Convention Center Expense Benchmarking Pilot Survey Report was published in June 2007. The feedback gathered from the 2007 Survey and conclusions of the Report laid the groundwork for the 2008 Survey.

Once the decision was made to proceed with the 2008 Survey, the survey tool and overall project were mapped out. IAAM contracted with Industry Insights to serve as an independent party providing the survey link and collecting the survey data. The survey link was distributed to 260 convention centers throughout the United States and Canada in August 2008. Industry Insights collected survey data during August and September, assisted by IAAM’s follow up e-mails and letters encouraging participation. With initial data collection completed, the survey database was turned over to the University of Dallas Sport and Entertainment MBA program. With the support of graduate assistants and faculty, the database entered a phase of verification and calculation of pre-determined metrics for the individual expense categories. This phase of work was then turned over to IAAM World Headquarters for final cleanup and report writing.

The 2008 Benchmarking Survey Report’s results are based on responses from a total of 78 facilities, representing an overall survey response rate of 30%.

The survey was designed to collect data on a wide variety of operational expense categories and to calculate and present the two or three most useful metrics within each expense

category. The Report presents this information to you. The survey also asked a variety of additional questions of interest. The Report also presents the responses from these questions.

The survey results are broken out into three different groupings based on exhibit hall size. This is determined by the significant operational differences among large, medium and small-sized convention centers, and the desire to make the survey results more meaningful to you. The groupings include facilities with over 500,000 gross square feet of exhibit space, those with 100,000 to 500,000 gross square feet of exhibit space, and those with less than 100,000 gross square feet of exhibit hall space.

The 2008 Survey was limited to United States and Canadian convention centers. Due to the virtual one-for-one relationship between the U.S. and Canadian dollars during the survey period, exchange rate adjustments to the survey data were not deemed necessary.

The survey data collection and benchmark metric calculation process was a very extensive multi-step process. In the initial data collection process, significant effort was made to ensure that obvious errors or missing responses in the data were followed up and corrected. As the data became more complete and accurate, each calculated metric within each expense category was used to produce metric averages and standard deviation statistics for all facilities, grouped by exhibit hall size. (Standard deviation is a statistical tool used to measure variability or spread of a sampling of data. In an analysis of collected data, there can be concern about the validity of survey conclusions should there be certain data that are dramatically different than all of the other collected data. A statistical rule-of-thumb for the type of data that was collected is that approximately 95% of the data falls within two standard deviations of the calculated average.)

Utilizing two standard deviations as a threshold, a final cross check of the accuracy of the calculated metrics for each facility in each expense category was then performed. Finally, any remaining individual calculated metrics outside of two standard deviations were removed from the calculation of the average for each and every expense metric for purposes of reporting facility consolidated results in this Report.

The survey tool and the comprehensive definitions used for the survey process are attached to this Report for your reference. In addition, certain acronyms are used throughout the Report. These acronyms are listed and explained in the Acronym Index below.

Looking to the future, the 2008 Expense Benchmarking Survey Report is an important stepping stone. Subsequent expense benchmarking surveys will allow individual facilities and the overall industry to analyze a given year's results as well as observe and benefit from multi-year trends for all manner of operational and financial benchmarks.

We hope you will find the following information useful and at the same time look forward to participating in future surveys.

Should you have any questions on the Report or the benchmarking process overall, please contact either Dana Glazier at dana.glazier@IAAM.org or Mark Emch at mark.emch@visitsandiego.com.

Acronym Index	
IAAM	International Association of Assembly Managers
CC/EH Committee	Convention Center/ Exhibit Hall Committee
VRI	Venue Research Institute
DNR	did not report
EH-OSFD	exhibit hall occupied square foot days
TR-OSFD	total rentable occupied square foot days
MR-OSFD	meeting room/ballroom occupied square foot days
BOMA	Building Owners and Managers Association
IFMA	International Facility Management Association
R&M	repair and maintenance



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RESULTS

This section presents results for each operational expense category that was highlighted in the survey, as well as facility occupancy and other items of interest collected through the survey process. Individual facility results include all calculated expense metrics plus occupancy. Individual responses to other items (such as the nature of facility ownership) are not included in the Report. If your facility did not or could not supply an answer to a particular area of the survey, the results for your facility are identified as “DNR” (did not report) for each area affected by the missing data.

SECTION I: OCCUPANCY

While not an expense benchmark, occupancy can be both a very useful comparison for facilities and a contributing factor to many of the most useful expense benchmarks, particularly those where expense is significantly influenced by event load. Most facilities use the same methodology for calculating occupancy. For purposes of consistency in the calculated metrics, we have adjusted a facility’s occupancy to reflect a 365 day calendar if the originally reported occupancy data was calculated on something other than a 365 day calendar.

Occupancy data was requested based on the most common way that convention centers present their rentable space: exhibit hall space followed by combined ballroom and meeting room space. Some facilities offer other types of rentable space in addition to these standard classifications, so an “other” category was included in the survey. Finally, overall combined occupancy was requested. All leased space categories are listed below, with occupancies broken out by facility size.

When looking at the occupancy results, note that some facilities provided only exhibit hall space occupancy while others provided only combined total space occupancy. As a result, the combined total occupancy for a given size of facility does not directly correlate to the occupancies of the individual spaces. (For example, facilities with less than 100,000 square feet of exhibit space had an average combined total occupancy of 53% while the average occupancies of the individual leased spaces are all slightly under the 53% figure.)

Occupancy Metrics

Indicated figures represent facility "averages" including your actual results	Exhibit Hall	Meeting/ Ballroom	Other	Combined Total
All Facilities	52%	51%	46%	52%
> 500,000 sq ft exhibit space	59%	59%	58%	58%
100,000 to 500,000 sq ft exhibit space	50%	46%	39%	48%
< 100,000 sq ft exhibit space	50%	52%	46%	53%
Your Facility				

SECTION II: BUILDING CLEANING EXPENSE

Building cleaning is primarily an occupancy- and use-driven expense, and is best benchmarked using expenses divided by either exhibit hall occupied square foot days (EH-OSFD) or by total rentable occupied square foot days (TR-OSFD). Since certain components of building cleaning are not occupancy or use-driven, building cleaning divided by total gross building square feet also provides a reasonable comparison. This particular metric has the further benefit of being identical to the metric used by the Building Owners and Managers Association (BOMA) and the International Facility Management Association (IFMA) for their regular expense benchmarking reports.

Overall building cleaning expenses within certain facilities also contain cleaning expenses that directly generate revenue, typically through exhibit booth cleaning services. In order to segregate these additional cleaning expenses from “standard” or baseline building cleaning expenses, the survey asked for revenue and billing markup data in order to allow for this segregation. The results factor out these additional revenue producing expenses, resulting in a more “pure” comparison of standard building cleaning expenses among all survey participants.

Building Cleaning Metrics	Building Cleaning Expenses Divided By:		
Indicated figures represent facility "averages" including your actual results	Exhibit Hall Occupied Sq Ft	Total Rentable Occupied Sq Ft	Total Gross Building Sq Ft
All Facilities	\$6.96	\$4.11	\$1.04
> 500,000 sq ft exhibit space	\$5.58	\$4.45	\$1.08
100,000 to 500,000 sq ft exhibit space	\$6.09	\$4.32	\$0.97
< 100,000 sq ft exhibit space	\$7.44	\$4.11	\$1.02
Your Facility			

In addition to actual expense dollars, the survey also requested information on the nature of the service represented by this expense category. The results of this additional information are presented below.

Nature of Provided Service – Building Cleaning					
Indicated figures represent percentage of total respondents	Service Provided By:			Labor Primarily:	
	In-House	Contracted	Both	Union	Non-Union
All Facilities	61%	17%	22%	26%	74%
> 500,000 sq ft exhibit space	20%	40%	40%	60%	40%
100,000 to 500,000 sq ft exhibit space	59%	14%	27%	37%	63%
< 100,000 sq ft exhibit space	71%	13%	16%	14%	86%

Finally, since data was collected from facilities that reported building cleaning revenue generated directly from in-house building cleaning expenses, it is interesting to note the extent of this revenue generation among facilities.

Building Cleaning Revenue			
Indicated figures represent percentage of total respondents		Generate Revenue	Do Not Generate
		In-House	Revenue In-House
All Facilities		29%	71%
> 500,000 sq ft exhibit space		20%	80%
100,000 to 500,000 sq ft exhibit space		35%	65%
< 100,000 sq ft exhibit space		29%	71%

SECTION III: BUILDING SECURITY AND TRAFFIC CONTROL EXPENSE

Building security (particularly traffic control) is largely an occupancy- and use-driven expense, although not to the extent of other expense categories such as building cleaning and room set-up. As a result, building security expenses divided by EH-OSFD or by TR-OSFD provide useful metrics. Based on the partial variability of these expenses, building security expenses divided by total gross building square feet also provides a useful metric.

Similar to building cleaning, overall building security expenses within certain facilities also contain security expenses that directly generate revenue, primarily through the in-house supply of event security staff. In order to segregate these additional security expenses from “standard” or baseline building security expenses, the survey asked for revenue and billing markup data to allow for this segregation. The results factor out these additional revenue producing expenses, resulting in a more “pure” comparison of standard building security expenses among all survey participants.

Building Security Metrics	Building Security/Traffic Expenses Divided By:		
	Exhibit Hall Occupied Sq Ft	Total Rentable Occupied Sq Ft	Total Gross Building Sq Ft
Indicated figures represent facility "averages" including your actual results			
All Facilities	\$5.12	\$2.70	\$0.73
> 500,000 sq ft exhibit space	\$4.93	\$3.99	\$0.97
100,000 to 500,000 sq ft exhibit space	\$4.59	\$2.83	\$0.59
< 100,000 sq ft exhibit space	\$6.34	\$2.75	\$0.79
Your Facility			

In addition to actual expense dollars, the survey also requested information on the nature of the service represented by this expense category. The results of this additional information are presented below.

Nature of Provided Service – Building Security					
Indicated figures represent percentage of total respondents	Service Provided By:			Labor Primarily:	
	In-House	Contracted	Both	Union	Non-Union
All Facilities	32%	38%	30%	19%	81%
> 500,000 sq ft exhibit space	20%	20%	60%	50%	50%
100,000 to 500,000 sq ft exhibit space	23%	41%	36%	27%	73%
< 100,000 sq ft exhibit space	40%	41%	19%	7%	93%

Finally, since data was collected from facilities that reported building security revenue generated directly from in-house building cleaning expenses, it is interesting to note the extent of this revenue generation among facilities.

Building Security Revenue			
Indicated figures represent percentage of total respondents		Generate Revenue In-House	Do Not Generate Revenue In-House
		All Facilities	36%
> 500,000 sq ft exhibit space	10%	90%	
100,000 to 500,000 sq ft exhibit space	39%	61%	
< 100,000 sq ft exhibit space	40%	60%	

SECTION IV: ROOM SET-UP EXPENSE

Room set-up expenses are very similar to building cleaning expenses, being primarily driven by occupancy and use. These expenses are therefore best benchmarked using expenses divided by either meeting room/ballroom occupied square feet (MR-OSFD) or by TR-OSFD. However, as exhibit hall occupancy is the most commonly tracked occupancy measure for convention centers, EH-OSFD is provided instead of TR-OSFD. Room set-up expense divided by overall attendees also provides a useful comparison for facilities with similar event usage and set-up requirements.

Room Set-Up Metrics	Room Set-Up Expenses Divided By:		
	Exhibit Hall Occupied Sq Ft	Meeting/Ballroom Occupied Sq Ft	Attendance
Indicated figures represent facility "averages" including your actual results			
All Facilities	\$10.02	\$21.39	\$1.25
> 500,000 sq ft exhibit space	\$2.91	\$14.12	\$1.55
100,000 to 500,000 sq ft exhibit space	\$8.67	\$26.19	\$1.56
< 100,000 sq ft exhibit space	\$12.54	\$22.60	\$0.98
Your Facility			

In addition to actual expense dollars, the survey also requested information on the nature of the service represented by this expense category. The results of this additional information are presented below.

Nature of Provided Service – Room Set-Up					
Indicated figures represent percentage of total respondents	Service Provided By:			Labor Primarily:	
	In-House	Contracted	Both	Union	Non-Union
All Facilities	79%	8%	13%	32%	68%
> 500,000 sq ft exhibit space	60%	30%	10%	70%	30%
100,000 to 500,000 sq ft exhibit space	68%	5%	27%	41%	59%
< 100,000 sq ft exhibit space	89%	4%	7%	19%	81%

SECTION V: REPAIR AND MAINTENANCE EXPENSE

Repair and maintenance (R&M) expenses tend to be more complex than many of the other expense categories considered in the survey. While R&M expenses are significantly impacted by the facility's occupancy, the facility's age and the extent of capital upgrades or improvements also play significant roles. Further, there are inconsistencies between facilities in recording a particular type of expense as either an R&M expense or a capital expense.

Therefore no single metric clearly provides the most useful and reliable comparison for R&M expenses. Following the lead of BOMA and IFMA, dividing R&M expenses by total building gross square feet provides a readily available and widely used metric.

Because of the impact that facility age can have on R&M expenses, survey respondents were asked to describe their primary facility as being more than 10 years old or less than 10 years old. With this additional data, we are able to provide the R&M metric split between older and newer facilities.

Repair and Maintenance Metrics	Repair & Maintenance Expenses Divided By:
Indicated figures represent facility "averages" including your actual results	Total Building Gross Sq Ft
All Facilities	\$1.55
> 500,000 sq ft exhibit space	\$1.59
100,000 to 500,000 sq ft exhibit space	\$1.35
< 100,000 sq ft exhibit space	\$1.43
Majority of facility is > 10 years old	\$1.50
Majority of facility is < 10 years old	\$1.36
Your Facility	

The collection of facility age data also allows for a comparison of facilities by size and by age.

Facility Age		Majority of Facility is:	
Indicated figures represent percentage of total respondents		Less Than 10 Years Old	Greater Than 10 Years Old
All Facilities		29%	71%
> 500,000 sq ft exhibit space		20%	80%
100,000 to 500,000 sq ft exhibit space		39%	61%
< 100,000 sq ft exhibit space		27%	73%

In addition to actual expense dollars, the survey requested information on the nature of the service represented by this expense category. The results of this additional information are presented below.

Nature of Provided Service – Repair and Maintenance					
Indicated figures represent percentage of total respondents	Service Provided By:			Labor Primarily:	
	In-House	Contracted	Both	Union	Non-Union
All Facilities	56%	3%	41%	33%	67%
> 500,000 sq ft exhibit space	40%	10%	50%	70%	30%
100,000 to 500,000 sq ft exhibit space	61%	0%	39%	43%	57%
< 100,000 sq ft exhibit space	57%	2%	41%	19%	81%

SECTION VI: GROUNDS MAINTENANCE EXPENSE

Grounds maintenance expenses are incurred by a majority of facilities. These expenses are impacted by a wide variety of factors, including extent of external grounds maintained, types of items and materials maintained, climate, use, etc. There is no current generally accepted metric for grounds maintenance expenses, and so the average actual total annual expenses are reported for your information.

Grounds Maintenance Metrics		Total Grounds Maintenance Expenses:
Indicated figures represent facility "averages" including your actual results		Total Expenses
All Facilities		\$73,510
> 500,000 sq ft exhibit space		\$226,038
100,000 to 500,000 sq ft exhibit space		\$82,015
< 100,000 sq ft exhibit space		\$31,638
Your Facility		

In addition to actual expense dollars, the survey also requested feedback on the nature of the service represented by this expense category. The results of this additional information are presented below.

Nature of Provided Service – Grounds Maintenance					
Indicated figures represent percentage of total respondents	Service Provided By:			Labor Primarily:	
	In-House	Contracted	Both	Union	Non-Union
All Facilities	50%	37%	13%	22%	78%
> 500,000 sq ft exhibit space	25%	50%	25%	37%	63%
100,000 to 500,000 sq ft exhibit space	62%	19%	19%	36%	64%
< 100,000 sq ft exhibit space	49%	43%	8%	11%	89%

SECTION VII: EVENT MANAGEMENT/COORDINATION EXPENSE

Event management/coordination is partially an occupancy- and use-driven expense, and may be benchmarked using expenses divided by either EH-OSFD or by TR-OSFD. In most facilities these expenses are primarily provided by full time employees, with the number of employees also partially driven by the facility's total rentable space. Therefore, expense divided by total rentable square feet is also provided as a metric.

Event Management Metrics	Event Management Expenses Divided By:			
	Indicated figures represent facility "averages" including your actual results	Exhibit Hall Occupied Sq Ft	Total Rentable Occupied Sq Ft	Total Rentable Sq Ft
All Facilities		\$9.12	\$4.45	\$2.18
> 500,000 sq ft exhibit space		\$1.85	\$1.50	\$0.75
100,000 to 500,000 sq ft exhibit space		\$6.90	\$4.28	\$1.80
< 100,000 sq ft exhibit space		\$14.50	\$6.43	\$2.90
Your Facility				

In addition to actual expense dollars, the survey also requested information on the nature of the service represented by this expense category. The results of this additional information are presented below.

Nature of Provided Service – Event Management					
Indicated figures represent percentage of total respondents	Service Provided By:			Labor Primarily:	
	In-House	Contracted	Both	Union	Non-Union
All Facilities	97%	0%	3%	11%	89%
> 500,000 sq ft exhibit space	100%	0%	0%	0%	100%
100,000 to 500,000 sq ft exhibit space	95%	0%	5%	14%	86%
< 100,000 sq ft exhibit space	98%	0%	2%	12%	88%

SECTION VIII: BUILDING UTILITIES EXPENSE

Utility expenses are one of the most consistently defined and tracked facility expenses. However, inherent differences occur among facilities in this metric due to regional differences in utility rates, climate, and the varying efficiencies of installed HVAC systems. Nevertheless, building utility benchmarks can be very informative in measuring the local impact of this significant expense.

Depending on such factors as a particular facility's HVAC system set-up and conservation practices, building utility expenses can be quite variable based on building occupancy and use, although not normally to the extent of such expenses as room set-up or building cleaning. As a result, building utilities expenses divided by EH-OSFD and TR-OSFD provide the most useful metrics. Building utility expenses divided by total gross building square feet also provides a useful metric that corresponds to BOMA and IFMA standard expense benchmarking data.

Building Utility Metrics	Building Utility Expenses Divided By:		
	Exhibit Hall Occupied Sq Ft	Total Rentable Occupied Sq Ft	Total Gross Building Sq Ft
Indicated figures represent facility "averages" including your actual results			
All Facilities	\$16.94	\$9.42	\$2.57
> 500,000 sq ft exhibit space	\$11.48	\$9.44	\$2.23
100,000 to 500,000 sq ft exhibit space	\$17.34	\$10.78	\$2.57
< 100,000 sq ft exhibit space	\$21.43	\$9.13	\$2.66
Your Facility			

SECTION IX: SALES AND MARKETING EXPENSE

Sales and marketing expenses are highly variable throughout the convention center industry. This is largely due to the extent to which facilities are directly responsible for marketing and selling the building. Facilities are responsible for anywhere from little or no sales and marketing of the building, moderate responsibility (such as short term bookings), to virtually all of the sales and marketing of the building. By determining the extent to which a facility is responsible for its sales and marketing function, sales and marketing expense metrics can be modified to account for this key factor.

Unlike many facility expenses sales & marketing expense is not significantly influenced by occupancy and use. Therefore, sales & marketing expenses divided by exhibit hall square footage or total rentable square footage can also provide useful metrics.

Sales & Marketing Metrics	Sales & Marketing Expenses Divided By:	
	Exhibit Hall Sq Ft	Total Rentable Sq Ft
Indicated figures represent facility "averages" including your actual results		
All Facilities	\$4.64	\$2.51
> 500,000 sq ft exhibit space	\$1.40	\$1.07
100,000 to 500,000 sq ft exhibit space	\$3.65	\$2.15
< 100,000 sq ft exhibit space	\$5.46	\$2.76
Little or no sales/mktg responsibility	\$1.33	\$0.89
Short term sales/mktg responsibility	\$3.39	\$2.36
Most or all sales/mktg responsibility	\$5.57	\$2.65
Other sales/mktg responsibility	\$6.64	\$3.12
Your Facility		

We are also able to present a chart breaking out sales & marketing responsibility by size.

Sales & Marketing Responsibility				
Indicated figures represent percentage of total respondents	Little or None	Short Term	Most or All	Other
All Facilities	12%	36%	51%	1%
> 500,000 sq ft exhibit space	20%	40%	40%	0%
100,000 to 500,000 sq ft exhibit space	17%	57%	26%	0%
< 100,000 sq ft exhibit space	7%	24%	67%	2%

The survey asked respondents to indicate the nature of their primary event activity based on the primary market of the actual facility's sales and marketing activity (rather than basing on total number of events within given classifications of events). The survey choices included "primary events are national and regional conventions, trade shows and corporate events," "primary events are local meetings, banquets, consumer shows and community events," or "other."

As it turned out, primary event market was not useful as a differentiating factor given the scope of this benchmarking project and Report,. However, with the data collected, it is interesting to note how the sales and marketing emphasis is split out between facilities based on size.

Sales & Marketing Emphasis		Primary Sales & Marketing Event Emphasis is on:		
Indicated figures represent percentage of total respondents	National and Regional Events	Local Events	Other	
All Facilities	57%	35%	8%	
> 500,000 sq ft exhibit space	100%	0%	0%	
100,000 to 500,000 sq ft exhibit space	83%	17%	0%	
< 100,000 sq ft exhibit space	34%	52%	14%	

SECTION X: PROPERTY AND GENERAL LIABILITY INSURANCE EXPENSE

Property insurance, including real and personal property insurance, is often a facility expense. Property insurance is consistently defined and tracked for those facilities that purchase such insurance. However, differences occur between facilities that affect this expense, including the local probability of natural disasters (floods, hurricanes, earthquakes, etc.) and the extent of deductibles within the specific insurance coverage. Property insurance coverage is almost always based on replacement value of the insured items rather than variable factors such as attendance, occupancy or revenues. As a result, the expense divided by total gross building square feet provides the best metric.

General liability insurance is almost always a facility expense. Where it is not, general liability coverage is usually provided through the governmental entity overseeing the facility. General liability insurance is typically consistently defined and tracked among facilities. As with property insurance, the extent of deductibles within the specific insurance coverage can affect expenses. In addition, insurance coverage can be “priced” by underwriters in different ways, including attendance data, nature of events and extent of revenues. With all factors considered, insurance divided by facility attendance and by EH-OSFD provide the most suitable metrics.

Insurance Metrics	Property Insurance	General Liability Insurance Divided by:	
	Divided by:	Exhibit Hall	Attendance
Indicated figures represent facility "averages" including your actual results	Total Gross Building Sq Ft	Occupied Sq Ft	
All Facilities	\$0.38	\$1.46	\$0.26
> 500,000 sq ft exhibit space	\$0.30	\$0.62	\$0.36
100,000 to 500,000 sq ft exhibit space	\$0.26	\$1.29	\$0.22
< 100,000 sq ft exhibit space	\$0.50	\$2.25	\$0.20
Your Facility			

SECTION XI: OTHER FACILITY COMPARISONS

There were several other aspects of facility operations that were surveyed to potentially further differentiate or compare facilities against each other. These additional items include the following:

- Total attendance for all events within the survey reporting period
- Total number of events within the survey reporting period
- Nature of facility ownership (state, county, city, authority or other)
- Nature of facility management (public, quasi-public / authority, private or other)

As has been noted elsewhere in this Report, attendance data has been used within certain expense categories to provide effective and meaningful metrics. It is interesting to note that total combined annual attendance for all events in the facilities that participated in the survey is an impressive 32,000,000 people. Roughly extrapolated out to the entire industry (based on a total of 462 facilities tracked within the United States and Canada by *Tradeshow Week*), that indicates an industry that drew a staggering combined annual total of 189,000,000 *people*.

The total number of events held by all participating facilities was equally impressive, with some 28,000 events of all types reported. (Extrapolated throughout the industry, that results in a total of 165,000 events). The chart below compares both attendance and event date, differentiated by facility size.

Attendance & Events			
Indicated figures represent facility "averages" including your actual results	Total Event Attendance	Total Number of Events	Average Attendance per Event
All Facilities	429,882	394	1,581
> 500,000 sq ft exhibit space	986,413	245	4,933
100,000 to 500,000 sq ft exhibit space	592,784	377	1,777
< 100,000 sq ft exhibit space	219,802	438	664
Your Facility			

Finally, the survey inquired as to the nature of facility ownership and facility management. Although it was not within the scope of this Report, it may be helpful and interesting in future reports to sort certain expense or other operational and financial metrics based on these criteria. For now we simply present the nature of ownership and management based on facility size.

Facility Ownership						
Indicated figures represent percentage of total respondents		State	County	City	Authority	Other
All Facilities		9%	10%	55%	18%	8%
> 500,000 sq ft exhibit space		10%	20%	30%	30%	10%
100,000 to 500,000 sq ft exhibit space		13%	0%	65%	13%	9%
< 100,000 sq ft exhibit space		7%	13%	55%	18%	7%

Facility Management					
Indicated figures represent percentage of total respondents		Public	Authority	Private	Other
All Facilities		48%	19%	28%	5%
> 500,000 sq ft exhibit space		40%	40%	10%	10%
100,000 to 500,000 sq ft exhibit space		57%	13%	30%	0%
< 100,000 sq ft exhibit space		44%	18%	31%	7%



Convention Center Operating Expenses 2008 Benchmarking Survey Report

CONCLUSION

The Convention Center Operating Expenses 2008 Benchmarking Survey Report is intended to serve two goals; provide a stepping stone to future operating expense surveys throughout the convention center industry, and provide facility management with meaningful and useful expense benchmarks.

Future expense benchmarking surveys will allow for the creation of multi-year trend data for each of the metrics within each expense category, thus greatly enhancing the usefulness of the data. However, even single year data as represented by this Report allows for identification of trends within individual expense categories. For example, in looking at the results it comes as no surprise that there are considerable economies of scale within larger facilities for both event management and sales and marketing expenses. On the other hand, it seems remarkable how similar building cleaning expenses are for all sizes of facilities, based on total gross building square feet.

As facility managers compare their local results against the facility averages listed in the Report, it is important to note that there are many factors that can influence individual expenses and specific calculated metrics. Consider each metric as simply a starting point in analyzing operating expenses against peers. No one metric within each expense category should be considered “best in class”. The results in the Report can certainly add to facility management’s overall tool chest in identifying operational strengths and weaknesses.

The value of benchmarking data is significantly influenced by the quantity of responses. Collecting benchmarking data over multiple years not only allows for establishment of trends but helps ensure that each year’s data is reliable.

In consideration of these factors and overall benchmarking project goals, we sincerely thank all 78 facilities that participated in the 2008 Survey and look forward to even greater participation in future years.

IAAM Benchmarking Survey Convention Center Operating Expenses

Introduction: This survey is intended to develop and provide comprehensive operational expense benchmarks within the convention center industry. Your participation will help ensure that the survey results will be meaningful to all participants. All responses to the survey questions will be treated confidentially.

Please note two important items before proceeding with the survey:

- Before completing the survey please carefully review the “Definitions of “Expense Categories” located at the back of the survey to help ensure accurate completion of the survey.
- If your organization manages a “complex” that includes facilities that are in addition to a convention center (or if you have multiple convention centers under management), please be sure to answer the survey questions with only the convention center operation in mind (or only primary convention center if multiple convention centers). If you do not separately track all expenses for the convention center, please estimate the appropriate allocation of expenses for just the convention center to the best of your ability.
- Please report expense data based on the most recently completed fiscal year ending **before** January 1, 2008.

Part I: Facility Information			
Facility Name:			
Address:			
City:	State:	Zip:	
Contact Name & Title:			
Contact Person Phone:	Email:		

1. Facility Ownership (check one) 1-1 <input type="checkbox"/> State 2 <input type="checkbox"/> County 3 <input type="checkbox"/> City 4 <input type="checkbox"/> Authority 5 <input type="checkbox"/> Other _____	
2. Facility Management (check one) 2-1 <input type="checkbox"/> Public 2 <input type="checkbox"/> Quasi-public (e.g. authority) 3 <input type="checkbox"/> Private 4. <input type="checkbox"/> Other _____	
3. Exhibit Hall Gross Rentable Square Feet	SF 3
4. Meeting Room / Ball Room Gross Rentable Square Feet	SF 4
5. Other Gross Rentable Square Feet (describe: _____)	SF 5
6. Total Gross Rentable Square Feet	SF 6
7. Total Gross Overall Facility Square Feet: (Do not include “outdoor” space and parking facilities)	SF 7
8. Is the majority of the facility’s total gross overall square footage: 8-1. <input type="checkbox"/> Less than 10 years old 2 <input type="checkbox"/> 10 years or older	
9. Primary Event Activity (defined as primary sales/marketing emphasis of building) (check one) 9-1 <input type="checkbox"/> Primary events are national and regional conventions, trade shows and corporate events 9-2 <input type="checkbox"/> Primary events are local meetings, banquets, consumer shows and community events 9-3 <input type="checkbox"/> Primary events are other (describe _____)	

10. Regarding sales & marketing for your facility, check the answer that best describes your situation:
- 47-1 The Convention Center is directly responsible for little if any of the selling and marketing of the convention center, regardless of the long term or short term nature of events
 - 2 The Convention Center is directly responsible for selling and marketing the convention center for most if not all short term events (defined as generally within an 18-month or 24-month time frame), but is directly responsible for little if any long term events
 - 3 The convention center is directly responsible for most if not all of the selling and marketing of the convention center, regardless of the long term or short term nature of events
 - 4 Other (describe)_____

Part II: Expenses

- Specify fiscal year end reporting period (mm/dd/yyyy)- most recently completed fiscal year ending before January 1, 2008 10
- Please use data from your most recently completed fiscal year to respond below. If you do not track all of the information requested in the specific categories identified below, please estimate to the best of your ability an allocation of the expenses. (For example, if your financial system records Building Cleaning and Room Set-up expenses together at \$1,000,000, but you estimate that 60% relates to Building Cleaning and 40% is Room Set-up, you should indicate \$600,000 and \$400,000 respectively in the applicable areas below.) If you incur no expenses in a particular category, please indicate \$0. **PLEASE CAREFULLY REFER TO THE ATTACHED DEFINITIONS BEFORE RESPONDING TO EACH QUESTION.**

Expense Category	Annual Cost	Service Provided By (check one per line):			Staff Primarily Providing Services:	
		In-House	Contracted	Both	Union	Non-Union
Building Cleaning	\$ 11	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 24	<input type="checkbox"/>	<input type="checkbox"/> 30
Building Security & Traffic Control	\$ 12	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 25	<input type="checkbox"/>	<input type="checkbox"/> 31
Room Set-up	\$ 13	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 26	<input type="checkbox"/>	<input type="checkbox"/> 32
Repair & Maintenance	\$ 14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 27	<input type="checkbox"/>	<input type="checkbox"/> 33
Grounds Maintenance	\$ 15	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 28	<input type="checkbox"/>	<input type="checkbox"/> 34
Event Management/Coordination	\$ 16	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> 29	<input type="checkbox"/>	<input type="checkbox"/> 35
Building Utilities	\$ 17					
Sales & Marketing	\$ 19					
Property Insurance	\$ 20					
General Liability Insurance	\$ 21					
All Other Operating Expenses	\$ 22					
TOTAL OPERATING EXPENSES	\$ 23					

Part III: Revenue Generating vs. Non-Revenue Generating Expenses

In comparing Building Cleaning and Building Security expenses between facilities, the intent is to compare "baseline" building expenses in these two categories. The comparison is not intended to include additional cleaning and security expenses incurred at the request of event exhibitors or show management from which revenues are charged by the building. Therefore, if your expense figures in either the Building Cleaning or Event Security categories in Part II above include amounts incurred that in turn generated revenue to the building, please indicate the amount of revenue generated from the services provided and the approximate average markup from your cost. (The expenses related to revenue generation will then be removed from the expense comparisons.)

Expense Category	Annual Revenue Generated	Approximate Average Markup % from Cost
Building Cleaning	\$ 36	% 38
Building Security & Traffic Control	\$ 37	% 39

Part IV: Occupancy & Attendance

- Please indicate your rate (percentage) of occupancy for the space indicated below for the fiscal year you are reporting expenses. Rate of occupancy is defined as the percentage of in use days (including move-in, move-out and event days), calculated and weight-averaged by individual room "square footage" and based on 365 available days. (Note: If your facility has a multi-purpose hall(s) which serve as the primary exhibit and ballroom/meeting room space, please just answer "Total Combined Rentable Space Occupancy %" below.)

Exhibit Hall Occupancy	% 40
Meeting Room/Ball Room Occupancy	% 41
Other Room Occupancy	% 42
Total Combined Rentable Space Occupancy	% 43
- Describe other occupancy calculations used by your building, if applicable.

_____ 44
- Total annual attendance for all events for the fiscal year you are reporting expense 45
- Total number of events for the fiscal year you are reporting expense 48
- If you have any questions or need any clarification as you complete the survey, please e-mail Shawn Six at ssix@industryinsights.com. Upon completion of the survey, please describe below any difficulties, issues or general comments you may have regarding the survey.

_____ 46

THANK YOU FOR PARTICIPATING! When submitting this questionnaire, please understand that the information you provide will be treated confidentially. Your facility will not be identified by name in any resulting reports or presentations other than information provided back to you. You will receive a completed survey report with summarized responses from all facilities participating.

DEFINITIONS OF EXPENSE CATEGORIES

Building Cleaning

Includes expenses for all labor, materials, equipment (non-capital), and contracted services for building cleaning, trash removal, and pest control. Excludes expenses for trash removal, booth cleaning, and other exhibit hall cleaning which are invoiced by the building to exhibitors or show managers. Excludes all cleaning costs paid by exhibitors or show managers to third parties.

Building Security and Traffic Control

Includes expenses for all labor, materials, equipment (non-capital), and contracted services for securing the physical property and building personnel. Includes all traffic control expenses paid for by the building. Excludes event related security and traffic control expenses paid by exhibitors or show managers to either the building or third parties.

Room Set-Up

Includes expenses for all labor, materials, equipment (non-capital), and contracted services for setting up tables, chairs, stages, etc. in meeting rooms, exhibit halls, and public spaces. Excludes set-up services that are purchased by exhibitors or show managers from third parties.

Repair and Maintenance

Includes expenses for all labor, materials, equipment (non-capital), and contracted services for the repair and maintenance of all building electrical, plumbing, HVAC, fire and life safety, and other building systems and components. Includes trade services such as painter, electrician, engineer, carpenter, plumber, welder, etc. Excludes roads and grounds maintenance expenses that the building may be responsible for. Excludes capital improvements. Excludes electrical and plumbing services provided to exhibitors and show management.

Grounds Maintenance

Includes expenses for all labor, materials, equipment (non-capital), and contracted services for the maintenance of all external grounds to the building. Excludes capital improvements.

Event Management/Coordination

Includes expenses for all labor, materials, equipment (non-capital), and contracted services for event management/coordination activities. Expense category typically is primarily comprised of event building staff, typically "event managers" and "event coordinators," working directly with event's meeting planner and staff to facilitate event.

Building Utilities

Includes all expenses for electricity, gas, fuel oil, purchased steam or chilled water, and water/sewer.

Sales & Marketing

Includes expenses for all labor, materials, equipment (non-capital), and contracted services for all sales & marketing expenses provided directly by the building, including advertising, client promotions, marketing & promotional materials and sales related travel. Includes all expenses (personnel and non-personnel) related directly to all sales & marketing staff employed by the building. Excludes expenses of other organizations such as convention and visitors bureaus.

Property Insurance

Includes expenses for all types of property insurance, including real and personal property. Include terrorism coverage if it is contained within your property insurance. Include insurance broker fees if applicable. Exclude paid claims or settlements not covered by insurance.

General Liability Insurance

Includes expenses for all types of general liability insurance, including excess liability coverage. Include insurance broker fees if applicable. Exclude paid claims or settlements not covered by insurance.

All Other Operating Expenses

Includes all other operating expenses not already described above. The combination of all expenses described above plus “All Other Operating Expenses” should equal total operating expenses.