

CONVENTION CENTER EXPENSE BENCHMARKING PILOT SURVEY

Results & Report
June 2007



Convention Center / Exhibit Halls
Committee

Benchmarking
Sub Committee

CONVENTION CENTER EXPENSE BENCHMARKING PILOT SURVEY

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**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

REPORT

CONVENTION CENTER EXPENSE BENCHMARKING PILOT SURVEY

EXECUTIVE SUMMARY

BACKGROUND

For the past few years the CC/EH Committee of IAAM has discussed the idea of surveying members regarding facility operating expenses. The ultimate goal was to establish a series of annually surveyed expense metrics that convention centers could utilize to benchmark their results against to assist in facility management.

In 2002, the Committee, in conjunction with the University of Central Florida, conducted a pilot survey covering several operational and maintenance expenses. While good results were obtained from the initial survey, the intended subsequent step to initiate a more extensive annual survey did not occur.

CURRENT EXPENSE BENCHMARK PILOT SURVEY

The expense benchmark pilot survey issued by the CC/EH Benchmarking Sub-Committee during the Fall of 2006 was developed to facilitate the eventual goal of establishing annual expense metrics across the convention center industry. The pilot survey was intended to not only investigate the viability of numerous expense metrics, but also to gather feedback on issues and suggestions from survey participants that may help further increase the usefulness and viability of expense metrics in the future. (A copy of the pilot survey and associated definitions are included as an addendum to this report.)

A total of 16 convention centers participated in the pilot survey. (A list of participating facilities is included as an addendum to this report.) The pilot survey's intent was to include a broad mix of participants. To that end, participating facilities ranged in size from under 100,000 to well over 2,000,000 square feet of *total rentable space*. Likewise, participating facilities were organized and run in a variety of ways and were geographically spread throughout the United States and Canada.

The overall pilot survey process was judged to be successful in that the survey results from the 16 participating facilities provided very useful information and feedback, which will be valuable when the opportunity arises to facilitate the issuance of an industry-wide expense benchmark survey and to meet the stated goal of establishing annual expense metrics across the convention center industry.

It is important to note that the pilot survey results included herein will not provide particularly useful benchmarking results in and of themselves. This is due to the small sample size of the survey (16 participants), and most importantly of all, the survey results were not segregated by key facility characteristic filters, such as size and market.

In a comprehensive industry-wide survey (as opposed to the pilot survey), benchmarking results are greatly enhanced by reporting results through groupings of facilities that have similar characteristics. From this starting point, overall success and usefulness of expense benchmarking surveys would be enhanced by the following factors (many of which were raised through the pilot survey project results and feedback):

- Utilize detailed definitions in order to enhance consistency of data.
 - Definitions should boldly emphasize that labor costs are included in expense categories such as maintenance & repair. Numerous initial pilot survey data submissions failed to include labor costs.
- Avoid issuing overly lengthy or complicated survey tools in order to enhance high response rate.
- Utilize screening tools or “sanity” checks to help identify incorrect or inconsistent data.
- Conduct individualized facility follow-up questions on an as needed basis to confirm or correct data that appear incorrect or inconsistent.
 - In the case of the pilot survey, a total of 40 follow-up questions related to specific survey responses were issued. (Only two facilities “avoided” follow-up questions.) Of the 40 questions issued, approximately 75% of the subsequent facility responses produced corrected and/or enhanced survey data, and therefore, more accurate and useful benchmark results.
- Consider use of a statistical tool (such as standard deviation) to segregate out “extreme” survey responses that would otherwise skew the survey results.

The pilot survey participants provided a wealth of useful feedback that could be considered and utilized in future surveys. Of particular note are the following points:

- The Primary Event Activity “filter” question needs to be carefully worded to help ensure all participants are responding appropriately (reference Question #12 in Part I of the pilot survey).
- Emphasize what types of trade labor (electrician, engineering, etc.) should be included in the repair & maintenance expense line item.
- Carefully and fully clarify why revenue information is needed for building cleaning and building security (reference Part III of the pilot survey).
- Add an event management / event coordination expense benchmark.
- Further dissect (as much as reasonably possible) the “other” expense category since, for many centers, this is still a relatively large percentage of overall operational expense.
- Peel away grounds expenses as a separate category from overall repair & maintenance due to the large variability of grounds responsibilities (primarily an “acreage” issue) between facilities.

The results gathered from the pilot survey are described and listed in detail later in this report and on the attached individual expense benchmark worksheets. The results were split out between seven main expense categories, plus occupancy and a miscellaneous “sanity” section. Between the nine total sections, a grand total of 48 individual metrics were established and calculated. It is important to note that the large number of metrics utilized in the report is a function of the nature and intent of the pilot survey. The pilot survey and

results attempt to look at what works and what doesn't work, and what works better than others. Therefore, as explained later in the report detail, numerous identified metrics seem to work particularly well and should be considered for use in future industry-wide surveys, while others don't and should be either ignored or used for nothing more than general interest.

CONCLUSIONS

The expense benchmark pilot survey would appear to have satisfied the stated goal of investigating the viability of numerous expense metrics and to gather feedback on issues and suggestions that could enhance the viability and usefulness of industry-wide expense benchmarking projects in the future.

Based on pilot survey results and participant feedback, an industry-wide expense benchmarking survey appears feasible, and given certain key criteria, likely to provide accurate, viable and useful information to facility management. These key criteria for success include: 1) use of detailed definitions; 2) use of data screening tools; 3) individualized follow-up clarification as necessary; 4) use of (management) estimated allocations of expenses in cases where certain expenses are tracked together by the facility; and 5) use of characteristic filters to segregate survey results into groupings of facilities with similar characteristics.

SURVEY RESULTS

OCCUPANCY

While not an expense benchmark by itself, occupancy can be an extremely useful comparison between facilities, and further, is a contributing factor in many of the most useful expense benchmarks, particularly those where the expense is primarily variable or event driven.

There is significant availability of exhibit hall occupancy calculations within the participating facilities. Further, most facilities utilize the same methodology for calculating occupancy. (It should be noted that in those cases where facilities base exhibit hall occupancy on something other than a 365-day calendar, occupancy has been recomputed over 365 days for purposes of the survey's results contained herein.) In all, only three out of 16 facilities do not generate occupancy figures that are (or could be converted to being) comparable to the rest.

Unfortunately, due primarily to a lack of tracking occupancy in areas outside of exhibit halls, barely more than half of all facilities were able to calculate overall occupancy. Further issues uncovered in this area included inconsistencies in interpretation of what is considered rentable space (for example, what to do with lobby areas that occasionally produce rental revenues) and how to handle theater-style space.

In summary, exhibit hall occupancy is a widely used metric that produces an accurate and very useful benchmark. Greater industry participation in occupancy calculations in areas outside of exhibit halls is needed before the broader overall occupancy metric can be most effectively utilized.

BUILDING CLEANING

Building cleaning is a universally required expense and appears to be fairly consistently defined among facilities. However, a number of facilities, both large and small, track building cleaning in conjunction with set-up expenses, or in rare cases, with other types of expenses. In these cases, after initial survey responses were received, facilities were asked to estimate the amount of building cleaning expenses alone. In this way, these facilities were able, without being perfectly accurate, to participate in the building cleaning expense metrics.

Building cleaning is primarily an occupancy and use driven expense and therefore is best benchmarked utilizing expenses divided by exhibit hall occupied square foot days ("EH-OSFD") or by total rentable occupied square foot days ("TR-OSFD"). Unfortunately, as was noted in the occupancy section, inconsistency in tracking total building occupancy limits the usefulness of the building cleaning/TR-OSFD metric. However, the building cleaning/EH-OSFD metric appears to work well for the majority of facilities. Among facilities

with similar event characteristics, building cleaning divided by attendees also seems to provide a useful comparison. In addition, since certain components of building cleaning are not occupancy or use driven, building cleaning divided by total gross building square feet also may provide a decent comparison. This last metric also has the further benefit of being identical to a widely used metric by the Building Owners and Managers Association (“BOMA”) and the International Facility Management Association (“IFMA”).

Overall building cleaning expenses within certain facilities also contain cleaning expenses that directly generate revenues, primarily through cleaning of exhibit booths. In an attempt to segregate out these additional cleaning expenses from “standard” building cleaning expenses, the pilot survey asked for revenue (and markup) data that would allow for this segregation. The result was a more “pure” comparison of standard building cleaning expenses among all survey participants.

In summary, due to the widely available reporting of exhibit hall occupancy, the building cleaning/EH-OSFD metric works best and is quite reliable. Building cleaning expense divided by attendees or by total gross building square feet provides decent and almost universally available metrics as well.

BUILDING UTILITY

Among facility expenses, utility expenses are undoubtedly one of the most consistently defined and tracked. However, natural inherent differences occur between facilities in this area due to regional differences in utility rates, climate, and the varying efficiencies of installed HVAC systems. Nevertheless, as a measure of the impact of this significant expense, building utility benchmarks can be very informative.

Depending on a particular facilities’ HVAC system set-up and conservation controls (among other factors), building utility expenses can be quite variable based on building occupancy and use (although not normally to the extent of expenses such as room set-up or building cleaning). As a result, building cleaning expenses divided by EH-OSFD and TR-OSFD provide the best potential metrics. However, based on only partial variability of these expenses, building utility expenses divided by total gross building square feet also provides a useful metric. This particular metric is further enhanced by the almost universal availability of gross building square footage.

In summary, due to the widely available reporting of exhibit hall occupancy, the building utility/EH-OSFD metric works best and is quite reliable. Building utility expense divided by total gross building square footage provides a decent and almost universally available metric as well.

SALES & MARKETING

Sales & marketing expense are widely tracked and appear to be fairly consistently defined and recorded. The one key difference between facilities with this expense deals with the extent to which facilities are responsible for marketing and selling the building. Within the industry, facilities are responsible for anywhere from almost nothing, to moderate (such as short term bookings), to virtually all of the sales and marketing of the building.

Unlike many facility expenses, sales & marketing is little influenced by occupancy and use. Therefore, sales & marketing expenses divided by exhibit hall square footage or total rentable square footage provide the most useful metrics.

The pilot survey did not ask respondents to identify the extent of their sales & marketing responsibilities. Clearly, utilizing a sales & marketing responsibility “filter” to group similar facilities would greatly enhance the benchmark results.

In summary, if grouped by similar sales & marketing responsibilities, sales & marketing expense divided by either exhibit hall square footage or total rentable square footage provide widely available, accurate and useful benchmarks.

BUILDING SECURITY & TRAFFIC CONTROL

Building security is a widely required expense and appears to be fairly consistently defined and tracked among facilities. Traffic control is likely highly variable from a facility responsibility perspective, but is almost always grouped together with building security and thus is included in this expense category.

Building security (and particularly traffic control) is largely an occupancy and use driven expense, although certainly not to the extent of certain 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, but based on only partial variability of these expenses, building security expenses divided by total gross building square feet or by total rentable square feet also provide useful metrics. These two additional metrics are further enhanced by the almost universal availability of gross building square footage and total rentable square footage.

Overall building security expenses within certain facilities also contain security expenses that directly generate revenues, primarily through the in-house supply of event security staff. In an attempt to segregate out these additional security expenses from “standard” building security expenses, the pilot survey asked for revenue (and markup) data that would allow for this segregation. The result was a more “pure” comparison of standard building security expenses among all survey participants.

In summary, due to the widely available reporting of exhibit hall occupancy, the building security/EH-OSFD metric works best and is quite reliable. Building security expense divided by total gross building square footage or by total rentable square footage provides two additional decent and almost universally available metrics as well.

TEMPORARY UTILITY SERVICES

Temporary utility services are unique compared to other expense categories included in the pilot survey in that these expenses are completely and directly tied to the generation of facility revenue. Utilizing metrics similar to those found with the other expense categories may not work well due to the direct revenue nature of these services. Further, a majority of facilities contract out these services and simply receive a commission based on services provided. Within the pilot survey, a total of just four facilities, or 25% of the total participants provided at least part of these services in house. As a result of the low percentage of in-house providers and the lack of suitable metrics (at least based on the pilot survey questions), metrics were not established and reported on for this expense category. However, future industry-wide surveys should consider inclusion and use of potential metrics in this area due to the sheer number of survey responses that would come from an industry-wide survey.

ROOM SET-UP

Room set-up expenses are, in many ways, very similar to building cleaning expenses. Like building cleaning, room set-up is pretty much a universally required expense and appears to be fairly consistently defined among facilities. However, as was stated in the building cleaning section of this report, a number of facilities track room set-up in conjunction with building cleaning expenses, or in rare cases, with other types of expenses. In these cases, after initial survey responses were received, facilities were asked to estimate the amount of room set-up expenses alone. In this way, these facilities were able, without being perfectly accurate, to participate in the room set-up expense metrics.

Room set-up is primarily an occupancy and use driven expense and therefore is best benchmarked utilizing expenses divided by meeting room / ballroom occupied square feet ("MR-OSFD") or by TR-OSFD. Unfortunately, as was noted in the occupancy section, inconsistency in tracking meeting room / ballroom and total building occupancy limits the usefulness of both of these metrics. As an alternate but not ideal metric, room set-up divided by EH-OSFD provides useful comparisons. Among facilities with similar event characteristics, room set-up divided by attendees also seems to provide a useful comparison.

In summary, due to the widely available reporting of exhibit hall occupancy, the room set-up/EH-OSFD metric currently works best and is quite reliable. Room set-up expense divided by attendees provides a decent and almost universally available metric as well. However, future industry consistency in reporting meeting room

/ ballroom and total building occupancy would allow the more appropriate MR-OSFD and TR-OSFD-based metrics to be better utilized.

REPAIR & MAINTENANCE

Repair & maintenance expenses tend to be more complex than many of the expense categories considered in the pilot survey. To begin with, while R&M is certainly impacted to a significant degree by the extent of use of the facility, the age of the facility itself and the degree of prior capital upgrades or improvements also play a significant role. Further, a number of facilities (at least within the pilot survey) had trouble complying with the survey definition of R&M expenses, particularly when it involved what types of labor to include. Finally, there is the existence of inconsistencies between facilities on that age-old accounting dilemma of where to draw the line between R&M and capital expenses. (This inconsistency likely exists within each facility as well!) Nevertheless, R&M expenses are almost universally tracked and can provide informative benchmarks.

As alluded to above, unlike most other facility expenses, R&M expenses do not fall neatly into either the primarily occupancy or use driven side or the non-occupancy/use driven side. Therefore, no one type of metric clearly provides the most useful and reliable metric for R&M expenses. Following the lead of BOMA and IFMA by dividing R&M expenses by total gross building square feet certainly provides a readily available and widely used metric that seems to work quite well. Dividing R&M expenses by total rentable square feet or by exhibit hall square also provides similar and reliable metrics.

PROPERTY and GENERAL LIABILITY INSURANCE

Property insurance, including both real and personal property, is often a facility responsibility, but this is far from universal. Within the pilot survey, 10 of the 16 facilities, or a little over 60% were responsible for both real and personal property insurance. A couple of other facilities within the pilot survey were only responsible for personal property (in these two cases the facilities were not included in the property insurance benchmark results).

For those that are responsible for it, property insurance is consistently defined and tracked. However, natural differences occur between facilities that affect this expense area, including local proclivity to natural disasters (hurricanes, earthquakes, etc) and the extent of deductibles within the insurance coverage. Nevertheless, as a measure of the impact of this significant expense, benchmarks in this expense category can be very informative.

Property insurance (particularly real) is almost always based on replacement value of the items insured (rather than a variable factor such as attendance, occupancy or revenues). As a result, the expense divided by either total rentable square feet or total gross building square feet provide the only suitable metrics.

General liability insurance, as compared to property insurance, is almost always a facility responsibility. Where it is not, general liability coverage is usually self-insured by the governmental entity overseeing the facility. General liability insurance is typically consistently defined and tracked among facilities. However, the extent of deductibles within the insurance coverage can affect expenses. In addition, the insurance can be “priced” by underwriters in different ways, including attendance data, nature of events, and extent of revenues, thus providing a dilemma on which metrics work best. Because of the almost universal availability of facility attendance and the fact that this statistic is often used by underwriters for general liability insurance pricing, the insurance-divided-by-attendee metric may work best. However, insurance divided by EH-OSFD or by total gross building square feet also appear to provide suitable metrics.

In summary, property insurance and general liability insurance, while very different, can be incorporated with success in specific metrics that work best in each particular case as described above.

“SANITY” CHECKS

One final section of metrics provided in the survey results is identified as “sanity” checks. This selection of metrics was created simply to assist in screening for potential red flags or errors in responses received from survey participants. These metrics have been left in the final survey results for the curiosity factor they may provide. However, they certainly do not provide any meaningful information regarding management effectiveness.

STANDARD DEVIATION

Towards the bottom of each individual expense benchmark worksheet is a line item identified as “Standard Deviation.” Standard Deviation is a statistical tool used to measure the 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. The result could be a misleading representation of the average (mean) of the data collected.

Standard Deviation techniques can be used to “weed out” survey data responses that happen to be, for whatever reason, dramatically different than all the rest. The result is the ability to recalculate the average (mean) of the data collected to present a more meaningful result.

A statistical rule-of-thumb is that (for the type of data we are collecting) approximately 95% of data collected falls within two standard deviations of the calculated average (mean). For each metric shown on the pilot survey results, we have screened the data by applying the “2 standard deviation” criteria. If applicable,

certain data were then excluded for purposes of recalculating an adjusted average (mean) as shown at the very bottom of each individual expense benchmark worksheet.

It should be noted that the application of standard deviation tools in this pilot survey are not statistically very accurate or particularly meaningful due to the small survey size (16 maximum per metric) and the fact that the participating facilities have not been segregated by like characteristics. However, when used in a larger industry-wide survey and when results are grouped among facilities with like characteristics, standard deviation can be a very useful tool to enhance overall results and conclusions.

THANK YOU

This pilot survey would not have been possible without the significant support and feedback from fellow Benchmarking Subcommittee members Robert Rose and Jerry Daigle, and the support of Barry Strafacci and the current CC/EH Committee. In addition, it should be noted that Jerry laid a key cornerstone of expense benchmarking in our industry with his groundbreaking work back in 2002 in conjunction with the CC/EH Committee and the University of Central Florida. And finally, many thanks to the 16 facilities and staff who agreed to participate in this pilot survey.

Mark Emch
San Diego Convention Center
June 2007

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

RESULTS

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

OCCUPANCY

	Exhibit Hall Occupancy	Meeting/ Ballroom Occupancy	Other Occupancy	Overall Occupancy
Facility #1	68.1%	64.6%	19.7%	64.9%
Facility #2	49.4%	50.9%		49.9%
Facility #3	35.0%	39.0%	29.0%	34.0%
Facility #4	54.9%			
Facility #5	46.1%			
Facility #6	56.4%		54.5%	
Facility #7	68.0%	54.0%	32.0%	
Facility #8				
Facility #9	17.0%	28.0%		
Facility #10	65.0%	72.0%		
Facility #11	67.7%	63.2%		65.9%
Facility #12	64.1%	49.8%		57.0%
Facility #13				53.0%
Facility #14	60.8%	52.8%		58.3%
Facility #15	66.2%	74.6%		67.8%
Facility #16	36.9%	31.6%		35.5%
Average (Mean)	54.0%	52.8%	33.8%	54.0%
Standard Deviation	15.5%	15.4%	14.8%	12.4%
Adjusted Average (Mean)	56.8%	52.8%	33.8%	54.0%

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

BUILDING CLEANING EXPENSE COMPARISON

Building Cleaning Expenses divided by:

	Exhibit Hall Sq Feet	Total Rentable Sq Feet	Exhibit Hall Occupied Sq Feet	Total Rentable Occupied Sq Feet	Total Gross Building Sq Feet	Attendee
Facility #1	\$6.69	\$4.26	\$9.83	\$6.57	\$1.31	\$3.45
Facility #2	\$4.53	\$3.03	\$9.18	\$6.06	\$0.99	\$2.67
Facility #3	\$2.57	\$1.19	\$7.34	\$3.49	\$0.45	\$0.62
Facility #4	\$2.63	\$2.14	\$4.78		\$0.92	\$2.60
Facility #5	\$2.21	\$1.76	\$4.79		\$0.65	\$3.05
Facility #6	\$6.17	\$1.36	\$10.93		\$1.07	\$0.45
Facility #7	\$7.60	\$4.17	\$11.17		\$3.42	\$0.94
Facility #8		\$0.93			\$0.93	\$0.46
Facility #9	\$2.67	\$1.75	\$15.71		\$0.68	\$1.53
Facility #10	\$8.29	\$5.77	\$12.76		\$2.81	\$5.25
Facility #11	\$4.13	\$3.10	\$6.10	\$4.71	\$1.44	\$2.67
Facility #12	\$2.18	\$1.35	\$3.40	\$2.37	\$0.73	\$0.87
Facility #13	\$1.08	\$0.74		\$1.39	\$0.25	\$0.37
Facility #14	\$5.05	\$3.47	\$8.31	\$5.96	\$1.60	\$1.63
Facility #15	\$5.06	\$4.07	\$7.64	\$6.01	\$1.69	\$3.72
Facility #16	\$1.42	\$1.03	\$3.85	\$2.91	\$0.35	\$2.91
Average (Mean)	\$4.15	\$2.51	\$8.27	\$4.39	\$1.20	\$2.08
Standard Deviation	\$2.28	\$1.51	\$3.59	\$1.90	\$0.86	\$1.43
Adjusted Average (Mean)	\$4.15	\$2.29	\$7.70	\$4.39	\$1.06	\$1.86

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

BUILDING UTILITY EXPENSE COMPARISON

Building Utility Expenses divided by:

	Exhibit Hall Sq Feet	Total Rentable Sq Feet	Exhibit Hall Occupied Sq Feet	Total Rentable Occupied Sq Feet	Total Gross Building Sq Feet	Attendee
Facility #1	\$8.61	\$5.48	\$12.64	\$8.45	\$1.68	\$4.43
Facility #2	\$13.94	\$9.30	\$28.22	\$18.64	\$3.04	\$8.21
Facility #3	\$4.76	\$2.20	\$13.60	\$6.46	\$0.84	\$1.15
Facility #4	\$4.27	\$3.47	\$7.77		\$1.49	\$4.22
Facility #5	\$5.69	\$4.55	\$12.35		\$1.67	\$7.87
Facility #6	\$17.51	\$3.86	\$31.05		\$3.03	\$1.29
Facility #7	\$5.54	\$3.04	\$8.15		\$2.49	\$0.69
Facility #8		\$4.62			\$4.62	\$2.31
Facility #9	\$5.81	\$3.82	\$34.19		\$1.48	\$3.33
Facility #10	\$12.06	\$8.39	\$18.55		\$4.08	\$7.63
Facility #11	\$5.13	\$3.86	\$7.58	\$5.85	\$1.79	\$3.33
Facility #12	\$4.97	\$3.08	\$7.75	\$5.40	\$1.66	\$1.99
Facility #13	\$5.65	\$3.88		\$7.32	\$1.30	\$1.95
Facility #14	\$8.08	\$5.55	\$13.29	\$9.53	\$2.56	\$2.60
Facility #15	\$7.68	\$6.19	\$11.60	\$9.13	\$2.57	\$5.65
Facility #16	\$9.22	\$6.69	\$24.98	\$18.84	\$2.27	\$18.90
Average (Mean)	\$7.93	\$4.87	\$16.55	\$9.96	\$2.29	\$4.72
Standard Deviation	\$3.85	\$1.96	\$9.26	\$5.18	\$1.02	\$4.49
Adjusted Average (Mean)	\$7.24	\$4.58	\$16.55	\$9.96	\$2.13	\$3.78

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

SALES & MARKETING EXPENSE COMPARISON

Sales & Marketing Expenses divided by:

	Exhibit Hall Sq Feet	Total Rentable Sq Feet	Exhibit Hall Occupied Sq Feet	Total Rentable Occupied Sq Feet	Total Gross Building Sq Feet	Attendee
Facility #1	\$2.29	\$1.46	\$3.36	\$2.25	\$0.45	\$1.18
Facility #2	\$12.00	\$8.01	\$24.30	\$16.05	\$2.61	\$7.07
Facility #3	\$4.78	\$2.21	\$13.66	\$6.49	\$0.84	\$1.15
Facility #4	\$1.42	\$1.16	\$2.59		\$0.50	\$1.41
Facility #5	\$1.14	\$0.91	\$2.47		\$0.33	\$1.57
Facility #6	\$17.50	\$3.86	\$31.03		\$3.03	\$1.29
Facility #7	\$18.68	\$10.25	\$27.47		\$8.41	\$2.32
Facility #8		\$6.82			\$6.82	\$3.40
Facility #9	\$2.35	\$1.54	\$13.83		\$0.60	\$1.35
Facility #10						
Facility #11	\$4.08	\$3.06	\$6.02	\$4.65	\$1.42	\$2.64
Facility #12	\$3.09	\$1.91	\$4.82	\$3.36	\$1.03	\$1.24
Facility #13	\$1.19	\$0.81		\$1.53	\$0.27	\$0.41
Facility #14	\$19.84	\$13.64	\$32.64	\$23.40	\$6.28	\$6.39
Facility #15	\$0.79	\$0.64	\$1.20	\$0.94	\$0.27	\$0.58
Facility #16	\$4.49	\$3.26	\$12.17	\$9.17	\$1.10	\$9.20
Average (Mean)	\$6.69	\$3.97	\$13.50	\$7.54	\$2.26	\$2.75
Standard Deviation	\$7.08	\$3.93	\$11.59	\$7.59	\$2.70	\$2.66
Adjusted Average (Mean)	\$6.69	\$3.28	\$13.50	\$5.56	\$1.83	\$2.29

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

SECURITY & TRAFFIC CONTROL EXPENSE COMPARISON

Security & Traffic Control Expenses divided by:

	Exhibit Hall Sq Feet	Total Rentable Sq Feet	Exhibit Hall Occupied Sq Feet	Total Rentable Occupied Sq Feet	Total Gross Building Sq Feet	Attendee
Facility #1	\$7.03	\$4.48	\$10.32	\$6.90	\$1.37	\$3.62
Facility #2	\$7.11	\$4.75	\$14.40	\$9.51	\$1.55	\$4.19
Facility #3						
Facility #4	\$1.78	\$1.45	\$3.25		\$0.62	\$1.76
Facility #5	\$2.15	\$1.71	\$4.66		\$0.63	\$2.97
Facility #6	\$8.01	\$1.77	\$14.20		\$1.39	\$0.59
Facility #7	\$1.44	\$0.79	\$2.12		\$0.65	\$0.18
Facility #8		\$0.31			\$0.31	\$0.15
Facility #9	\$2.54	\$1.67	\$14.95		\$0.65	\$1.45
Facility #10	\$1.88	\$1.31	\$2.89		\$0.64	\$1.19
Facility #11	\$2.11	\$1.58	\$3.12	\$2.40	\$0.74	\$1.37
Facility #12	\$1.26	\$0.78	\$1.96	\$1.37	\$0.42	\$0.50
Facility #13	\$1.11	\$0.76		\$1.43	\$0.26	\$0.38
Facility #14	\$4.39	\$3.02	\$7.23	\$5.18	\$1.39	\$1.42
Facility #15	\$2.87	\$2.31	\$4.34	\$3.41	\$0.96	\$2.11
Facility #16	\$2.60	\$1.88	\$7.03	\$5.30	\$0.64	\$5.32
Average (Mean)	\$3.31	\$1.90	\$6.96	\$4.44	\$0.81	\$1.81
Standard Deviation	\$2.36	\$1.29	\$4.90	\$2.85	\$0.42	\$1.56
Adjusted Average (Mean)	\$3.31	\$1.49	\$6.96	\$4.44	\$0.81	\$1.56

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

ROOM SETUP EXPENSE COMPARISON

Room Setup Expenses divided by:

	Mtg/Ballroom Sq Feet	Mtg/Ballroom Occupied Sq Feet	Attendee
Facility #1	\$3.81	\$5.90	\$0.97
Facility #2	\$7.94	\$15.61	\$2.33
Facility #3	\$3.60	\$9.24	\$0.75
Facility #4	\$5.18		\$1.17
Facility #5	\$4.11		\$1.43
Facility #6	\$12.48		\$0.80
Facility #7			
Facility #8	\$9.92		\$2.96
Facility #9	\$5.99	\$21.39	\$1.54
Facility #10	\$5.21	\$7.23	\$1.44
Facility #11	\$6.14	\$9.71	\$1.32
Facility #12	\$16.17	\$32.47	\$2.55
Facility #13			
Facility #14	\$13.67	\$25.90	\$2.00
Facility #15	\$10.17	\$13.63	\$1.80
Facility #16	\$5.15	\$16.29	\$3.99
Average (Mean)	\$7.82	\$15.74	\$1.79
Standard Deviation	\$4.02	\$8.61	\$0.91
Adjusted Average (Mean)	\$7.18	\$15.74	\$1.62

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

REPAIR & MAINTENANCE EXPENSE COMPARISON

Repair & Maintenance Expenses divided by:

	Exhibit Hall Sq Feet	Total Rentable Sq Feet	Exhibit Hall Occupied Sq Feet	Total Rentable Occupied Sq Feet	Total Gross Building Sq Feet	Attendee
Facility #1	\$12.68	\$8.08	\$18.62	\$12.45	\$2.48	\$6.53
Facility #2	\$9.93	\$6.63	\$20.11	\$13.28	\$2.16	\$5.85
Facility #3	\$3.42	\$1.58	\$9.76	\$4.64	\$0.60	\$0.82
Facility #4	\$2.56	\$2.08	\$4.66		\$0.90	\$2.53
Facility #5	\$3.95	\$3.15	\$8.56		\$1.16	\$5.45
Facility #6	\$12.89	\$2.84	\$22.85		\$2.23	\$0.95
Facility #7						
Facility #8		\$2.06			\$2.06	\$1.03
Facility #9	\$2.21	\$1.45	\$12.99		\$0.56	\$1.26
Facility #10	\$5.95	\$4.14	\$9.16		\$2.01	\$3.77
Facility #11	\$5.20	\$3.90	\$7.67	\$5.92	\$1.81	\$3.36
Facility #12	\$2.71	\$1.68	\$4.23	\$2.95	\$0.90	\$1.09
Facility #13	\$4.36	\$2.99		\$5.65	\$1.01	\$1.51
Facility #14	\$3.53	\$2.43	\$5.81	\$4.17	\$1.12	\$1.14
Facility #15	\$1.80	\$1.45	\$2.72	\$2.14	\$0.60	\$1.32
Facility #16	\$5.97	\$4.33	\$16.17	\$12.19	\$1.47	\$12.23
Average (Mean)	\$5.51	\$3.25	\$11.02	\$7.04	\$1.41	\$3.26
Standard Deviation	\$3.71	\$1.94	\$6.55	\$4.37	\$0.66	\$3.16
Adjusted Average (Mean)	\$5.51	\$2.91	\$11.02	\$7.04	\$1.41	\$2.62

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

INSURANCE EXPENSE COMPARISON

	Property Insurance Expenses divided by:		G/L Insurance Expenses divided by:			
	Total Rentable Sq Feet	Total Gross Building Sq Feet	Exhibit Hall Occupied Sq Feet	Total Rentable Occupied Sq Feet	Total Gross Building Sq Feet	Attendee
Facility #1	\$1.20	\$0.37	\$1.16	\$0.78	\$0.15	\$0.41
Facility #2	\$1.33	\$0.43	\$0.79	\$0.52	\$0.09	\$0.23
Facility #3			\$2.24	\$1.06	\$0.14	\$0.19
Facility #4	\$0.28	\$0.12				
Facility #5	\$1.16	\$0.43	\$0.98		\$0.13	\$0.63
Facility #6			\$1.53		\$0.15	\$0.06
Facility #7						
Facility #8					\$0.55	\$0.28
Facility #9			\$2.01		\$0.09	\$0.20
Facility #10			\$2.73		\$0.60	\$1.12
Facility #11	\$0.45	\$0.21	\$0.34	\$0.26	\$0.08	\$0.15
Facility #12	\$0.50	\$0.27	\$0.54	\$0.37	\$0.11	\$0.14
Facility #13	\$0.43	\$0.14		\$0.20	\$0.04	\$0.05
Facility #14	\$1.40	\$0.65	\$2.88	\$2.07	\$0.56	\$0.56
Facility #15	\$2.18	\$0.90	\$0.35	\$0.27	\$0.08	\$0.17
Facility #16	\$0.85	\$0.29	\$0.30	\$0.23	\$0.03	\$0.23
Average (Mean)	\$0.98	\$0.38	\$1.32	\$0.64	\$0.20	\$0.32
Standard Deviation	\$0.59	\$0.24	\$0.94	\$0.61	\$0.20	\$0.29
Adjusted Average (Mean)	\$0.84	\$0.32	\$1.32	\$0.46	\$0.20	\$0.25

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

“SANITY CHECKS”

	% Rentable Sq Feet to Gross Bldg Sq Feet	% “Other” Expenses to Total Expenses	Attendance to Rentable Sq Feet	Attendance to Occupied Rentable Sq Feet	Total Expenses to Occupied Rentable Sq Feet
Facility #1	30.7%	39.3%	1.24	0.80	\$28.53
Facility #2	32.6%	26.0%	1.13	0.57	\$24.24
Facility #3	38.2%	59.5%	1.91	0.65	\$7.65
Facility #4	43.1%	24.9%	0.82		
Facility #5	36.8%	28.9%	0.58		
Facility #6	78.4%	52.4%	3.00		
Facility #7	82.0%		4.43		
Facility #8	100.0%	63.3%	2.00		
Facility #9	38.7%	32.1%	1.15		
Facility #10	48.6%	21.8%	1.10		
Facility #11	46.5%	44.6%	1.16	0.76	\$21.31
Facility #12	53.8%	33.6%	1.54	0.88	\$13.13
Facility #13	33.6%	59.9%	1.99	1.05	\$13.14
Facility #14	46.1%	12.5%	2.13	1.24	\$24.18
Facility #15	41.6%	46.2%	1.10	0.74	\$23.94
Facility #16	33.9%	38.9%	0.35	0.13	\$11.34

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

**ATTACHMENT A
PARTICIPATION LIST**

**FACILITY PARTICIPATION LIST
CONVENTION CENTER EXPENSE BENCHMARKING "PILOT" SURVEY
2006/2007**

(Not listed in order of survey results)

FACILITY

Vancouver, BC

Tampa Bay

San Diego

Orange County, FL

Hynes - Boston

Washington DC

Boston

Sea Gate - Toledo, OH

Georgia World CC

Richmond

Pasadena

Prince George, BC

San Antonio

Pueblo - Colorado

Harborview - Clearwater, FL

Washington State

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

ATTACHMENT B

SURVEY



**IAAM Benchmarking Survey
Convention Center Operating Expenses**

Introduction: This survey is intended to be an experimental “sister survey” to PricewaterhouseCoopers’ annual Convention Center Report which provides benchmarks for occupancies, rental rates, F&B revenues, and other operating revenues. This pilot survey is intended to provide benchmarks for selected items on the expense side of the operating budget. This year’s survey is intended to test the viability and usefulness of expense benchmarks, with a goal to establish in the future an annual expense benchmarking survey tool. Please note – after completing Facility Information in Part I below, please carefully review the “Definitions of Expense Categories” located in the attached file to help ensure you properly complete the rest of the survey.

Part I: Facility Information

1. Facility Name: _____
2. Address: _____
3. Contact Name & Title: _____
4. Contact Person Phone: _____ Email: _____
5. Facility Ownership (check one):
 _____ State _____ County _____ City _____ Authority
 _____ Other (describe): _____
6. Facility Management (check one):
 _____ Public _____ Quasi-public (e.g. authority) _____ Private
 _____ Other (describe): _____



7. Exhibit Hall Gross Rentable Square Feet: _____
8. Meeting Room / Ball Room Gross Rentable Square Feet: _____
9. Other Gross Rentable Square Feet: _____
Describe "Other" Space: _____
10. Total Gross Rentable Square Feet: _____
11. Total Gross Overall Facility Square Feet: _____
12. Primary Event Activity (check one):
____ Majority of events are conventions and tradeshows Majority of events are meetings and banquets
____ Majority of events are other (describe): _____



Part II: Expenses

Instructions: Please use data from your most recently completed fiscal year to respond below. If you do not track all of the information requested, please provide whatever data you have. **PLEASE REFER TO THE ATTACHED DEFINITIONS BEFORE RESPONDING TO EACH QUESTION.**

Specify fiscal year end reporting period: _____

<u>Expense Category</u>	<u>Annual Cost</u>	<u>Service Provided By (check all that apply):</u>		
		<u>In-House</u>	<u>Contracted</u>	<u>Other</u>
Building Cleaning	_____	_____	_____	_____
Building Security & Traffic Control	_____	_____	_____	_____
Temporary Utility Services	_____			
Room Set-up	_____			
Repair & Maintenance	_____			
Building Utilities	_____			
Sales & Marketing	_____			
Property Insurance	_____			
General Liability Insurance	_____			
All Other Operating Expenses	_____			
TOTAL OPERATING EXPENSES	_____			



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

For the following expense categories, if you could NOT break out and exclude in-house expenses that were invoiced by the building to exhibitors and show managers in your above answers, please indicate the amount of revenue generated from the services provided. (This question is being asked as a way of backing into the extent of non-revenue generating building cleaning, security and traffic control):

<u>Expense Category</u>	<u>Annual Revenue Generated</u>	<u>Approx Average Markup % From Cost</u>
Building Cleaning	_____	_____
Building Security & Traffic Control	_____	_____

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, calculated and weight-averaged by individual room “square footage” and based on 365 available days. If you calculate occupancy based on a partial calendar, practical maximum occupancy or some other methodology, please describe below. (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 %: _____ Meeting Room / Ball Room Occupancy %: _____ Other Room Occupancy %: _____

Total Combined Rentable Space Occupancy %: _____

Describe other occupancy calculation used by your building, if applicable: _____

Total annual attendance for all events for the fiscal year you are reporting expense: _____



This is an experimental expense benchmarking survey that is intended to be developed into an annual benchmarking survey tool. Your feedback on this survey will be most beneficial for future development and refinement of the survey. Please describe below any difficulties, issues or general comments you may have regarding the survey:

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.

**CONVENTION CENTER EXPENSE BENCHMARKING
PILOT SURVEY**

SURVEY DEFINITIONS

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.

Temporary Utility Services

Includes expenses for all labor, materials, equipment (non-capital), and contracted services used in providing electrical, plumbing and compressed air services to exhibitors and show managers. Excludes electrical, plumbing, and compressed air expenses that are building-related, rather than event-related. Excludes electrical, plumbing, and compressed air services which are purchased by exhibitors or show managers from 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 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.

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. 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. 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.