

Minutes from the
CONVENTION FACILITIES ADVISORY BOARD

January 25, 2024
Mountain America Exposition Center
Mountain America Expo Center - Executive Boardroom

Participant	Representing		Participant	Representing	
Kaitlin Eskelson	President VSL	X	Jeff Gwilliam	Rep SLCo Arts	X
Scott George	Hospitality Rep	X	Steve Fukumitsu	Community Rep	-
Laurie Stringham	SLCo Council Member	X	Dan Hayes	ASM - GM	X
Vicki Varela	State of Utah	X	Bart Allen	ASM – Asst. GM	X
Brandon Beckstead	Chair/Facility Stakeholder	X	Rick Medina	ASM – MAEC Facility Director	X
Taylor Vriens	Vice Chair/Facility Stakeholder	X	Nikki Taylor	SMG/ASM – Director of Sales	X
Scott Phillips	Facility Stakeholder	-	Jed Hansen	ASM – Director of Events	X
Brittani Forbush	Community Rep	X	Courtney Strong	ASM – Asst Director of Events	-
Garrett Parker	Hospitality Rep	X	Heidi Baird	ASM – Director of Event Technology	X
Pina Purpero	Hospitality Rep	X	Josh Ambrose	ASM – Director of Finance	X
Craig Wangsgard	Atty – SLCo DAs Office	-	Scott White	ASM – Regional Director of Security	X
Erin Litvack	SLCo Deputy Mayor	X	Trish Beagley	ASM Communications Manager/Board Coord.	X
Katherine Fife	SLCo Associate Deputy Mayor	X	Matt Hansen	Sodexo Live!/GM	X

Additional attendees: Cydni Sharkey (Sandy City), Kayla Court (ASM Communications intern)

1. Call to Order 9:00 AM (Brandon Beckstead & Dan Hayes)
 - Brandon - Welcomed attendees. Quick roll call and introductions around the room.
 - Dan – The CFAB agenda was not posted on Utah Public Notice prior to the meeting, therefore no action can be taken regarding the approval of minutes.
2. 2023 Year-End Finance Review
 - Josh Ambrose presented a high-level overview presentation of SPCC and MAEC performance in 2023.
 - SPCC's annual net income from 2017 to 2023 indicates the venue is back on track in 2022, followed by breaking even or a slight profit in 2023.

- Dan – This is the first year he has witnessed SPCC run in the black with approx. \$250,000 in the positive even after an unplanned \$500,000 expense hit at the end of 2023.
- Looking at MAEC's annual net income from 2017 – 2023, MAEC always ran slightly profitable other than during the Covid years (2020/2021). 2023 shows MAEC getting back on track. We are adapting to and identifying what our new normal looks like.
- MAEC is also showing approx. 20-30% attendance increase since covid.
 - Erin - 2020 looked like MAEC was in a good place because we were contracting with the state as a backup in case they needed to set up as an additional hospital.
- We are adapting to and identifying what our new normal looks like
- Reviewed YOY revenue averages for SPCC & MAEC
 - SPCC – All revenue streams have shown year-over-year growth, with Audio-Visual, Internet/Telecom, and Parking being the largest contributors. Rates have been adjusted since pre-Covid.
 - MAEC – F&B is down, but attendance is up. Josh is investigating as to why this is. Josh and Dan are meeting with the in-house caterer, Sodexo Live, to review pricing. Two points of significance to consider– food pricing and the previous in-house caterer, Utah Foods, subbed out concessions to Western Foods and was able to run on much smaller margins due to the relationship as it was a family relationship.
 - Taylor/Dan - Demographics at MAEC are different, and the local community knows the surrounding area well and what food options are available. This could have a negative impact on MAEC's food and beverage revenue due to increased price sensitivity.
 - SPCC/MAEC food pricing is the same pricing when the demographic for each venue is completely different and likely could be pricing out local community members at MAEC. Starting conversations and exploring dynamic pricing with food with Sodexo.
 - Our pouring rights agreement with Swire Coca-Cola has incentive payments for how much Coke/Swire we sell. Given our F&B decline, we do not see those incentives rolling in.
 - MAEC tested valet parking service offering during Festival of Trees in December.
- Reviewed 2023 vs. 2017-2019 expenses average growth
 - Before the Covid-19 pandemic, around 60-65% of the labor force at SPCC was hired through local union sources. Whenever SPCC contracted with the union, the employee would become a part-time employee and would be represented by the union. However, during Covid-19, the union stopped working, and SPCC had trouble getting labor from them as they were coming back online. MAEC did not use the union as SPCC did, so they did not experience the same expense growth.
 - We are currently relying on a temporary labor service app called "Bacon" for our staffing needs. We have found the level of engagement through the app to be exceptional and have had more success with Bacon than with other temporary services, including the union. Overall, working with Bacon has been a positive experience for us.
 - We transitioned from a part-time staffing model(union) to a part-time temporary labor model, which has led to a significant increase in contracted labor (148% growth).
 - Fees are increasing due to legal fees, adapting to business, claims, and insurance.

3. 2024 Calendar Review

- Nikki presented and reviewed SPCC/MAEC Start of year booking trends, total events produced per year and event highlights associated with bookings.
 - Start of year bookings and total events produced are trending upward for both venues as compared to Covid years.
 - 2024 SPCC Event Highlights:
 - The National Veterans Golden Age Games: August 24-29
 - KubeCon + CloudNativeCon: November 12-15
 - 2024 MAEC Event Highlights

- Salt Lake Off-Road and Outdoor Expo: March 1-2
- Ultimate Sports Bash: July 12-13

4. Booking Policies

- Nikki/Dan reviewed SPCC/MAEC booking policies and relationship with VSL.
 - VSL's focus is promoting and selling our destination.
 - SPCC/MAEC Sales team does all contracting for business obtained including bookings by VSL.
 - VSL now has booking rights to both venues.
 - VSL has leaned into the Sports segment and seeing increased sports bookings at both venues.
 - VSL has primary (first) booking access to the SPCC. VSL represents business with significant room nights (economic impact). ASM Global (traditional booking entity for public shows) has secondary booking rights (inside 13 months).
 - Intent of Mountain America Expo Center
 - Create a "relief-valve" for the Salt Palace Convention Center.
 - SPCC primary function to create economic impact through TRT and other predominantly Visitor taxable spends, i.e. rental car, restaurant.
 - Access to MAEC's book is driven by rental revenue. This provides the largest public shows access to the calendar up to 5 years (60 months) out.
 - MAEC is located in the suburbs and is more central along the Wasatch Front (audience access).
 - Free parking
 - One sales director over both venues prevents competition between venues that could lead to inefficient booking practices.

5. Capital Projects

- Dan and Bart shared a list of all approved new and re-budgeted Capital projects for SPCC and MAEC
- 2024 SPCC/UMOCA/Abravanel Hall Chiller 2024 Capital Project highlighted by Bart.
 - In 2023, we thoroughly studied the existing plants and systems. The study's conclusion led to a comprehensive overhaul project of all three buildings, costing 80 million dollars. Phase 1 is a 12-million-dollar chiller plant overhaul to start in 2024. The anticipated completion is in late 2025. Anticipated challenges with completing the project include coordinating three very busy facilities' calendars to accommodate construction, long lead times for new chillers, and removal of old chillers located in the plant underground.
 - Erin – TRT allows us to support venues operating in the black by investing in venue facilities and infrastructure.
- Heidi highlighted the MAEC 2024 Tech Upgrade Capital Project.
 - This upgrade increases the number of access points from 55 to 102. This changes our potential users from about 5,000 to 15,000. It will also provide needed redundancy within the facility network, faster speeds, and more network management capabilities—the ability to share network resources with Salt Palace, such as NetEdit, PRTG, ClearPass, and Airwave.

6. Upcoming Meetings

- a. January 25, 2024, at Mountain America Exposition Center
 - b. March 28, 2024 – the CFAB chairs will determine the location of this meeting later.
- Board member question before adjourning: Is there concern over legislation currently being considered by our state leaders?
 - Dan – We have already some questions and concerns. If the bill is passed, we may have some business pause in consideration of Salt Lake or some events cancel that are currently holding space.
7. Optional MAEC Venue and Back of house tour offered to board members following the meeting.
 8. Meeting adjourned at 10:39 AM.