CITY OF

PASADENA

PASADENA CENTER OPERATING COMPANY

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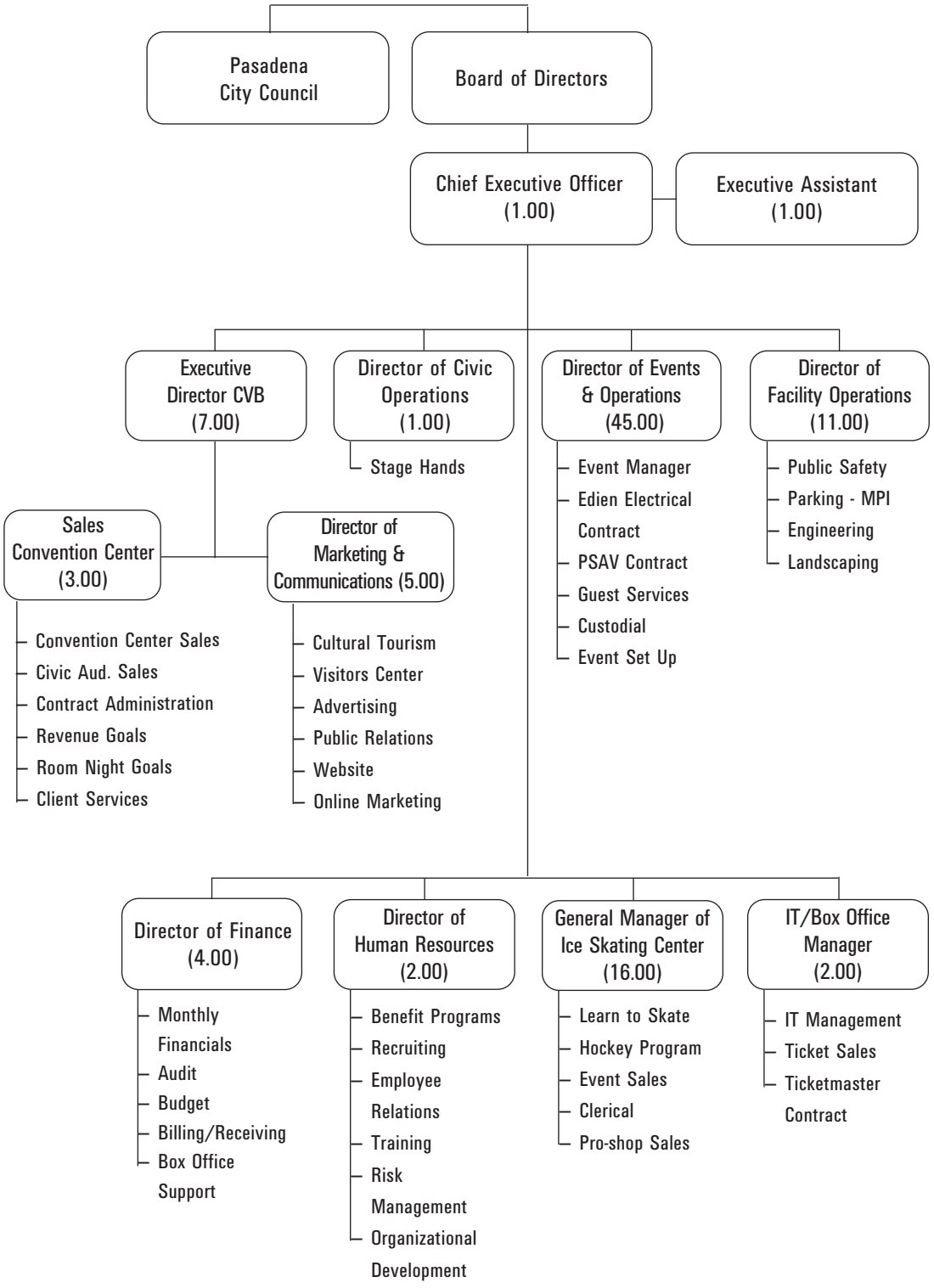

MISSION STATEMENT

The mission of the Pasadena Center Operating Company (PCOC) is to promote Pasadena as a meeting and travel destination in an effort to maximize economic impact through the development of meetings, conventions, entertainment events and tourism by providing professionally managed facilities and first-class service.

PROGRAM DESCRIPTION

The PCOC is a nonprofit 501(c)(4) corporation incorporated in 1973 to manage the Pasadena Convention Center, the Pasadena Civic Auditorium, the PCVB (PCVD), and the Pasadena Ice Skating Center (PISC). The PCOC was one of the first independent non-profit organizations in the United States to combine its facility operations and destination marketing efforts.

The PCOC is governed by a 15 member board of directors. The board includes eight members at large, each of whom live in the City; four general managers of the major hotels in Pasadena; an economic interest representative; a City Council member; a designee from the City Manager's Office, and a designee from the Tournament of Roses Association.

The PCOC is funded by revenue from its facilities, proceeds from a Tourism Business Improvement District (TBID) (2.9 percent), which is a self-imposed hotel assessment, and a 60.0 percent portion of the Transient Occupancy Tax (TOT) (12.1 percent). In FY 2017, The City of Pasadena and the PCOC amended their operating agreement establishing a maximum amount of TOT revenue to be transferred to the PCOC annually.

Facilities include:

The Convention Center:

- A 55,000 sq. ft. Exhibition Hall;
- A 25,000 sq. ft. Ballroom; and
- A Conference Building containing 18 meeting rooms of various sizes, Administrative Offices, and a Visitors Center.

The Civic Auditorium

- The Pasadena Civic Auditorium, built in 1931, seats 3,000 and includes the 400 seat Gold Room and the 17,000 sq. ft. Historic Exhibition Hall.

The Ice Skating Center:

- The PISC is a regulation-size skating rink located adjacent to the Conference Building;

THE PCOC PERFORMS THE FOLLOWING SERVICES

- Manages City assets including convention, auditorium, and ice rink facilities through a separate non-profit corporation;
- Manages the PCVB by promoting the City of Pasadena as a destination, focusing on convention sales and tourism;
- Promotes economic development through sales efforts by increasing visits from convention delegates, tourists, and business travelers who generate overnight lodging, and restaurant and shopping revenues;
- Provides marketing support to the City's art, cultural, innovation, and special event community; and
- Operates a Visitor Information Center open on a year-round basis.

FISCAL YEAR 2017 ACCOMPLISHMENTS

The PCOC accomplished the following during FY 2017:

- PCOC's operating revenues and non-operating revenues, which includes TOT and TBID, have exceeded budget projections.
- The PCOC staff and Board of Directors continued to emphasize employee engagement by providing programs and incentives for the well-being of the staff.
- Marketing and sales efforts for the PCVB continued to meet with success. The PCVB is expected to meet the room night goal of 44,000 rooms booked. New conventions booked include:
    - Great Minds in STEM- October 2017- 3,422 Room Nights;

  - CA Science Teachers Association- December 2018- 1,465 Room Nights;
  - America's Got Talent- March 2017- 950 Room Nights;
  - Salvation Army Commissioning Weekend-June 2018- 1,314 Room Nights;
  - Centaurus Financial National Conference-August 2018- 1,292;
  - CA International Antiquarian Book Fair- February 2018- 810 Room Nights; and
  - Space Tech Expo- May 2018/2019/2020- 2,103 Room Nights.
- In addition to the full schedule of concerts, meetings, and (23) area graduations, the Civic Auditorium hosted the following nationally broadcasted events and touring shows in FY 2017:
  - The 48th Annual NAACP Image Awards
  - America's Got Talent (28 Shows)
  - Prairie Home Companion
  - Daytime Emmy Awards
  - AM870 Town Hall
  - An Evening with David Sedaris
  - John Cleese & Eric Idle
  - GOT7 Concert and Fan Meet
- The PCOC, Rose Bowl Operating Company, and the City worked together to develop the "Pasadena Half Marathon at The Rose Bowl," in conjunction with the producers of the LA Marathon, to host in January 2017. The event was held in January 2017 and attracted 5,000 participants;
- The Amgen Tour of California, America's largest road cycling race, finished in Pasadena on May 20, 2017. This important race showcased 900 miles of California landscapes and earned two hours of live coverage for Pasadena on NBC and a global television audience of 11.3 million fans;
- The PCVB earned coverage in 25 articles, more than 75.0 percent more than the past fiscal year. Through the PCVB public relations efforts, Pasadena was featured prominently in Southwest Magazine, San Diego Magazine and Delta Sky. The PCVB also garnered attention for Pasadena in AAA Westways, 805 Living, Los Angeles Magazine, CBSLA, NBC Los Angeles Worth the Drive, Thrillist, Redtri, Forbes.com, and About.com;
- Pasadena leisure ads placements included Sunset Magazine, AAA Westways, Conde Nast Traveler, Food & Travel, Horizon, Los Angeles Magazine, Los Angeles Visitors Guide, California Visitors Guide, and Cultural Traveler. Placements have an estimated circulation of 3.8 million for print and 5 million for online impressions. Pasadena meetings ads were placed in 18 print and online trade publications;
- The PCVB participated in 2 Visit California Media Missions to Mexico and Canada and a media reception in Los Angeles to build relationships with prominent media journalists;
- A new "Explore Pasadena" smartphone app was released for all iPhone, iPad, Android phone and tablets. The application provides expert city guides, business and event listings, local discounts and tips, and user-created custom itineraries;
- Now in its second year, PCVB's China Ready Program served as a resource to introduce and welcome visitors to Pasadena. Highlights include:
  - 1,600 new WeChat followers
  - A Mandarin speaking operator during Visitor Hotline
  - Partner educational series
  - 2 tour operator familiarization events featuring museums and hotels
  - Lunar New Year WeChat promotion
- The PCVB operated the 33rd Annual Visitor Hotline from December 29, 2016 through January 2, 2017. Over this period, 50 volunteers received 3,000 inquiries from visitors coming to the Rose Parade and Rose Bowl Game;
- VisitPasadena.com continues to serve as a central information hub for Pasadena visitors generating 190,000 users and 343,000 page views. The website features new 360˚ videos of the Pasadena Convention Center and an interactive destination map to support meeting planners and clients visualize their meeting in Pasadena;
- Newly refreshed collateral pieces were designed and produced to support promotion of Pasadena as a premier meeting and

leisure destination including: a Visitor Guide, Meeting Planner Guide, Pasadena Civic Auditorium Guide and a Convention Center Guide;

- The PISC continues to meet and exceed revenue and participant projection numbers while keeping our regular expenses in check;
- Our 5-week beginner group classes in January had over 200 new beginner skaters. The total of 929 skaters made the winter group class semester our largest semester of the year;
- Our four Pasadena sessions of the 2017 'Lil Kings program were the first to "sell-out" from 34 total sessions at 13 different rinks. This program brought 145 new beginning hockey skaters (ages 4-8) into our rink;
- Our Platinum Membership program continues to grow in popularity with a 58.0 percent year-to-date increase in sales.
- TV filming includes:
    - Oprah Winfrey Network (OWN) segment of "Where Are They Now" featuring National and World pair skating champion and Olympic competitor, Tai Babilonia.
    - Hockey skating segment for new ABC show "The Twins: Happily Ever After" (part of the Bachelor Franchise) featuring Emily and Haley Ferguson.
    - Several other documentary and video film shoots.
- Special Events include:
    - ICE/SKATE presentation by MUSE/IQUE in May.
    - Annual Pasadena Figure Skating Club (PFSC) competition in September and our 33rd Annual ISI competition in April. There were nearly 400 skaters for each of these events.
    - Ice Skating Institute District 15 Instructor Seminar in September with over 50 figure skating coaches from 15 SoCal ice rinks. The current Executive Director of the Professional Skaters Association (from MN) and former U.S. national novice and junior men's champion was the guest speaker.
- The Hollywood Curling Club completed two mini-seasons in over 4 months at our rink for the very first time;
- La Canada High School hockey team and USC Ice Girls have completed their third season at PISC. The new USC Figure Skating Club completed their first season at PISC; and
- Pro Ambitions Hockey (based in Boston) hosted their 3rd annual camp at PISC in July.

FISCAL YEAR 2018 ADOPTED BUDGET

Operating Budget

The FY 2018 Adopted Budget of $22,855,000 is $405,000 or 1.8 percent greater than the FY 2017 Revised Budget. Included in this amount is $1,225,000 in CIP. Operating revenues are expected to grow by 3.5 percent while TBID is expected to increase by approximately 6.3 percent. TOT is equal to the annual debt service budget and an additional $500,000.

Personnel

A total of 98.00 FTEs are included in the FY 2018 Adopted Budget.

FUTURE OUTLOOK

The PCVB's Sales Team key priorities for FY 2018 is to capitalize on targeted sales and media efforts to increase the number of meetings, conventions and tradeshows coming to Pasadena in order to reach our FY 2018 room night goal of 45,100 room nights

- Our sales team deployment remains focused on key areas of opportunity such as the DC and Chicago based national association business, California Association conferences and tradeshows;
- We will actively promote the renovations to our hotels as well as new developments in an effort to re-introduce Meeting Planners to our destination;
- We will continue to work with our local partners such as Caltech, JPL, and Innovate Pasadena to expand our reach into the scientific community to bring their conventions and scientific assemblies to Pasadena. 2018 will be a significant year to highlight our position to host scientific meetings;

- Through partnerships with LA Tourism, Helms Briscoe and CVENT we will maximize our exposure to clients to attract new city-wide conventions;
- We will take advantage of the great events booked at the Rose Bowl Stadium to entertain clients and show them all Pasadena has to offer; and
- These efforts along with an increase in our tradeshow participation, site visits, direct sales calls and an advertising campaign targeted to meeting planners will assist in reaching our goal.

The PCVB Marketing Team will also continue its comprehensive tourism marketing strategy, positioning Pasadena's cultural tourism assets as a "must see" for visitors to Pasadena and the Greater Los Angeles area.

- Through partnerships with the City of Pasadena Economic Development, Innovate Pasadena, Caltech, and JPL, the PCVB will work to enhance Pasadena's brand as a center of science and innovation with a new video and website;
- As Chinese visitation continues to grow, the PCVB team will continue the third phase of its China Ready program to inspire international travel from China with a new video documenting local Chinese investors, businesses and influencers; and
- The PCVB will work closely with Visit California and Los Angeles Tourism to increase awareness of Pasadena by increasing participation in international and domestic media activities and events.

The priority for the Convention Center will be to increase current levels of business, book larger annual events that draw a new audience to the Center, and aggressively pursue short-term bookings to maximize occupancy and revenue generation. Some examples of new and/or large bookings for FY 2018 for the Convention center are as follows:

- International Society of Thermo Electronics
- American Massage Therapy Convention
- International Symposium for Testing and Failure Analysis
- Additive & Manufacturing Americas 2017 Tradeshow
- TecHomeX Tradeshow
- American Public Health Laboratories Annual Meeting

We will continue to promote the Civic Auditorium as a premier venue to host cultural performances, lectures and live and/or taped TV productions such as Prairie Home Companion, the 49th Annual NAACP Image Awards, America's Got Talent, and the Daytime Emmy Awards. The Civic Auditorium's Historic Exhibition Hall permanent HVAC system was upgraded in FY 2017 making the space an affordable year round alternative for a variety of groups. The renovated space has allowed the PCOC to book new events and also provided additional space for the following existing groups to grow their events:

- PolitiCon
- Great Minds in STEM
- CA Educational Technology Professionals Assn
- IMATS LA
- QuiltCon
- Salvation Army

In its sixth year of operation, the PISC will continue to expand and maximize new revenue sources, keeping the core philosophy to offer a well-balanced schedule, a wide variety of skating programs and events, and to attract the largest number of regular participants. The PISC will also use the upcoming winter Olympic Games in 2018 to increase participation in our public sessions, group classes, figure skating, hockey, and curling programs.

SUMMARY OF APPROPRIATIONS BY EXPENSE CATEGORY

(In Thousands)

Expenditure Category	FY 2016 Actuals	FY 2017 Adopted	FY 2017 Revised	FY 2018 Adopted
Convention Center & Civic	$5,858	$6,309	$6,309	$6,458
Ice Skating Center	1,620	1,777	1,777	1,946
Convention Visitors Bureau	2,433	3,184	3,184	3,341
Debt Service	9,155	9,580	9,580	9,885
Capital Improvement Program	450	1,600	1,600	1,225
Pasadena Center Operating Company Total	**$19,516**	**$22,450**	**$22,450**	**$22,855**

SUMMARY OF REVENUE

(In Thousands)

Division	FY 2016 Actuals	FY 2017 Adopted	FY 2017 Revised	FY 2018 Adopted
Convention Center & Civic	$5,709	$6,382	$6,382	$6,561
Ice Skating Center	2,597	2,601	2,601	2,733
Transient Occupancy Tax	8,738	9,477	9,477	9,780
TBID Assessment	3,120	3,575	3,575	3,800
Investment Earnings	37	50	50	50
Capital Improvement Program (other funding sources) (Rev)	300	600	600	325
Pasadena Center Operating Company Total	**$20,500**	**$22,685**	**$22,685**	**$23,249**

SUMMARY OF FTEs BY DIVISION

Division	FY 2016 Actuals	FY 2017 Adopted	FY 2017 Revised	FY 2018 Adopted
Pasadena Center Operating Company	98.00	98.00	98.00	98.00
Pasadena Center Operating Company Total	**98.00**	**98.00**	**98.00**	**98.00**

PERFORMANCE MEASURES

		FY 2016 Actual	FY 2017 Target	FY 2017 Mid-Yr Actual	FY 2018 Target
Council Goal:	**(1) Maintain Fiscal Responsibility and Stability; (2) Improve, maintain and enhance public facilities and infrastructure; (3) Increase conservation and sustainability; (4) Support and promote the local economy.**				
Objective:	Attract, secure, and retain the right mix of customers in our venues to meet growth and revenue targets.				
1	Book 45,100 room nights.	44,452	44,000	20,302	45,100
1a	Percent of goal	104%		46%	
Objective:	Maximize revenue from facilities by securing meetings, conventions, entertainment events and ice skating activities.				
1	Actual revenue	$9,653,000	$8,983,000	$4,356,000	$9,294,000
1a	Percent of goal	113%		48%	
2	Convention Center rental revenue	$2,326,000	$2,290,000	$997,000	$2,347,000
2a	Percent of goal	105%		44%	
3	Maximize occupancy for Exhibit Halls	63%	62%	51%	62%
4	Maximize revenue for the Civic Auditorium	$1,108,000	$1,010,000	$333,000	$878,000
4a	% of Goal	110%		33%	
5	Maximize occupancy for the Civic Auditorium (days contracted)	165	150	122	150
6	Maximize revenue for the PISC	$2,635,000	$2,601,000	$1,439,000	$2,733,000
6a	% of goal	110%		55%	
6b	Skating lesson participants	4,303	4,375	1,853	4,320

NOTE:

(1) Occupancy Rate – Calculation takes into consideration: 365 days of availability. Number of days of utilization includes move in and move out and based on occupancy in the two exhibit halls.

Objective:	To increase PCVB presence to influence local economy.				
1	Number of social media followers	35,000	37,000	37,507	42,000
2	Website views	18,728	190,000	140,239	209,000
3	Smartphone App downloads	384	500	416	700

PERFORMANCE MEASURES

		FY 2016 Actual	FY 2017 Target	FY 2017 Mid-Yr Actual	FY 2018 Target
Objective:	Provide professionally managed facilities and first-class service.				
1	PCVB Sales	3.87	3.50	3.90	3.50
2	PCVB Client Services	3.91	3.50	3.88	3.50
3	Convention Center Sales	3.80	3.50	3.89	3.50
4	Event Management	3.84	3.50	3.88	3.50
5	Events Services (set up, cleanliness)	3.79	3.50	3.75	3.50
6	Food Service	3.57	3.50	3.46	3.50

NOTE:
PCOC conducts a customer service survey annually which includes questions about sales, services, facility cleanliness, food and beverage and quality of our vendors.
The survey rating scale is 4 = Very Satisfied, 3 = Satisfied, 2 = Dissatisfied and 1 – NA.
Through January 2017, the PCOC Customer Service Survey was sent to 117 clients and had a participation response rate of 27.4% (32 responses).

Objective:	To continually improve recycled waste programs increasing sustainability.				
1.	Mixed waste - Total tons diverted	65.0	65.0	45.04	75.0

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