

SYRACUSE NEW YORK

WAYS & MEANS COMMITTEE
February 25, 2013
ATTACHMENT NO. 1

Date: February 22, 2013

To: Members of the Onondaga County Legislature
County Executive Joanne Mahoney

From: David Holder, President of Syracuse Convention & Visitors Bureau
Kelly Carr, General Manager of Oncenter

The US Bowling Congress is in the process of finalizing their selection process for future locations. We are hopeful that this selection process will include Syracuse as the site for the 2018 Open Championship. If selected, this event would generate \$70 million in travel spending from 60,000 bowlers and their 20,000 travel companions.

In order to host this event, the host community must agree to the following terms:

1. Providing the convention center at no charge from December 2017 to August 2018.
2. Providing a \$1.8 million bid fee, payable only upon award of the event. \$500,000 of this fee would be paid upon signing of the contract, with the remaining paid in 2018 prior to the event's commencement

Based on our experience with hosting the USBC 2011 Women's Championship, we have been able to construct detailed projections of all estimated ancillary costs. The figures provided in these documents are worse-case scenarios associated with projecting future budget and subsidy needs from Onondaga County.

To summarize this prospective request, we are seeking the following:

\$500,000 for the contract signing portion of the bid fee (*paid in 2013*)

\$1.3 million for the remaining portion of the bid fee (*paid in 2018*)

\$1,382,610* in additional subsidies for the Oncenter to cover added costs and losses in business (*paid in 2018*)

\$145,000 in additional funding for the SCVB to cover added recruitment and hosting costs (*\$25,000 paid in 2016, \$54,000 paid in 2017, and \$66,000 paid in 2018*)

* Based on worse case projections and including a desired reduction in annual Oncenter operational subsidy to \$1.1-million for FY 2018.

**Syracuse Convention
& Visitors Bureau**
CenterState Corporation
for Economic Opportunity

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Syracuse, NY 13202

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www.VisitSyracuse.org

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US Bowling Congress Syracuse Bid 2018 Open Championships

The Preparation

\$572,000 for construction, housing, and transportation – **SPENT LOCALLY**
20% of construction workforce is local

The Event

200 consecutive days from build out to the teardown
Late December, 2017 through July, 2018
60,000 bowlers + **20,000** friends and family generating **120,000** room nights
151 consecutive days of bowling
4.5 days per stay and \$204 in travel spending per person per day

The Ask

Unanimous commitment for:
\$1,800,000 event bid fee (payable only upon award of event)
\$500,000 of this paid upon contract signing in 2013
\$1,382,610 for potential (worse-case) Oncenter costs offsets in FY 2018
In addition to annual operating subsidy, estimated at \$1.1-million dollars in FY2018, total operating budget is estimated at \$2,482,610
\$25,000 for SCVB attendee recruitment expenses in FY 2016
\$54,000 for SCVB attendee recruitment and signage expenses in FY2017
\$66,000 for SCVB hosting services in FY 2018
= **\$3,327,610** overall county investment

The Return

\$70 million generated in travel spending
\$2.8 million generated in local sales tax collections
\$540,000 generated in room occupancy tax collections
240 new direct jobs created
Return on Investment of \$21.04 in travel spending for every \$1 invested

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Overview of all 2018 Sources of Revenue and
USBC Associated Expenses

Sources of Revenue	2013	2014	2015	2016	2017	2018	TOTAL
County - Prior Year Surplus Fund Balance	\$ 1,800,000						\$ 1,800,000
County - Project Fund for 2018 Enhanced Subsidies		\$ 305,522	\$ 305,522	\$ 305,522	\$ 305,522	\$ 305,522	\$ 1,527,610
County - 2018 Projected Oncenter Annual Subsidy						\$ 1,100,000	\$ 1,100,000
Oncenter - Concessions - Food						\$ 282,060	\$ 282,060
Oncenter - Concessions - Beverage						\$ 944,288	\$ 944,288
Oncenter - Catering - Food						\$ 22,500	\$ 22,500
SCVB - Retail merchandise sales						\$ 7,000	\$ 7,000
TOTAL	\$ 1,800,000	\$ 305,522	\$ 305,522	\$ 305,522	\$ 305,522	\$ 2,661,370	\$ 5,683,458
Anticipated Expenses							
	2013	2014	2015	2016	2017	2018	TOTAL
County/Syracuse Events, LLC - USBC Bid Fee	\$ 500,000					\$ 1,300,000	\$ 1,800,000
Oncenter - 2018 Business Projections						\$ 1,588,000	County
Oncenter - Displaced business (late December - August)						\$ 663,048	
Oncenter - Concessions - Food						\$ 86,592	
Oncenter - Concessions - Beverage						\$ 178,802	
Oncenter - Concessions - Labor - Kitchen						\$ 6,500	
Oncenter - Concessions - Labor - Administration						\$ 6,500	
Oncenter - Concessions - Labor - Concessions						\$ 306,587	
Oncenter - Concessions - Labor - Operations						\$ 97,156	
Oncenter - Concessions - Labor - Burdens						\$ 91,683	
Oncenter - Concessions - Event Supplies						\$ 5,000	
Oncenter - Concessions - Paper Supplies						\$ 55,186	
Oncenter - Concessions - Cleaning Supplies						\$ 36,790	
Oncenter - Operations - Labor - Security						\$ 51,840	
Oncenter - Operations - Labor - IATSE						\$ 13,000	
Oncenter - Operations - Labor - Usher						\$ 46,656	
Oncenter - Operations - Labor - Burdens						\$ 24,529	
Oncenter - Operations - Advertising						\$ 45,000	
Oncenter - Operations - Trash Removal						\$ 10,000	
Oncenter - Operations - EMT Services						\$ 10,000	
Oncenter - Operations - Utilities/Electricity						\$ 231,709	
Oncenter - Operations - Buildout						\$ 60,000	
Oncenter - Operations - Warehouse rental						\$ 100,000	
Oncenter - Catering - Food						\$ 5,625	
Oncenter - Catering - Labor - Kitchen						\$ 6,750	
Oncenter - Catering - Labor - Catering						\$ 2,475	Oncenter
Oncenter - Catering - Labor - Burdens						\$ 2,030	\$ 3,731,458
SCVB - Hosted events				\$ 10,000	\$ 10,000	\$ 10,000	
SCVB - Design and Communication					\$ 5,000	\$ 5,000	
SCVB - Visitor Center Outfitting						\$ 15,000	
SCVB - Visitor Center staffing						\$ 25,000	
SCVB - Signage					\$ 24,000	\$ 8,000	
SCVB - Recruitment				\$ 15,000	\$ 15,000		
SCVB - Volunteer expenses						\$ 5,000	SCVB
SCVB - Retail merchandise						\$ 5,000	\$ 152,000
TOTAL	\$ 500,000	\$ -	\$ -	\$ 25,000	\$ 54,000	\$ 5,104,458	\$ 5,683,458

The Oncenter
Income by Venue Forecast
2018

<u>Venue</u>	<u>2013 Budget Income/(loss)</u>	<u>2018 Income/(loss)</u>
Convention - Bowling (1/1/18 to 8/31/18)		(231,562)
Convention - Standard Business (9/1/2018 to 12/31/18)	33,014	(663,048)
Total Convention Center	33,014	(894,610)
War Memorial	(151,719)	(200,000)
Civic Theater	263,083	300,000
Parking (Garage & Lot)	538,949	367,000
Overhead (Indirect Amin Cost)	(2,183,327)	(2,055,000)
Net Income/(Loss) Before Subsidy	(1,500,000)	(2,482,610)
Annual Subsidy	1,500,000	1,100,000
Access/(Insufficient) Funds	-	(1,382,610)