

City of Las Cruces[®]

PEOPLE HELPING PEOPLE

Council Action and Executive Summary

Item # 20 Ordinance/Resolution# 10-100 Council District: All

For Meeting of September 21, 2009
(Adoption Date)

A RESOLUTION TO ESTABLISH PRICING GUIDELINES FOR THE LAS CRUCES CONVENTION CENTER AND SOLE AUTHORIZATION TO THE MANAGEMENT COMPANY, GLOBAL SPECTRUM AND THE LAS CRUCES CONVENTION & VISITORS BUREAU TO IMPLEMENT SAID GUIDELINES WHEN BOOKING BUSINESS TO THE FACILITY.

PURPOSE(S) OF ACTION: To approve pricing guidelines for any and all use for meetings and conventions, sporting events as well as local and civic organizational use for any and all rental space in the Las Cruces Convention Center. These rates will be adhered to by Global Spectrum as the convention center management company as well as the Las Cruces Convention & Visitors Bureau as the city's marketing arm for the convention center.

Name of Drafter: <i>Ken Mompellier</i> Ken Mompellier		Department: Public Services/CVB		Phone: 541-2166	
Department	Signature	Phone	Department	Signature	Phone
Originating Department	<i>[Signature]</i>	528-4032	Budget	<i>[Signature]</i>	2300
			Assistant City Manager	<i>[Signature]</i>	2271
Legal	<i>[Signature]</i>	541-2178	for City Manager	<i>[Signature]</i>	

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS: In October 2008, with the direction by City Council, Resolution 08-09-429 was approved to select Global Spectrum to manage the Las Cruces Convention Center (Center). As the project moves forward it is important to establish rates and certain policies that will allow both Global Spectrum (Global) and the Las Cruces Convention & Visitors Bureau (LCCVB) to proceed with the active sales process for rental of space at the Center. Now that the size and dimensions of the Center have been determined, it is appropriate to begin the sales effort and the booking of space for the facility which is scheduled to open the later part of 2010. The goal is to begin the sales process and be able have firm bookings (signed contracts) prior to the opening of the facility. The establishment of rates will assist and facilitate the opening sales efforts.

This City facility needs to see a return on investment and the sooner the sales effort can begin the better chance we have to see that goal realized. Guidelines must be established in order to book business and it is important that they are competitive as well as profitable.

The rates submitted have been prepared by Global based on industry standards, market location, and competition as well as through the vast experience that Global has in other

(Continue on additional sheets as required)

similar facilities. It is extremely important that Global is given the necessary flexibility as demonstrated by the attached guidelines and rates, which in many cases will be driven by market demand as well as peaks and valleys experienced in the meetings market dictated by certain times of the year such as slow seasons.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A" – Proposed Pricing Guidelines

Fund Name / Account Number	Amount of Expenditure	Budget Amount
n/a	n/a	n/a

OPTIONS / ALTERNATIVES:

1. Vote "Yes" and approve the Resolution, which will establish pricing guidelines for the Las Cruces Convention Center and sole authorization to the management company, Global Spectrum and the Las Cruces Convention & Visitors Bureau to implement said guidelines when booking business to the facility, thus making the facility a profitable venture for the City and ensuring the Center will have booked business (signed contracts) prior to it's scheduled opening date.
2. Vote "No" and not approve the proposed pricing guidelines which will not allow Global and the LCCVB the opportunity to book business to the Center.
3. "Amend" and direct staff to revise guidelines and rates. This will delay the marketing effort of Global and the LCCVB to move forward and begin securing business for the Center in a timely manner.

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The City Council of the City of Las Cruces is informed that:

WHEREAS, the City Council approved Resolution 08-09-429 on October 6, 2008 to select Global Spectrum to manage the Las Cruces Convention Center; and

WHEREAS, the project is continuing to move forward with a projected opening date of late 2010; and

WHEREAS, now that size and dimensions of the Las Cruces Convention Center have been determined, it is important to establish pricing guidelines and sole authorization to the management company, Global Spectrum and the Las Cruces Convention & Visitor Bureau to implement when booking business to the facility; and

WHEREAS, it is appropriate to begin the sales efforts and booking of space for the Las Cruces Convention Center in order to have firm bookings (signed contracts) prior to the opening of the facility; and

WHEREAS, the facility needs to see a return on investment so the established guidelines must be competitive as well as profitable; and

WHEREAS, the rates submitted have been prepared by Global Spectrum based on industry standards, market location and competition as well as through the vast experience that Global has in other similar facilities.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the City of Las Cruces endorse and support the established guidelines for the Las Cruces Convention Center as designated as Exhibit "A", attached hereto and made a part hereof.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE and APPROVED this _____ day of _____, 2009.

APPROVED:

(SEAL)

Mayor

ATTEST:

City Clerk

VOTE:

Moved by: _____

Mayor Miyagishima: _____

Seconded by: _____

Councillor Silva: _____

Councillor Connor: _____

APPROVED AS TO FORM:

Councillor Archuleta: _____

Councillor Small: _____

Councillor Jones: _____

Councillor Thomas: _____

Dorothy
De J. (Mike) Connolly

City Attorney

Exhibit "A"**Las Cruces Convention Center Pricing Guidelines**

In an effort to price the Las Cruces Convention Center both competitively and profitably we have designed guidelines based on type of event. Ranges of pricing are provided; actual pricing will be based on a specific events utilizing yield management methodology.

Meeting Rate Guidelines* **EFFECTIVE OCTOBER 1, 2010**

<u>Event Space</u>	<u>Gross Square Feet</u>	<u>Range Guildlines</u>
Exhibition Hall (Combined)	14,500	\$1,500-\$2,900
West Hall	8,700	\$900-\$1,700
East Hall	5,800	\$600-\$1,100
Ballroom (Combined)	8,950	\$1,300-\$1,800
Ballroom A	6,000	\$900-\$1,299
Ballroom B	2,950	\$450-\$600
Meeting Rooms		
Meeting Room 1	475	\$150-\$190
Meeting Room 2	475	\$150-\$190
Meeting Room 3	475	\$150-\$190
Meeting Room 4	475	\$150-\$190
Meeting Room 5	475	\$150-\$190
Meeting Room 6	475	\$150-\$190
Meeting Room 1, 2	950	\$300-\$380
Meeting Room 1, 2, 3	1,425	\$450-\$570
Meeting Room 4, 5	950	\$300-\$380
Meeting Room 4, 5, 6	1,425	\$450-\$570

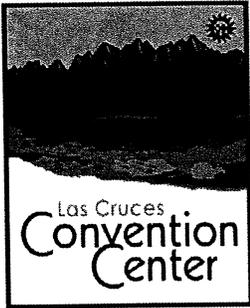
NOTES:

- Non – profit group discounts available at non – peak season and days. Tax exempt certificate must be provided prior to the contracting of an event.
- Rates include 8 hours of event time and an additional 2 hours for move-in and move-out, any excess usage will be charged at an hourly rate.
- Should portions of the pre – function area be used for exhibition, a per net square foot rate will apply.

ALL RATES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

211 N. Water Street | Las Cruces, New Mexico 88001
 Phone: 575.541.2494 | Fax: 575.541.2164 | www.MeetInLasCruces.com

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GLOBAL SPECTRUM
 a subsidiary of Comcast Spectra



Las Cruces Convention Center Pricing Guidelines

Exhibit Rate Guidelines

** EFFECTIVE OCTOBER 1, 2010*

<u>Event Space</u>	<u>Gross Square Feet</u>	<u>Range Guidelines</u>
Exhibition Hall (Combined)	14,500	\$1,500-\$2,900
West Hall	8,700	\$900-\$1,700
East Hall	5,800	\$600-\$1,100
Ballroom (Combined)	8,950	\$1,300-\$1,800
Ballroom A	6,000	\$900-\$1,200
Ballroom B	2,950	\$450-\$600

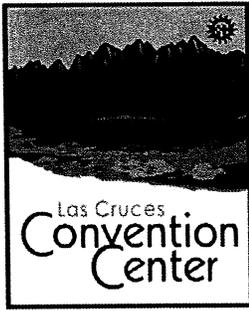
NOTES:

- Meeting Rooms, Pre function and lobby areas when used for exhibits are charged at \$.20 per square foot for non-registration purposes.
- Events utilizing these rates are exhibit events; either consumer or trade based.
- Show days include normal air conditioning time.
- During move-in/move-out and show days, rental rates are based on a 12-hour usage maximum.
- Move-in/move-out days are charged at 50% of show days or package rates are available.
- Non-profit group discounts are available during off peak months and days.
- Exhibits or displays utilizing a non-exhibit area are subject to rental charge.
- Multi-day rentals will be considered as priority when holding date(s).

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Las Cruces Convention Center Pricing Guidelines

Exhibit Rate Guidelines

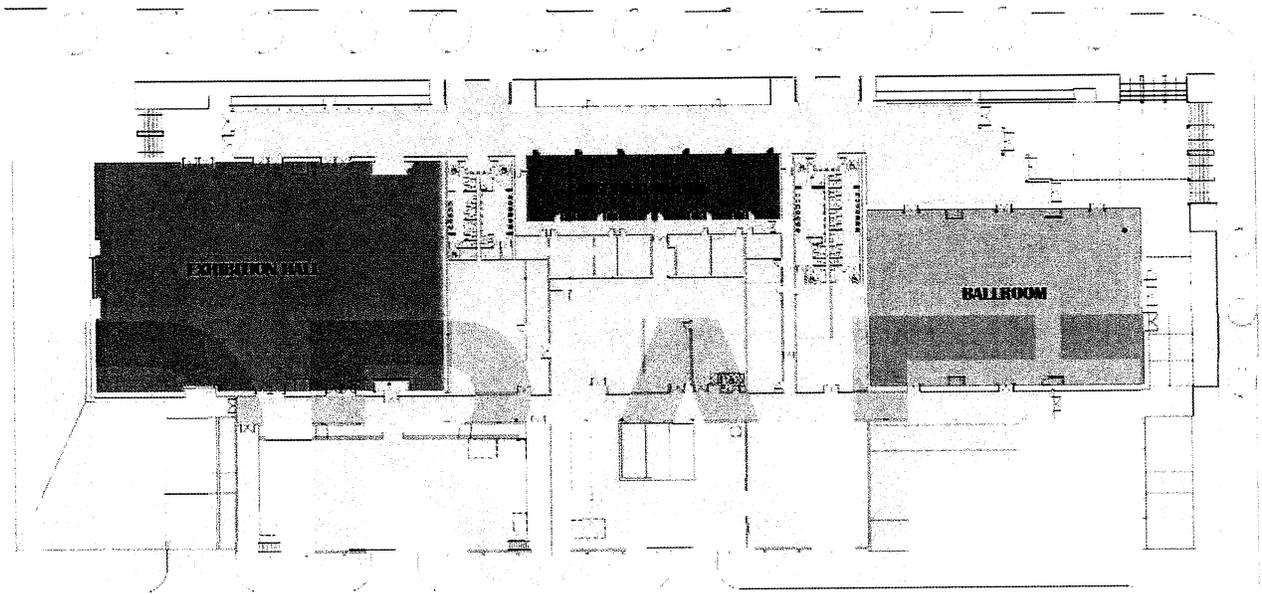


Exhibit Hall	14,500	975	1450	NA	75
East Hall	5,800	590	580	450	30
West Hall	8,700	385	870	670	45
Ballroom A	6,000	400	600	465	30
Ballroom B	2,950	200	295	220	15
Ballroom AB	8,950	600	890	685	45
Meeting Rooms 1,2,3	1,425	96	142	108	
Meeting Rooms 1,2	950	64	95	72	
Meeting Room 1	475	32	47	36	
Meeting Room 2	475	32	47	36	
Meeting Room 3	475	32	47	36	
Meeting Rooms 4,5,6	1,425	96	142	108	
Meeting Rooms 4,5	950	64	95	72	
Meeting Room 4	475	32	47	36	
Meeting Room 5	475	32	47	36	
Meeting Room 6	475	32	47	36	

Capacities are estimates based on industry formulas.
Actual capacity depends on equipment needs and orientation of the space.

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