

ALBANY CONVENTION CENTER AUTHORITY
Economic Impact Committee meeting #1 of 2024, Tuesday, January 23, 2024
Albany Capital Center: Capital Room
Link to Streaming Audio: <https://www.youtube.com/watch?v=s1DbW3w-fW4>

ATTENDEES

Present: Michele Vennard, Chair, Steven C. Lerner

Via ZOOM: Michael Hoffman

Absent: Assembly Member John McDonald, RPH

Others Present: Jill Delaney, President Discover Albany; Jay Cloutier, Director of Sales Discover Albany; Shannon Licygiewicz ASM Global ACC Gen. Mgr., Duncan Stewart, former Executive Director ACCA, Robert Ryan Esq. ACCA Counsel, Monica Kurzejeski, ACCA Executive Director

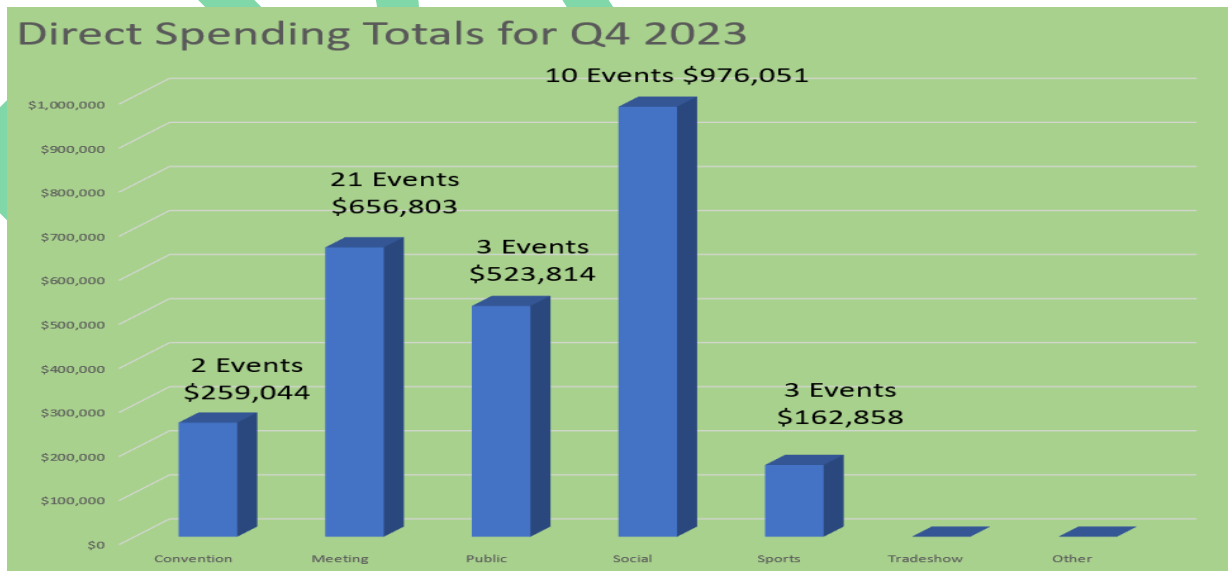
CALL TO ORDER

The Economic Impact Committee Meeting was convened at 9:03 AM. Due to scheduling conflicts, a quorum was not present, but the meeting proceeded as informational so that the Annual reports could be presented.

AGENDA

1. **Review of minutes:** Q3 2023 minutes will be reviewed and voted on at the EIC meeting on April 23, 2024 due to not having a quorum.
2. **Economic Impact Report & Outlook:** Jay Cloutier presents the 2023 Q-4 Economic Impact Report, the Outlook update of the observed trends in Occupancy and Rev-Par through 12-31-23, including examples of regional lost business.

The FY 2023 Q-4 Report highlights the 2 conventions, 21 meeting events, 3 public and 10 social events this quarter. Visitor attendance and spending remain strong in all sectors. The 2 conventions were modest in size but had a good impact. Public category was very strong. Social seems to be the star for Q4. Regeneron is the lion's share of success.



Mr. Cloutier reviews the total spending and stats for Q4. Some of the events have an exempt status which is why the calculations between State and County tax may seem off.

Total Spending: \$2,578,570
 Total Sales Tax: \$ 152,307
 NYS Sales Tax: \$ 68,690
 County Sales Tax: \$ 83,617
 Total Visitors: 24,220
 Hotel Rooms: 1,903
 Total Events: 39

Mr. Cloutier presents the quarterly year-over-year information. There were not conventions in Q4 of 2022, so the increase is strong.

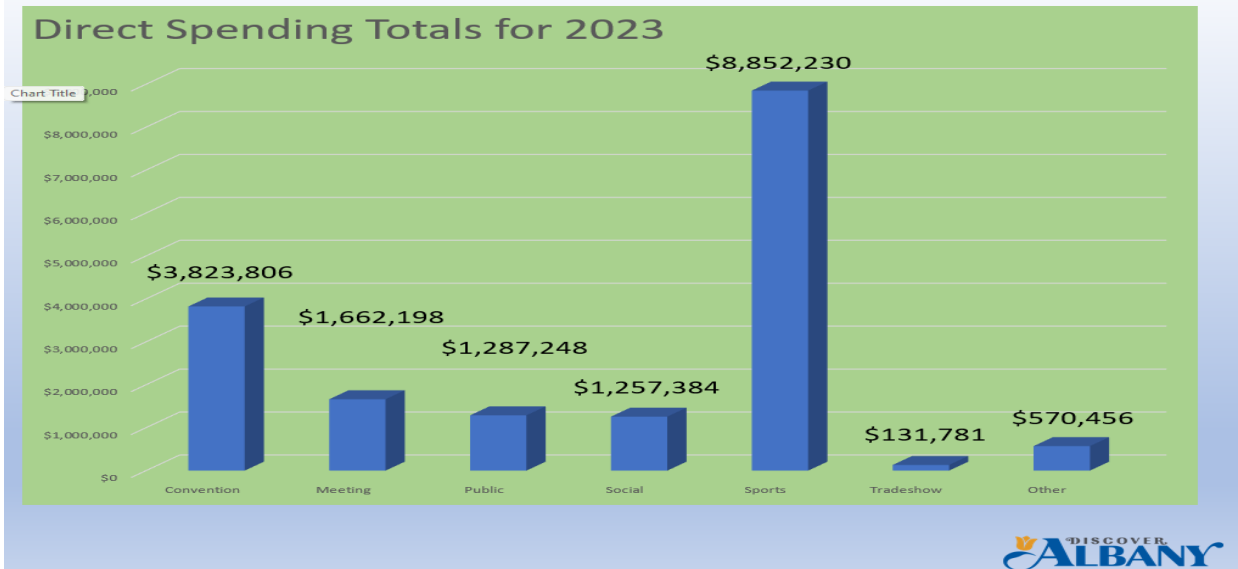


Direct Spending Total for 2023 and YTD 2022 vs 2023:

All categories are surpassing 2022 numbers, highlighting Regeneron, sports and meetings.

There was discussion about the upcoming NCAA Women's tournament and whether the total spending will be calculated. There will be a future discussion on how this dollar is presented depending on whether ACC participates as a venue in the tournament. Ms. Vennard noted that to date we are not participating in that tournament and Ms. Licygiewicz noted that we were part of the bid. It was mentioned that the venue changed some of their guidelines for their event and the locations.

The bar exam (Other category) was another big event for the ACC.



Year to Date revenues were presented including YTD 2023 revenues, sales tax, visitors, hotel, events, and FT jobs. Convention numbers improve, dip in early 2022 due to the shuffling of some events still due to the pandemic. But overall, the building has performed really well over 2022.

Year To Date 2023 Economic Indicators Growth and Performance Totals

Total Spending: **\$17,585,003**
Total Sales Tax: **\$1,878,005**
 • State Sales Tax: **\$848,307**
 • County Sales Tax: **\$1,029,698**

Post Event:

- Total Visitors Generated: **114,280**
- Total Hotel Rooms Generated: **19,699**
- Total Events: **135**
- Full Time equivalent Jobs supported by Capital Center Activity: **255**



Mr. Cloutier presented the summary of economic impacts, 3-1-17 through 12-31-2023.

Economic Indicators Growth and Performance Totals: March 1st, 2017- Dec 31, 2023*

Total Spending:	\$79,730,148
Total Sales Tax:	\$8,878,626
• State Sales Tax:	\$4,233,938
• County Sales Tax:	\$4,644,688
Post Event:	
• Total Visitors Generated: 539,259	
• Total Hotel Rooms Generated: 114,029	
• Total Events: 967	
• Full Time equivalent Jobs supported by Capital Center Activity: 28,215	

*Life of the building



After no additional questions on Q4 2023 and the Economic Impact report we moved to the Lost Business report.

Examples of lost business given included the US Weightlifting competition. Lost due to meeting space requirements and the economics didn't work for the event.

PEF was lost this year but are interested in looking at us in the future. One of their requests is transportation for getting people from NYC to the location. There was a discussion over the penalty for leaving Syracuse. Mr. Cloutier also pointed out that the large Albany contingency doesn't always leave us in a good position since they like to travel.

Mr. Lerner – do we know what the penalty was?

Mr. Cloutier – we don't know but somewhere around six figures.

Ms. Licygiewicz – high six figures.

Ms. Vennard – when does the RFP come out?

American Society of Ichthyologists and Herpetologists was due to a combination of reasons. Also noted that the local advocate might not have been as strong as needed. Something to look at for the future.

Lost Business Report for Q4

Organization Name	Lead Name	Meeting Start Date	Room Attendees	Room Nights	Lost Note
USA Weightlifting	2025 USA Weightlifting Masters Nationals [11409]	4/17/2025	1,000	685	Client Unresponsive Facility not large enough MVP not interested
New York State Public Employees Federation (PEF)	2024 NYS PEF Annual Convention [11413]	10/26/2024	1,000	2,050	The Board decided to keep the contract w/Syracuse due to significant penalty for cancelling. They will be distributing RFP for 2025 & 2026.
American Society of Ichthyologists and Herpetologists	2025 Joint Meeting of Ichthyologists and Herpetologists [10329]	7/14/2025	750	1,980	They have removed Albany from the short list, looking at Calgary and 2 other destinations.

Occupancy recovery – covering 2022 – 2023 ahead of last year and way ahead of the pandemic years. Close to a complete recovery in the hotel market. Occupancy as a measure is good.

RevPar is there. It is a universal measure for revenue per room. There was a discussion of lost Hotels and inventory. In 2019 there were 2.6 million rooms for the year. Currently we are at 2.4 Million rooms at the end of 2023. Fewer hotels, hotel rooms and selling at a much higher rate. Inventory is being lost through conversions, closures and out of service/renovations projects. Inventory issues make group selling challenging. In talking to hotels, multiple bids aren't being offered. The negotiation is much harder on the client end. Congestion on the group booking especially in 2024. Congestion is due to repeat clients already booking future rooms. New business is successful when we can push them in "need times". 2025/2026 leads are coming in but lack of inventory is going to hurt everyone. Events need to make a commitment, sign a contract, and get the hold.

Ms. Vennard – it's a bit of a conundrum.

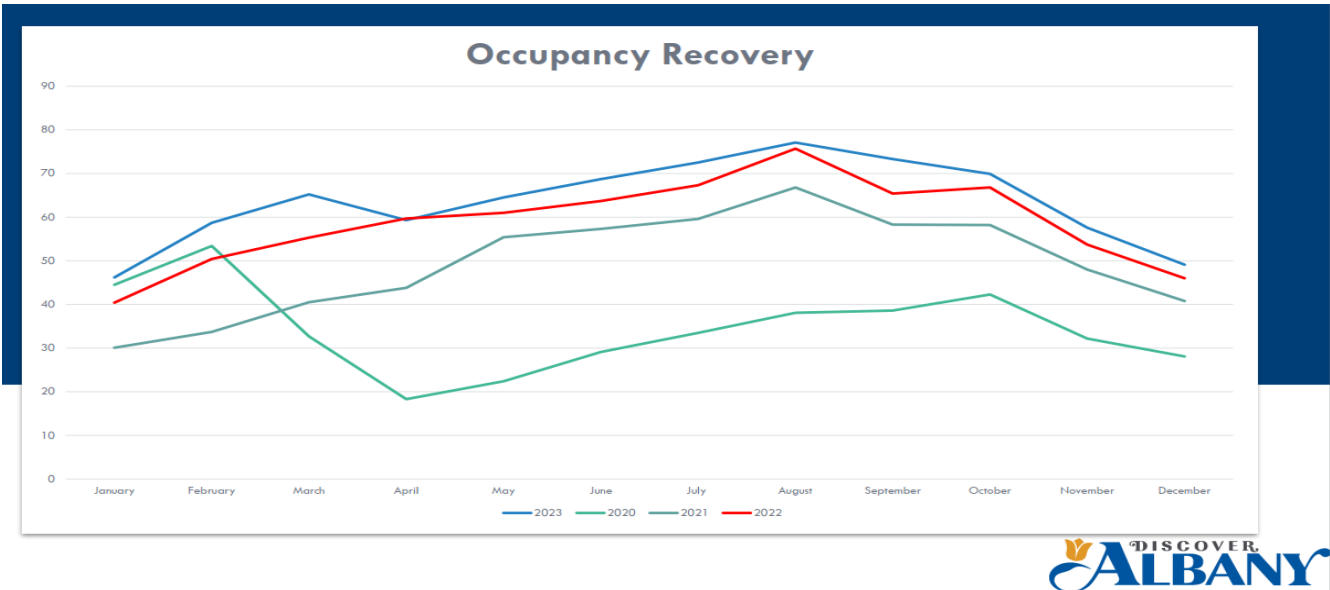
Mr. Hoffman – 100% agrees on the discussion. I question the quality, hotels are doing much better, but it might not be every hotel. Difficult to get groups in if you can't get blocks.

Ms. Vennard – the full board needs to understand this situation when we meet on Thursday. Glad you can join us for that.

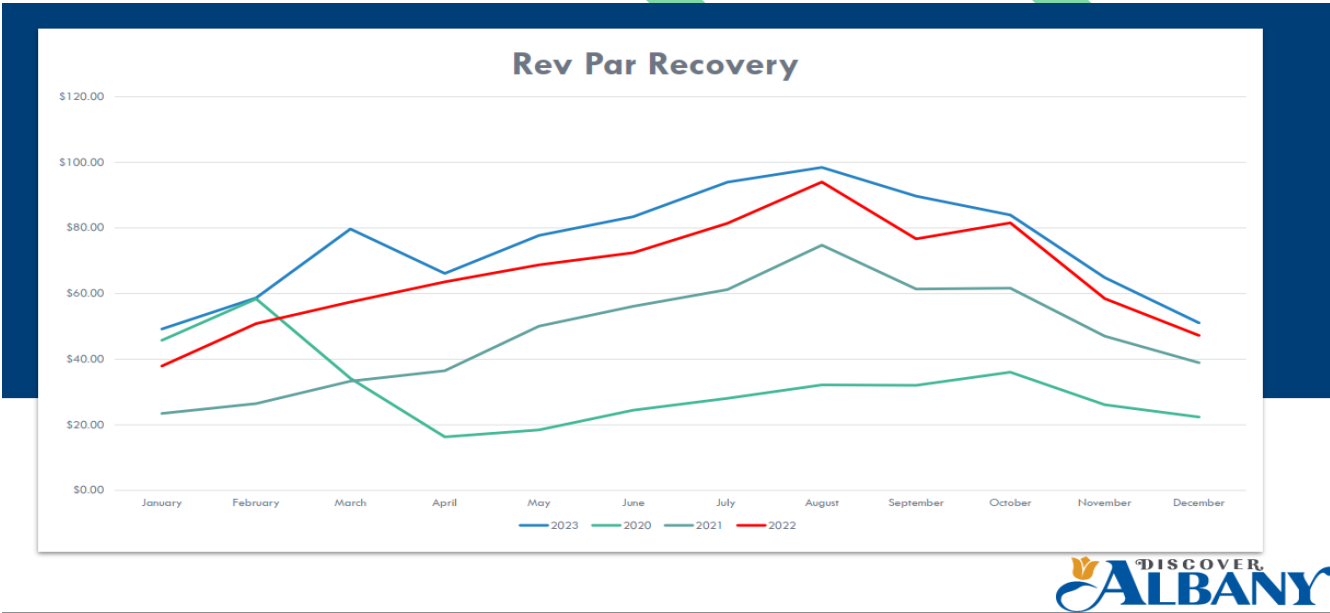
Mr. Hoffman – It's a difficult world. Expenses are high, approvals are hard, nothing is easy. There are a lot of factors to develop a hotel these days. It is difficult.

Ms. Delaney – Hands are changing at existing hotels. They are buying existing versus building new. It is hard to meet new people. Ownership and leadership is consistently changing which is challenging in building relationships.

FY 2023 Q-4 occupancy levels continue to track the recovery year, 2022.



FY 2023 Q-4 RevPar levels continue to track the recovery year, 2022.



3. ASM Global FY '23 Q-4 Report:

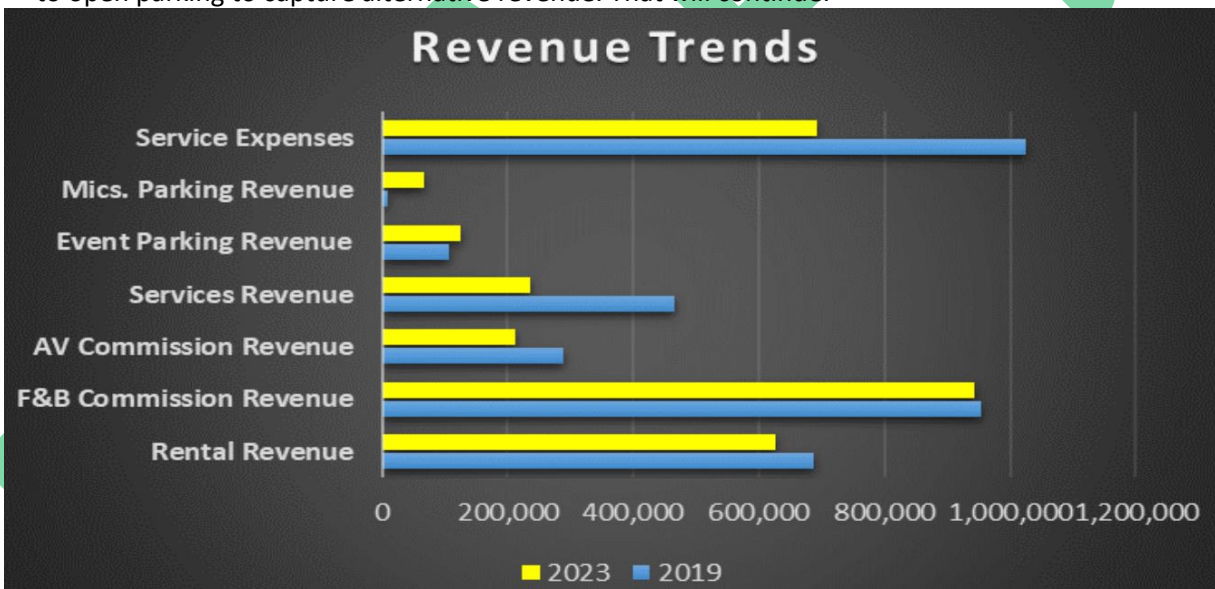
Ms. Licygiewicz presented a summary of the Annual report ahead of the Annual meeting. It was a fantastic year. After Q1 ASM had to shift mindsets to adjust for the number of events coming in. All departments helped in achieving savings and identifying new lines of revenue. Rental income came out higher than budgeted, lower expenses, repairs and maintenance in line and utilities lower.

2019 to 2022/2023 comparison for number of events. Meeting category continues to be strong. Not quite to 2019 levels but certainly increasing. Sporting events are a really great fit for the building and the calendar.



Ms. Licygiewicz spoke of the difference in revenue despite the lower number of events. 2019 had 217 events while 2023 had around 60 less but still beat 2019 revenue numbers.

They look to continue this thoughtfulness into revenue into 2024. Parking income and miscellaneous parking income for example. They looked at what was happening outside of our doors at other venues to open parking to capture alternative revenue. That will continue.



HR highlight – they have a robust team here at ACC. They are very thankful for the ACCA support over the years. Low turnover and participation in MWEEEO is 64%. (Operational Work Force goal is 60% as per ACCA Policy, pg. 15)

ASM Global Support – Ms. Licygiewicz expanded on the partnerships with Charge FUZE. With ASM’s Global Digital Network, ACC is working on event campaigns. Recent one was with an education client and Clorox. Clorox pays a fee to have their digital placement ads for an event. The customer has to approve.

Community involvement is important to ASM. They held their Earth Day recycling event as well as other events throughout the year. ACC and Mazzone jointly participated in dozens of food recovery efforts in Albany County. They will start working with clients to expand that offering in packages.

With the start of 2023 with less than 75 events booked, they knew they were facing a challenge to get events booked. ASM is working a lot of leads. The market is returning to some sort of compression level. They are turning events away but trying to keep them in the destination.

Major impacts/projects with ACCA – snow removal equipment is greatly appreciated. Ms. Licygiewicz feels that this will create better efficiency and better results for the weather.

Customer survey – this year is the highest return rate they’ve had despite the smaller number of events. 35% return rate which the industry standard is around 25%. The results are highlighted in the report.

Highlights of the 2023 Year:

Total of 153 Events for the Entire 2023 Year

- 3 Conventions
- 4 Tradeshows
- 16 Public Shows
- 38 Social Events
- 66 Meetings
- 24 Sporting
- 2 Other (Exams)

Total Event Days- 250

Total Attendance - 89,133

Estimated Hotel Room Breakdown: Total Estimated Room Nights- 19,376

Ms. Licygiewicz presents the ASM FY '23 Q-4 Report starting with a recap of the 2023 numbers.

Ms. Licygiewicz states that bookings for 2024 are strong, bringing on 25 new events since last quarter. It is the last year for the men’s volleyball event and are eager for that bid to be released.

Newly Contracted Events for 2024: Additional (25) Events been contracted since Q3s report:			
SNUG Outreach Meeting	1 Day	300 People	25 HRN
The Royal Dance Competition	1 Day	300 People	
Columbia HS Senior Prom	1 Day	300 People	
Boys & Girls Clubs Great Futures Gala	1 Day	250 People	
CDPAANYs Annual Conference	2 Days	350 People	25 HRN
New York Health Plan Assoc Conference	2 Days	300 People	100 HRN
Women in Law Enforcement Event	1 Day	200 People	
Excelsior University	2 Days	145 People	50 HRN
New York State Nursery and Landscape Conference & Expo	3 Days	250 People	400 HRN
Gilbane: Albany Nanotech Campus Expansion Contractor Info	1 Day	150 People	
NY Thermal Energy Summit	1 Day	150 People	
Tay Fisher Instructional Basketball Camp	5 Days	600 People	
Dead Mans Hand Tattoo Expo	3 Days	1,000 People	25 HRN
NYSPHSAA Men’s Volleyball	2 Days	730 People	600 HRN
Current Contracted Events for 2024:			
Total of Contracted Events for 2024 is 97 Events			
Total of Event Days impacted by the 97 Events is 180 Days			
Total of Estimated Guests from the 97 Events is 51,477 People			
Total Hotel Room Nights impacted for 2024 is estimated at 8,641			
Additional Contracts have been issued 16			

Looking at the calendar and needing to fit in 60 more events this year, ASM is looking at multiple events on one day. Overall outlook is good. Trending high in meetings. Conventions are a good number to be at

and the trend continues as in last year. At around 57% of overall goal, they are looking at every opportunity.

2025 event calendar has four additional events contracted for a total of 14 events, 22,042 attendees and estimated 2,974 hotel room nights.

4th quarter ASM generated leads are seeing an estimated 30% conversion rate which is an increase for 2024 and 2025 over last quarter. Compression is happening not only at ACC, but in our entire market. There are several months that only have 1 or 2 days open.

Attendance trends were discussed with December ahead of 2019 attendance numbers, but slightly behind 2022 attendance numbers. YTD 2023 is behind 2019 in attendance but ahead of 2022 numbers.

Ms. Licygiewicz then showed two testimonials from the ACE and Regeneron events showcasing the ACC.

No questions.

4. Other Business:

Bob Ryan, legal counsel, introduced and presented the Incentive Fee Calculation Summary. The operator fee is based on two components, the base fee and ASM is available to earn and incentive fee that is broken down into two components: productivity and quality. Since there was no quorum to formally recommend the proposal to the full board, there was discussion and there were no objections from the committee members present.

Mike Hoffman – thinks it is an excellent system. Said the same thing last year, takes a look at the long term. Clean and friendly go a long way. I think it is a really well-designed policy. Personally, I think it makes a lot of sense.

Michele – I agree.

Steve – I agree.

5. Adjourn:

No formal adjournment but the meeting ended at 10:06 am.

Next Meeting: Tuesday 4-23-24 Start Time: 9:00 AM

Location: TBD

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