

MEMORANDUM

January 17, 2025

TO: Albany Convention Center Authority (“ACCA”)
Economic Impact Committee (“EIC”)

FROM: Robert J. Ryan, Esq.

RE: 2024 Operator Fee Review

Note: Base fee for 2021 was \$90,000, which is to be adjusted upward on the first day of each Fiscal Year (January 1 through December 31) during the term of the agreement by the percentage change in the Consumer Price Index -All Urban Consumers (CPI-U) – Northeast Region – All Items, during the one year period ending in November immediately preceding such Fiscal Year, as published by the Bureau of Labor Statistics of the US Department of Labor.

November 2021 CPI-U – Northeast Region – All Items = 6%

2022 Base Fee = \$95,400

November 2022 CPI-U – Northeast Region – All Items = 6.4%

2023 Base Fee = \$101,506

November 2023 CPI-U – Northeast Region – All Items = 2.5%

2024 Base Fee = \$104,043.00

2024 Compensation:

Base Fee: \$104,043.00

Incentive Fee: Up to Total 250% of Base Fee (Max for 2024: \$260,107.50) made up of two components: (A) a Performance & Productivity Review and (B) a Quality Review as follows:

A. Performance / Productivity – up to 200% of Base Fee (Max for 2024: \$208,086.00).

(1) 20% of the Base Fee for Operating Revenues exceeding the Operating Revenues from the immediately preceding fiscal year; provided however, such eligibility is contingent upon ASM operating within the Approved Budget (Max for 2024: \$20,808.60); and

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- (2) 20% of the Base Fee for annual attendance between 100,000 and 150,000 (Max for 2024: \$20,808.60), and 45% of the Base Fee for annual attendance over 150,000 (Max for 2024: \$46,819.35); and
 - (3) 20% of the Base Fee for annual event days between 300 and 320 days (Max for 2024: \$20,808.60), and 45% of the Base Fee for annual event days in excess of 320 (Max for 2024: \$46,819.35); and
 - (4) 20% of the Base Fee for annual events between 200 and 220 (Max for 2024: \$20,808.60), and 45% of the Base Fee for annual events in excess of 220 (Max for 2024: \$46,819.35); and
 - (5) 20% of the Base Fee for annual hotel room nights generated between 30,000 and 35,000 (Max for 2024: \$20,808.60), and 45% of the Base Fee for annual hotel nights generated in excess of 35,000 (Max for 2024: \$46,819.35).
- B. Quality – up to 50% of Base Fee (Max for 2024: \$10,404.30 for each criteria for a total of \$52,021.50). Based on survey results:
- (1) 10% of the Base Fee if at least 80% rated Overall Event Experience at least good
 - (2) 10% of the Base Fee if at least 80% rated Perception of Center after Event at least good
 - (3) 10% of the Base Fee if at least 80% rated Overall quality of service received at least good
 - (4) 10% of the Base Fee if at least 80% rated Courtesy of building staff at least good
 - (5) 10% of the Base Fee if at least 80% rated Cleanliness of facility at least good

Cap: Total Compensation shall not exceed 5% of Total Revenues. The term Total Revenues will include the revenues of commission sales by contract vendors. In the event Total Compensation exceeds 5% of Total Revenues, the Incentive Fee will be reduced by a corresponding amount. In no event shall Total Compensation be less than the Base Fee.

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Max Compensation Allowed for 2024:

Base Fee \$104,043

Potential Performance Incentive (200%) = \$208,086

Potential quality Incentive (50%) = \$52,021.50

Total potential compensation = \$104,043 base + \$260,107.50 total incentive = \$364,150.50 capped at 5% of Total Revenue. Cap 5% of \$5,924,266.00 = **\$296,213.30**

Payment:

The Incentive Fee is payable to ASM within 30 days after the Authority's receipt of an invoice from ASM setting forth the Operating Revenues, Operating Expenses, Productivity Results and User Survey Results for the previous Fiscal Year and showing the calculation of the Incentive Fee payable with respect to such Fiscal Year. Promptly following the availability of the audited annual financial statements or adjusted Productivity or User Survey results for a Fiscal Year, ASM shall recalculate the Incentive Fee payable for that Fiscal Year; in the event that the amount of the Incentive Fee which was paid based on ASM's invoice differs from such recalculated amount, ASM shall promptly remit to the Authority any excess amount which was paid, or the Authority shall promptly pay the shortfall, as the case may be.

Information Required:

- 1.) Actual and budgeted financials.
- 2.) Annual attendance.
- 3.) Annual event days.

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- 4.) Annual events.
- 5.) Annual hotel room nights.
- 6.) Survey results.