

American Bank Center Management Services



Council Presentation
November 7, 2017



Background



Convention Center – 190,931 sq ft facility that includes a 76,500 sq ft Exhibit Hall, 3 ballrooms, and 22 breakout rooms; original construction 1967, renovated in 2004

Selena Auditorium – 2,623 seat venue constructed in 1979

Arena – 7,384 fixed seat venue (can seat up to 8,884 with folding chairs on floor), constructed in 2004 as part of Bond Project 2000

In fiscal year 2017 the American Bank Center hosted 423 Events and 558,538 Visitors



RFP Process



RFP Development Team – comprised of 4 City staff members from the departments of the City Manager's Office, Financial Services Purchasing Division, Strategic Management and Legal and 2 external stakeholders:

- Paulette Kluge, CVB
- Lee Trujillo, Type A Board

July 10, 2017 – RFP Released

August 9, 2017 – Proposals Due

September 27, 2017 – Interviews Conducted

Scoring Based on:

- Technical Proposal
- Interview
- Price



SMG Background



SMG is an industry leader in facility operations and management services:

40 Years of Facility Management Experience - municipalities make up 92% of their domestic client base

234 Facilities Managed in the United States (14 internationally)

9 Facilities Managed in Texas (15 regionally)

Promotion – strong relationships with more than 25 major promoters bringing quality entertainment to the American Bank Center



Changes to Agreement



Item	Current Agreement	Proposed Agreement
Annual Management Fee (base years)	\$130,000	\$98,421 (average)
Annual Incentive Fee	Max \$130,000	Max \$150,000
Incentive Fee Measures	<ul style="list-style-type: none">•Improvement over Benchmark•F&B Profit Margin•Customer Satisfaction•Maintenance & Capital Goals	Qualitative & Quantitative (defined on next slide)
City Subsidy	No cap	Cap at \$1,500,000



Proposed Agreement Incentive Fee



Qualitative Fee in the Performance Areas of:

- Customer Satisfaction Scores
- Joint CVB/Contractor Room Night Goal
- Event Day Goals
- Community Involvement
- Repairs & Maintenance Implementation

Quantitative Fee: 20% of amount by which gross revenue exceeds gross revenue benchmark



Pricing

Not To Exceed Contract Value



Type	Base Years	Optional Years	Total
Base Fee	\$557,717.15	\$320,998.24	\$878,715.39
Qualitative Fee	\$300,000	\$150,000	\$450,000
Quantitative Fee	\$600,000	\$300,000	\$900,000
Marketing	\$3,600,000	\$1,800,000	\$5,400,000
Convention Maintenance	\$1,500,000	\$750,000	\$2,250,000
Arena Maintenance	\$1,200,000	\$600,000	\$1,800,000
Overrun Stipend	\$9,000,000	\$4,500,000	\$13,500,000
Capital Contributions (Type A & HOT)	TBD	TBD	TBD
Contractor Contrib	(\$200,000)		
Total NTE Value	\$16,557,171.15	\$8,420,998.24	\$24,978,169.39



Questions?