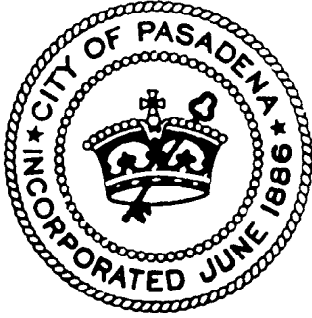


**PASADENA CENTER OPERATING COMPANY**  
300 E. GREEN STREET, PASADENA, CA 91101-2399 • 626 793-2122 • FAX 626 395-7144

**PASADENA CENTER OPERATING COMPANY**

**ANNUAL REPORT  
AND  
WORK PLANS**

**OCTOBER 2001**



# Agenda Report

October 31, 2001

TO: Pasadena City Council

FROM: Pasadena Center Operating Company Board of Directors

SUBJECT: Annual Report

## RECOMMENDATION:

Receive annual report and collateral and approved work plan for the Pasadena Center Operating Company for Fiscal Year 2000/01

## BACKGROUND:

Pursuant to the City Council's request and in compliance with the agreement between the City of Pasadena and the Pasadena Center Operating Company, the information presented with this report is a history of financial records and marketing plans.

The Pasadena Center Operating Company, a nonprofit corporation, was established by Ordinance No. 5128, September 25, 1973; Agreement 9181, October 2, 1973, as amended. This agreement was amended in August 2001. The Operating Company Board of Directors is comprised of 13 members appointed by the City Council (4 from major hotels and 9 from the city), one of whom shall be a current member of the City Council and one of whom shall be the City Manager or his/her designee.

The purpose and function of the Pasadena Center Operating Company is to manage and operate The Pasadena Conference Center and other such city facilities as the City Council may assign; to promote the use of these facilities for conferences, conventions, exhibitions, trade shows, assemblies and for cultural and educational programs for the use, benefit and enjoyment of the public. The Pasadena Conference Center consists of the Exhibition and Conference Buildings, the Civic Auditorium and historic ballroom, and the parking complex. In addition, The Pasadena Center Operating Company Board of Directors has the responsibility for the Pasadena Convention and Visitors Bureau (CVB), which markets the City of Pasadena as a destination for leisure visitors, conventions, trade and public shows, as well as providing information.

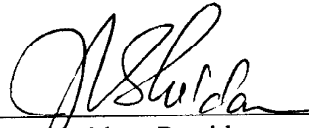
Regular meetings of the Board of Directors are held the fourth Wednesday of each month at The Pasadena Conference Center.

Officers are elected at the beginning of each fiscal year; however, the Board has the option of electing officers to serve two years (President, Vice President, Secretary and Treasurer). Standing committees of the Board are:

- Executive Committee
- Budget & Finance Committee
- Board Governance Committee
- Marketing Advisory Committee

At the discretion of the Board, ad hoc committees may be formed as needed.

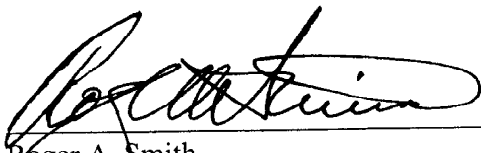
Respectfully Submitted,



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Joel Sheldon, President  
Pasadena Center Operating Company

Approved By



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Roger A. Smith  
Chief Executive Officer  
The Pasadena Center Operating Company

**PASADENA CENTER OPERATING COMPANY  
FACT SHEET**

- ✍ Pasadena Center Operating Company (PCOC) operates the Pasadena Conference Center and the Pasadena Convention & Visitors Bureau (CVB) under a letter of agreement with the City.
- ✍ Board members serve no more than two consecutive terms; each term is three years.
- ✍ A slate of officers is chosen annually by the Board of Directors.
- ✍ Members of the PCOC Board are responsible for setting policy to be implemented by staff.
- ✍ The Center consists of three buildings: the Exhibition Building which is approximately 32,000 square feet, the Conference Building which has 26 meeting rooms, including a little theatre that seats 295, and the Civic Auditorium which seats 3,000. South of the complex is a 17,000-square-foot ice rink, which is under a 25-year lease that expired on October 1, 2001. The private company that leases the space has two five-year options for extension of the lease. The PCOC is hopeful that current negotiations for a new site will be completed shortly and that this space can be returned to its original purpose of being a ballroom.
- ✍ The Civic Auditorium was built in 1931 and the Center was completed in 1973 at a cost of approximately \$21 million.
- ✍ The Pasadena Conference Center is self contained and operates its own Box Office & Garage. Food and Beverage, Electrical Services, Audio Visual and Telecommunications services are provided by outside vendors.
- ✍ The Center has only one labor union agreement - International Association of Theatre and Stage Employers Local #33.
- ✍ PCOC has 80 full-time and 120 part-time employees on staff, including the Convention & Visitors Bureau. The Company offers a complete benefit package to all full-time staff that includes a 401(k) plan with an employer match up to 5%, medical and dental insurance, life insurance, accidental death and disbursement coverage, and long-term disability insurance. Insurance premiums for the employee are paid by the Company. Benefits and applicable tax expenses are approximately 20%.
- ✍ The Pasadena Convention & Visitors Bureau is the sales and marketing arm for the City in bringing leisure travelers, conventions, and meetings to Pasadena. The revenue generated by visitors and convention attendees helps create employment opportunities and provides ancillary revenue sources to local residents.
- ✍ PCOC operates on a July 1-to-June 30 fiscal-year basis.
- ✍ PCOC generates a substantial portion of the total budget revenue (FY 2000/2001 \$3,350,522) itself through space rental, parking revenues, food services, etc. The City contributes to the budget by providing PCOC 60% of the Transient Occupancy Tax (TOT) collected from hotels and motels.

- ✍ PCOC has enjoyed a continual growth in usage each year for over two decades.
- ✍ Recognizing the economic benefit that conventions bring to the community, we maintain a policy that allows the CVB first right of all Center space one year out from the current date. Within the one year, available space may be committed to any event without release from the CVB. In this way, we provide the maximum reasonable opportunity for the space to be used for conventions and trade shows that tend to optimize use of local hotels and increase generation of local revenue.
- ✍ During calendar year 2001, the CVB was involved in bringing 89 events to Pasadena, with approximately 182,270 attendees. By conservative estimates, the economic impact of these groups was in excess of \$96.2 million. Economists estimate that each dollar filters through the community 10 to 12 times before leaving. By comparing the economic benefits that these groups brought to the community with the amount of TOT contribution to the PCOC, (\$4,046,244 received for FY 2000/2001) the City realizes a return on its investment of \$ 23.77 for each dollar contributed.
- ✍ During 1991, the Center underwent a rehabilitation at a cost of \$5 million, which was paid by certificates of participation issued by the City of Pasadena. The annual debt service for these certificates is being repaid from the PCOC's portion of the transient occupancy tax, without burden to the City's General Fund. The \$1.4 million renovation of the Civic Auditorium in the summer of 1997 was financed by PCOC reserves and a loan by the City of Pasadena that has been repaid by a per-ticket facility restoration fee on events at the Civic and the Center.
- ✍ The Civic Auditorium annually hosts the performing season of the Pasadena Symphony (eight concerts), a Distinguished Speaker Series (eight speakers), several national television programs (NAACP Image Awards, ALMA Awards, People's Choice), entertainment events (i.e., David Copperfield, Sesame Street Live), and a multitude of one-day events like graduations, business meetings, children's performances, benefits, non-English-speaking performances, and religious events. The Civic is in competition in the Southern California marketplace for Broadway Musical Tours and International Ballet Performances. The nonprofit Pasadena Civic Auditorium Foundation presents a musical series and high-quality performing arts events in the Civic for the cultural and educational enrichment of the community.
- ✍ The Civic, each year, hosts a large number of special and civic events including the commencement exercises for Pasadena, Blair, and John Muir High Schools.
- ✍ The efforts of the PCOC and the hospitality industry in Pasadena generates a 40% share of the base TOT to the City..

FISCAL YEAR 2000-2001 ACCOMPLISHMENTS  
AND  
FISCAL YEAR 2001-2002 GOALS

For fiscal year 2000-2001 the Convention and Visitors Bureau had a definite room night goal of 50,000 which we achieved finishing the year at 50,348 definite room nights. The lead room night goal of 120,000 lead room nights was exceeded at 192,159 lead room nights.

The hotel occupancy rate for FY 2001 was 67.7% which was down from FY 2000 by 6.2%. The hotel average rate of \$144.93 was up by almost \$3.50 over FY 2000.

Three weekend familiarization (fam) events were held hosting top meeting planners in Pasadena. In addition to other business, the Make A Wish Foundation booked their annual meeting for October 2002 in Pasadena representing 1,540 room nights as a result of attending a fam. Sales efforts are focused on a state and regional basis in Sacramento, San Francisco,

Colorado and Arizona. Nationally sales managers are soliciting business in Chicago, Texas, Washington, D.C. and New York. Twenty-one tradeshow and industry events were attended.

The Villager newsletter was distributed quarterly to business leaders in the community. The Villager provided updates regarding the tourism industry and dates of Pasadena meetings and conventions. The first comprehensive, sixty-six page Visitor Guide was produced with a 100,000 copies being distributed over the fiscal year. A new Meeting Planning Guide was also produced outlining the changes that have occurred in our hotel products and the Pasadena Center. The Meeting Guide also describes meeting services offered by the CVB including venues in Pasadena to hold special events.

For fiscal year 2001-2002 sales goals remain at 50,000 definite room nights and 120,000 lead room nights. Familiarization weekends will be held, not only for meeting planners, but also for travel writers. Our Web site will be enhanced to reflect the brand "Pasadena the city that feels like a village".

The CVB will play a larger role in providing visitor assistance and reference information to entities in the city during the Tournament of Roses Parade and the National Championship Rose Bowl game. Production and distribution of over 100 Holiday Hotline Handbooks by the CVB will contain details about the parade, game and activities in Pasadena during December 28-January 3, 2002. The Holiday Hotline, staff with over 75 volunteers will answer questions for seven days during this year's event.

Due to the length of the attachments, the remainder of this report is available for viewing in the City Clerk's Office or public libraries.

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