

# Visit Salt Lake & ASM Global

(Salt Palace & Mountain America Expo Center)

2024 Proposed Budget Presentation  
Salt Lake County

Presented November 14, 2023



# 2024 Budget

ASM Global

Salt Palace & Mountain America Expo Center

# State of the Industry – Live Events

## Data Sources:

Access Intelligence Research & Consulting – IAVM 2023  
Freeman, Industry Data & Insights OCT 2023

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## Current Economic State (National AVGs)

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**+3.18%**

Inflation is down from its peak of over 9% this time last year. The Fed has suspended rate hikes for the time being.

**Recession Avoided?**

**3.8%**

Unemployment rate in Aug '23

**Near Historic Lows**

**\$1,399**

The cost of a shipping container is down from a peak of \$11,109 & is now lower than pre-pandemic.

**Supply Chain is recovered**

# Attendance Recovery vs. 2019

## Convention Center Estimates

2022

71%

2023

92%

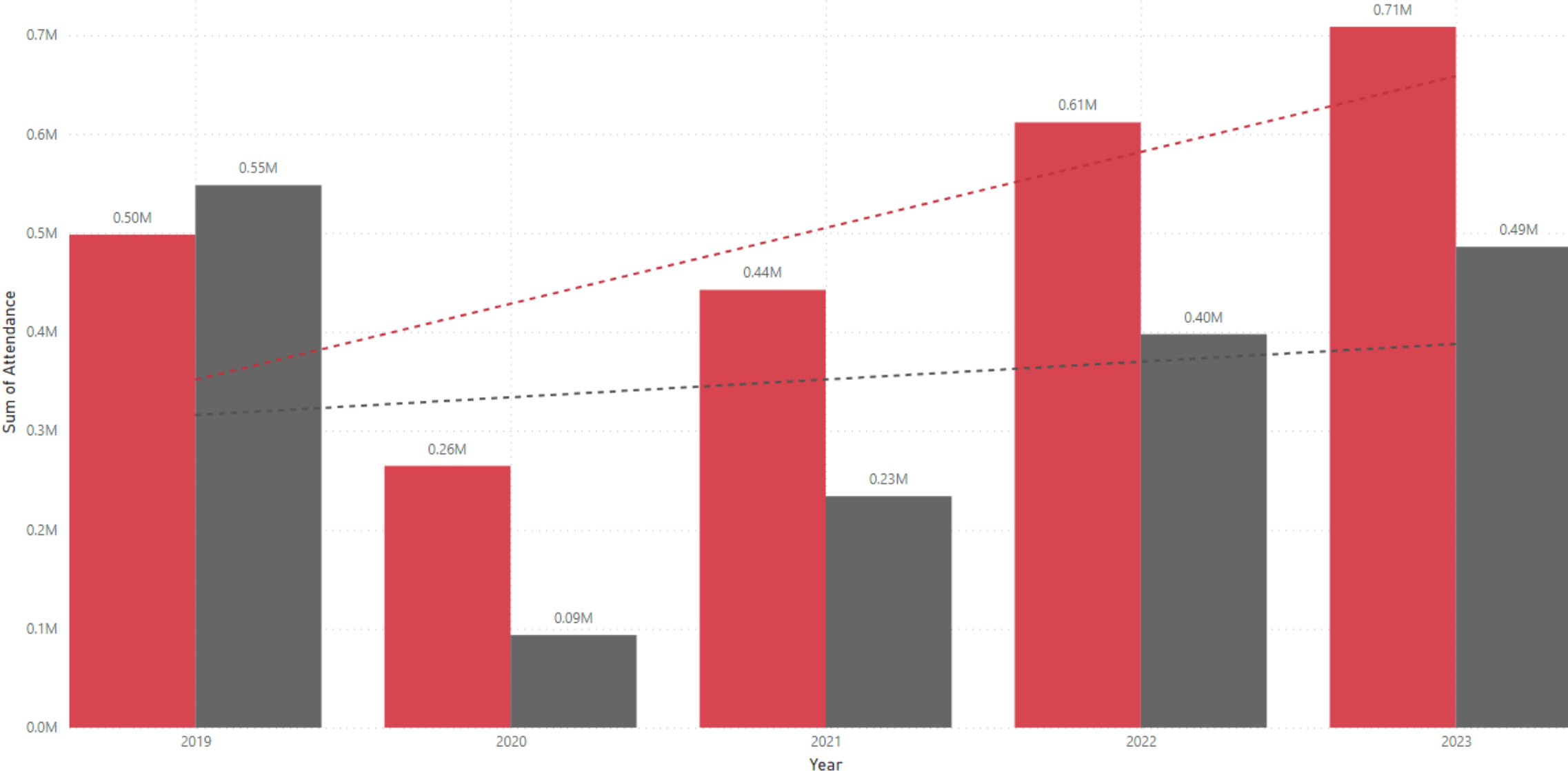
Average all responding venues, YTD to May/June each year. 2024 should be the “full recovery” year. These statistics for 2023 are a little bit higher than to what event producers and meeting planners have said in studies.

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# SPCC & MAEC Attendance 2019-2023

Location ● MAEC ● SPCC



## Industry 2023 Venue Total Bookings & Gross Revenue vs. 2019

Good recovery on attendance – yet revenue and bookings are still behind 2019

Gross Revenue compared to 2019  
% of Convention Centers

**66%**

Total Bookings compared to 2019  
% of Convention Centers

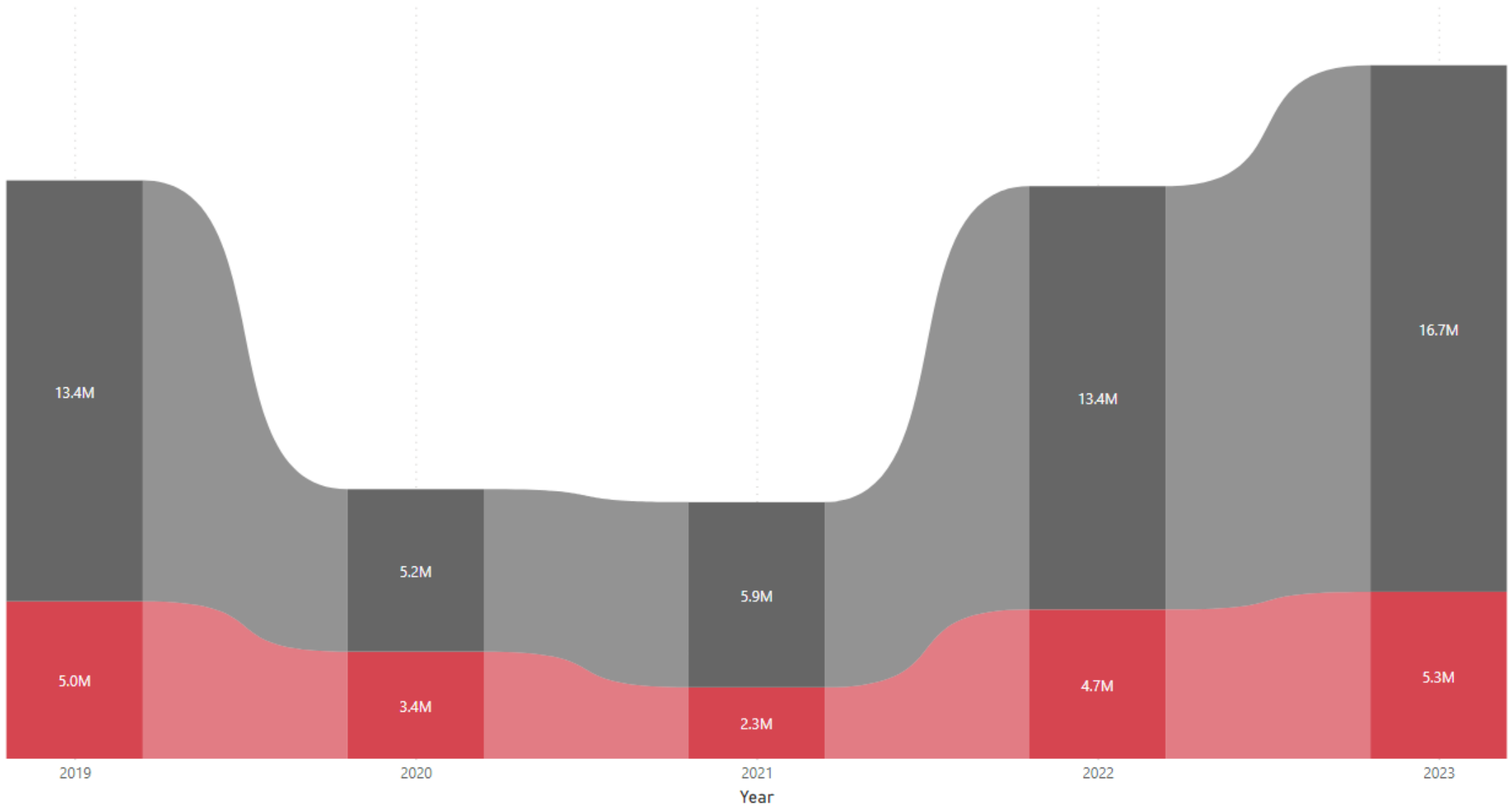
**52%**

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# SPCC & MAEC Revenue 2019-2023

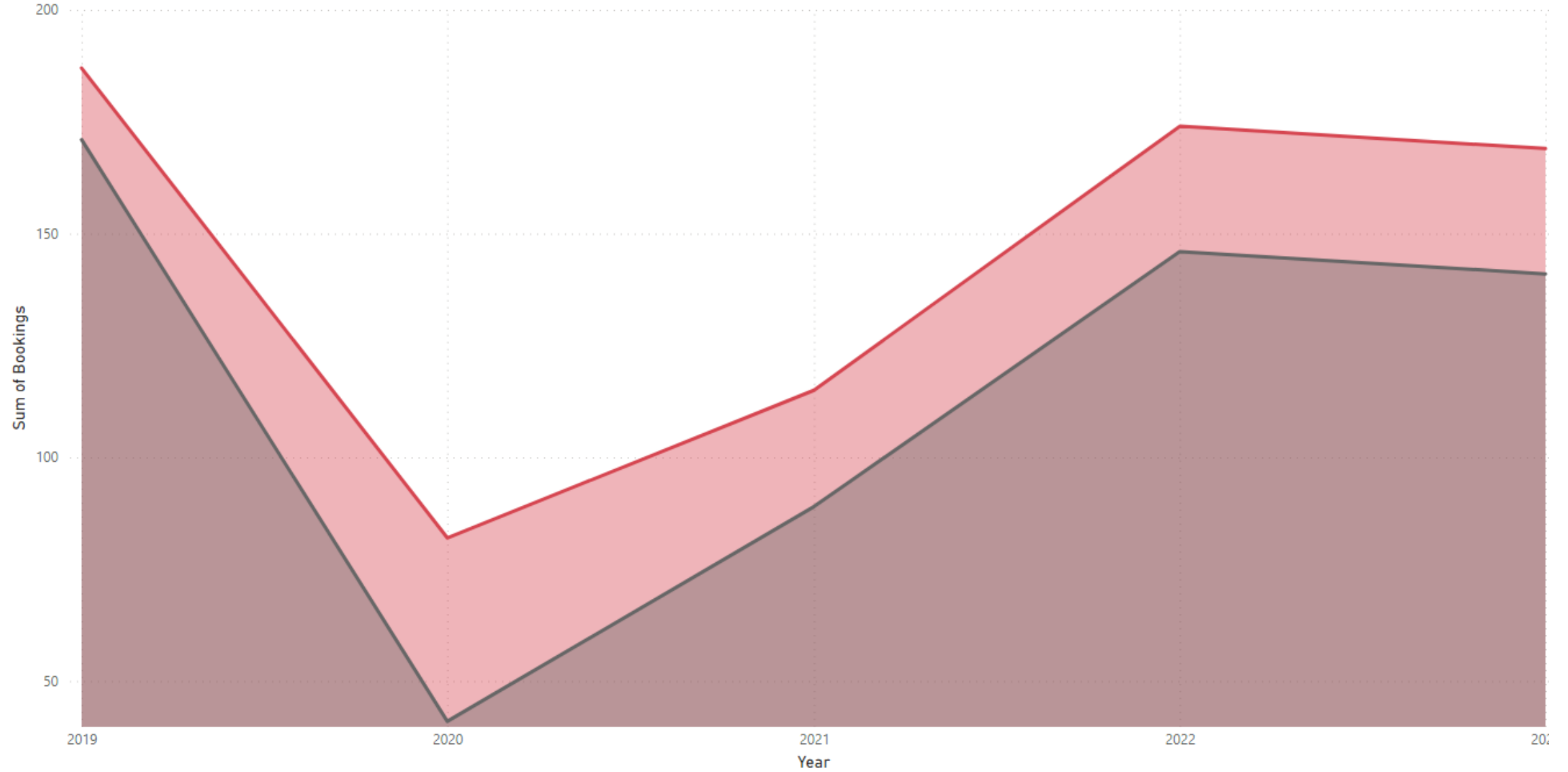
Location ● MAEC ● SPCC





# SPCC & MAEC Bookings 2019-2023

Location ● MAEC ● SPCC





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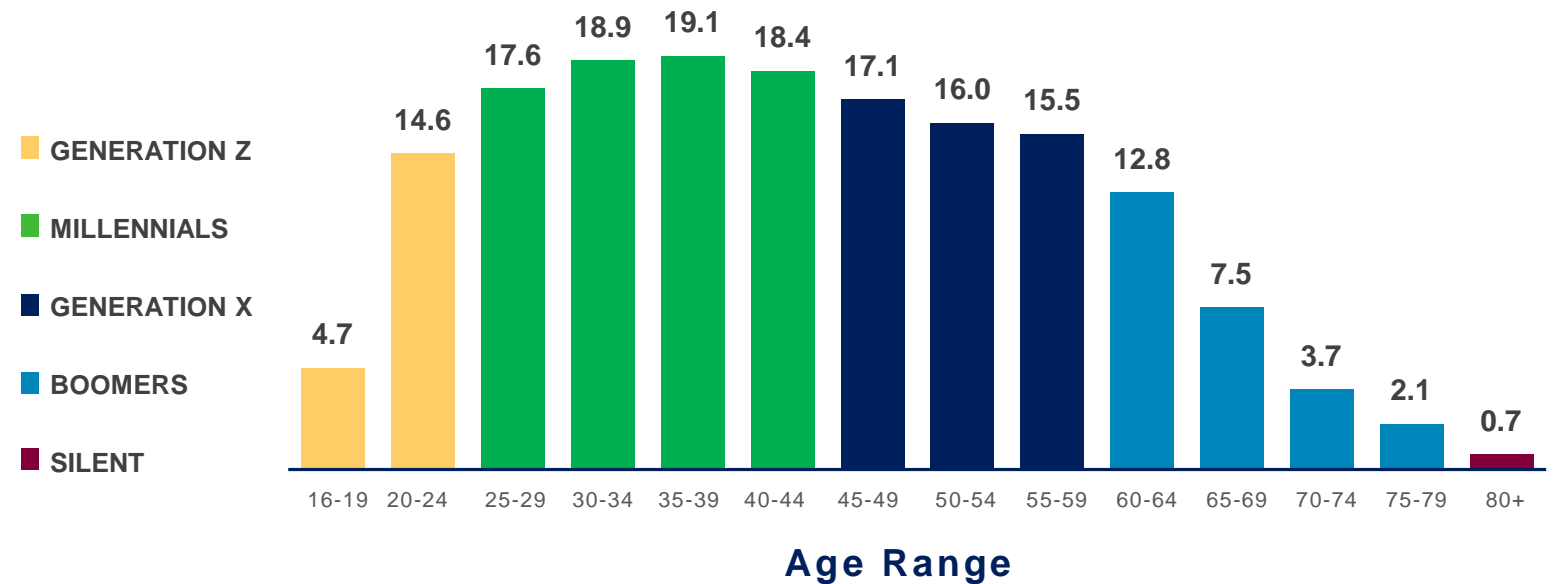
# The Changing Demographics of the Industry & The Implications

# The Workforce in 2025

Projected size of U.S. labor force (in millions) by age, for the year 2025

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Source: Department of Labor |WSJ.com

# Do you know your Next Gen audience?

**51** ▼ **45**

Average age of attendees has dropped from pre-pandemic to all-time lows in the last 18 months

**20-44  
years  
old**

**More  
female**

**More  
educated**

**Authenticity,  
personal  
connections**

**Professional  
growth**

● **Demographics**

○ **Priorities**

**Professional  
Networking**

# Rank the Importance of Event Elements

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Next Gen prefers  
Networking as #1



| Current                      |
|------------------------------|
| 1. Exhibits                  |
| 2. Networking                |
| 3. Education Sessions        |
| 4. Keynotes/General Sessions |
| 5. Special Events            |

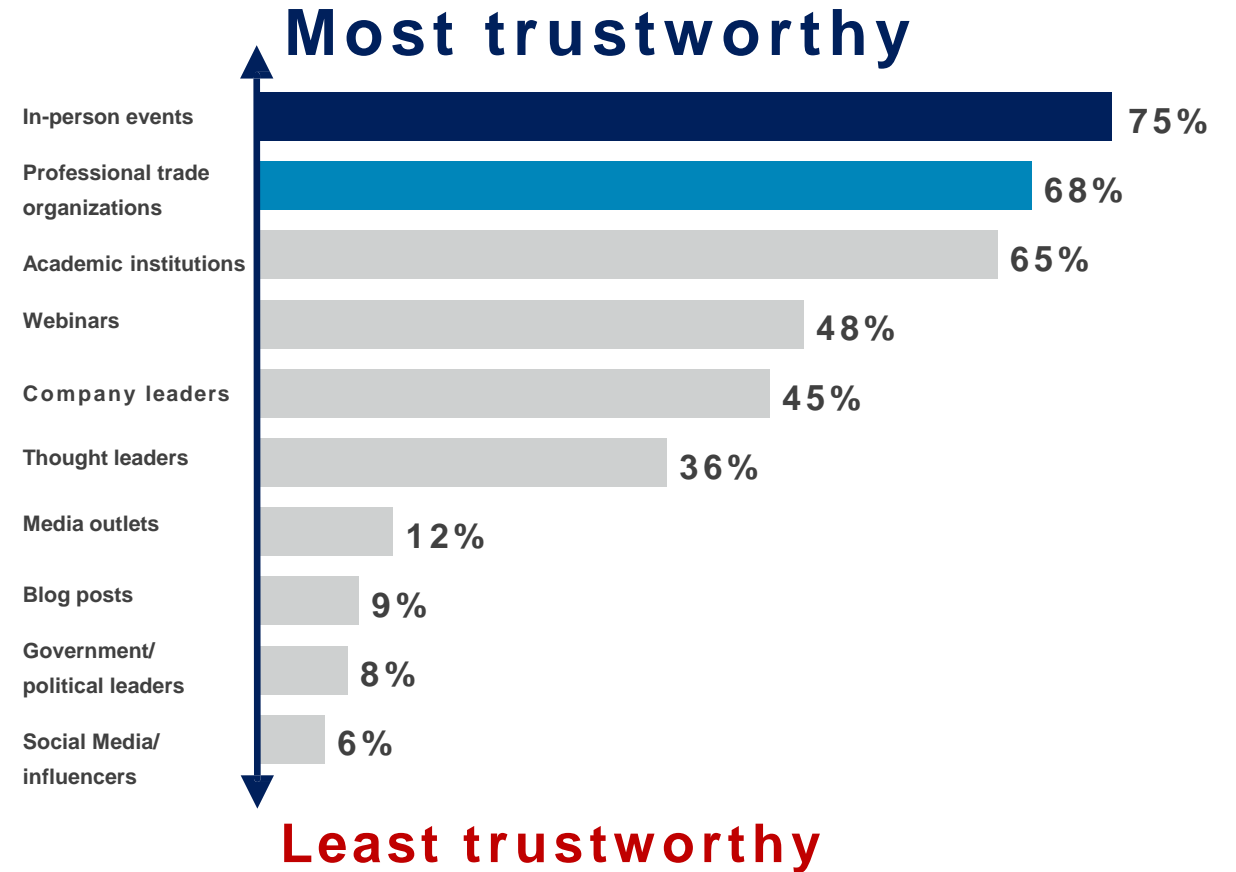
| Pre-Pandemic                 |
|------------------------------|
| 1. Education Sessions        |
| 2. Exhibits                  |
| 3. Keynotes/General Sessions |
| 4. Networking                |
| 5. Special Events            |

QUESTION

How trustworthy are the following sources of information?

Results shown for Extremely Trustworthy, Very Trustworthy

In-person events provide most trustworthy information sources – All Ages



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## Conclusion

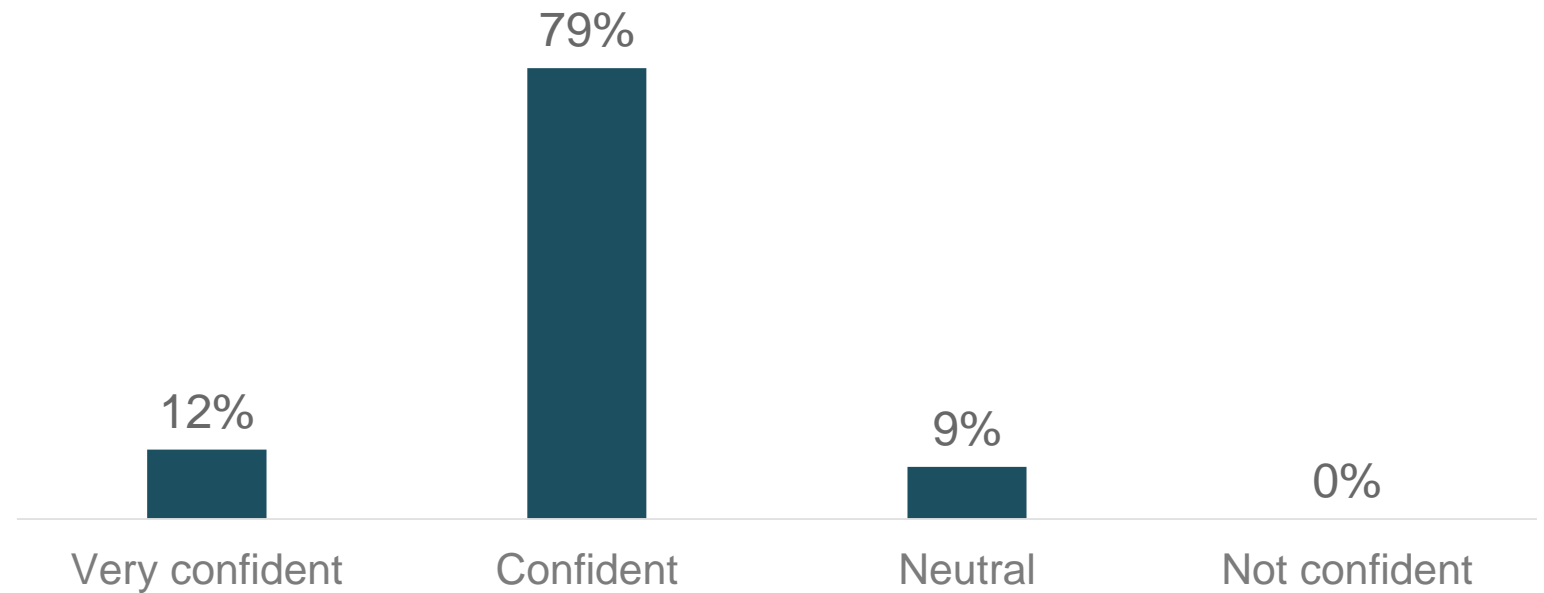
- ✓ Strong rebound overall – but mixed performance for different types of events
- ✓ What's changed: inflation, staffing challenges, booking shifts, politics
- ✓ Sports and competitions continue to be a critical booking category
- ✓ How long will inflation last?
- ✓ Need for continued investments with technology a focus – and a mini-expansion/west end renovation.
- ✓ 2024 should be the true “back to normal” year

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# Convention Centers: Industry outlook next three+ years

Convention center executives are confident about the next few years



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# 2024 Venue Quick Details

Capital Recommendations and Operating Budget(s)

# Capital Projects 2024 (Recommended & Highlights)

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## Recommended

- Re-budgets: \$17,495,565
- Electrical: \$ 1,653,125
- FFE: \$ 1,635,565
- General Bldg: \$ 1,779,250
- HVAC/Mech: \$ 2,510,317
- Security: \$ 481,250
- Site: \$ 3,513,750
- Telecomm: \$ 1,086,875
- Vehicles: \$ 75,000
- Vertical Trx: \$ 125,000

## Highlights

- Re-budgets
  - **SPCC-Chiller Project**
- Electrical
  - **SPCC- south parking lot lighting**
- FFE
  - **Seating Bleacher replacement**
- General Bldg
  - **SPCC- remaining 1996 roof**
  - **SPCC- Meeting room carpet**
- HVAC/Mechanical
  - **SPCC- VFD project**
  - **MAEC – Cooling tower media fill**
- Site
  - **SPCC West Temple landscape**
- Telecomm
  - **MAEC Telecomm Tech/WiFi Upgrade**

## Gratitude

Since our recovery from COVID, Salt Lake County has been extremely responsive and supportive of capital needs at the Salt Palace Convention Center and Mountain America Expo Center

- Prior to COVID annual capital funding averaged \$2M
- 2023 funding ~ \$15M
- 2024 recommendation @ \$12.8M in new projects and \$17.4M in re-budgets. County included ASM Global in the conversation to move from the request to recommendation level and we are very supportive and appreciate of the current direction.

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## Deferred Maintenance

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|   |              |
|---|--------------|
| SPCC – South Tower Lighting                 | \$103,125    |
| SPCC – Remodel Restrooms Halls A-E          | \$5,500,000  |
| SPCC – Glass Project                        | \$123,486    |
| SPCC – Wayfinding Signage                   | \$247,500    |
| SPCC – SPCC Replace Conc Doors Knight Lobby | \$130,625    |
| SPCC – Refinish Handrails Concourse         | \$85,000     |
| SPCC – Repaint Snowflake South              | \$103,125    |
| SPCC – Brick Ballroom Exit Doors            | \$65,000     |
| SPCC – Key Card Access System               | \$300,000    |
| SPCC – Dock and Handrails                   | \$200,000    |
| SPCC – Parking Lot Re-striping              | \$82,500     |
| SPCC – Hall E Exterior Stair                | \$962,500    |
| SPCC – Escalator Upgrade                    | \$13,750,000 |

# NEW Five-Year CRR (summarized), SPCC&MAEC

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America  
Expo Center

|                      | Salt Palace CC | Mountain America EC |
|----------------------|----------------|---------------------|
| Audio Visual:        | 215K           | 1.1M                |
| Electrical:          | 2.6M           | 100K                |
| HVAC:                | 70.5M**        | 655K                |
| FFE:                 | 2.4M           | 300K                |
| F&B:                 | 2.8M           | 75K                 |
| General Bldg:        | 7.1M           | 2M                  |
| Life/Fire:           | 1.1M           | 0                   |
| Plumbing:            | 600K           | 75K                 |
| Security:            | 400K           | 120K                |
| Site:                | 725K           | 1.2M                |
| Vehicles:            | 525K           | 110K                |
| <b>GRAND TOTAL*:</b> | <b>101M</b>    | <b>7M</b>           |

\*Estimates in 2023 dollars without contingencies

\*\*Campus-wide HVAC is considered, i.e. SPCC, Abravanel Hall, UMOCA

# Calvin L. Rampton Salt Palace Convention Center

## Core Mission:

*The Salt Palace Convention Center serves as an economic magnet for visitor and convention spending in Utah.*

## *2024 Budget Overview*

| SPCC | 2024 Proposed County Funding | 2024 FTE Total |
|------|------------------------------|----------------|
|      | \$4.13 M                     | 0              |

## Budget Summary:

- ❖ *Increasing Expenses: \$945K*
- ❖ *Increasing Revenues: (\$1.1M)*
- ❖ *Expense Change Request: (\$218K)*

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Salt Palace  
Convention  
Center

# Mountain America Exposition Center

## Core Mission:

*The Mountain America Expo Center provides cultural and economic benefits to the community through the hosting of local and national events and meetings.*

## 2024 Budget Overview

| MAEC | 2024 Proposed County Funding | 2024 FTE Total |
|------|------------------------------|----------------|
|      | \$753K                       | 0              |

## Budget Summary:

- ❖ *Increasing Expenses: \$99K*
- ❖ *Increasing Revenues: (\$148K)*
- ❖ *Expense Change Request: (\$48K)*

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Mountain  
America  
Expo Center



OWNER

Partnership

The Salt  
Lake Live  
Events  
Industry  
(LEI)



Marketing and Direct Sales



Service Provider and Facility  
Operations



SALT LAKE

[visitsaltlake.com](http://visitsaltlake.com)



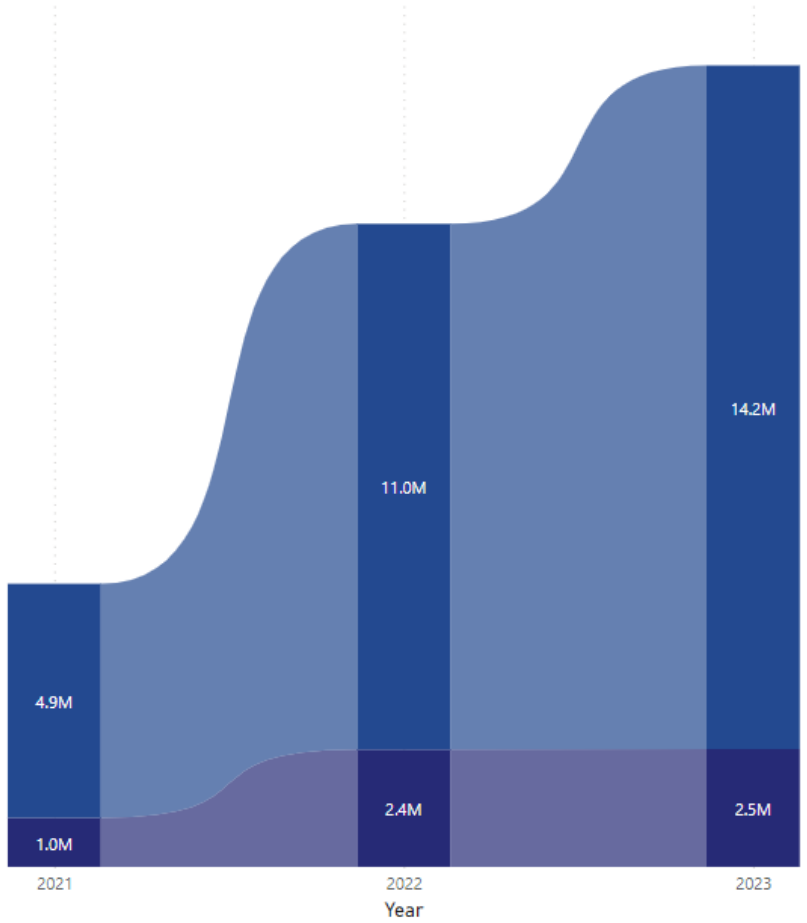


ASM and Visit Salt Lake

# Salt Palace Convention Center

SPCC Revenue by Year by ASM and VSL

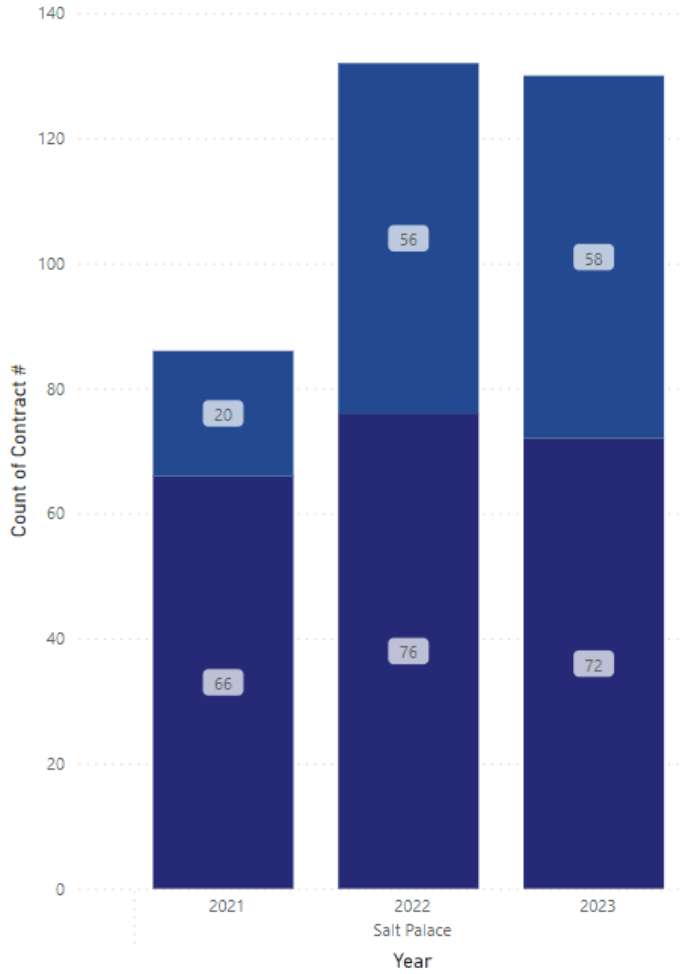
Booking Party ● ASM ● VSL



SPCC Bookings by Year by ASM and VSL

Count of Contract #

Booking Party ● ASM ● VSL



# 2024 Budget

Visit Salt Lake



SALT LAKE

[visitsaltlake.com](https://visitsaltlake.com)



Visit  
Salt Lake –  
The Value of  
Tourism



\* \$74.64 Million in County Tax Revenue  
(Based off County Tax Rates for Hotels,  
Restaurants, Car Rentals & Retail)



\* \$88.20 Million in County Tax Revenue  
(Based off County Tax Rates for Hotels,  
Restaurants, Car Rentals & Retail)

# Visit Salt Lake

## Funding:

- Salt Lake County has a 4.25% hotel/accommodation stay tax called the Transient Room Tax (TRT).
- 2.25% of the TRT has been designated to go to tourism-related infrastructure and 2% to promotion.
  - Promotion Defined in Legislation as “An activity to develop, encourage, solicit, or market tourism that attracts transient guests to the county, including planning, product development, and advertising”
- Visit Salt Lake has a contract with Salt Lake County to promote the Salt Lake County area as a convention and travel destination.
- Visit Salt Lake’s budget/funding is based on the 2% TRT on hotel/accommodation stay revenues.

A white wireframe geometric shape, possibly a polyhedron, is positioned in the top left corner of the dark teal background.

Visit  
Salt Lake

# Visit Salt Lake

Where we have been & where are we going!

| 2022                                    | 2023  | 2024                                       |
|---|---|--|
| ❖ 888,973 rooms booked in 2022          | ❖ 973,000 rooms booked in 2023 (Projected)      | ❖ 1,100,000 rooms booked in 2024 (Goal)    |
| ❖ \$445,392,305 Direct Delegate Spend * | \$482,002,000 Direct Delegate Spend (Projected) | \$520,700,000 Direct Delegate Spend (Goal) |

\* Direct Delegate Spend Based on Visit Salt Lake’s bookings of Conference Attendees and their Average Spend per Kem C. Gardner Institute

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# Visitor Promotion Contract - VSL

## Core Mission:

- ❖ *Visit Salt Lake expands economic vitality through visitor spending in Salt Lake County.*
- ❖ *Visit Salt Lake generates positive messaging about Salt Lake County as a premier travel, tourism and meeting destination.*
- ❖ *Visit Salt Lake impacts Salt Lake County's economy by bringing new money into Salt Lake County that improves businesses and both supports and creates jobs in the hospitality industry.*

## 2024 Budget Overview

| VSL | 2023<br>Proposed County Funding | 2023<br>FTE Total |
|-----|---------------------------------|-------------------|
|     | \$15,022,400                    | 0                 |

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# Visit Salt Lake

| % of 2022 | TRT Status           | Month TRT generated | 2% TRT (000s) | % of Forecast |
|-----------|----------------------|---------------------|---------------|---------------|
| 43%       | TRT Collected        | Jan-23              | 1,470         | 43%           |
| 13%       | TRT Collected        | Feb-23              | 1,356         | 13%           |
| 20%       | TRT Collected        | Mar-23              | 1,816         | 20%           |
| -15%      | TRT Collected        | Apr-23              | 1,101         | -15%          |
| 12%       | TRT Collected        | May-23              | 1,052         | 12%           |
| 4%        | VSL/SL Co Projection | Jun-23              | 1,259         | 4%            |
| 10%       | VSL/SL Co Projection | Jul-23              | 1,273         | 10%           |
| 15%       | VSL/SL Co Projection | Aug-23              | 1,444         | 15%           |
| -1%       | VSL/SL Co Projection | Sep-23              | 1,264         | -1%           |
| 8%        | VSL/SL Co Projection | Oct-23              | 1,153         | 8%            |
| 8%        | VSL/SL Co Projection | Nov-23              | 972           | 8%            |
| -4%       | VSL/SL Co Projection | Dec-23              | 1,135         | 12%           |

**New SLCo/VSL Estimated Total for 2023 15,295**

## Historical Data % Comparisons

|                                  |        |       |     |
|----------------------------------|--------|-------|-----|
| Sept. '22 Board Retreat Forecast | 13,845 | 1,450 | 10% |
| 2023 STR Forecast                | 15,523 | (228) | -1% |
| 2019 TRT Returns                 | 11,675 | 3,620 | 31% |
| 2022 TRT Returns                 | 14,010 | 1,285 | 9%  |

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Salt Lake

# Visit Salt Lake

## PROGRAM BUDGETS

|  | 2022 ACTUAL         | 2023 BUDGET ESTIMATE | PROPOSED 2024 BUDGET |
|--|---------------------|----------------------|----------------------|
| Sales & Marketing Programs                       | \$6,644,422         | \$7,644,000          | \$8,236,100          |
| Salaries & Benefits supported by TRT             | \$5,995,777         | \$7,101,200          | \$6,786,300          |
| Ski City Ticketing & Marketing supported by TRCC | \$450,000           | \$450,000            | \$450,000            |
| <b>TOTAL PUBLIC SECTOR BUDGET</b>                | <b>\$13,090,199</b> | <b>\$15,195,200</b>  | <b>\$15,472,400</b>  |
| <i>Percentage change over prior years</i>        | 39%                 | 16%                  | 2%                   |
| <b>Additional Sales &amp; Marketing Programs</b> |                     |                      |                      |
| UOT: CO-OP                                       | \$275,000           | \$250,000            | \$220,000            |
| Use/(Deposit) of County Reserves                 | (\$105,000)         | (\$14,000)           | (\$30,000)           |
| Salt Lake County Overhead                        | (\$218,000)         | (\$233,000)          | (\$233,000)          |
| Interest Credit on Fund Balance                  | \$35,000            | \$33,000             | \$33,000             |
| VSL Private Sector Funds and Programs            | \$928,639           | \$500,000            |                      |
| <b>TOTAL SALES &amp; MARKETING BUDGET</b>        | <b>\$14,005,838</b> | <b>\$15,731,200</b>  | <b>\$15,462,400</b>  |
| <i>Percentage change over prior years</i>        | 33%                 | 12%                  | -1%                  |

Visit  
Salt Lake



# Visit Salt Lake

## FUND BALANCE

### TRT Fund Projections - Visit Salt Lake

| 000's                                      | 2022<br><i>Actual</i> | 2023<br><i>Pro-forma</i> | 2024<br><i>Pro-forma</i> |
|--|-----------------------|--------------------------|--------------------------|
| <b>1. Opening Balance</b>                  | <b>\$1,532</b>        | <b>\$2,613</b>           | <b>\$2,950</b>           |
| 2. Transient Room Tax                      | \$14,010              | \$15,295                 | \$14,990                 |
| % TRT growth/decline                       | 39.7%                 | 9.2%                     | -2.0%                    |
| <b>Total available</b>                     | <b>\$15,542</b>       | <b>\$17,909</b>          | <b>\$17,940</b>          |
| <b>Salaries &amp; Benefits</b>             | <b>(5,907)</b>        | <b>(7,317)</b>           | <b>(8,236)</b>           |
| % change vs prior year                     | 24.9%                 | 23.9%                    | 12.6%                    |
| <b>Program Budgets</b>                     | <b>(6,733)</b>        | <b>(7,429)</b>           | <b>(6,786)</b>           |
| % change vs prior year                     | 58.8%                 | 10.3%                    | -8.6%                    |
| <b>Operating Expenses</b>                  | <b>(12,640)</b>       | <b>(14,745)</b>          | <b>(15,022)</b>          |
| % change vs prior year                     | 40.9%                 | 17%                      | 2%                       |
| <b>Prelim. Balance @ Year End</b>          | <b>\$2,902</b>        | <b>\$3,164</b>           | <b>\$2,917</b>           |
| County Overhead                            | (\$218)               | (\$233)                  | (\$233)                  |
| 5% County Reserve Adjustment               | (\$105)               | (\$14)                   | (\$30)                   |
| Interest Credit for County Fund            | \$35                  | \$33                     | \$33                     |
| <b>Available Balance @ Y.E.</b>            | <b>\$2,613</b>        | <b>\$2,950</b>           | <b>\$2,687</b>           |
| <b>SLCo VPF (3600) Fund Balance @ Y.E.</b> | <b>\$3,351</b>        | <b>\$3,806</b>           | <b>\$3,573</b>           |

Visit  
Salt Lake

# 2024 CTAA Proposed Budget for Visit Salt Lake: \$6,800,000

- Based off TRT Returns from CTAA District Hotels
  - November 2021 through October 2022
  - Conservative prior to Hyatt Regency, Element & Le Meridien
  
- CTAA Funds are Required by Legislation to be Used for the “Equitable” benefit of Assessed Hotels.
  
- CTAA Funds are **not** designed to Replace Transient Room Tax, but to Increase Funding to Compete Against Other Competitive Set Markets.

|                          | %   | Convention         | South         | West          | Total           |
|--------------------------|-----|--------------------|---------------|---------------|-----------------|
| Sales Development        | 30% | \$ 1,530,000.00    | \$ 270,000.00 | \$ 240,000.00 | \$ 2,040,000.00 |
| Development & Programing | 50% | \$ 2,550,000.00    | \$ 450,000.00 | \$ 400,000.00 | \$ 3,400,000.00 |
| Administration           | 10% | \$680,000          |               |               |                 |
| Major Impact Fund        | 10% | \$680,000          |               |               |                 |
| <b>Total</b>             |     | <b>\$6,800,000</b> |               |               |                 |

2024 Budget Presentation & Approval

## Visit Salt Lake Budget Proposal - CTAA



### Community & Sales Development: Regional Incentives

30% of the budget is dedicated to the individual districts for regional incentives and sales programming to stimulate the demand for leisure, sports, and business traveler segments.

### CTAA Districtwide Development & Programming

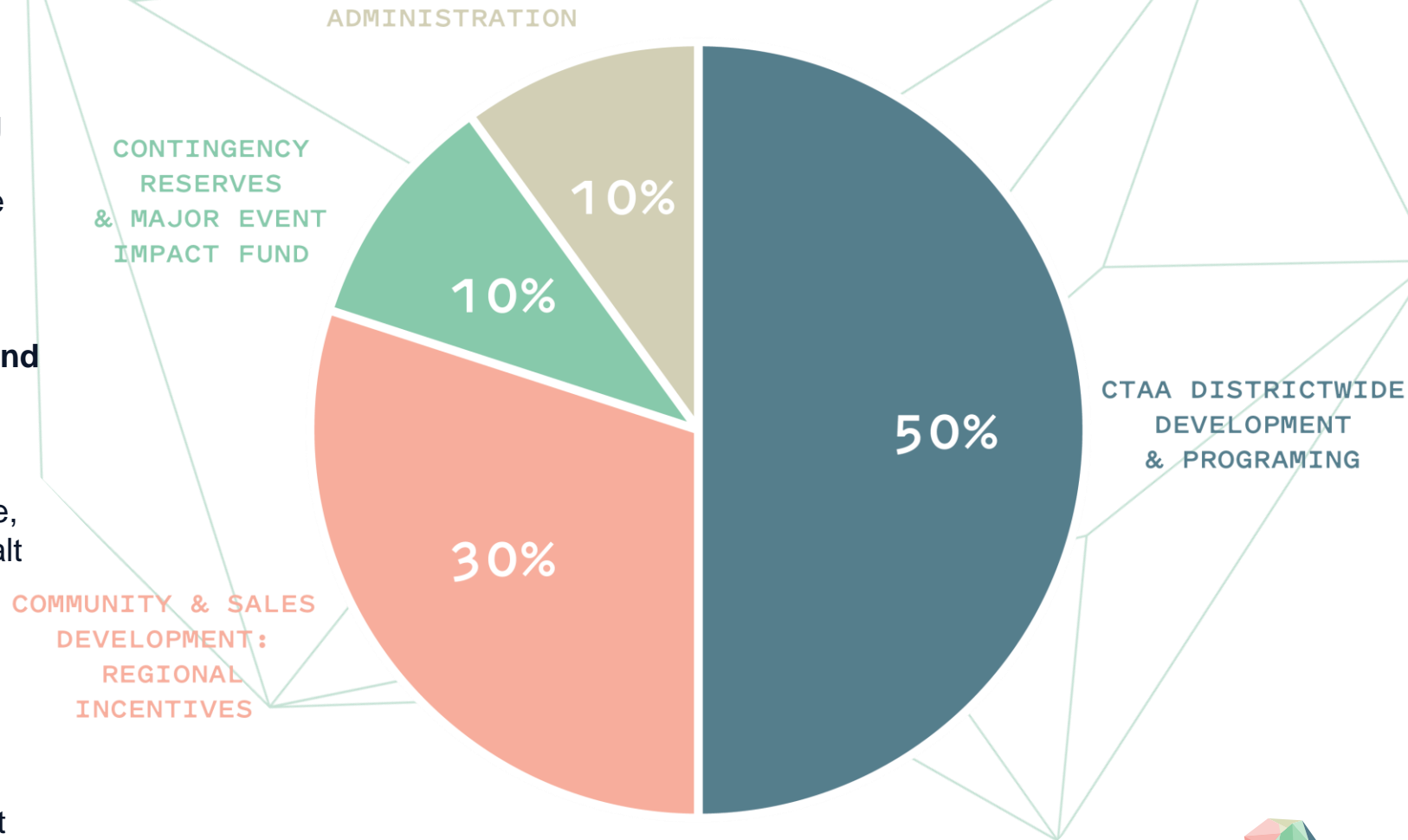
50% of the budget is allocated for CTAA districtwide development and programming that will promote the SLCo CTAA lodging properties as tourist, meeting, and event destinations.

### Contingency, Reserves & Major Event Impact Fund

10% of the budget has been reserved for a contingency and major event impact fund. Major events have the capacity to attract large scale visitation, are of national or international significance, and deliver national and/or international profile to Salt Lake County.

### Administration & Operations

10% will be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees. Salt Lake County will receive 2% of the total assessment amount collected to cover their costs of collection and administration.



*The SLCo CTAA Executive Committee has the ability to adjust budget allocations between the programming categories by no more than fifteen percent (15%) of the total budget per year.*



# 2023 CTAA Committee Members:

## ➤ **Convention District Committee Members:**

- ❖ Andreo Giradi, Salt Lake Marriott Downtown at City Creek
- ❖ Andy Grinsfelder, Grand America Hotel and Little America Hotel
- ❖ Sherri Jamieson, Hampton Inn Salt Lake City – Downtown
- ❖ Alana Kelly, Homewood Suites Downtown
- ❖ Carrie Kooring, Salt Lake Marriott City Center
- ❖ Marion Neversummer, Hilton Salt Lake City Center
- ❖ Garrett Parker, Hilton Salt Lake City Center
- ❖ Pina Pupero, Hyatt Regency
- ❖ Nathan Sporbert, Kimpton Hotel Monaco Salt Lake City
- ❖ Dee Brewer, Downtown Alliance
- ❖ Roberta Reichgelt, Salt Lake City

## ➤ **South District Committee:**

- ❖ Mary Birch, Hyatt House Sandy
- ❖ Jennifer George, Residence Inn by Marriott Sandy
- ❖ Chris King, Courtyard by Marriott Sandy
- ❖ Mayor Monica Zoltanski, Sandy City
- ❖ Councilmember Tasha Lowery, Draper City
- ❖ Jay Francis, South Valley Chamber

## ➤ **West District Committee:**

- ❖ Dave DeYoung, Crystal Inn Hotel & Suites
- ❖ Gary Gregg, Holiday Inn Express West Valley and Staybridge Suites
- ❖ Ezequiel Guzman, Comfort Inn West Valley SLC South
- ❖ Kevin Bruder, West Valley City
- ❖ Brennan Smith, Kearns Township
- ❖ Barbara Riddle, Chamber West

2024 Budget Presentation &  
Approval

Visit Salt  
Lake –  
CTAA  
Timeline



SALT LAKE

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# Visit Salt Lake – CTAA Timeline

## 2023 CTAA Timeline:

- **June 13, 2023** – CTAA Implementation Passes County Council Vote
- **August 1, 2023** – Schedule Start of Collection from Hotels
- **July 21, 2023** – Delay Collections to October 1<sup>st</sup> after discussion with County Treasure Office & Hoteliers
- **September 21, 2023** – Elections held among the participating hotels for District Committee Members.
- **October 1, 2023** – Collections of assessment begins at hotels
- **October 30, 2023** – First Meeting of Convention District Committee
- **November 1, 2023** – First Meeting of South District Committee
- **November 6, 2023** – First Meeting of West District Committee
- **TBD November 2023** – First Meeting of CTAA Executive Committee



# TRT - Visitor Promotion Fund Contributions

- **Cottonwood Connect 2.0 - \$150,000**
  - **Rescinded Request (No Longer Needed)**
- Sundance - \$150,000
- Sports Commission - \$100,000
- Utah Restaurant Associations (UT & SL Area) - \$25,000



Transient  
Room Tax

THANK YOU!