

**AN ORDINANCE ADOPTING THE BUDGET AND MARKING THE
APPROPRIATION OF THE PEORIA CIVIC CENTER AUTHORITY
FOR THE FISCAL YEAR COMMENCING SEPTEMBER 1, 2007**

WHEREAS, a public hearing on the annual budget, attached hereto, was held on August 23, 2007; and

WHEREAS, nature of said public hearing was published in the Peoria Journal Star on July 22, 2007;

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE PEORIA CIVIC CENTER AUTHORITY;

Section 1. The annual budget for the fiscal year commencing September 1, 2007, a copy of which is attached hereto, is hereby adopted.


Section 2. The sums of money set apart according to the budget, as attached hereto, are hereby appropriated for the objects and purposes stated in said budget to defray necessary expenses and liabilities of the Peoria Civic Center Authority, to be paid or incurred during the fiscal year beginning September 1, 2007 and ending August 31, 2008.

Section 3. The officers, employees, manager and agents of the Peoria Civic Center Authority shall administer the amounts appropriated by this ordinance.

Section 4. This appropriation and budget is made pursuant to Illinois Revised Statutes, 1989, Chapter 85, §801, *et seq.*, and is subject to the obligations, rights and provisions thereof.

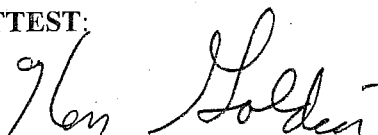
ADOPTED this 23rd day of August, 2007, by the Board of Commissioners of the Peoria Civic Center Authority.

APPROVED:



Its Chair

ATTEST:



Its Vice Chair

**Peoria Civic Center
Budget
Budget - Year Ending 8/31/08**

Event Days		591
Attendance		770,368
Direct Event Income		
	Rent Income	\$ 2,833,408
	Net Services Income	<u>\$ (771,660)</u>
	Direct Event Income	\$ 2,061,747
Ancillary Income		
	Food & Beverage	\$ 1,055,751
	Novelties	\$ 107,971
	Parking	<u>\$ 399,724</u>
	Total Ancillary Income	<u>\$ 1,563,446</u>
	Total Event Income	\$ 3,625,193
Total Other Income		\$ 2,100,000
H.R.A. Tax Revenues Net to PCCA		\$ 1,775,000
Adjusted Gross Income		\$ 7,500,193
Indirect Expenses		<u>\$ (5,967,940)</u>
Net Income (Loss) Before Depreciation		\$ 1,532,252
Depreciation		\$ (4,182,933)
Net Income		<u>\$ (2,650,681)</u>
Total Capital Improvements		\$ (3,575,000)
Funding from City Bond Proceeds		\$ 2,000,000
Net Cash Provided by Operations		<u>\$ 1,002,252</u>
Net Increase (Decrease) In Cash		\$ (572,748)
Cash Balance Beginning of Year		<u>\$ 3,500,000</u>
Cash Balance End of Year		<u><u>\$ 2,927,252</u></u>

**PEORIA CIVIC CENTER AUTHORITY
CAPITAL EXPENDITURES BUDGET
YEAR ENDING 8/31/08**

FY 08 CAPITAL PROJECTS

Project Number	Description		
0801	Event Equipment	\$	65,000
0802	Cleaning and Maintenance Equipment	\$	10,000
0805	Office Equipment, Computers & Storage	\$	20,000
0814	Data/Communications Equipment	\$	20,000
0815	Security Systems	\$	5,000
0816	Life Safety Equipment	\$	30,000
0821	Moveable Equipment	\$	35,000
0823	Remodeling	\$	150,000
0831	Signage Directional & Facility	\$	25,000
0845	Restroom Renovations	\$	35,000
0850	Merchandise Displays	\$	5,000
0855	Folding Chairs	\$	45,000
0870	Parking Lot Refurbishment	\$	310,000
0890	Prefunction Noise Reduction	\$	60,000
0897	Unallocated Funds		
		\$	815,000
0860	* Scoreboard Replacement	\$	700,000
0880	** Redevelopment Project Alternates	\$	350,000
		\$	1,865,000
	TOTAL FY 08 CAPITAL BUDGET	\$	1,865,000

* To be funded via bank loan

** To be funded from proceeds of SMG contract payment

BUDGET OVERVIEW, FY2008

By Shaun Schoonover, Director of Finance

The proposed FY2008 budget projects another step toward improved financial performance. In FY2007, operating income rebounded by nearly \$250 thousand as the new facility was completed. With the new ballroom and exhibit hall space being available for the full twelve months in FY2008, additional events are anticipated to continue the trend of getting the operating income back to the goal of break-even.

In an effort to better understand how that improvement is planned, a breakdown by each of the major components would prove helpful. The main components of the budget are event income, other operating income, indirect expenses, depreciation, and non-operating income / expenses.

Event income is all event income, net of event expenses, that is generated by putting on events at the Peoria Civic Center. Rent, service income (billables less expenses), concessions, catering, novelties (merchandise sales), and parking are the revenue accounts that make up event income. The FY2008 forecast for event income is approximately \$3.6 million, an improvement of over \$150 thousand or 5%. The major factors attributed to this are increased meetings, banquets, conventions, and trade shows. Concert attendance has been budgeted to remain pretty flat, as FY2007 was a very successful year for concerts. A new contract has been negotiated with the Rivermen, which will decrease Peoria Civic Center income. Also, Bradley had a NIT game in FY2007, but a NIT game is not budgeted for FY2008.

Other operating incomes are additional Peoria Civic Center revenue sources, some of which are dependent on the event load and some which are not. The biggest piece of this segment is advertising revenues. A continued increase has been budgeted in this area due to the new sponsorships set for FY2008, some finalized and others in the works. Other major line items of income are ticket improvement fees, ticket incentives (royalties from Ticketmaster), and concession investments (amortization of the CenterPlate investment & utility reimbursement based on gross sales). These three revenue sources are very dependent on how many people visit the facility for events. Lastly, a new line item has been added to this category: luxury suite income. Four new suites have a targeted completion date of October. The suite lease income (less the amount due the tenants) is expected to generate \$150,000 annually. This revenue will be used to service the debt on the club room and luxury suites. Total other income is budgeted at \$1.9 million, an improvement of just over \$200 thousand or 12%.

Indirect expenses are all of the expenses associated with running the facility that cannot be directly allocated to events. These expenses are departmentalized into executive, finance, marketing, convention sales, box office, operations, authority, and overhead. With the new facility now open, some operating expenses have been added. Currently, there are two housekeeping supervisors. A third has been added to help keep all of the new square footage clean. Also, two administrative assistants have been added, one in the operations department and one in the convention sales department. Salaries have been budgeted with an average increase of 3% and employee benefits (mainly health insurance) has been budgeted with a 10% increase. The operations department will have a few more maintenance agreements for the new equipment (elevators, escalators, equipment, etc.) In total, the indirect expenses are approximately \$5.8 million, an increase of 5%.

Other operating income is made up of four categories: 1) HRA tax subsidy, 2) interest income, 3) interest expense, and 4) bad debt expense. The major revenue source is HRA tax subsidy which is projected to generate nearly \$1.8 million in FY2008, which is a growth of 3.5% versus the previous year. Interest expense will increase in FY2008 due to the financing of the club room and luxury suites.

The unreserved cash balance of the Peoria Civic Center has been projected to be approximately \$2.3 million at the close of FY2008. This balance consists of operating cash and investment cash (reserves held in CD's). It is planned to hold this level of cash flow throughout the early years of the project and then grow the reserves as the stabilization of revenues occurs.

**Peoria Civic Center
Budget Highlights
Budget - Year Ending 8/31/08**

	FY2008 Budget	FY2007 Budget	FY2007 Act / Est
Income			
Event Income	\$ 3,625,193	\$ 3,669,454	\$ 3,455,642
Other Income	\$ 1,905,000	\$ 1,739,500	\$ 1,698,858
Indirect Expenses	\$ (5,771,579)	\$ (5,482,313)	\$ (5,499,170)
Depreciation	\$ (4,182,933)	\$ (4,022,051)	\$ (4,022,051)
Non Operating Revenues	\$ 1,773,638	\$ 1,499,666	\$ 1,812,959
Total Income	\$ (2,650,681)	\$ (2,595,744)	\$ (2,553,762)

Events			
Sports	92	104	97
Concerts	39	27	38
Family	12	6	17
Conventions / Trade Shows	134	155	123
Meetings	165	66	137
Banquets	88	77	73
Performances	61	62	59
Total Events	591	497	544

MAJOR ASSUMPTIONS

Event Income

With the ballroom being available all twelve months, meetings and banquets have been budgeted with significant growth.

Rivemen income has been lowered due to the new contract concessions and Bradley income has been lowered due to having a NIT game last fiscal year.

Parking income has been increased with the additional parking spaces being available in the old Lens and Camera lot.

Other Income

Advertising signage and sponsorships has been budgeted with a large increase. The club room is already sold and there is anticipation to sell the Jefferson Concession area.

The luxury box income has been added this year. It is the total of the suite lease revenue less the amounts due Rivermen and Bradley.

The SMG capital donation has been added. The donation is \$350,000 amortized over seven years.

Indirect Expenses

Salaries expense for budget purposes includes an estimated 3% increase for all employees.

Employee Benefits which include health insurance have been budgeted with a 10% increase.

Two new FT positions have been added in the operations department and one new FT position has been added in the convention sales department. The convention sales department has been separated from the marketing department.

Non-Operating Revenues (Expenses)

HRA taxes have been budgeted with 3.5% growth.

Interest expense is increased due to the new club room / luxury suites loan.

**Peoria Civic Center
Statement of Income
Budget - Year Ending 8/31/08**

	FY2008 Budget	FY2007 Act / Est
Event Income		
Direct Event Income	2,061,747	2,040,855
Concessions Income	761,257	720,194
Catering Income	294,494	233,064
Novelty Income	107,971	102,130
Parking Income	399,724	359,400
Total Event Income	<u>3,625,193</u>	<u>3,455,642</u>
Other Operating Revenues		
Non Event Parking	30,000	44,040
Luxury Box Income	150,000	0
Advertising Commissions	72,500	70,372
Advertising - Signage & Sponsorships	510,000	470,913
Reimbursements - Mktg.	32,500	31,627
Ticket Improvement Fee	440,000	431,586
Ticket Incentives	320,000	311,875
Guaranteed Ticket Club Membership Fees	15,000	12,325
Other Income	10,000	7,778
SMG Capital Contribution	50,000	50,000
Concession Investment	275,000	268,343
Total Other Operating Revenues	<u>1,905,000</u>	<u>1,698,858</u>
Adjusted Gross Income	5,530,193	5,154,500
Indirect Expenses		
Executive	383,037	380,333
Finance	389,873	381,641
Marketing	423,330	547,117
Convention Sales	182,959	0
Operations	2,174,012	2,064,682
Box Office	242,709	235,541
Authority	20,000	22,206
Overhead	1,955,660	1,867,651
Total Indirect Expenses	<u>5,771,579</u>	<u>5,499,170</u>
Operating Income Before Depreciation	(241,386)	(344,670)
Depreciation	4,182,933	4,022,051
Operating Income (Loss)	(4,424,319)	(4,366,721)
Non-Operating Revenues (Expenses)		
Interest Income	195,000	198,370
Provision for Bad Debts	(5,000)	(4,611)
Interest Expense	(191,362)	(110,646)
HRA Tax Revenue	1,775,000	1,729,846
Total Non-Operating Revenues (Expenses)	1,773,638	1,812,959
Net Income (Loss)	<u>(2,650,681)</u>	<u>(2,553,762)</u>

**Peoria Civic Center
Statement of Cash Flows
Budget - Year Ending 8/31/08**

	Total Budget
Cashflow from Operating Activities:	
Net Income (Loss)	(2,650,681)
Depreciation	4,182,933
Adjustments to Net Income (Loss):	
Amortization of CenterPlate Investment	(140,000)
Amortization of SMG Investment	(50,000)
Changes in Assets & Liabilities:	
Accounts Receivable	-
Prepaid Expenses	-
Other Assets	-
Accounts Payable & Accrued Expenses	-
PCCA Expenses	-
Advance Deposits & Ticket Sales	-
Long Term Liabilities	(340,000) ¹
Net Cash Provided by Operating Activities	1,002,252
Cashflow from Capital & Related Financing Activities:	
FY08 Capital Expenditures	(1,175,000)
PY Capital Expenditures	(400,000)
Scoreboard Replacement	(700,000)
Scoreboard Loan	700,000
Redevelopment Expenditures	(2,000,000)
Funding From City	2,000,000
Net Cash used in Investing Activities	(1,575,000)
Net Increase (Decrease) in Cash	(572,748)
Beginning Balance	3,500,000
Ending Balance	2,927,252

1) Principal amount of scoreboard debt, land acquisition debt, and club room / suites debt.

**Peoria Civic Center
Schedule of Events
Budget - Year Ending 8/31/08**

	FY08 Budget	FY07 Budget	FY07 Act / Est
Bradley Basketball	16	15	18
Rivermen Pre Season	2	1	2
Rivermen Regular Season	40	40	40
Rivermen Playoffs		2	
Peoria Rough Riders			
Sporting	34	46	37
Sub Total Sports	92	104	97
Arena Concerts - Small	6	3	5
Arena Concerts - Medium	9	7	9
Arena Concerts - Large	4	3	4
Theater Concerts - Small	11	7	11
Theater Concerts - Medium	4	5	4
Theater Concerts - Large	5	2	5
Sub Total Concerts	39	27	38
Conventions / Trade Shows	134	155	123
Meetings	165	66	137
Banquets	88	77	73
Performances	61	62	59
Family	12	6	17
Sub Total Other	460	366	409
Totals	591	497	544

**Peoria Civic Center
Budget - Year Ending 8/31/2008
Indirect Expenses**

	FY2008 Budget	FY2007 Act / Est
Wages Full Time	\$ 1,898,346	\$ 1,814,648
Wages Part Time	\$ 313,880	\$ 303,400
Bonuses	\$ 25,817	\$ 25,420
Automobile	\$ 24,250	\$ 24,250
Payroll Taxes	\$ 223,116	\$ 202,899
Employee Benefits	\$ 403,588	\$ 385,120
Pension	\$ 102,883	\$ 97,802
Workers Compensation	\$ 55,873	\$ 52,410
	<u>\$ 3,047,753</u>	<u>\$ 2,905,949</u>
Advertising	\$ 105,000	\$ 109,366
Bad Debt	\$ 5,000	\$ 4,611
Bank Service Charges	\$ 14,000	\$ 13,700
Business Insurance	\$ 274,717	\$ 258,944
Community Relations	\$ 16,000	\$ 15,654
Computer	\$ 56,200	\$ 55,700
Corporate Travel	\$ 2,250	\$ 2,399
Dues & Subscriptions	\$ 11,045	\$ 11,630
Education & Training	\$ 16,000	\$ 13,818
Electricity	\$ 800,000	\$ 744,499
Employee Relations	\$ 12,500	\$ 14,520
Entertainment	\$ 5,550	\$ 3,719
Garbage Hauling	\$ 22,500	\$ 25,053
Heating Fuel	\$ 285,000	\$ 269,887
Interest	\$ 191,362	\$ 110,646
Job Advertisements	\$ 3,500	\$ 2,960
Maintenance	\$ 274,000	\$ 254,138
Meetings & Conferences	\$ 32,900	\$ 26,087
Office Supplies	\$ 30,000	\$ 33,523
Off Site Storage	\$ 1,200	\$ 1,145
Outside Services	\$ 37,700	\$ 32,415
Postage	\$ 16,000	\$ 21,286
Printing	\$ 500	\$ 231
Professional Fees	\$ 385,864	\$ 377,017
Supplies - (Non-office)	\$ 206,900	\$ 189,998
Telephone	\$ 57,500	\$ 56,969
Water & Sewer	\$ 57,000	\$ 58,564
	<u>\$ 2,920,187</u>	<u>\$ 2,708,478</u>
TOTAL EXPENSES	<u><u>\$ 5,967,940</u></u>	<u><u>\$ 5,614,426</u></u>

NOTES:

- 1) Wages for full-time employees have been budgeted with a 3% increase.
- 2) Three full-time positions have been added: convention sales assistant, operations assistant, and housekeeping supervisor.
- 3) Employee benefits have been budgeted with a 10% increase.

PEORIA CIVIC CENTER AUTHORITY

CAPITAL EXPENDITURES BUDGET

YEAR ENDING 8/31/2008

**PEORIA CIVIC CENTER AUTHORITY
CAPITAL EXPENDITURES BUDGET
YEAR ENDING 8/31/08**

FY 08 CAPITAL PROJECTS

Project Number	Description		
0801	Event Equipment	\$	65,000
0802	Cleaning and Maintenance Equipment	\$	10,000
0805	Office Equipment, Computers & Storage	\$	20,000
0814	Data/Communications Equipment	\$	20,000
0815	Security Systems	\$	5,000
0816	Life Safety Equipment	\$	30,000
0821	Moveable Equipment	\$	35,000
0823	Remodeling	\$	150,000
0831	Signage Directional & Facility	\$	25,000
0845	Restroom Renovations	\$	35,000
0850	Merchandise Displays	\$	5,000
0855	Folding Chairs	\$	45,000
0870	Parking Lot Refurbishment	\$	310,000
0890	Prefunction Noise Reduction	\$	60,000
0897	Unallocated Funds		
		\$	815,000
0860	* Scoreboard Replacement	\$	700,000
0880	** Redevelopment Project Alternates	\$	350,000
		\$	1,865,000
TOTAL FY 08 CAPITAL BUDGET		\$	1,865,000

* To be funded via bank loan

** To be funded from proceeds of SMG contract payment

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0801
TYPE: Annual
TITLE: Event Equipment
PURPOSE: Purchase of predominately event oriented equipment
There is an ongoing necessity to upgrade aging equipment
to meet client needs.
Many of these items are revenue generating.

DESCRIPTION :	Linens	\$10,000
	Hockey Glass/ Ice Floor Covering	\$20,000
	Radios/ Messaging System	\$20,000
	Tables, chairs, etc.	\$10,000
	Audio/visual equipment	\$5,000

TOTAL **\$65,000**

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0802
TYPE: Annual
TITLE: Cleaning & Maintenance Equipment
PURPOSE: Purchase of vacuums, scrubbers, and other equipment necessary to maintain cleanliness of the facility

DESCRIPTION :

Tilt Trucks/ Trash Cans	\$5,000
Wide Area Extractor	\$5,000

TOTAL **\$10,000**

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0805
TYPE: Annual
TITLE: Office Equipment, Computers, and Storage
PURPOSE: Purchase and install of computers & software upgrades and office equipment such as copiers, desks, and storage facilities for PCCA records

DESCRIPTION:	Data Server	\$12,000
	Misc. Computers Expense	\$5,000
	Office Furniture	\$3,000

TOTAL **\$20,000**

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0814
TYPE: Cyclical
TITLE: Data/ Communications Equipment
PURPOSE: Teledata upgrades througout the facility

DESCRIPTION:	Additional wireless access points	\$10,000
	Data Switch	\$4,000
	Patch Panel Move	\$3,500
	Recable Arena Dressing Rooms	\$2,500

TOTAL **\$20,000**

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0815

TYPE: Cyclical

TITLE: Security System

PURPOSE:

DESCRIPTION: Additional security cameras and systems \$5,000

TOTAL \$5,000

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0816
TYPE: Cyclical
TITLE: Life Safety Concerns
PURPOSE: Address Life Safety Concerns

DESCRIPTION:	Build platform around cooling towers to allow staff to safely clean and maintain towers	\$5,000
	Build screen wall around "rocket" on Admin roof	\$25,000

TOTAL **\$30,000**

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0821
TYPE: Cyclical
TITLE: Moveable Equipment
PURPOSE:

DESCRIPTION:	Forklift	\$25,000
	Flatbed Carts	\$10,000

TOTAL **\$35,000**

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0823

TYPE: Cyclical

TITLE: Remodeling

PURPOSE: Carpet, wall coverings, ceilings, associated electrical, carpentry, masonry, plumbing, etc. to upgrade the appearance of the facility

DESCRIPTION: Upgrades to Theater Dressing Rooms
Upgrades to Exhibit Hall C Show Manager's Office
New ceiling/ lighting and restroom upgrades in lower level Arena Club Room
Revisions to dumpster enclosure
Alcove build-out
HVAC revisions to serve build out areas

TOTAL **\$150,000**

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0831
TYPE: Cyclical
TITLE: Signage/ Directional and Facility
PURPOSE:

DESCRIPTION: Additional digital signage
in the facility
Additional wayfinding
signage in the facility

TOTAL **\$25,000**

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0845
TYPE: Cyclical
TITLE: Restroom Renovations
PURPOSE: Renovations and upgrades to facility restrooms

DESCRIPTION:	New countertops in Theater women's restrooms	\$23,000
	Restoration and re-grouting of Theater men's restroom floors	\$12,000

TOTAL **\$35,000**

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0850
TYPE: Cyclical
TITLE: Merchandise Displays
PURPOSE: Display and sales equipment
for merchandise sales

DESCRIPTION: Additional display grids
Additional credit card machines

TOTAL

\$5,000

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0855
TYPE: Major
TITLE: Folding Chairs
PURPOSE:

DESCRIPTION: Replace worn/ damaged
folding chairs for Arena

TOTAL

\$45,000

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0860
TYPE: Major
TITLE: Scoreboard Replacement
PURPOSE: Replace Arena Scoreboard

DESCRIPTION:

TOTAL \$700,000

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0870

TYPE: Major

TITLE: Parking Lot Refurbishment

PURPOSE: Completion of new parking lot at Fulton Street

DESCRIPTION: Install lighting, blacktop, and striping at new Fulton Street parking lot

TOTAL

\$310,000

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0880

TYPE: Major

TITLE: Redevelopment Project Alternates

PURPOSE: Redevelopment Project alternates
in excess of bond funds available

DESCRIPTION: Jefferson Street turn around
Airwall Buyback
Club Room Elevator
Great Hall Lighting

TOTAL **\$350,000**

CAPITAL BUDGET

FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0890
TYPE: Major
TITLE: Prefunction Noise Reduction
PURPOSE: Sound attenuation in fourth floor meeting rooms

DESCRIPTION: Sound attenuation to reduce noise from mechanical systems in fourth floor meeting rooms

TOTAL **\$60,000**

CAPITAL BUDGET

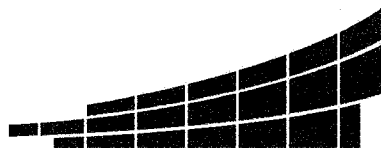
FISCAL YEAR 2007 / 2008

PROJECT NUMBER: 0897
TYPE: Annual
TITLE: Unallocated Funds
PURPOSE: To be used as needed and approved by Capital Committee and PCCA

DESCRIPTION:

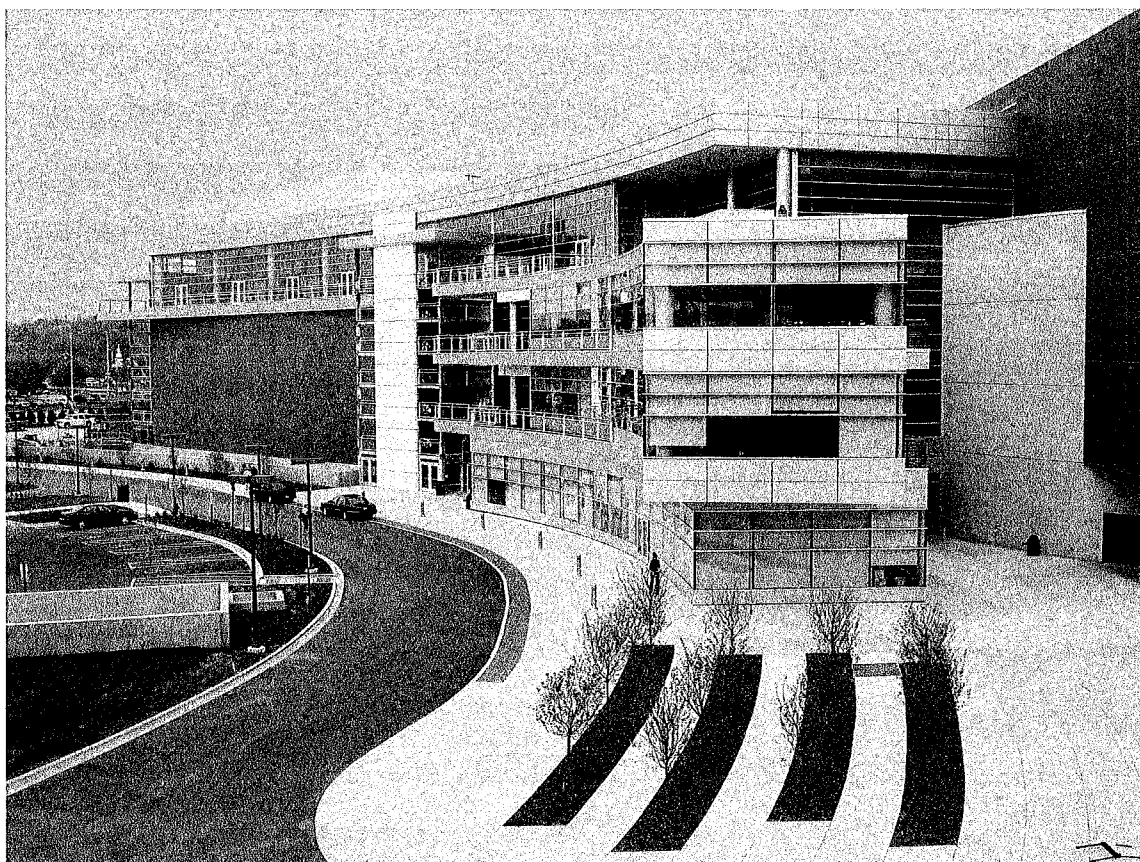
TOTAL

PLAN:



PEORIA CIVIC CENTER®

FISCAL YEAR 2008 BUSINESS PLAN



SMG Managed Facility

Peoria Civic Center Business Plan Fiscal Year 2008

More People Spending More at PCC

Executive Summary: Debbie Ritschel, General Manager

In 2008 the Peoria Civic Center (PCC) concludes the marking of 25 years of serving the Peoria area and all of Downstate Illinois. Since 1990, SMG, a private management company specializing in oversight of public assembly facilities, has managed the day to day business of the Peoria Civic Center while the policy decisions and focus are set by the Peoria Civic Center Authority. This business plan is the SMG roadmap to achieving success for Fiscal Year 2008 which is September 1, 2007 through August 31, 2008.

While this business plan has the necessary financial focus of reaching strong financial benchmarks, it is important to note that meeting and exceeding client expectations in a service business has many components. PCC and Centerplate staffs must pay attention to the basics of making the PCC a safe, clean, efficient and friendly place to attend events and work. Competition creates the need for constantly improving the facilities and pricing these facilities so that clients feel that they have gotten value for the fees they pay. Up to date technology is now a must, not an option for entertainment clients as well as convention and meeting clients. The budget continues to be revenue driven with an expected annual energy increase of \$50,000 in FY 2008 due to deregulated electrical rates and a larger facility footprint. SMG staff worked with City staff to form a consortium to purchase electric power at a significant discount. We began to analyze the PCC electrical usage and costs in February 2007 and will report findings and the energy management plan updates on a monthly basis. Moderate increases in Property and Liability insurance premiums paid by the PCCA are directly attributed to a proactive SMG safety program which involved active participation by PCCA members. SMG Corporate aggressively sought better health insurance programs, resulting in lower premiums being paid by employees and PCCA.

It is also noteworthy that PCC and food and beverage contractor Centerplate annually generate taxes through food and beverage, novelty and ticket sales. PCCA and Centerplate paid over \$491,000 in City, State and Federal taxes in calendar year 2006.

The SMG staff focus continues to develop alternate revenue streams to moderate event income fluctuations that can be attributed to a variety of market reasons. As the new and revitalized areas of PCC come on line, SMG staff members are negotiating with more businesses about sponsorships of a variety of PCC areas. As final sponsorships contracts are signed, the revenues from these sponsorships are accrued monthly over the term of the contract, not as a lump sum at the time of signing. Therefore the timing of finalizing sponsorship contracts affects the advertising line of the budget.

March 1, 2007 marked the unveiling and ribbon cutting of the \$55,000,000 Revitalization project that has been a five year project from planning to completion as well as the launch of the 25th anniversary celebration of PCC. During the five year project from strategic planning to construction, PCC re-branded the entire facility in all aspects including a new logo. The Revitalization of PCC truly is a renewal of all areas of the facilities as well as an expansion. A reaching out into the neighborhood and community continues to be a focus. Local food and beverage vendors are being sought to add local flavor to catering and concession menus throughout all PCC facilities. Artwork from local artists and photographers will continue be added to area of PCC and lend a "sense of place" for all visitors no matter what PCC event they are attending.

FY 2008 will represent the first full year of operation with the additional 200,000 gross square feet and revitalized facilities and systems. SMG and Centerplate staff will monitor revenues and expenses closely against budgeted expectations. We expect that expenses will out pace revenues on the convention side until the stabilization year of 2012 when the PACVB staff and SMG staff have solicited convention clients within their multi year cycles.

Arena

Increase Revenues:

- Open four leased suites and sponsor a new upscale club/bar area to help financially facilitate the \$1,400,000 area build out by October 2007. This area will also be budgeted to increase catering revenue for FY 2008 which we will then track for benchmarking.
- Work with SMG Corporate and others to retool concert financial deals to reach the 19 budgeted concerts by Aug 2008.
- SMG staff to attend at least 2 national concert booking conferences by June 2008 and establish at least 2 new booking relationships resulting in bookings with promoters of arena events by Aug 31, 2008
- Add 3 new non-concert events in the Arena by working with PACVB and others such as prep sports and religious meetings by Aug 2008
- Grow the GTC (Guaranteed Ticket Club) by 20% by August 2008 by considering new incentives including promotions such as the Club Room sponsor discounted memberships by Aug 2008.
- Increase all Arena concession stand revenues by at least 5.7% by Aug 2008.

Decrease Expenses/Add Efficiencies:

- Revise the Assistant Operations Manager duties to improve new hiring and training of changeover and housekeeping crews to avoid retraining costs and absentee issues as measured by retaining a pool of 35 core crew throughout FY2008.
- Continue to improve elements of SMGbooking.com booking system for PCC and SMG-wide access to available dates in calendars for more bookings by August 2008.
- Add usher paging devices to supplement radios by December 2008 for better usher communication and customer service response.
- Sponsor Jefferson Concession area for increased revenue by December 2007.
- Retool Jefferson Concession HVAC systems by December 2007 for more efficiencies and customer comfort.
- Upgrade the SMG Maintenance manager input system process to gain the most efficiency from mechanical and operational areas by December 2007.

Theater

Increase Revenues:

- Find at least four new short term (less than 6 months out) concert bookings with new promoters to reach the budgeted 20 concerts by August 2008.
- Book at least two ethnic concert events to diversify PCC offerings by August 2008.
- Continue the strong booking schedule of comedians in the Theater by to help reach budgeted concert numbers.
- Book at least two non entertainment events such as religious and corporate meetings by Aug. 2008.

Decrease Expenses/Add Efficiencies:

- Complete selected remodeling of backstage areas by January 2008 for more efficient housekeeping and better client comfort.
- Work aggressively to rent in-house equipment to clients such as the new long throw projectors at least six times by Aug 2008.
- Upgrade to backstage wireless access for rental to "show" staff by December 2007.

Convention Center/Meeting Rooms

Increase Revenues:

- Reach and exceeded the 165 meetings budgeted (an increaser of 28 over FY 2007 actual) by Aug 2008.
- Sell the new ballroom/meeting room space to maximize demand and exceed the 88 budgeted banquets (an increase of 15 over actual FY 2007) by Aug. 2008.
- Coordinate with PACVB to efficiently follow up 200 leads quarterly for long term business (over 18 months out). Update the Joint Convention Marketing plan with PACVB by September 2007.
- Focus Convention Sales Director to fill short term booking needs (within 18 months) through active networking with SMG and other industry associations to reach the budgeted convention and consumer trade show event days of 134 event days (an increase of 11 event days) by Aug 2008.
- Refocus medical and corporate targeted meetings to be local rather than regional since we cannot fulfill the number of quality hotel needs of these clients.
- Support a regional H Tax approach through PACVB discussions with tri-county mayors and influencers by facilitating regular meetings of this group, thus reinforcing the "Peoria area as a destination" focus of PACVB.
- Find a corporate sponsor for the Ballroom/Meeting rooms to add revenue to the operating and capital budgets.

Decrease Expenses/Add efficiencies:

- Hire a full time sales coordinator to better support the convention/meeting sales process by October 2007.
- Increase weekly out calls and client tours for banquet business with Centerplate banquet sales coordinator for a more efficient use of sales time to reach and exceed the 88 stand alone banquets by Aug. 2008.

- Continue discussions for alternative funding options for portable bleacher with interested parties of the area that see the value of these for many kinds of events. The current PCC capital budget continues to be a less likely solution due to construction expenses.
- Add one full time operations supervisor and upgrade the part time to full time operations assistant to meet new needs of our expanded footprint including 4th Floor Ballroom/Meeting Room and Great Hall.

Catering and Concessions

Increase revenues:

- Centerplate to identify and train a Club/Suite Coordinator by October 2007 to maximize catering revenue and deliver top quality customer service in a new service area for PCC/Centerplate.
- Continue to seek local vendor food and beverage items to catering and concessions by August 2008 to diversify menus and reach 26.4% catering and 5.7% concession revenues by Aug 31, 2008.
- Create food and beverage opportunities for the new Verizon Wireless Café powered by Motorola area by September 2007 to increase food and beverage opportunities and revenues.
- Create special Club/Suite menus to maximize Food and Beverage sales for these areas and hold a preview party in late Sept. 2007 to introduce these Centerplate services to these leaseholders.
- Constantly review the concession offerings for upgrades and variety to drive increased sales.

Decrease Expenses/Add Efficiencies

- Upgrade the new Qwest point of sale system to insure efficient food and beverage transactions and new opportunities such as gift cards.
- Host annual R Tax contributors to encourage local food items and communication by Jan 2008.
- Create video and static marketing for concession stand food and beverage to increase sales.

IT

- Investigate other opportunities for online purchase of PCC services like the 2007 parking pre-purchase opportunities by January 2008 for a higher level of customer service.
- Streamline maintenance issues and track preventative service needs of all PCC equipment and systems by upgrading to the SMG Smart Maintenance system by September 2007 and training all new staff on how to individually report maintenance issue for a more systematic follow up by Oct. 2007.
- Investigate the cost and benefit ratios of a swipe card through the Qwest point of sale system or other PCC capabilities for gift card opportunities by December 2007.
- Quarterly monitor the PCC Website for ease of customer use and efficient communication on what PCC has to offer, how to purchase tickets, rent facilities and facilitate customer feedback.
- Activate and market the wireless systems throughout PCC as Capital Budget allows, being able to offer free hotspot in Wireless area and fee based high-quality high speed services in meeting rooms and exhibit areas for purchase by December 2007.

Sponsorships

- Work with SMG Corporate to sell Naming Rights for the Peoria Civic Center Complex, in whole or part, with significant progress by December 2007.
- Increase revenues from signage and sponsorship sales by \$40,000 annually for FY 2008 by renewing all existing clients and increasing their multi year commitments by up to 10% annually.

- Sell event sponsorships to PCC promoted events to increase event sponsorship revenue by \$15,000 by August 31, 2008.

PCC Sponsorship and Signage Opportunities:

A Group

Outdoor Marquee Advertising
Indoor Marquee Advertising
Main Scoreboard Advertising – Arena
Time of Day Clock Advertising – Arena
Entrance/Exit Dioramas – Arena
Super Dioramas – Arena
Lobby and Concourse Banner Advertising – Arena
Inner Concourse Dioramas – Arena
Outer Concourse Dioramas – Arena
Theater Lobby Sponsorship

B Group

Concourse TV and Plasma TV Advertising on In-House Loop – Arena
Commercial Advertising – Arena
Ticket Back Advertising
Ticket Envelope Advertising
BTS Season Brochure Advertising
Web Site Advertising
LED Advertising
YTS Sponsorship
BTS Sponsorship

New Opportunities 2007- 2008

First Aid Station Sponsorship- OSF*
Ballroom Sponsorship
Wireless Café Sponsorship- Verizon*
Arena Suite Sponsorship- All Four are leased*
Club Room Sponsorship- Letter of Intent in process*
Concession Stand Sponsorship for Specialty Items – Jefferson Concessions, 2 other single area opportunities in Arena
Entrances
Gardens