



Operations Management

March 20, 2023



HISTORY



Opened in October of 2003

Platinum Hospitality Group, LLC has been the operations manager since the opening



CITY COUNCIL HIGH PRIORITY

ACTIONS IDENTIFIED

- ✓ **Request For Proposal (RFP)
Development**
- ✓ **Direction**
- ✓ **Agreement**

Qualified professional management firm capable of providing a full range of comprehensive management services with a well-proven track record of services consistent with a first-class conference and education center.



- **RFP Committee**
- **Advisory Services from Bill Krueger, Senior Vice President of CSL International**

HIGH LEVEL CITY GOALS AND OBJECTIVES

- **Maximize direct spending benefitting the Dubuque economy.**
- **Maximize economic impact with a mix of events increasing overall utilization**
- **Develop and implement initiatives to penetrate new markets and attract new events and activities**
- **Partner with Travel Dubuque, hotels and motels, and tourist destinations**
- **Provide superior service and maximize customer satisfaction**
- **Partner and enhance relationships in community to attract and retain city wide events including national, international, trade shows and meetings**



RFP SUBMISSIONS

**Global Spectrum L.P. d/b/a
OVG360**

**Platinum Hospitality Group,
LLC**

VenuWorks Inc.

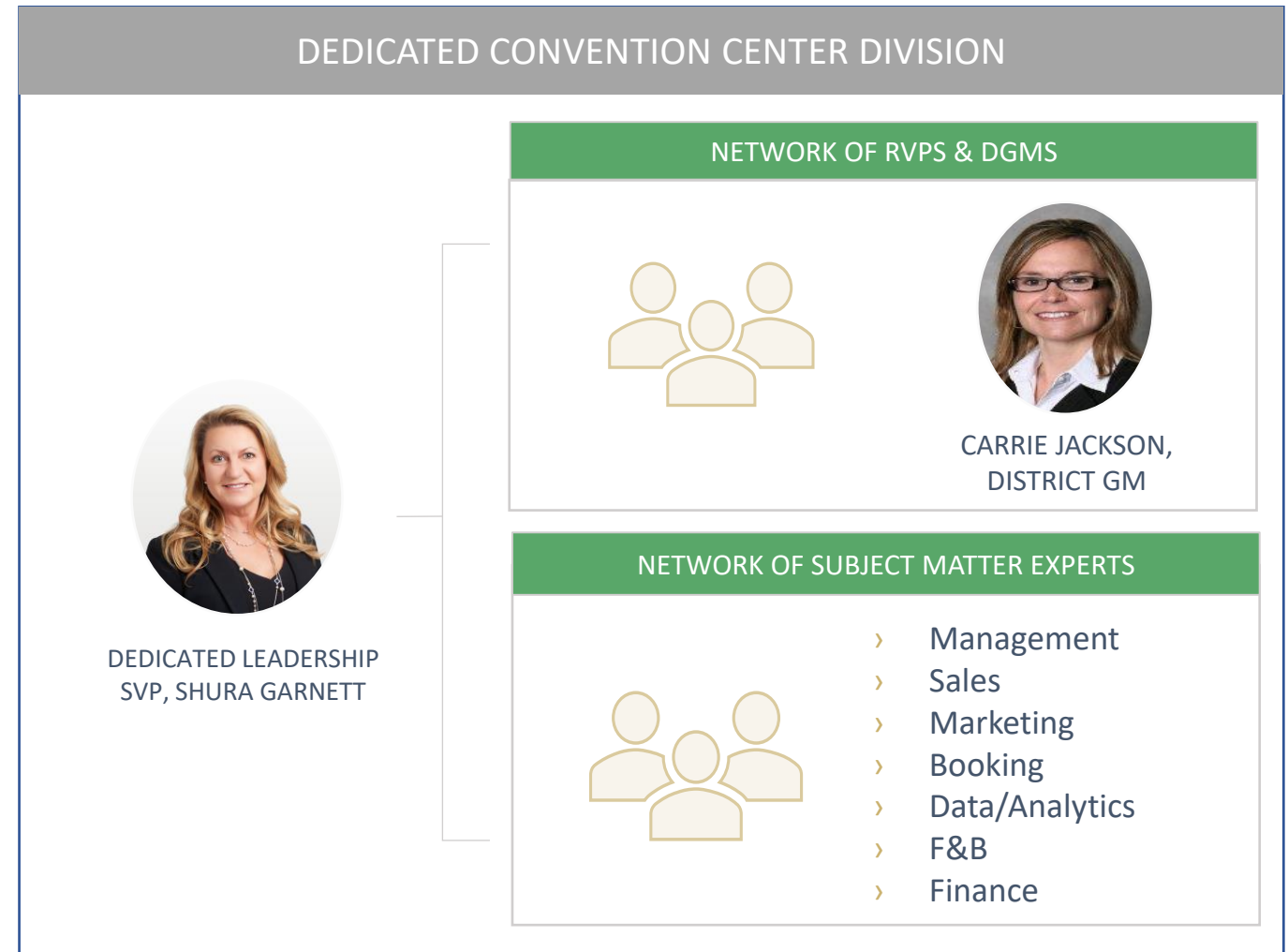
OVG360 STRATEGY

- **Aggressive approach to sales and marketing**
- **Dedicated food and beverage approach**
- **Partnership-driven approach**
- **Revenue generation through sponsorship sales**
- **Focus on sustainability**
- **Commitment to diversity, equity, and inclusion**
- **Excellence in transition**

Dedicated Convention Center Division



- Accessible Leadership
- Extensive Employee Network
- Shared Resources
- Best Practices and Standard Operating Procedures
- Comp Set Analysis, Pricing & Yield Management Strategy
- Enhanced Industry Presence
- OVG Hospitality Support – Staffing, Pricing, Menu Development, Purchasing



OVG360



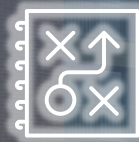
COMPREHENSIVE APPROACH

*Seamless
transition and
support - leader in
serving secondary
and tertiary
markets*



MARKET KNOWLEDGE & SUPPORT

*Synergies through
comparable
facilities,
hospitality
community, and
regional support*



STRUCTURED SALES FORCE

*Comprehensive plan
to drive business
through
collaboration with
local partners*



ELEVATED FOOD AND BEVERAGE EXPERIENCE

*Implement new
creative menus,
grab-and-go
concepts, &
modern technology*



ASSET MANAGEMENT

*Resources to
optimize the
customer experience
and protect the
City's asset*

Regional Network

- Staffing/Event Support
- Talent & Growth Support
- Market Knowledge
- Lead Generation
- Regional Marketing Sales Blitzes/CVB
- Regional Training/Meetings



239 venues
59 conv. centers



331 clients
55 conv. centers



THE AGREEMENT

- Initial term 5 years, 5-year renewal potential
- Management fee
 - \$150,000 per year (subject to CPI each year)
- Revenue incentive
 - Event revenue benchmark \$1.8 million
 - 20% incentive if over benchmark
 - Renegotiated annually
 - Never less than \$1.8 million

THE AGREEMENT

Qualitative Incentive- up to \$25,000 each year

- ***Customer Service Surveys*** – achievement of an 80% positive response rate
- ***Stakeholder/Tenant Relationship*** – positive reviews from Travel Dubuque
- ***Repairs and Maintenance*** – FF&E quarterly review and walkthrough
- ***Community Involvement*** – community engagement through initiatives, outreach, and community-centric approaches.
- ***Economic Impact-Focused Sales and Marketing*** – new sales and marketing approach of attracting unique events and regional/national meetings and/or conventions to the GRC, sale of Commercial Rights, positive economic impacts

THE AGREEMENT

- **Revenue Incentive (revenue incentive + qualitative incentive) capped**
 - **shall not exceed the annual fixed management fee paid**
- **OVG will receive 20% of all commercial rights revenue**
- **OVG provided a financial contribution to the partnership**
 - **OVG investing a capital contribution of \$300,000**

THE BUDGET

- **Budget very different in former agreement**
 - **Specific expenses were budgeted for related to the agreement which totalled in FY 24 \$381,998 related to management agreement expense (FY24)**
- **Stub Year Budget**
 - **April 1-June 30, 2023 (3 months)**
- **Full Year Budget – FY 24**
 - **July 1, 2023 – June 30, 2024**

THE BUDGET

- **During budget anticipated new agreement in FY24**
 - **Budgeted \$381,998 expenses related to current agreement**
 - **Budgeted \$106,391 for a potential management fee**
 - **Budgeted \$370,000 for first year transition costs and potential incentives**
- **Available funding equals \$858,389**
 - **Negotiated full year budget is \$691,230**
- **First year transition budget is the highest with the third year as the normalized year.**

THE BUDGET

	Stub Year (April-June, 2023)	FY 24 Year (July 2023- June 2024)
Agreement budget subsidy	\$256,895	\$691,230
Funding available in current FY23 and proposed FY24 budget	\$256,895	\$858,389

TRANSITION

Go LIVE – March 31
12:01 a.m.



MANY THANKS



**Platinum Hospitality
Group**

RFP Committee

**Dorsey & Whitney
LLP**

**Jason Lehman,
Assistant City
Attorney**

**Bill Krueger, Senior
VP, Conventions,
Sports and Leisure
International (CSL)**



 VGC
360

QUESTIONS?