

The City of Waco

Waco Convention Center (WCC) Operational Model Update

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WCC OPERATIONAL MODEL UPDATE

Agenda

- Purpose
- Background
- Project Status
 - Request for Proposals
 - Employees
- Summary
- Next Steps

PURPOSE



WCC OPERATIONAL MODEL UPDATE

Purpose

- May 8, 2024, City Council received a presentation on Waco Convention Center Operational Model, staff committed to returning to City Council to provide an update on the process and review recommendations.
- GOAL: To explore a private management model for the Waco Convention Center, and maintain the Visitors Bureau under public-managed governance, that aligns with the goals of maximizing operational efficiency, increasing revenue, and enhancing the national profile of the Waco Convention Center.

WCC OPERATIONAL MODEL UPDATE

Purpose

Why are we doing this?

- Convention Centers are highly significant economic impact generators
- Operate in a competitive industry that requires a high degree of flexibility
- WCC occupancy rate has maintained less than 40% year over year – standard 70%
- Maximize revenues, reduce expenses, and stay nimble within market
- National purchasing power, opportunity costs, and national corporate partnerships
- Connections to the national landscape of the industry and pulse on key trends
- Opportunity to grow the industry image of the center
- Ensure a balance of non-local booking requirements and maintaining local use (must be a facility primarily used to host conventions & meetings that directly promote tourism and hotel industry)
- Consultant managing downtown market study highly recommended exploring
- Food and Beverage program opportunity
 - Identified in 2017 in JLL report
 - Struggled to develop

BACKGROUND



WCC OPERATIONAL MODEL UPDATE

Background

- Waco Convention Center (WCC) Opened in January 1972
- Convention & Visitor Bureau (CVB) established in 1983
- Current Operating Model: Public Managed Governance
- September 2015, City engaged Jones Lang LaSalle (JLL) on behalf of WCC & CVB
 - Assess the marketing and operational effectiveness
 - Review and recommend new governance model
- August 2017, JLL delivered final report recommending WCC & CVB transition to Independent Non-Profit Authority
- City decided to pause on the recommended transition
- Organizational model discussion resumed 2022

WCC OPERATIONAL MODEL UPDATE

Background

- May 8, 2024, staff presented to City Council during the budget retreat focusing on operational model review, industry benchmarks, and the following recommendations:
 - Launch Request for Proposals (RFP) for private management of the Waco Convention Center
 - Explore proposals and select preferred vendor
 - Develop and negotiate a qualified management contract
 - Maintain CVB in-house
 - Explore merging tourism and economic development
 - Rebrand CVB to a Destination Management Organization (DMO)
- May 2024 – September 2024:
 - Immediately communicated and worked with staff of the WCC and CVB
 - Launched the Employee Success Team
 - Launched and completed the RFP process
 - Selected preferred vendor and engaged contract negotiations

WCC OPERATIONAL MODEL UPDATE

Background

Where we are today:

- Under contract negotiations with the top proposer from the RFP process
 - Contract tentatively scheduled for City Council Consideration at the October 1, 2024 meeting
- Employee success team actively working with staff
- Transitioning Visitor Bureau functions into Economic Development Department
 - Forming the Department of Economic Development & Tourism
 - Rebranding the CVB to DMO

PROJECT STATUS



WCC OPERATIONAL MODEL UPDATE

Project Status- RFP

- Launched RFP on May 16, 2024, opened for four weeks
- Four RFP submissions were received June 14, 2024
- The scoring team consisted of members from CMO, Finance, Economic Development, HR, and Convention Center
- The two top scoring firms were interviewed August 8, 2024
- Based on RFP and interview scoring, a preferred vendor was selected, and Contract negotiations are underway

WCC OPERATIONAL MODEL UPDATE

Project Status- Employees

- Employee Success Team was formed immediately following announcement to staff on May 7, 2024
- Goals of Success Team are to support employees impacted by the change and help to ease transition
- Multiple rounds of one-on-one meetings allowed each employee an open discussion on available options
- Monthly luncheons began in June and will continue through the end of the transition; bring together entire team, including CMO, HR, WCC, & CVB

WCC OPERATIONAL MODEL UPDATE

Project Status- Employees

- 12 employees directly affected by the possible transition
- 30+ individual meetings to date in addition to monthly luncheons
- Employee options include:
 1. *Redeploy with the City to a vacant role in a different department via management-directed transfer*
 2. *Explore career options with the private management firm – this will occur after the potential contract signing on October 1st*
- Retention incentives are in place with two milestones
- 11 of 12 employees have a transition plan in place

WCC OPERATIONAL MODEL UPDATE

Project Status- Employees

Employee Success Team :

- Innovative process – right mix of support at the table
- Protocol established for future
- Departments are engaged and supportive
 - 18 shadows – departments hosted
- Staff has embraced the support and experience
- Opportunity for future growth has been realized

Economic Development & Tourism Department

- Phased implementation of transition plan
- Current Director of Tourism Term expiring September 30, 2024
- Rebranding of CVB to DMO is included in transition plan

SUMMARY



WCC OPERATIONAL MODEL UPDATE

Summary

- Staff continues to recommend a private management model for the Waco Convention Center
- Staff continues to recommend maintaining the Visitors Bureau in house and create the Office of Economic Development and Tourism, consistent with State of Texas model
- Goals continue to be maximizing operational efficiency, increasing revenue, and enhancing the national profile of the Waco Convention Center
- During contract negotiations, continue to keep *employees* and *local use* of building at the top of negotiations

WCC OPERATIONAL MODEL UPDATE

Next Steps

- Finalized contract negotiations anticipated by September 25, 2024
- Management contract tentatively scheduled for City Council consideration on October 1, 2024
- If Contract is approved by City Council:
 - October – November transition period
 - December transition complete

THANK YOU.

