

*ATLANTIC CITY
CONVENTION CENTER &
HISTORIC BOARDWALK HALL
2018 BUDGET*



DRAFT (Dated: 9-14-2017)



Atlantic City Consolidated **2018 Budget Narrative**

As compared to projected 2017 results

Executive Summary

We are anticipating a good year in 2018 and one that is even better than our strong 2017 performance. Outlined below are additional details on the 2018 budget for both Boardwalk Hall and the Atlantic City Convention Center.

Events

The combined venues are budgeted to produce 128 events in 2018 which is an increase of 23 over Fiscal Year 2017. Additionally, this reflects 255 event days which is an increase of 28 over 2017.

Arena Concerts are anticipated to increase to 17 which included a flat 6 anticipated for Live Nation, 8 from Platinum Entertainment increasing from the 7 in the current year, and one additional from the WME/IMG initiative. The last is the New Year's Eve show with Dick Clark Productions.

For the Convention Center, the improvement is across all sectors of business. 2018 projected would have been greater, but due to Hurricane Irma, the National Elevator Contractors Association will be moving to Atlantic City in 2017 as opposed to 2018. While this is great news for our in the year business, it unfortunately impacts 2018 with a loss of \$147,673 in net income and 6,000 attendees.

Attendance

With the increase in events we anticipate an increase in attendance as well. 59,605 additional attendees are budgeted in 2018 which is an increase of over 10%. Again, the new events account for most of this increase Family shows and concerts being the biggest contributors.

Event Operating Income

Operating Revenue is projected to increase by \$781,088 which amounts to an improvement of just over 10%. Most of the increase is due to adding additional events. Food and beverage revenues increase by \$436,140.



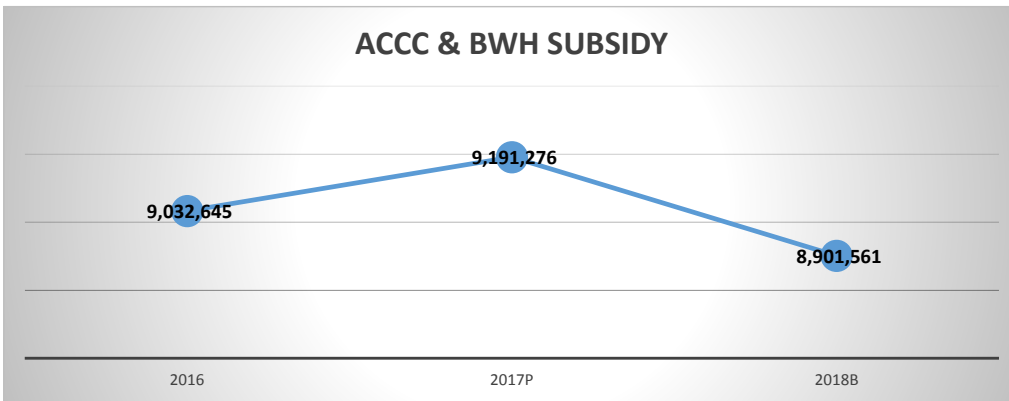
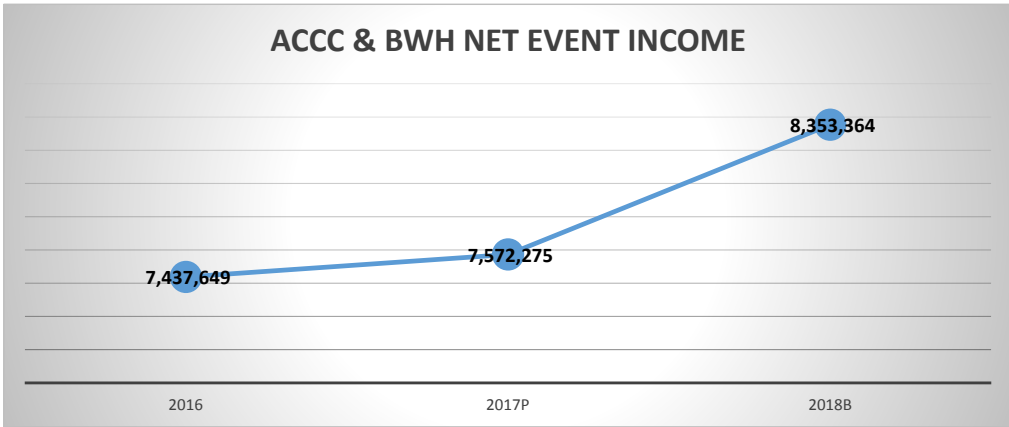
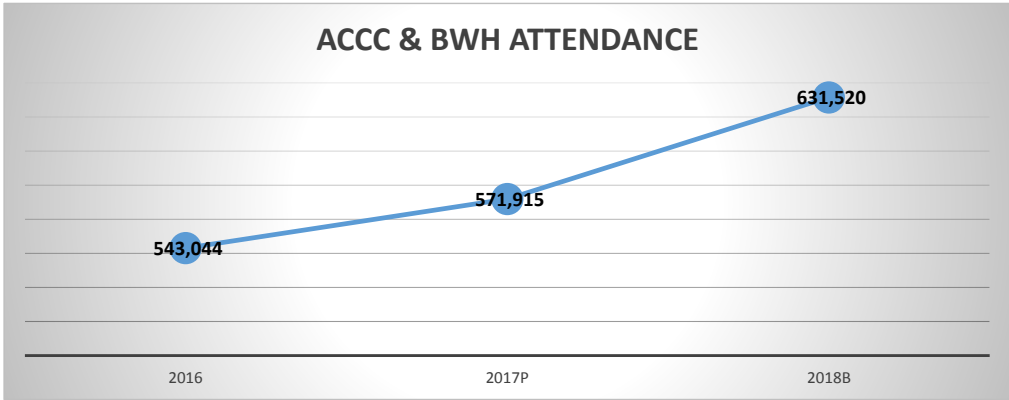
Indirect Expenses

Indirect expenses are expected to increase by approximately 1.9% in 2018. This is an increase of \$357,532 over 2017. We anticipate a 2.5% increase in Thermal costs in 2018 though it is weather dependent. 2017 was a fairly mild winter. Labor accounts for a large part of our indirect expenses.

Deficit

Even with the increase of \$357,532 in Indirect Expenses, we anticipate our event business to offset these additional costs and still improve the bottom line by \$289,715 or 3.2%.

Atlantic City is experiencing a bit of a rebound and expect that this, and the incentive programs initiated by the CRDA will have a positive impact on the number of our events. The additional focus on sales and our team's engagement in the sales process continues to result in improved financial performance for the facilities.



	CONSOLIDATED BUD-18 TOTAL	CONSOLIDATED PROJ-2017	BUD-18 V. PROJ-17 FAV/(UNF) VAR
# OF EVENTS	128	105	23
# OF EVENTS DAYS	255	227	28
ATTENDANCE	631,520	571,915	59,605
DIRECT EVENT INCOME (Rent & Services Inc)	2,750,928	2,834,077	(83,149)
Net FACILITY FEE	584,100	269,207	314,893
Net CONVENIENCE FEE	667,520	634,977	32,543
TOTAL TICKETING INCOME	1,251,620	904,184	347,436
ANCILLARY INCOME			
FOOD & BEVERAGE	2,787,376	2,351,236	436,140
PSAV	149,400	146,423	2,977
SMART CITY	98,670	96,407	2,263
NOVELTY	55,200	53,901	1,299
PARKING	1,260,170	1,186,048	74,122
TOTAL ANCILLARY INCOME	4,350,816	3,834,015	516,801
EVENT OPERATING INCOME	8,353,364	7,572,276	781,088
INDIRECT EXPENSES			
EXECUTIVE	1,073,872	1,066,344	(7,528)
HR/ADMIN	188,621	182,695	(5,926)
FINANCE	801,917	763,739	(38,178)
INFO TECH	174,118	167,220	(6,898)
MARKETING	406,948	394,868	(12,080)
SALES (New)	13,712	11,433	(2,279)
EVENT SERVICES	390,160	357,864	(32,296)
CLIENT UTILITIES	250,139	238,186	(11,953)
BOX OFFICE	247,137	237,100	(10,037)
PROPERTY AND MAINTENANCE	7,280,301	7,190,646	(89,655)
PARKING	449,437	429,335	(20,102)
SECURITY	1,456,880	1,391,666	(65,214)
OPS - HOUSEKEEPING	798,701	778,917	(19,784)
OPS - TRADES (Incl BW Stage)	3,102,599	2,958,382	(144,217)
RAIL STATION	249,915	242,407	(7,508)
FOOD & BEVERAGE	1,855,409	1,971,533	116,124
TOTAL INDIRECT EXPENSES	18,739,867	18,382,335	(357,532)
OTHER INCOME			
ADVERTISING REVENUES	458,400	452,788	5,612
PARKING - NON EVENT	515,846	535,506	(19,660)
RENT OTHER	345,396	340,393	5,003
OTHER REVENUES	165,300	290,097	(124,797)
TOTAL OTHER INCOME	1,484,942	1,618,784	(133,842)
NET OPERATING INCOME (LOSS)	(8,901,561)	(9,191,275)	289,715

	ACCC BUD-18 TOTAL
# OF EVENTS	80
# OF EVENTS DAYS	184
ATTENDANCE	373,820
DIRECT EVENT INCOME (Rent & Services Inc)	2,274,915
Net FACILITY FEE	-
Net CONVENIENCE FEE	82,000
TOTAL TICKETING INCOME	82,000
ANCILLARY INCOME	
FOOD & BEVERAGE	1,827,578
PSAV	149,400
SMART CITY	98,670
PARKING	981,190
TOTAL ANCILLARY INCOME	3,056,838
EVENT OPERATING INCOME	5,413,753
INDIRECT EXPENSES	
EXECUTIVE	515,116
HR/ADMIN	111,027
FINANCE	421,770
INFO TECH	89,229
MARKETING	43,300
SALES	13,712
EVENT SERVICES	300,483
CLIENT UTILITIES	250,139
PROPERTY AND MAINTENANCE	4,462,162
PARKING	289,600
SECURITY	946,463
OPS - HOUSEKEEPING	597,323
OPS - TRADES	1,701,689
RAIL STATION	249,915
FOOD & BEVERAGE	1,359,975
TOTAL INDIRECT EXPENSES	11,351,903
OTHER INCOME	
ADVERTISING REVENUES	128,400
PARKING - NON EVENT	466,646
RENT OTHER	59,600
OTHER REVENUES	48,400
TOTAL OTHER INCOME	703,046
NET OPERATING INCOME (LOSS)	(5,235,104)

	ACCC PROJ-2017	ACCC BUD-18 V. PROJ-17 FAV/(UNF) VAR
# OF EVENTS	68	12
# OF EVENTS DAYS	167	17
ATTENDANCE	355,842	17,978
DIRECT EVENT INCOME (Rent & Services Inc)	2,403,079	(128,164)
Net FACILITY FEE	-	-
Net CONVENIENCE FEE	77,504	4,496
TOTAL TICKETING INCOME	77,504	4,496
ANCILLARY INCOME		
FOOD & BEVERAGE	1,533,412	294,166
PSAV	146,423	2,977
SMART CITY	96,407	2,263
PARKING	968,177	13,013
TOTAL ANCILLARY INCOME	2,744,419	312,419
EVENT OPERATING INCOME	5,225,002	188,751
INDIRECT EXPENSES		
EXECUTIVE	515,708	592
HR/ADMIN	108,345	(2,682)
FINANCE	400,663	(21,107)
INFO TECH	85,468	(3,761)
MARKETING	43,021	(279)
SALES	11,433	(2,279)
EVENT SERVICES	274,467	(26,016)
CLIENT UTILITIES	238,186	(11,953)
PROPERTY AND MAINTENANCE	4,386,368	(75,794)
PARKING	286,647	(2,953)
SECURITY	904,763	(41,700)
OPS - HOUSEKEEPING	587,643	(9,680)
OPS - TRADES	1,645,969	(55,720)
RAIL STATION	242,407	(7,508)
FOOD & BEVERAGE	1,472,047	112,072
TOTAL INDIRECT EXPENSES	11,203,135	(148,767)
OTHER INCOME		
ADVERTISING REVENUES	126,647	1,753
PARKING - NON EVENT	490,802	(24,156)
RENT OTHER	90,756	(31,156)
OTHER REVENUES	70,443	(22,043)
TOTAL OTHER INCOME	778,648	(75,602)
NET OPERATING INCOME (LOSS)	(5,199,485)	(35,618)

	BWH - EAST BUD-18 TOTAL	BWH - EAST PROJ-2017	BWH - EAST BUD-18 V. PROJ-17 FAV/(UNF) VAR
# OF EVENTS	48	37	11
# OF EVENTS DAYS	71	60	11
ATTENDANCE	257,700	216,073	41,627
DIRECT EVENT INCOME (Rent & Services Inc)	476,013	430,998	45,015
Net FACILITY FEE	584,100	269,207	314,893
Net CONVENIENCE/INCENTIVE FEE	585,520	557,473	28,047
TOTAL TICKETING INCOME	1,169,620	826,680	342,940
ANCILLARY INCOME			
FOOD & BEVERAGE	959,798	817,824	141,974
NOVELTY	55,200	53,901	1,299
PARKING	278,980	217,871	61,109
TOTAL ANCILLARY INCOME	1,293,978	1,089,596	204,382
EVENT OPERATING INCOME	2,939,611	2,347,274	592,337
INDIRECT EXPENSES			
EXECUTIVE	558,757	550,636	(8,121)
HR/ADMIN	77,593	74,350	(3,243)
FINANCE	380,147	363,076	(17,071)
INFO TECH	84,889	81,752	(3,137)
MARKETING/SALES	363,648	351,847	(11,801)
EVENT SERVICES	89,677	83,397	(6,280)
BOX OFFICE	247,137	237,100	(10,037)
PROPERTY AND MAINTENANCE	2,639,400	2,605,495	(33,905)
PARKING	159,837	142,688	(17,149)
SECURITY	510,417	486,903	(23,514)
OPS - HOUSEKEEPING	198,978	190,074	(8,904)
OPS - TRADES (Incl BW Stage)	1,400,910	1,312,413	(88,497)
FOOD & BEVERAGE	495,434	499,486	4,052
TOTAL INDIRECT EXPENSES	7,206,824	6,979,217	(227,607)
OTHER INCOME			
ADVERTISING REVENUES	330,000	326,141	3,859
PARKING - NON EVENT	49,200	44,704	4,496
RENT OTHER	285,796	249,637	36,159
OTHER REVENUES	116,900	219,654	(102,754)
TOTAL OTHER INCOME	781,896	840,136	(58,240)
NET OPERATING INCOME (LOSS)	(3,485,317)	(3,791,807)	306,490

	BWH WEST BUD-18 TOTAL	BWH WEST PROJ-2017	BUD-18 V. PROJ-17 FAV/(UNF) VAR
INDIRECT EXPENSES			
PROPERTY AND MAINTENANCE	178,740	198,783	20,043
OPS - HOUSEKEEPING	2,400	1,200	(1,200)
TOTAL INDIRECT EXPENSES	181,140	199,983	18,843
NET OPERATING INCOME (LOSS)	(181,140)	(199,983)	18,843
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