

# Will Rogers Memorial Center (WRMC) Food and Beverage Exclusivity

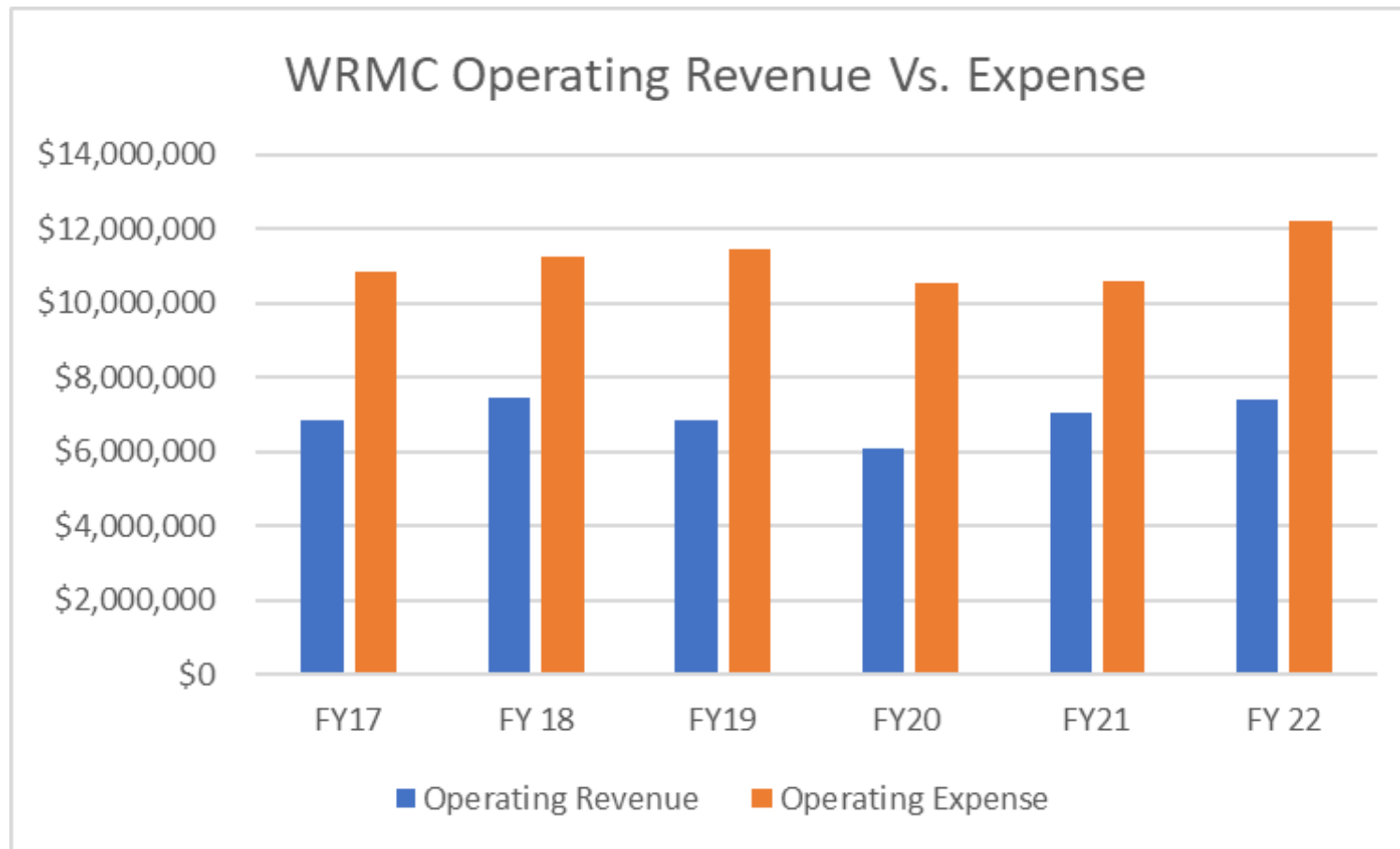
Presentation to Mayor and City Council

August 17, 2021

# Today's Presentation

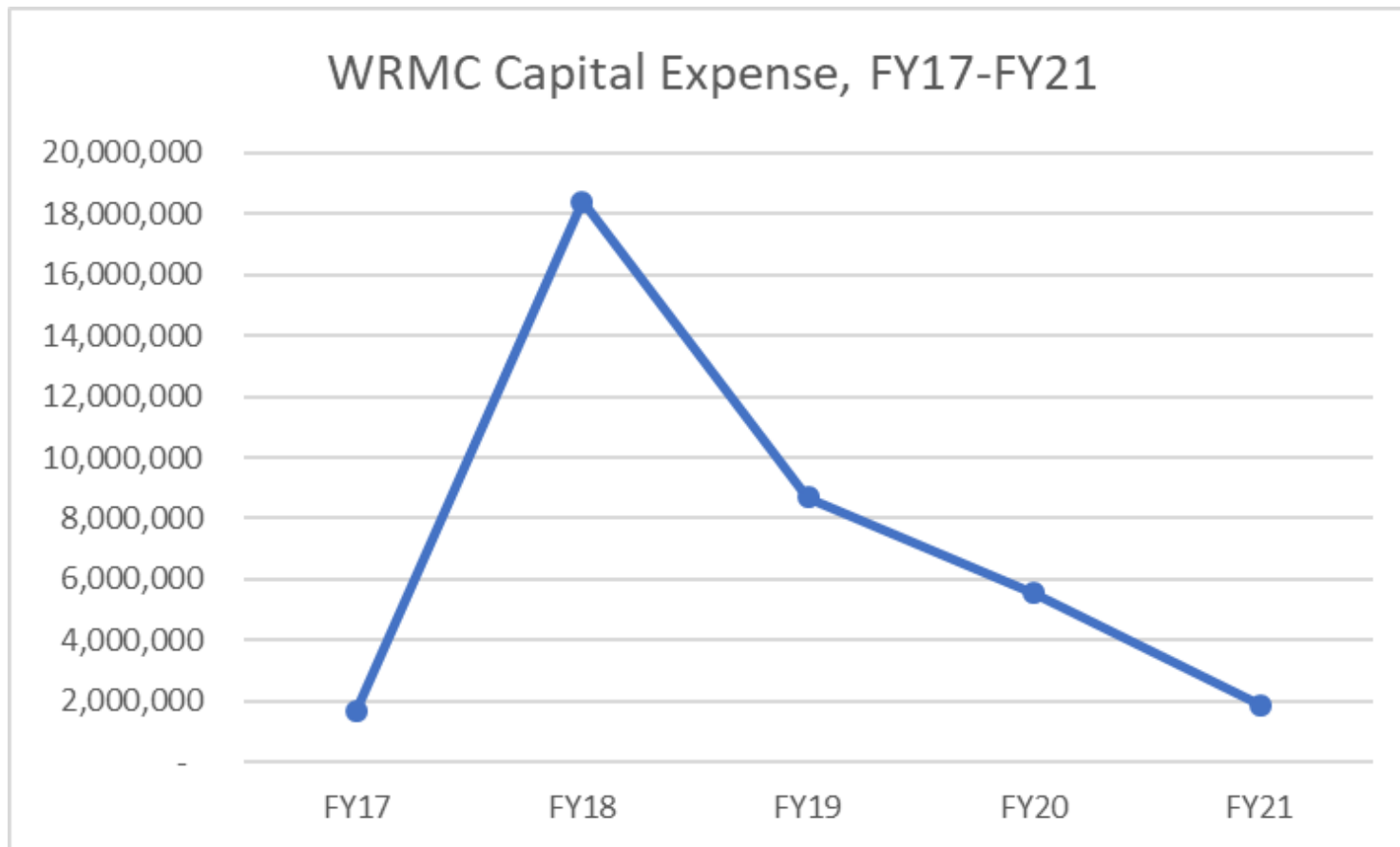
- WRMC F&B is part of a wider conversation about how we choose to invest Hotel Occupancy Tax (HOT) dollars
- Every new HOT dollar generated in operations of venue facilities is a dollar that can be reinvested in the venues
- Moving to an exclusive provider arrangement for F&B at WRMC is an opportunity toward:
  - Improved revenue results
  - Improved customer service and consistency
  - Improved utilization of both local and business equity firms
  - More investment in our public event facilities

# WRMC is a deficit-funded business



6-Year Average  
HOT Subsidies:  
\$4,196,480

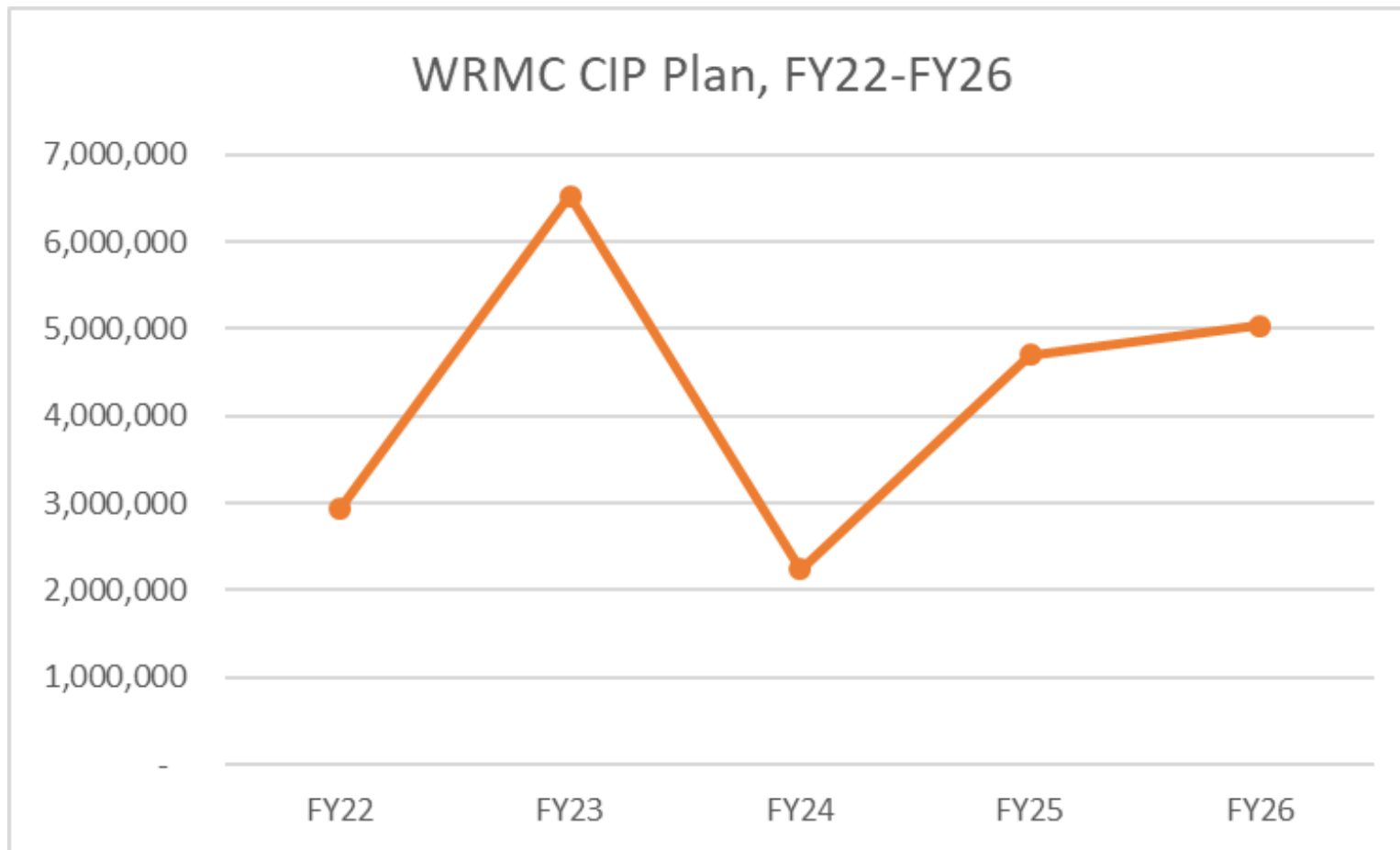
# WRMC has significant capital needs



**FY18 Spike:  
Cattle Barn  
Renovation (\$12M)**

**5-Year Average  
Capital Expense:  
\$7,236,600**

# WRMC Future Capital Needs:



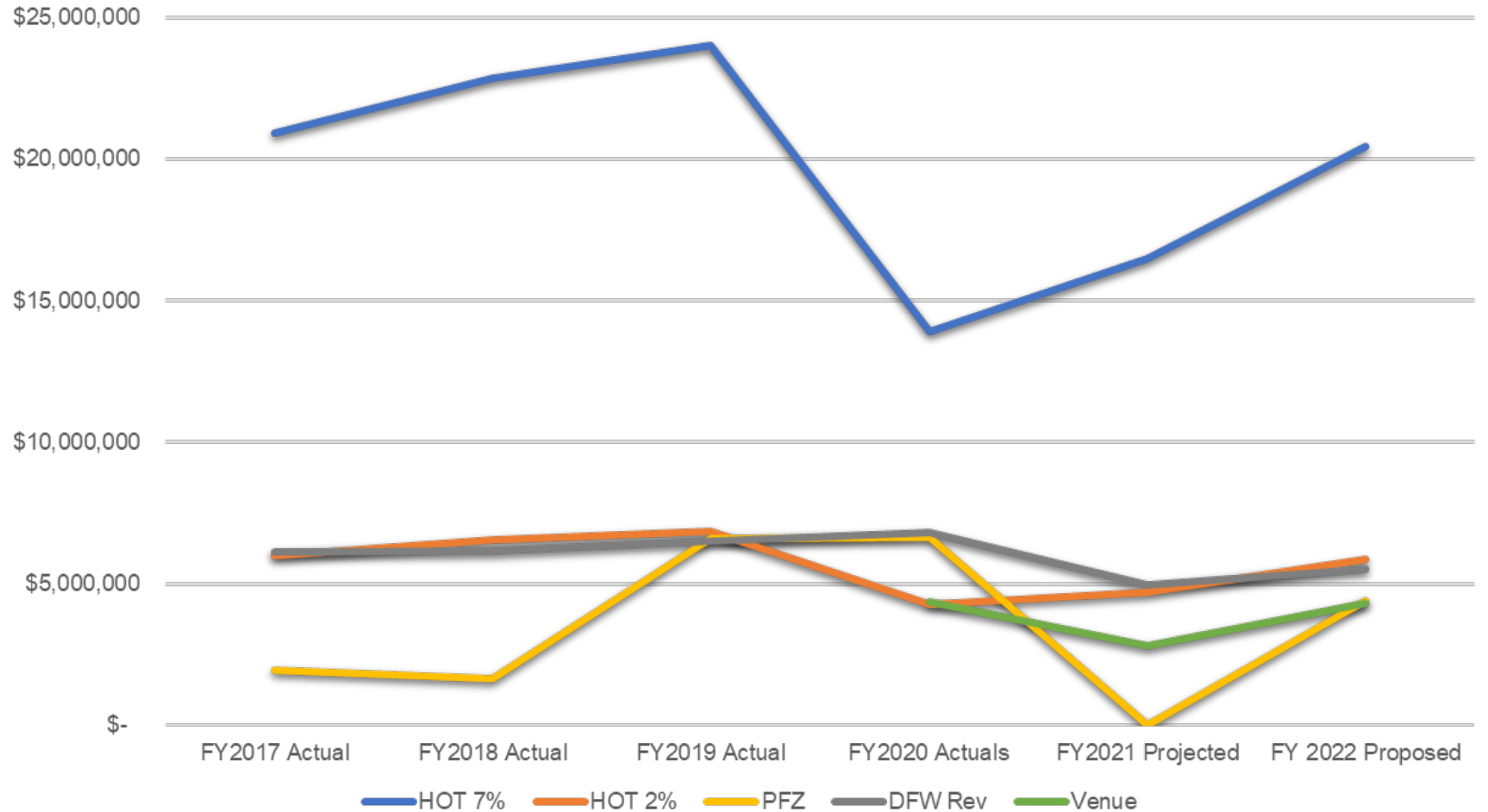
**5-Year CIP  
Average:  
\$4,287,000**

## WRMC will be competing for C&T Fund Resources

- FWCC Expansion: \$400M-\$500M
- Sheep and Swine Barn Renovation: \$20M-\$30M
  - In partnership with FWSSR (FY TBD)
- FWCC Annual Capital: \$1.9M annual average, FY22-26
- Future funding of Visit Fort Worth

Culture and  
 Tourism  
 Resources are  
 tight...

### Culture & Tourism Revenue Trend Analysis



# The opportunities to improve revenues at WRMC are limited

- **Rental:** Currently pushing on rates, but need to maintain price-competitiveness for planners
- **Parking:** Committed to Parking Fund and debt
- **Services** (RV Sales, Shavings, Internet, Utilities): Currently pushing on rates, but need to maintain price competitiveness for attendees
- **Food and Beverage:** The next opportunity to improve



# So, when improvement opportunities arise, we have to take advantage

- Current State: WRMC requires approximately \$8M in Occupancy Tax Support
- Reducing the operating deficit by \$2.0M creates approximately \$34M-\$36M in debt service capacity

## WRMC F&B: Current State

- 44 Weeks of Operation (due to FWSSR agreement)
  - FWSSR – Fort Worth Stock Show and Rodeo
- Overall Satisfaction with Catering: 4.23/5.00
- Avg Commission Revenue: \$590,768 (<10% of Total Revenues)
- F&B Revenue Per-Caps: \$1.86
  - Like Venues: **\$3.14-\$21.85**

# Why exclusivity?

- Consistency in customer experience
- Accountability for customer experience & maintenance of City Assets
- Economies of Scale create improved revenues
  - Increased commissions/profit-sharing
  - Motivation to sell F&B services
- Improved Opportunity for Business Equity Firms
- Potential for greater financial flexibility with groups:
  - Venue more involved in making deals work

# Exclusivity may be more inclusive...

- Potential for broader Business Equity partnerships
- Local flavor partnerships
- Opportunities for both Caterers, Purveyors, and Service Providers
- Catering volume (or lack thereof) promotes partnership arrangements

# Exclusivity – Consulting Perspective

- Dedicated Catering sales effort
- Increased profitability
- Quality Control
- Local Business Involvement
- Pricing Flexibility
- Reputation



# WRMC Catering Participation

	FY17	FY18	FY19	Avg	%
Coburn's	48	40	58	49	47%
Reata	11	20	18	16	16%
Other (15 Vendors)	24	20	18	21	20%
Other-BE (5 Vendors)	9	8	6	8	7%
Buyouts	10	12	10	11	10%
<b>Total</b>	<b>102</b>	<b>100</b>	<b>110</b>	<b>104</b>	<b>100%</b>

# WRMC Catering Revenues

	FY17	FY18	FY19	Avg	%	Avg/Evt
Coburn's	93,854	85,510	105,712	95,025	44%	1,953
Reata	47,076	49,174	40,968	45,739	21%	2,800
Other	35,447	33,076	32,315	33,613	15%	1,626
Other-BE	7,957	8,615	6,856	7,809	4%	1,019
Buyouts	29,350	48,032	29,815	35,733	16%	3,350
Total	213,684	224,407	215,667	217,919	100%	

## Local Competitors – F&B Exclusivity

- Dickies Arena
- Dallas Conv Ctr
- Cowtown Coliseum
- Bass Hall
- River Ranch
- Irving Conv Ctr
- Hurst Conv Ctr
- Arlington Conv Ctr
- Arlington Conv Ctr
- Plano Conv Ctr
- Fair Park
- Majestic Theater
- Texas Trust Credit Union Theater
- Texas Hall @ UTA
- Fort Worth Zoo



# Equestrian Competitors – F&B Exclusivity

- Tulsa
- Oklahoma City
- Las Vegas
- Scottsdale
- Lexington
- Louisville
- Ocala, FL
- Wilmington, OH
- Columbus
- Los Angeles
- Reno-Sparks
- Guthrie, OK

# RFP Selection Criteria

- Business Terms Proposed 37%
- Experience in like or similar venues 12%
- Demonstrated innovation 12%
- Improvement in service in like facilities 12%
- Local Flavor Commitment 12%
- Business Equity Commitment 15%

# Options for Not-for-Profits

- The market will dictate pricing, but more flexibility when F&B and facility are tied together
- The F&B vendor will be incented to drive event volume and revenue
- Potential tools to address not-for-profit concerns:
  - Waive rent for NFP banquet events at WRMC
  - Sliding scale: Discount rent based on F&B spending as a percentage of venue rental

# Timeline

- RFQ Solicitation: April 8
- Shortlisted Firms Receive RFPs: June 20
- RFP's Due: August 20
- Respondent Interviews: September
- Council Update & Next Steps: October

# Questions / Discussion

