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# Washington Convention Center Authority

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Description	FY 2004 Actual	FY 2005 Approved	FY 2006 Proposed	% Change from FY 2005
Operating Budget	\$0	\$77,176,080	\$78,899,833	2.2

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The mission of the Washington Convention Center Authority (WCCA) is to expand the revenue base of the District by promoting and hosting large national and international conventions and trade shows attracting hundreds of thousands of visitors, as well as providing expanded employment and business opportunities for District residents.

The District Council enacted the Washington Convention Authority Act, which transferred operational oversight of the convention center to the Washington Convention Center Authority, on August 2, 1994.

The authority plans to fulfill its mission by achieving the following strategic goals:

- Operate the new 2.3 million square foot state-of-the-art convention center, a model for future convention venues, which is currently the largest facility in Washington, D.C.
- Provide space for national and international, public and local events and exhibits.
- Expand the tax base by attracting out-of-town visitors to the District of Columbia.

## Gross Funds

The proposed gross funds budget is \$78,899,833, representing an increase of \$1,723,753 or 2.2 percent over the FY 2005 approved budget of \$77,176,080.

There are no District full-time equivalent positions (FTEs) supported by this budget.

## General Fund

**Special Purpose Revenue Funds.** The proposed budget is \$78,899,833, representing a change of \$1,723,753 or 2.2 percent over the FY 2005 approved budget of \$77,176,080. Washington Convention Center Authority employees do not fall under the District Merit Personnel system and, therefore, are not reflected in the FTE authority.

## Funding by Source

Table ES0-1 shows the source of funding for the Washington Convention Center Authority.

Table ES0-1

### FY 2006 Proposed Operating Budget, by Revenue Type

(dollars in thousands)

Appropriated Fund	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
Special Purpose Revenue Funds	65,217	0	77,176	78,900	1,724	2.2
<b>Total for General Fund</b>	<b>65,217</b>	<b>0</b>	<b>77,176</b>	<b>78,900</b>	<b>1,724</b>	<b>2.2</b>
<b>Gross Funds</b>	<b>65,217</b>	<b>0</b>	<b>77,176</b>	<b>78,900</b>	<b>1,724</b>	<b>2.2</b>

## Expenditure by Comptroller Source Group

Table ES0-2 shows the FY 2006 proposed budget for the agency at the Comptroller Source Group level (Object Class level) by fund type.

Table ES0-2

### FY 2006 Proposed Operating Budget, by Comptroller Source Group

(dollars in thousands)

Comptroller Source Group	Actual FY 2003	Actual FY 2004	Approved FY 2005	Proposed FY 2006	Change from FY 2005	Percent Change
11 Regular Pay - Cont Full Time	12,017	0	11,076	10,340	-737	-6.7
12 Regular Pay - Other	0	0	563	738	174	30.9
13 Additional Gross Pay	0	0	0	432	432	N/A
14 Fringe Benefits - Curr Personnel	2,121	0	3,532	2,711	-821	-23.2
<b>Subtotal Personal Services (PS)</b>	<b>14,138</b>	<b>0</b>	<b>15,172</b>	<b>14,220</b>	<b>-952</b>	<b>-6.3</b>
20 Supplies and Materials	569	0	793	634	-159	-20.1
30 Energy, Comm. and Bldg Rentals	0	0	4,047	5,038	991	24.5
32 Rentals - Land and Structures	5,887	0	0	0	0	0.0
40 Other Services and Charges	6,793	0	12,398	13,424	1,026	8.3
41 Contractual Services - Other	10,399	0	7,928	8,958	1,031	13.0
70 Equipment & Equipment Rental	154	0	663	454	-209	-31.5
80 Debt Service	13,154	0	36,176	36,172	-4	0.0
92 Expense Not Budgeted-deprec	14,123	0	0	0	0	0.0
<b>Subtotal Nonpersonal Services (NPS)</b>	<b>51,079</b>	<b>0</b>	<b>62,004</b>	<b>64,679</b>	<b>2,675</b>	<b>4.3</b>
<b>Total Proposed Operating Budget</b>	<b>65,217</b>	<b>0</b>	<b>77,176</b>	<b>78,900</b>	<b>1,724</b>	<b>2.2</b>

Note: The agency presents its budgeted revenues and expenditures for the purpose of reporting. However, as a proprietary fund, under the current financial accounting structure, the agency's actual revenues and expenditures are not tracked in the District System of Accounting and Reporting (SOAR) and may not be shown in this chart or in the Comprehensive Annual Financial Report (CAFR).

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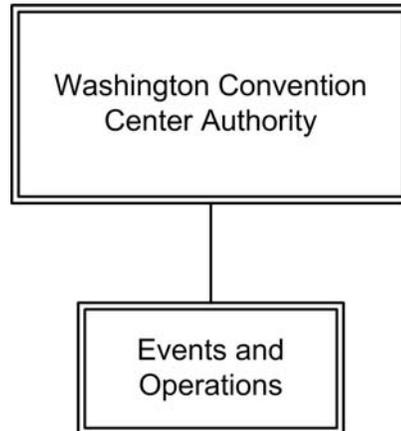
## Expenditures by Program

The Washington Convention Center Authority has the following program structure:

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Figure ES0 - 1

### Washington Convention Center Authority



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Changes from the FY 2005 approved budget are:

- A decrease of \$159,042 in supplies.
- An increase of \$1,762,576 in other services and charges and contractual services primarily due to increased service contracts for labor, particularly janitorial services.
- An increase of \$293,886 in the marketing service contracts based on dedicated tax projections provided by the D.C. Office of Research and Analysis. The amount allocated to the Marketing Fund is 17.4 percent of the projected Hotel Sales Tax collections.
- An increase of \$991,350 in utilities, primarily due to a projected 32 percent rate increase in electrical costs due to deregulation.
- A decrease of \$209,145 in equipment and equipment rental costs.
- A net decrease of \$951,684 in personal services costs due to a decrease in full-time staffing, somewhat offset by an increase in part-time staffing to cover meeting events.
- A net decrease of \$4,188 in Debt-Service due to making the first principal payment in FY 2004.

## Programs

The **Washington Convention Center Authority** operates the following program:

### Events and Operations

The **Washington Convention Center** opened in April 2003 and hosted 201 events as of September 30, 2004. Also, as of September 30, 2004, the WCCA has reserved 525 events for the convention center from 2005 to 2018.

The center has 725,000 square feet of exhibit space, 210,000 square feet of meeting space divisible into 70 meeting rooms, and 44,000 square feet of retail space and street level restaurants. The meeting space includes 60,000 square feet for a ballroom that is considered the largest on the East Coast. The convention center is ranked 8th nationally in terms of size of prime exhibit space.

On July 1, 2004, a lease agreement was signed between the District of Columbia and the Washington Convention Center Authority granting the WCCA the exclusive right to use of the old convention center site located on 900 9th Street N.W. The term of the lease is from July 1, 2004 through July 1, 2014. The District of Columbia reserves the right to terminate the

lease for any reason, upon 90 days written notice. WCCA agreed to use the leased premises solely to raze and demolish the existing facilities in order to build and operate a public parking lot providing vehicular parking service to the general public and related administrative and recreational uses.

WCCA is an independent corporate body governed by a nine-member board of directors. Two members serve as ex-officio voting members of the board. One of the ex-officio members must be the Chief Financial Officer of the District of Columbia and the other designated by the Mayor. The remaining seven public members are appointed by the Mayor with the consent of the Council of the District of Columbia and represent certain sectors of the community.

Public members serve a term of four years, and no board member is permitted to serve more than two consecutive four year terms. One public member is appointed as chairperson by the Mayor, with the advice and consent of the Council.

**Program Budget Summary**

The proposed **Events and Operations** program gross funds budget request is \$78,899,833, representing a change of \$1,723,753 or 2.2 percent over the FY 2005 approved budget of \$77,176,080. This change is entirely in Special Purpose Revenue funds.

**Agency Goals and Performance Measures**

**Goal 1: Maintain or exceed bookings and building revenue in the new convention center.**

*Citywide Strategic Priority Area(s):* Promoting Economic Development  
*Manager(s):* Tracy S. Harris, CFO  
*Supervisor(s):* Thomas M. Mobley, Jr., General Manager and CEO

**Measure 1.1: Number of events hosted**

	Fiscal Year				
	2003	2004	2005	2006	2007
Target	125	161	170	120	120
Actual	162	201	-	-	-

Note: Events are continually booked and some cancelled. The revised FY 2005 target of 170 events represents shows booked after the original FY 2005 budget submission. The FY 2005 and FY 2006 targets are subject to change as events will continue to be booked after the FY 2005 budget is submitted.

**Measure 1.2: Operating revenue generated (millions)**

	Fiscal Year				
	2003	2004	2005	2006	2007
Target	N/A	N/A	15.6	15.5	15.5
Actual	N/A	N/A	-	-	-

Note: Projected revenue for Fiscal Years 2006 and 2007 are preliminary and subject to change since events are booked and cancelled after the budget is submitted.

**Measure 1.3: Convention center occupancy rate**

	Fiscal Year				
	2003	2004	2005	2006	2007
Target	90	75	75	75	75
Actual	75	81	-	-	-

Note: The target for this measure refers to the days the convention center is available for bookings. The convention center facilities are available for booking 70% of the operating year. Holidays, scheduled maintenance periods and short windows between events account for the remainder of the year.