PHOENIX
CONVENTION CENTER
& VENUES

FIVE-YEAR STRATEGIC PLAN

2024

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City of Phoenix

FIVE-YEAR *Strategic Plan*

In 2015, the Phoenix Convention Center Department (PCCD) introduced a Five-Year Strategic Plan which guided the department in the areas of Fiscal Stability, Operational Efficiencies, Business Development/Occupancy, Long Range Planning, Technology and Guest Satisfaction. While the COVID-19 pandemic temporarily disrupted momentum for a new Strategic Plan in 2020, it did allow for a new focus as the PCCD drafted a Strategic Business Recovery Plan. The new plan promoted sound fiscal management, aggressive marketing and a path to safely reopening the PCCD. Since then, the PCCD has shown a remarkable rebound and an increase in enthusiasm for Phoenix as a tourist destination.

The next five years will be pivotal as we look to firmly establish the PCCD as the premier meeting and event facility in North America. As our popularity grows, so does our need for growth. It is imperative that we respond to the needs of the post-pandemic meeting planner and attendee. Whether it's investing in outdoor space or reimagining our underutilized indoor spaces to encourage connection and creativity amongst our guests, the PCCD is committed to leading the way. This new Five-Year Strategic Plan puts the PCCD on a trajectory to become the venue that sets the trends in the industry by tackling tomorrow's challenges today. This plan in the hands of PCCD's highly skilled professional team outlines our vision, goals and concrete steps for growth and success over the next five years. From securing big conventions in the semi-conductor industry, to successfully hosting super bowls and major events, a lot of exciting things have happened over the past few years. But what's more exciting is that we are just getting started.

Jerry Harper

Jerry Harper
Phoenix Convention Center Director

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2 VENUES
3 VALUES & VISION
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6 PLANNING
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PHOENIX CONVENTION CENTER & VENUES

WHO WE ARE

The Phoenix Convention Center Department (PCCD) is a premier convention and entertainment destination drawing a million guests annually to its more than 300 conventions, tradeshows, local meetings, concerts, banquets and cultural/theatrical events.

The PCCD captures national and international attention by hosting large conventions and high-profile events such as NCAA Final Four, Super Bowl, College Football Playoffs and MLB fanfests that attract thousands of local, state and out-of-town visitors to downtown Phoenix.



OUR TEAM



Jerry Harper
Director



Bob Fingerman
Asst Director
Facilities & Services



April Truncellito
Deputy Director
Business Services



Eric George
Special Projects Admin
City Major Events

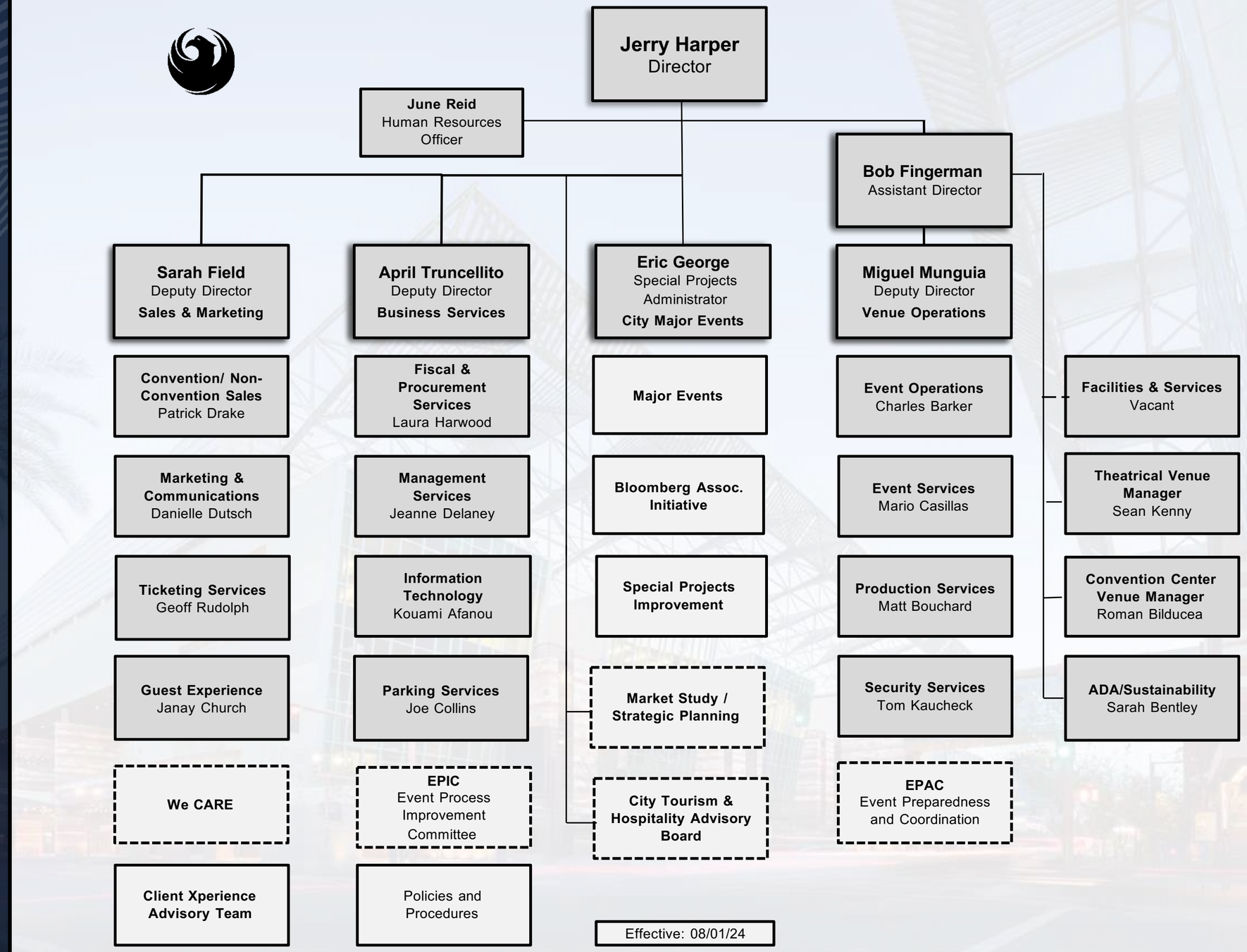


Sarah Field
Deputy Director
Sales & Marketing



Miguel Munguia
Deputy Director
Venue Operations

PHOENIX CONVENTION CENTER DEPARTMENT



1969
Phoenix Civic Plaza Groundbreaking



1970
Construction



1972
Completion



1972
Ribbon Cutting



1985

South Building Expansion



- 8 MEETING ROOMS
- 28,000 SQ. FT. BALLROOM
- 2 EXHIBIT HALLS – 82,000 SF
- 143,400 SQ. FT. – COMBINED EVENT SPACE

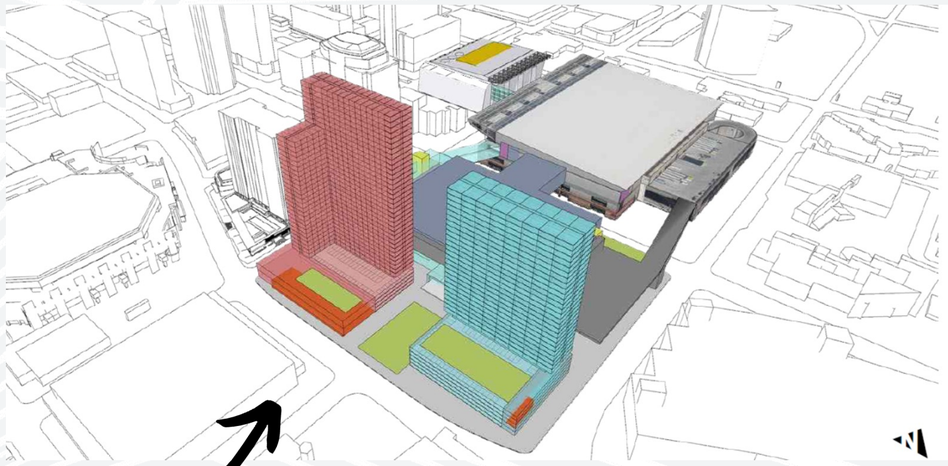
2006 – 2008

Expansions: North and West Buildings



FUTURE!

South Building



PCCD VENUES

The Phoenix Convention Center Department (PCCD), comprised of the Phoenix Convention Center, Symphony Hall and Orpheum Theatre, also oversees nine City-owned parking garages and the Herberger Theater Center. Spanning a total of 26 acres, the PCCD lies in the heart of Downtown Phoenix and is within walking distance of numerous convention hotels, shopping, restaurants and major sports and entertainment facilities. The METRO light rail system provides easy access to more than 6,000 additional hotel rooms, while Phoenix Sky Harbor International Airport is a quick ten-minute drive.

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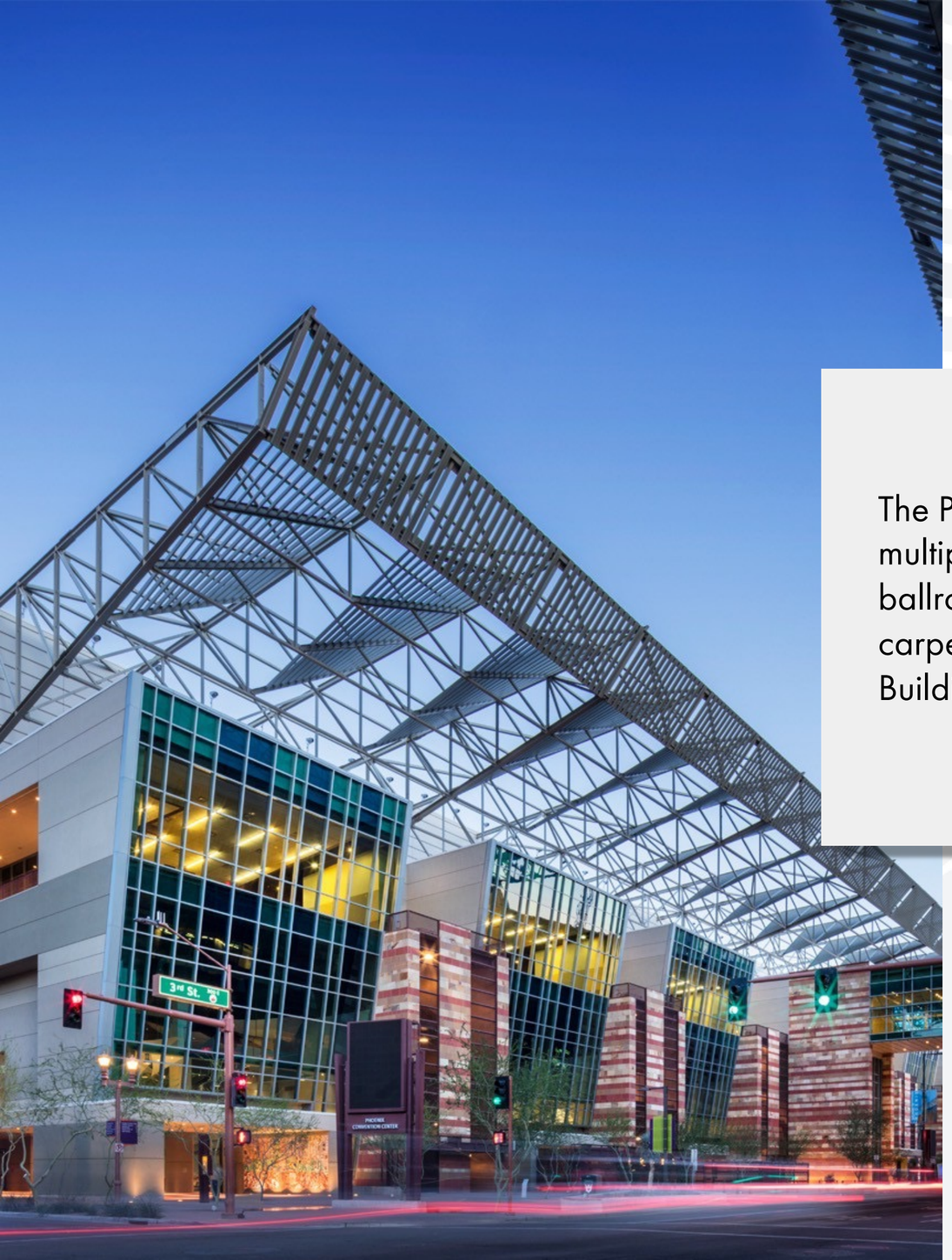


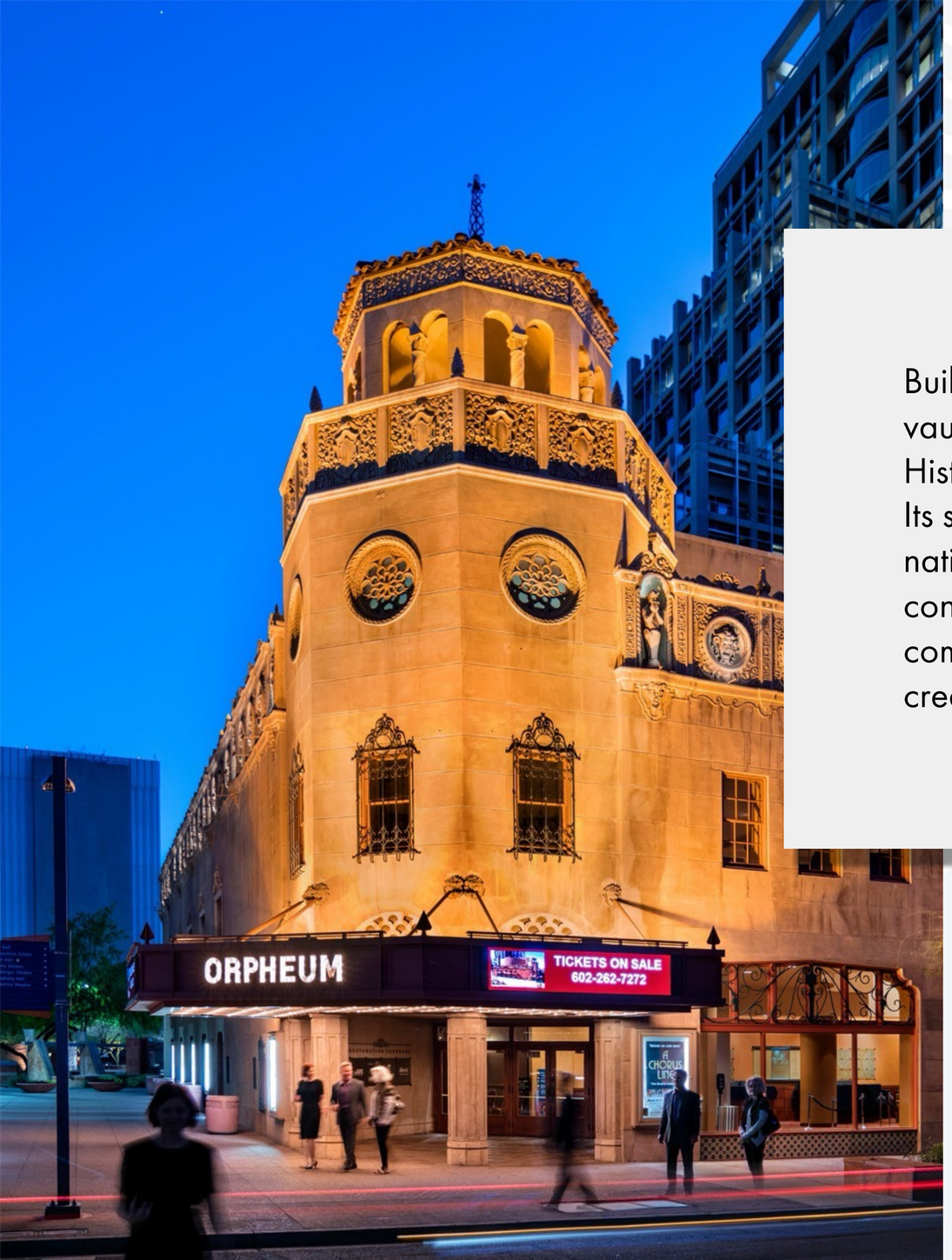
Phoenix Convention Center

The Phoenix Convention Center (PCC) offers nearly one million square feet of multipurpose event space including exhibition halls, meeting rooms and ballrooms. PCC recently upgraded its audio-visual infrastructure, replaced the carpet in the North Building, completed a shoring wall and replaced the South Building's lighting controls, exhibit hall concrete and air handler.

Symphony Hall

The 2,312-seat Symphony Hall is home to three resident companies – The Phoenix Symphony, Ballet Arizona and Arizona Opera – and hosts numerous touring productions, popular entertainers, business seminars and convention general sessions. The venue opened in 1972 and was renovated in 2005. Symphony Hall was in the national spotlight when it hosted the NFL Honors live broadcast in January 2023. Symphony Hall is scheduled for a $8.7 million renovation beginning in 2026.





Orpheum Theatre

Built in 1929 and restored in 1997, Orpheum Theatre is a former vaudeville house and movie palace listed on the National Register of Historic Places. The Theatre commemorated its 95th anniversary in 2024. Its stunning interior seats 1,410 and hosts a variety of international and national events. The Theatre recently upgraded fixtures and architectural controls and replaced its dimmer system. The Theatre underwent a complete seat replacement project in 2024 that added 100 seats and created 54 ADA spaces.

Parking Venues

PCCD manages nine City-owned parking garages:

- 2nd Avenue Garage
- 305 Garage
- Adams Street Garage
- Convention Center East
- Convention Center North
- Convention Center West
- Heritage Square Garage
- Plaza Garage
- Regency Garage

The City recently acquired the Plaza and 2nd Avenue garages as part of the purchase of the former Wells Fargo building which will become Phoenix Police Department's headquarters in 2025. The Convention Center North Garage was reconfigured to add a second pay station, and the Convention Center East Garage underwent complete refurbishment of its elevators.





Herberger Theater Center

PCCD financially supports the operation and maintenance of Herberger Theater Center, while Phoenix Performing Arts Center oversees its daily operation. Two resident companies, Arizona Theatre Company and Center Dance Ensemble, perform at this City-owned venue. The PCCD recently invested $524,000 to replace Herberger's smoke hatch. The theater also underwent a facility assessment and is slated for a $5.3 million renovation beginning in 2026.

VALUES & VISION

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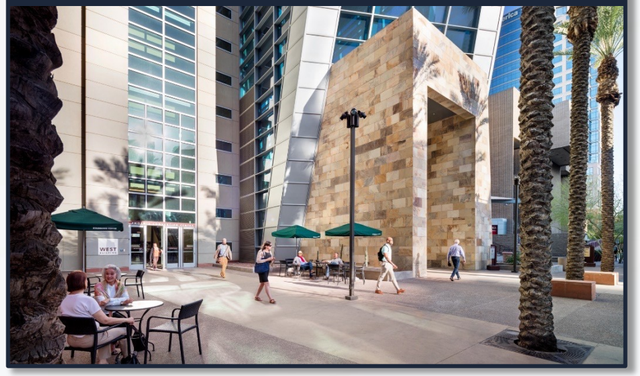
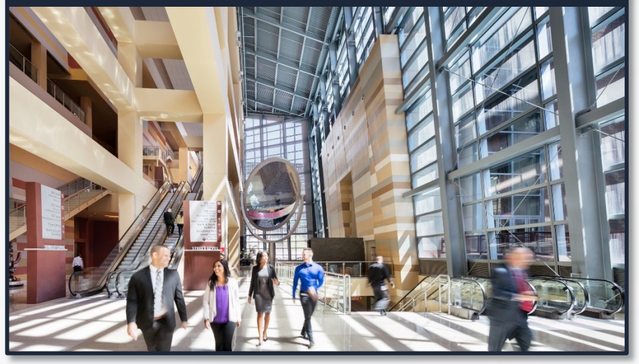
MISSION & VISION

The Phoenix Convention Center Department enhances the cultural vibrancy and economic vitality of the community. We are committed to providing the highest levels of customer service and guest experience in the industry.

MISSION



VISION



To be the premier convention and entertainment complex in North America through our distinctive venues, caring service and memorable experiences.

VALUES

WeCARE defines and describes the values of PCCD. CARE is an acronym defining the four behaviors we consistently demonstrate in all guest interactions.

Collaborative: Our team works in harmony to create a welcoming atmosphere for all our guests. We believe in the power of collaboration, which enables us to deliver exceptional customer service.

Accountable: Taking responsibility for our actions is critical to our service philosophy. If anything falls short of your expectations, we take ownership and work to rectify any issues promptly.

Respectful: We treat each guest with the utmost respect, valuing individuality and embracing diversity.

Empathetic: Understanding and connecting with our guests is essential to providing meaningful and compassionate service. We strive to empathize with your needs and concerns, ensuring you feel heard and valued.



ECONOMIC IMPACT

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PCCD'S IMPACT

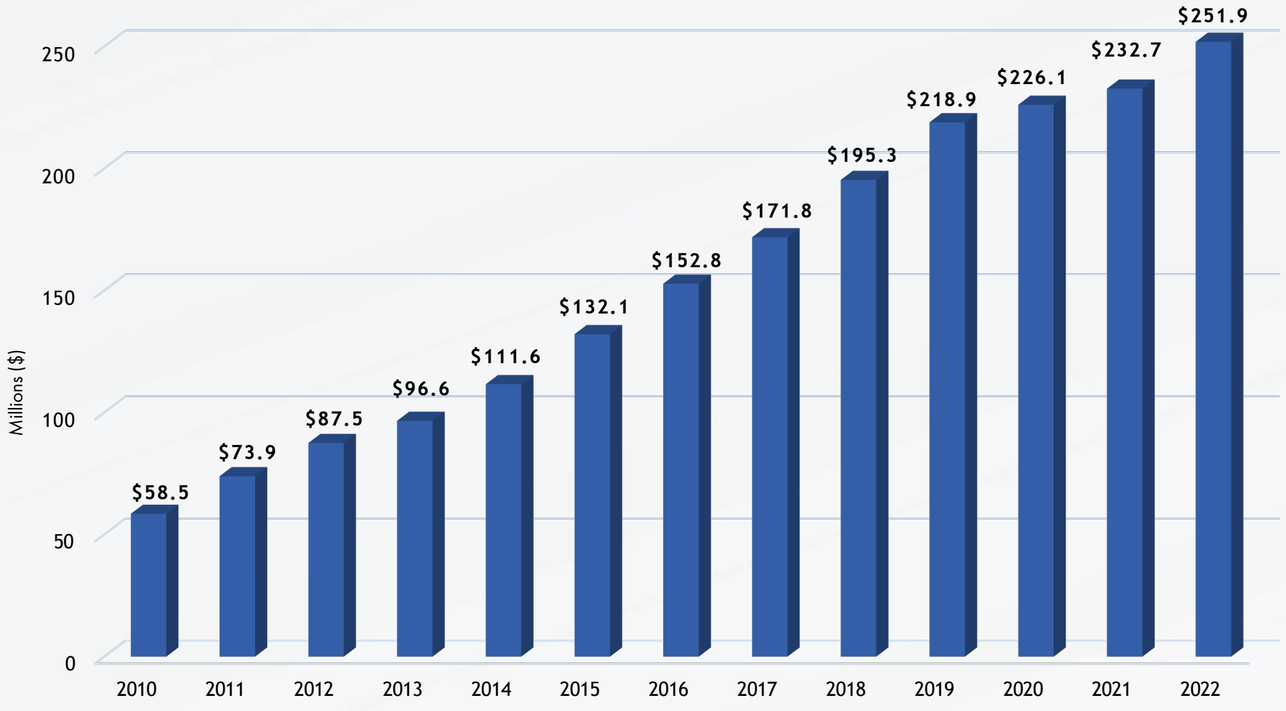

Figure 1

PCCD has a significant impact on the City of Phoenix and State of Arizona. Since the 2006 expansion project's completion, 2.5 million delegates have attended conventions and tradeshows citywide. The economic impact is reflected in direct spending on hotel rooms, dining, entertainment, rental cars and shopping.

State legislation requires the Auditor General to conduct an economic and fiscal impact analysis of the expansion project every year beginning in the fifth year of operation. The most recent study, conducted by HVS Convention, Sports & Entertainment Facilities Consulting, concluded that the expansion has a positive impact on the State's general fund of $251.87 million for the period 2009-2022.

After the expansion, event activity reached record numbers followed by a gradual decline as the Great Recession and other factors began to negatively impact booking activity. Citywide convention booking has significantly increased due to an improving economy and aggressive marketing and promotional initiatives by Visit Phoenix, PCCD and the downtown convention hotels.

PCCD SALES PROCESS

PCCD and Visit Phoenix work in partnership to market the destination and book conventions, tradeshows and regional events.

0 to 14 Months

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Focus:

- local meetings
- consumer shows
- receptions/ banquets

14 Months and Beyond...

VISIT PHOENIX

Focus:

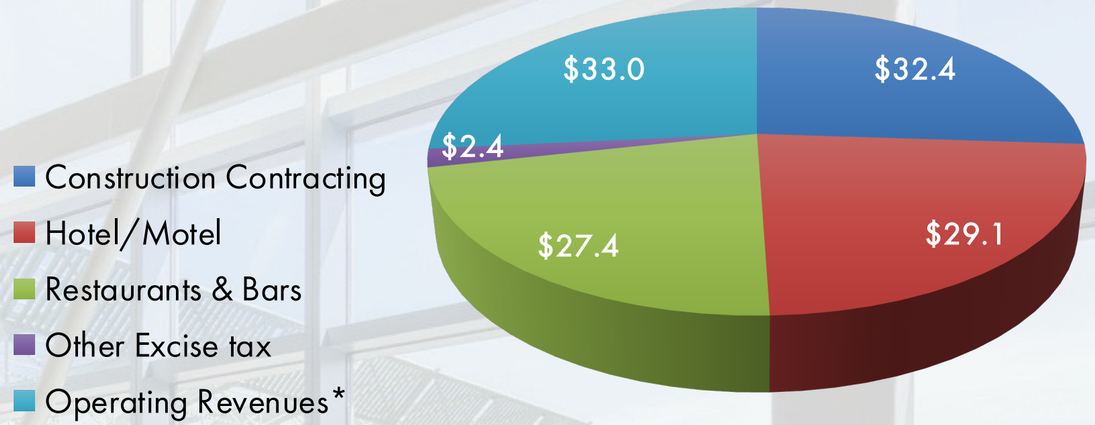
- conventions
- trade shows
- citywide hotel room nights



PCCD FUNDING SOURCES

Approximately 27% of PCCD revenues ($33 million) can be directly influenced by department (PCCD) activities. Other revenues come from taxes on restaurants, lodging, construction and other sources. The strategic business plan focuses on revenues under the department's direct control.

FY 23-24 ($124.3M)



*Includes rental fees, commissions, and parking.

Figure 2

PCCD FUNDING USES

FY 23-24 ($86.9M)

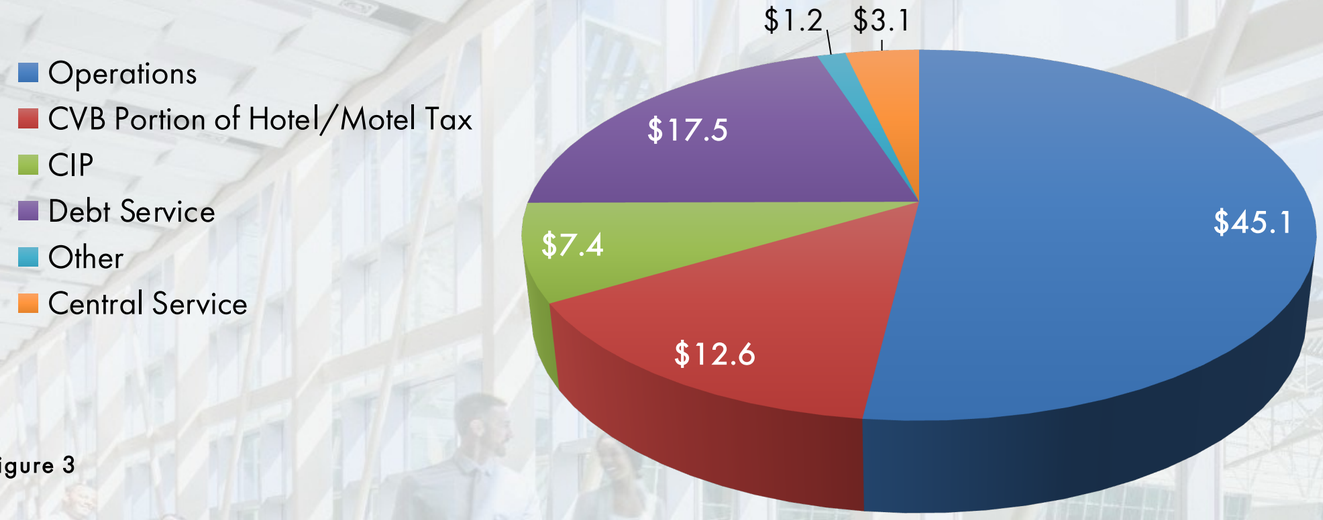


Figure 3

Thirty-six percent of PCCD funds go toward operations. The department continues its commitment to managing expenses. This strategic management of expenses and revenues is critical to PCCD's future expansion planning.

PCCD FUND BALANCE PROJECTIONS

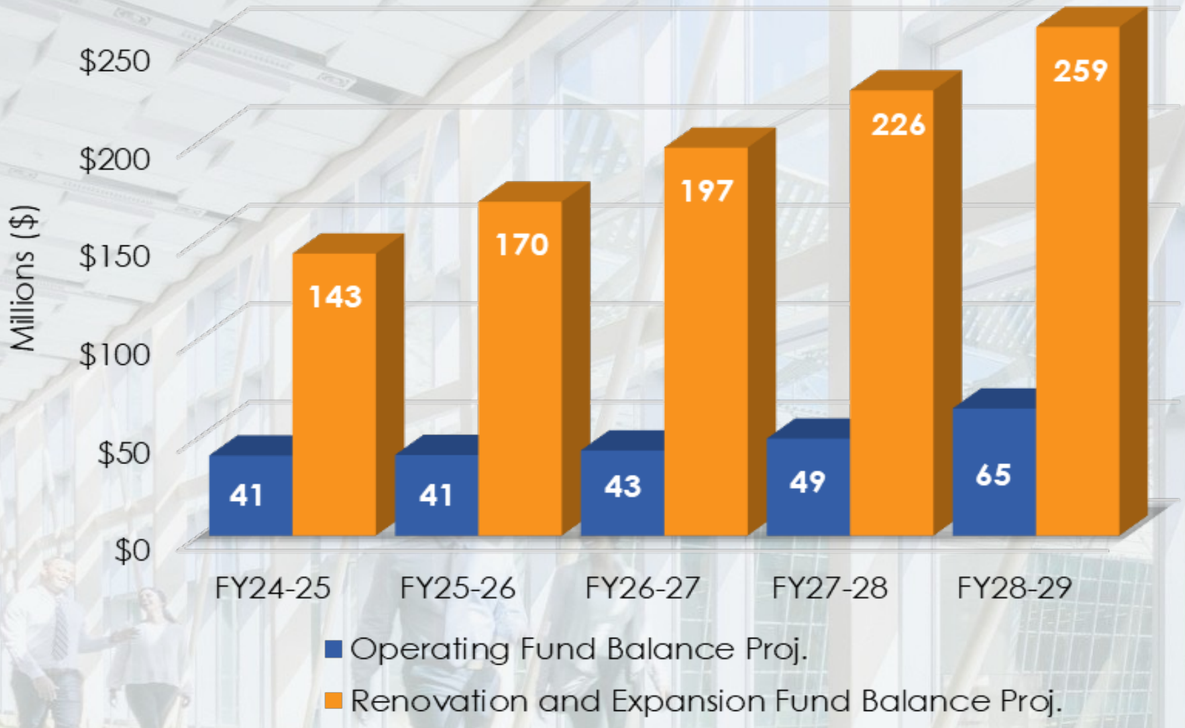


Figure 4

In Fiscal Year 2017-18, PCCD created a Renovation and Expansion Fund (REF) in preparation for the future expansion of the PCCD. The fund was established to set aside excess revenues for the sole purpose of PCCD's future expansion. The department goal was to set aside 5% of total revenues in this fund. During the pandemic, this fund was completely depleted as funds were needed to support ongoing operations. Since the return of the tourism industry, PCCD has seen record-breaking revenues in both excise and operating categories. The department has since updated its goal to set aside 20% of revenues.

The chart in Figure 4 shows the projected fund balances for both the Operating and REF. The strategic plan focuses on developing a financial plan that will support the expansion once the market is ready.

CONVENTIONS & TRADESHOWS

The record number of conventions hosted in a year was 70 in 2018. PCCD has a target of hosting 60 to 70 citywide conventions per year. The department resumed hosting the target number of conventions in 2022 following the COVID-19 pandemic.

Calendar Year

(as of 5/31/24)

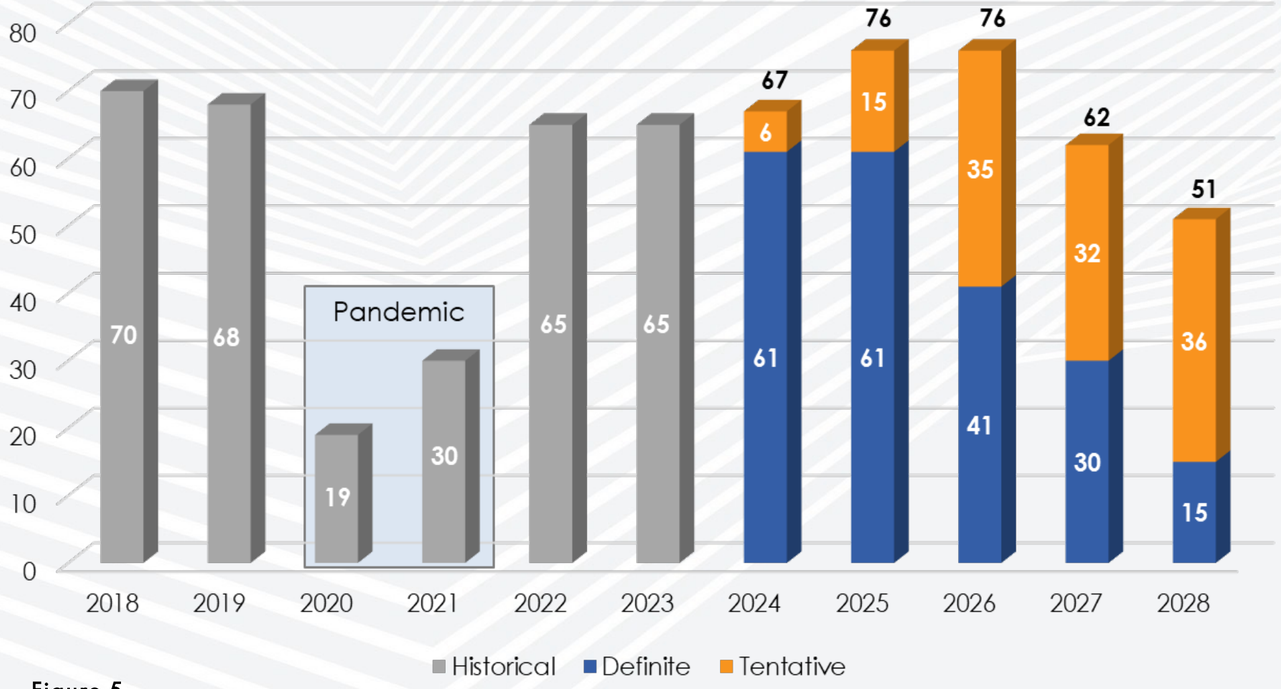


Figure 5

Source: GPCVB - 5/31/24 Calendar Year



DELEGATES

Calendar Year

In 2024, PCCD and Visit Phoenix set a convention attendee benchmark of 300,000 per year. This represents a 5.3% increase over the previous goal of 285,000. A more aggressive and proactive selling strategy was implemented to capitalize on the high lead volume that has continued for the destination.

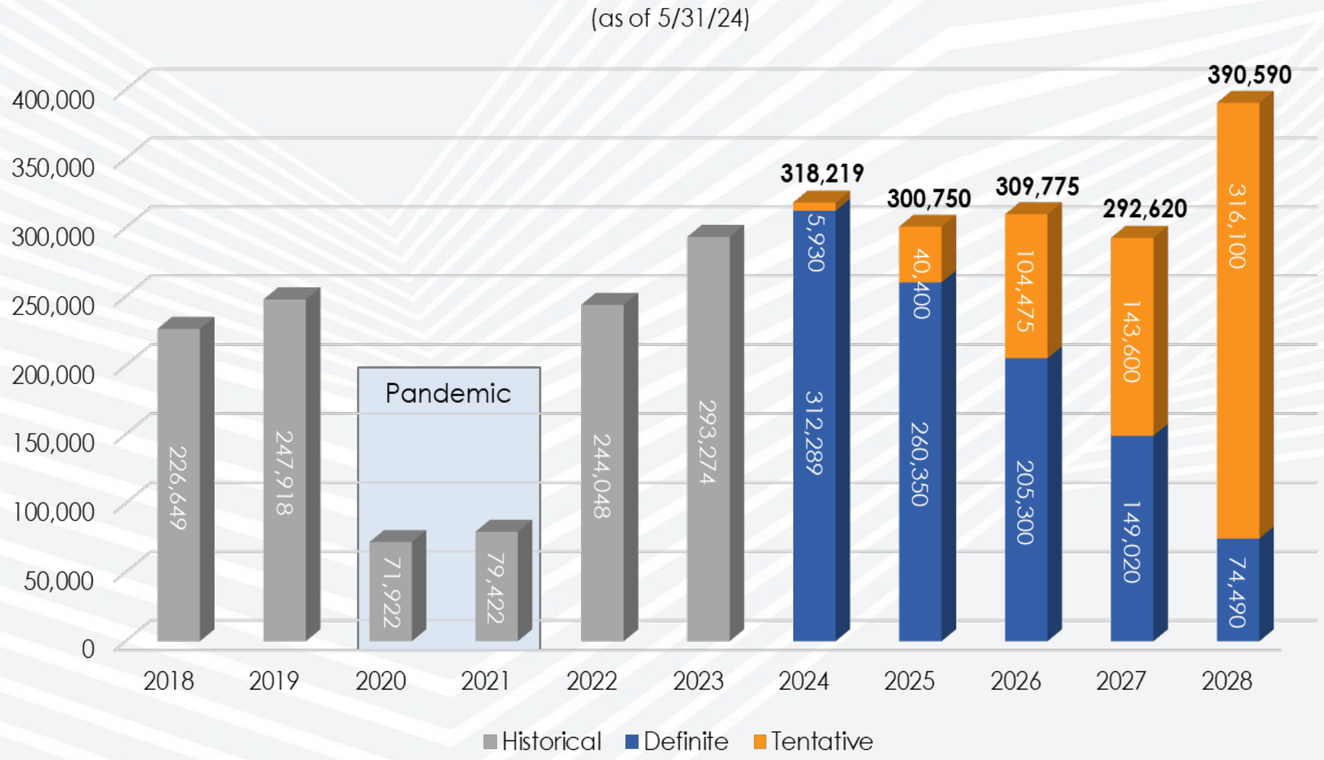


Figure 6

Source: GPCVB - 5/31/24 Calendar Year



SPACE OCCUPANCY

Calendar Year

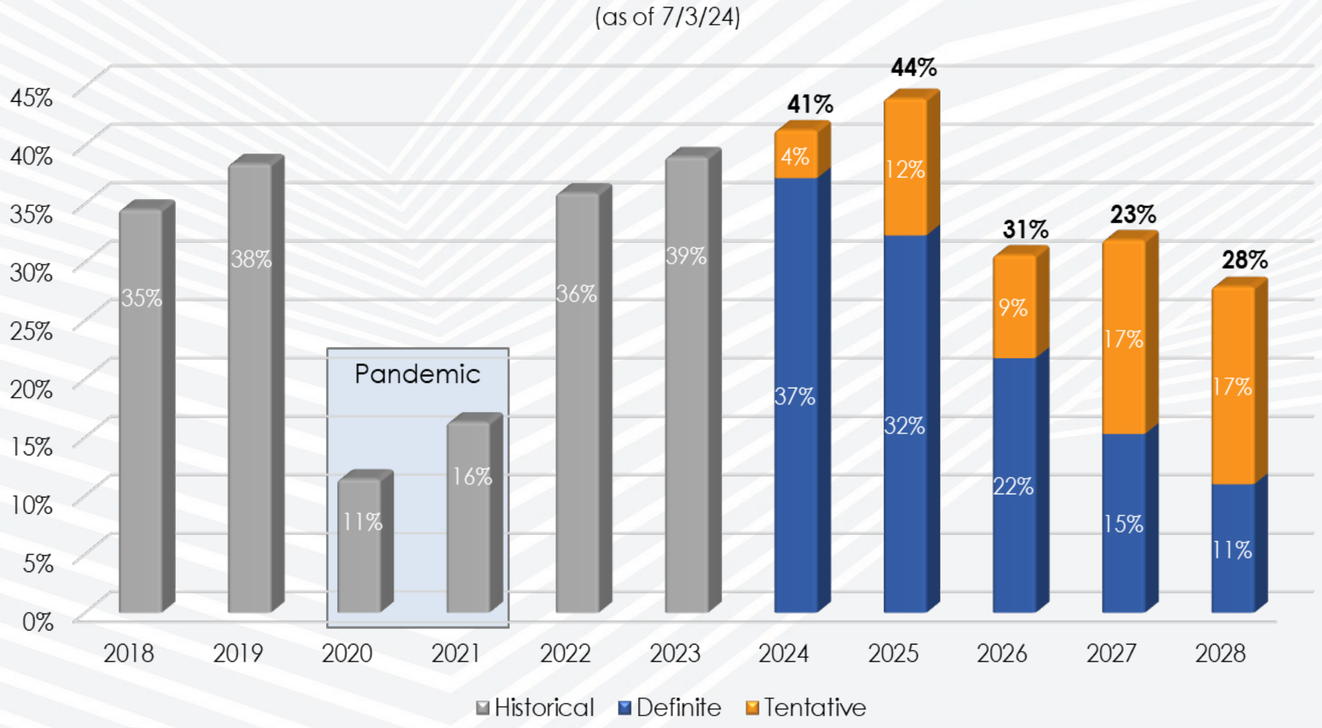


Figure 7

The Phoenix Convention Center strives to optimize occupancy through strategic and smart booking practices. The occupancy rate for 2023 was 39%.

The occupancy rate for 2025 is projected to be 44%, a 28.35% increase over the average rate between years 2009 to 2017.



ROOM NIGHTS

Calendar Year

Hotel room nights in the downtown destination are reflective of the economic impact of the convention business at the Phoenix Convention Center. The PCC, in partnership with Visit Phoenix, has set an annual goal of 330,000 hotel room nights.

(as of 5/31/24)

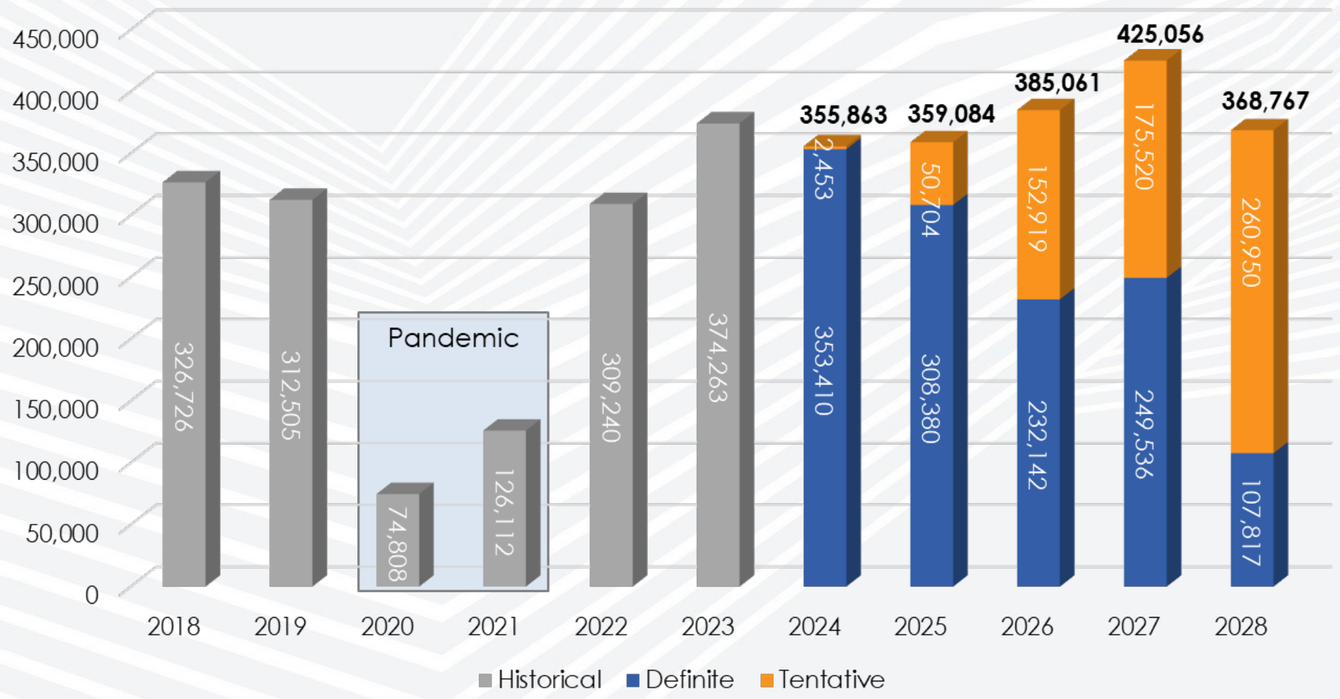


Figure **8**

Source: GPCVB - 5/31/24 Calendar Year



STUDY RECOMMENDATIONS

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CHALLENGES & OPPORTUNITIES

While the Phoenix Convention Center Department celebrates many successes, it faces several challenges as well. Economic fluctuation, worldwide pandemics and ever-changing industry trends affect profitability and convention centers' competitiveness. The PCCD slowly rebounded from the economic downturn wrought by COVID-19 and is on track for banner years in 2024 and 2025.

In both 2019 and 2022, Conventions, Sports & Leisure (CSL) International studied the long-term industry trends and their future implications on PCCD. CSL's research began with an overarching analysis of industry trends across the nation yet concluded with a narrowed focus on the PCCD. It identified the three following recommendations.



STUDY RECOMMENDATIONS

RECOMMENDATIONS

1

FUTURE PCCD FACILITY NEEDS

Plan for up to 150,000 sq. ft. exhibit hall expansion in six-to-10 years.

2

INCREASE INVENTORY OF CONVENTION HOTEL ROOMS

Add 800-1,200 hotel rooms within next five years.

3

ENTERTAINMENT DISTRICT PLANNING EFFORT

Identify opportunities to create a walkable 24-7 district near the PCCD as a next step.

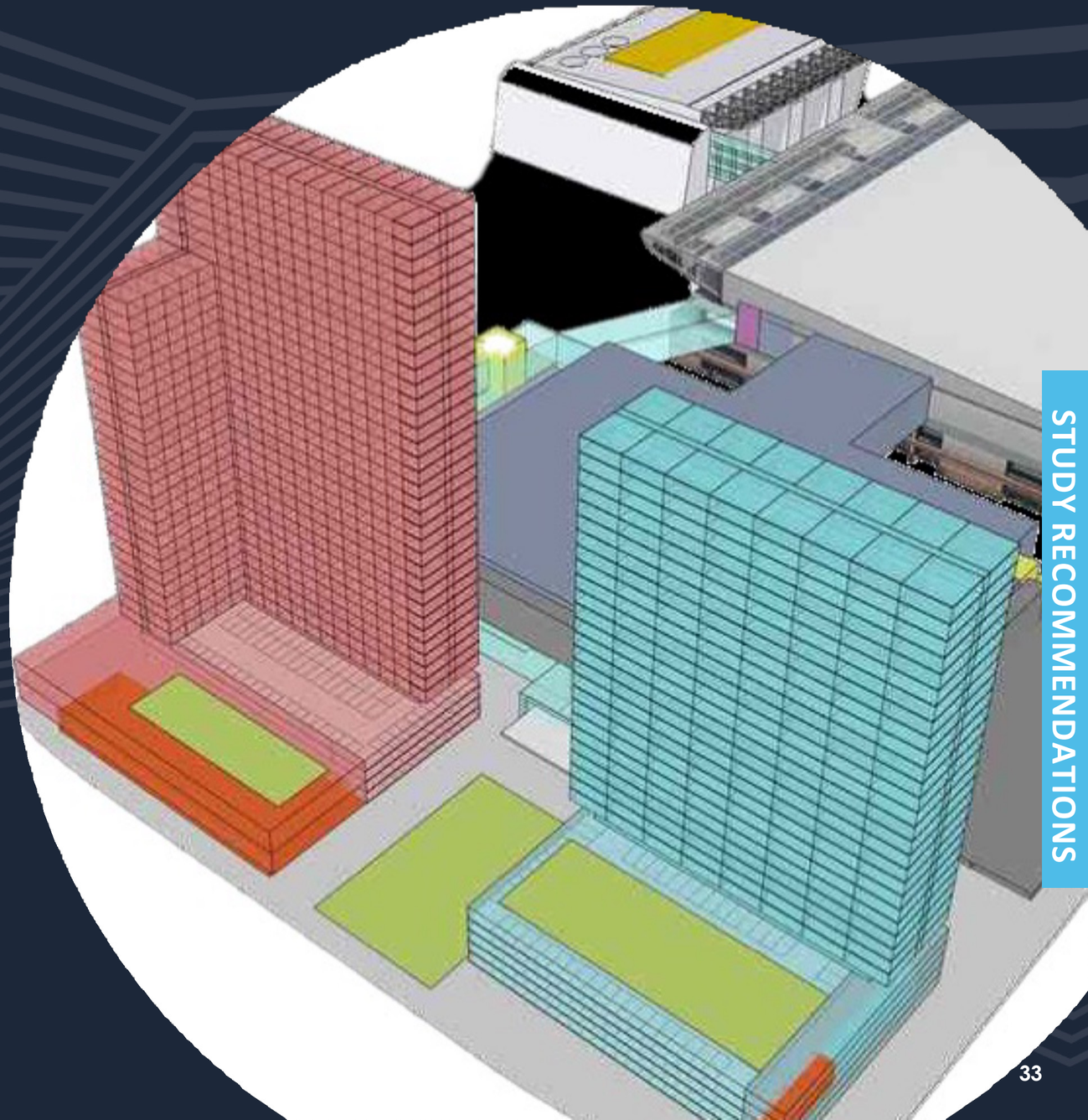
EXPAND PCCD

At the time of the study, PCCD ranked 14th in the industry. By adding 150,000 square feet, it potentially raises its ranking to 10th.



INCREASE HOTEL ROOMS

Competitive convention centers have a collection of hotel rooms to meet the needs of convention delegates within a half-a-mile radius. PCCD lands in the bottom tier in the number of nearby hotel rooms compared to similar convention centers. The goal is to add 800-1,200 additional rooms within the next five years to remain competitive.



CREATE AN ENTERTAINMENT DISTRICT

The third component establishes a walkable space encompassing entertainment and connectivity to other districts and tourist attractions. Attendees increasingly seek access to a vibrant nightlife, dining and connections to landmarks in downtown Phoenix and the surrounding areas.



PLANNING

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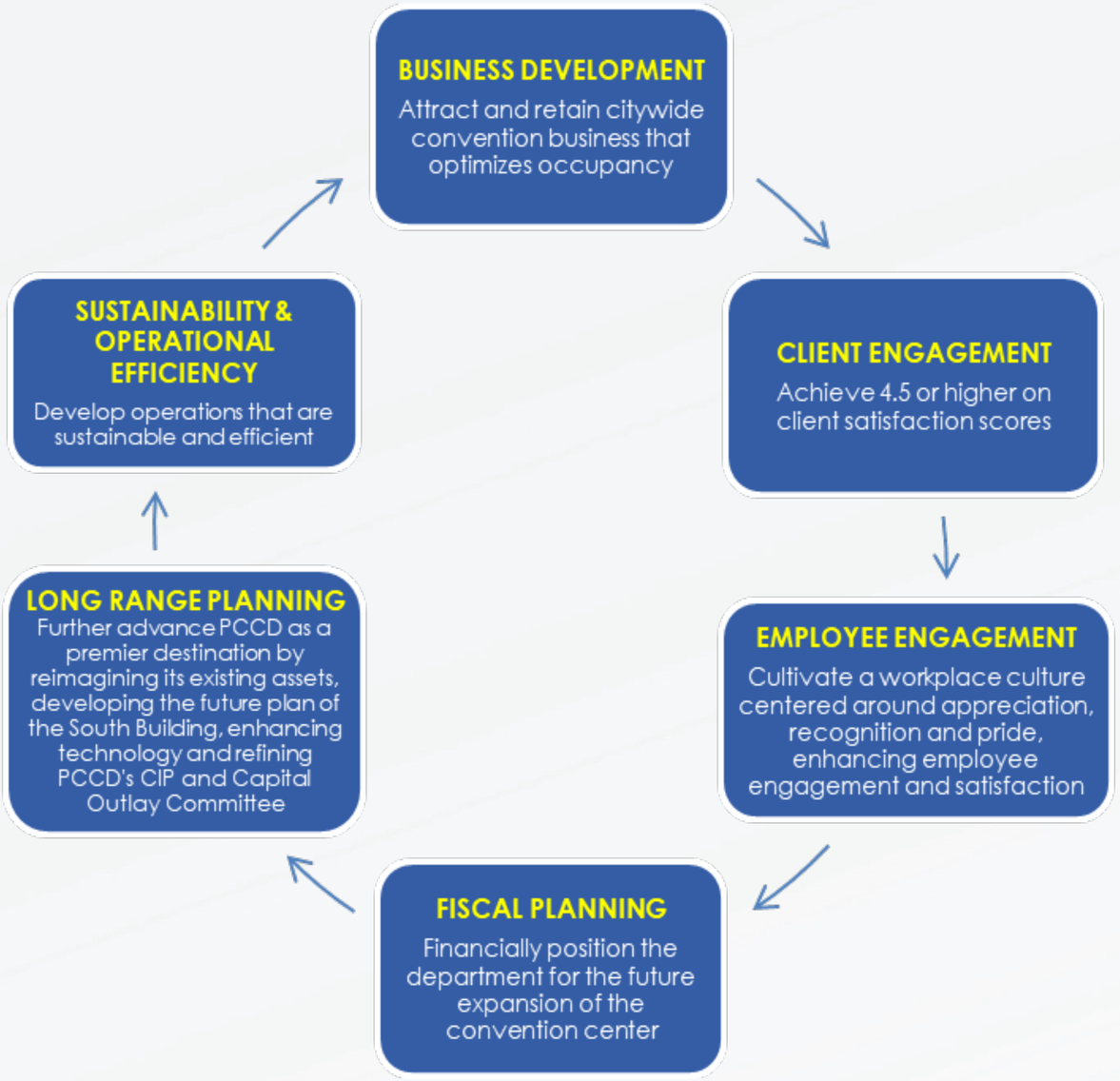
ROADMAP FOR LONG TERM SUCCESS



PCCD's vision is to be the premier convention and entertainment complex in North America through distinctive venues, caring service and memorable experiences. A vision can only be substantiated by incorporating a concrete plan. With this vision as the roadmap, a team of department staff rallied; brainstormed PCCD's strengths, weaknesses, opportunities and threats; and developed six key strategic goals to accomplish.

PLANNING RATIONALE AND PROCESS

Objective 1

Take proactive approach to addressing budgetary and operational challenges.

Objective 2

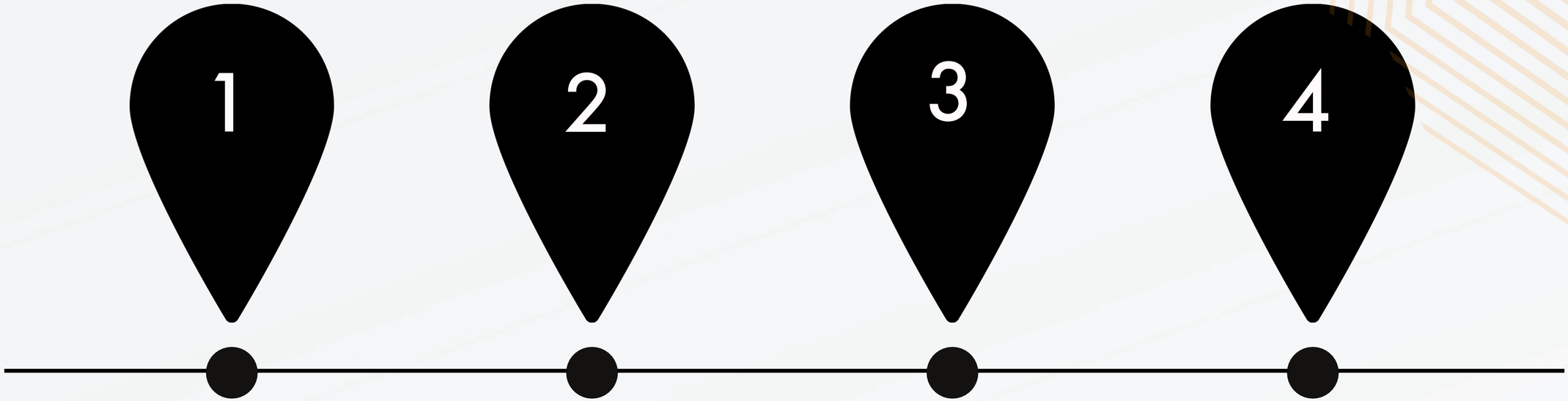
Factor in the necessary funds to adequately maintain the facilities and provide for the necessary long-term renewal and replacement of major fixtures and systems to protect against future economic downturns.

Objective 3

Support the City's economic development goals and objectives by expanding the City's revenue base and leveraging the City's investment in the downtown area through the expansion of major sports, music, arts and cultural events in central Phoenix.



PLANNING PROCESS



SWOT

The senior management team identified key strategic areas and high-level strategies.

STRATEGY

A Deputy Director "champion" was assigned to each key strategic area.

TACTICS

Cross-functional teams identified tactics, timelines and targets for each strategic area.

INPUT

Focus groups provided input on the strategies, as well as the Department's vision and mission.

STRATEGIC GOALS

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SIX STRATEGIC GOALS

1. BUSINESS DEVELOPMENT
2. CLIENT ENGAGEMENT
3. EMPLOYEE ENGAGEMENT
4. FISCAL PLANNING
5. LONG RANGE PLANNING
6. SUSTAINABILITY & OPERATIONAL EFFICIENCY



1

BUSINESS DEVELOPMENT

Attract and retain citywide convention business that optimizes occupancy

GOAL 1.1 STRATEGIC BOOKING

- 1.1.1 Book smarter – non-convention
- 1.1.2 Book smarter – convention
- 1.1.3 Book smarter – theatrical venues

GOAL 1.2 MARKETING INITIATIVE

- 1.2.1 Sustainability promotion
- 1.2.2 Marketing collateral
- 1.2.3 Market Symphony Hall as cultural destination

2

CLIENT ENGAGEMENT

Achieve 4.5 or higher client satisfaction score

GOAL 2.1 ACHIEVE 4.5 OR HIGHER ON CLIENT SATISFACTION SCORE

- 2.1.1 Provide staff, service partners and volunteers training on customer service essentials and hospitality industry standards
- 2.1.2 Broaden the scope of PCCD's program for assessing customer service delivery
- 2.1.3 Sustain an above-average staffing ratio in Sales, Event Operations and Event Services

GOAL 2.2 CREATE ADDITIONAL OPPORTUNITIES TO PERSONALIZE THE CLIENT EXPERIENCE

- 2.2.1 Develop a comprehensive client service engagement program
- 2.2.2 Establish a Client Engagement Team/Committee
- 2.2.3 Increase WOW moments

GOAL 2.3 ENHANCE EFFICIENCY OF CLIENT ENGAGEMENT PROCESS BY STREAMLINING WORKFLOWS, OPTIMIZING COMMUNICATION CHANNELS AND REDUCING UNNECESSARY STEPS

- 2.3.1 Investigate using Momentus more efficiently
- 2.3.2 Examine using document sharing or drop-box ideas
- 2.3.3 Create infographic to illustrate PCCD workflow focusing on benefits of timelines

GOAL 2.4 BECOME A CATALYST OF DOWNTOWN ACTIVITY BY CONNECTING PATRONS TO DOWNTOWN EVENTS

- 2.4.1 Cross promote downtown events
- 2.4.2 Support downtown restaurants and businesses through social media efforts
- 2.4.3 Increase advertising opportunities for our local business community to connect guests with local amenities

3

EMPLOYEE ENGAGEMENT

Cultivate a workplace culture centered around appreciation, recognition and pride, enhancing employee engagement, and satisfaction

GOAL 3.1 REVAMP ANNUAL EMPLOYEE ENGAGEMENT SURVEY

- 3.1.1 Initiate survey as preassessment
- 3.1.2 Establish annual employee survey process

GOAL 3.2 ESTABLISH EMPLOYEE ENGAGEMENT COMMITTEE

- 3.2.1 Develop responsibility

GOAL 3.3 LAUNCH NEW CORE VALUES

- 3.3.1 Design WeCARE branding
- 3.3.2 Produce WeCARE launch event

GOAL 3.4 CREATE NEW EMPLOYEE WARM WELCOME

- 3.4.1 Develop warm welcome program
- 3.4.2 Develop new employee onboarding program
- 3.4.3 Design a new employee WeCARE package

GOAL 3.5 REDESIGN EMPLOYEE RECOGNITION PROGRAM

- 3.5.1 Establish Employee Recognition Committee
- 3.5.2 Develop recognition program
- 3.5.3 Introduce program

GOAL 3.6 ENHANCE SUPERVISOR ENGAGEMENT

- 3.6.1 Design supervisor training curriculum and establish training frequency
- 3.6.2 Establish department supervisor engagement standards

GOAL 3.7 ESTABLISH DEPARTMENT MENTORING PROGRAM

- 3.7.1 Develop department mentoring program

GOAL 3.8 STRENGTHEN DEPARTMENT COMMUNICATION

- 3.8.1 Develop and expand communication opportunities

4

FISCAL PLANNING

Financially position the department for the future expansion of the convention center

GOAL 4.1 DEVELOP DEBT SERVICE STRATEGY

- 4.1.1 Develop debt service strategy for South Building Expansion with Finance and Budget and Research departments

GOAL 4.2 INCREASE PHOENIX CONVENTION CENTER DEPARTMENT REVENUES

- 4.2.1 Increase PCCD revenues

GOAL 4.3 OPTIMIZE PCCD EXPENDITURES

- 4.3.1 Optimize PCCD expenditures
- 4.3.2 Enhance CIP/Capital Outlay program to better prepare for future needs

5

LONG RANGE PLANNING

To further advance the Phoenix Convention Center and Venues as a premier destination by reimagining our existing assets, developing the future plan of the South Building, enhancing technology and refining our CIP and Capital Outlay Committee

GOAL 5.1 REIMAGINE EXISTING AREAS

- 5.1.1 Reimagine/redesign the N. Building UPS Store and Ticket Office
- 5.1.2 Redesign lower-level café area
- 5.1.4 Relocate public art, where applicable
- 5.1.5 Create a space that showcases service partners
- 5.1.6 Reimagine Third Street
- 5.1.7 Invest in exterior lighting and PCCD curb appeal

GOAL 5.2 DEVELOP FUTURE PLAN OF SOUTH BUILDING

- 5.2.1 Redevelop/expand South Building

GOAL 5.3 ENHANCE TECHNOLOGY AT PCCD

- 5.3.1 Identify existing or lagging technologies to increase competitiveness in marketplace
- 5.3.2 Optimize building environments to satisfy client/guest expectations
- 5.3.3 Take advantage of cutting-edge technologies
- 5.3.4 Reassess the shared services agreement with ITS
- 5.3.5 Use of more LED walls/signage

GOAL 5.4 UPGRADE THEATERS

- 5.4.1 Assess client usage at theatrical venues
- 5.4.2 Complete theater improvement plan through capital investment

6

SUSTAINABILITY & OPERATIONAL EFFICIENCY

To develop operations that are sustainable and efficient

GOAL 6.1 ESTABLISH AND ENHANCE SUSTAINABLE PRACTICES THROUGHOUT THE DEPARTMENT

- 6.1.1 Establish sustainability protocols for major/mega events
- 6.1.2 Create annual report of sustainability and energy management efforts
- 6.1.3 Create sustainability dashboard and share monthly statistics of efforts
- 6.1.4 Integrate Enterprise Asset Management Software (EAMS) platform
- 6.1.5 ADA compliant signage
- 6.1.6 Assess/install new assistive listening systems, where applicable
- 6.1.7 Establish PCCD as a trendsetter in sustainable practices
- 6.1.8 Partner with planners to provide tools for green events
- 6.1.9 Diminish climate impact by increasing energy from renewable sources
- 6.1.10 Explore the creation of a menu of sustainable practices that clients may use

GOAL 6.2 STREAMLINE EVENT LOGISTICS TO MEET ESTABLISHED TIMELINES

- 6.2.1 Event Efficiency Committee
- 6.2.2 EPAC Forum and Agenda

GOAL 6.3 BRING BACK IN-HOUSE HR OFFICER

- 6.3.1 Review the need with senior-level management

GOAL 6.4 REVISE THE FACILITIES AND SERVICES WORK ORDER PROCESS

- 6.4.1 Review the flow and communication of work orders in SAP System

THANK YOU

PCCD's Five-Year Strategic Plan allows us to focus on key initiatives and priorities as we move toward a new position of growth and sustainability. The plan will guide our decisions while we shape the future of downtown Phoenix's tourism industry. While Business Development, Client Engagement, Fiscal Planning, Long Range Planning and Sustainability all deserve equal attention, it cannot be overstated that engaging with our employees is tantamount to our success. The new WeCARE initiative is key to creating a culture of appreciation and recognition for not only our guests, but also our team members.

On behalf of the entire Leadership Team, we want to thank those who make the PCCD one of the highest rated convention centers in the country. We are excited to see what we can accomplish over the next five years.

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WE CARE



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2024

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City of Phoenix