

**WASHINGTON  
STATE  
CONVENTION  
& TRADE  
CENTER**

**STRATEGIC  
PLAN  
2009 – 2011**



# WASHINGTON STATE CONVENTION & TRADE CENTER

## STRATEGIC PLAN 2009 - 2011

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### **MISSION OF THE WASHINGTON STATE CONVENTION & TRADE CENTER (WSCTC)**

Through the professional actions of our staff, we will provide our guests with a distinctive level of service excellence while maintaining a fiscally responsible, self-sustaining operation that contributes economic benefits to the people of the State of Washington.

### **STATUTORY AUTHORITY:** Ch. 67.40 RCW

In RCW 67.40 authorization is given to the Governor to form a nonprofit corporation to meet the purpose of this chapter:

- Provide both direct and indirect civic and economic benefits to the people of the State of Washington,
- Be located in the City of Seattle where it will benefit and increase the occupancy of larger hotels and other lodging facilities,
- Be funded through a special excise tax on the price of lodging in Seattle and King County.

### **BACKGROUND**

We are a corporation governed by a nine-member Board of Directors, who are appointed by the Governor. The Board's mission is to direct the design, construction, promotion, operation and expansion of the WSCTC.

Construction of the WSCTC building was funded from State general obligation bonds. The building was completed on time and the first event was held on June 18, 1988. WSCTC received legislative approval in the 1995 – 97 biennium to expand the Convention Center. The expansion project was completed within budget and the first events in the expansion space were held in August 2001. After expansion, the Convention Center has 205,700 square feet of exhibition space, 70,000 square feet column free space for plenary sessions for 8,000 people and 102,201 square feet of meeting space and a grand entrance.

### **GOALS**

1. To operate with the highest possible standards of customer service, continually evaluating customer satisfaction and quality of service performance.
  2. To provide economic benefits to the people of the State of Washington.
  3. Continue to be financially self-sustaining.
  4. Contribute leadership in coordinating the destination sales effort.
  5. Leadership on Energy and Environmental Design (LEED) Certification.
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6. Redesign and renovation of 800 Pike Street expansion.

### **OBJECTIVES**

1. Customer Service
    - Promote service vision to staff and clients: "By doing ordinary things in an extraordinary manner, we will earn the privilege of serving our customers again."
    - Consistently deliver a quality event experience tailored to the satisfaction of every customer.
    - Provide staff with necessary information, resources, and ongoing training to facilitate the effective and efficient achievement of quality service performance goals.
    - Hire to assure the right person is in the right job and to enhance service capability.
    - Update building finishes.
  2. Economic Benefits
    - Generate sales tax dollars to the State of Washington's General Fund from WSCTC delegate spending.
    - Attract out-of-state or out-of-area attendees to events at the Center, where they will spend their money on lodging, food, and retail establishments, providing state and local tax revenues, jobs for workers in the hospitality and retail industries, and profits for local businesses.
    - Showcase, purchase and serve Washington agricultural products to provide positive financial benefits for farmers, ranchers, growers, winemakers and brewers throughout the entire state.
  3. Continue to be financially self-sustaining
    - Manage operating fund at a fiscal year break-even or profit.
  4. Provide Leadership to the destination sales effort
    - Schedule strategy meetings and training events with Seattle's Convention and Visitors Bureau (SCVB) and with hotel sales and services teams.
    - Plan site visits for third-party planners and large associations site committees to attract future business to this region. Efforts will be coordinated among WSCTC, SCVB, area hotels, and other hospitality businesses.
  5. LEED Certified building
    - Become "green" building as recognized by a LEED certification, as there is a growing demand by meeting planners to host events at LEED certified convention centers.
    - Provide tools to produce events with a smaller carbon foot print.
  6. Renovation of 800 Pike Street
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- Provides the Convention Center with an additional 138,610 square feet of total space.
- Building will receive LEED Silver Certification.
- Offers clients flexible exhibit and meeting space.

### **PERFORMANCE MEASURES**

1. Customer Service
  - 1.1 By survey, percent of event clients rating WSCTC's services overall as "satisfied" or "very satisfied." Outcome measured on semi-annual samples.
  - 1.2 By survey, percent of event clients rating specific aspects of the WSCTC experience i.e., food service, facility, etc. as "satisfied" or "very satisfied".
2. Economic Benefits
  - 2.1 Estimated delegate spending while attending events at the WSCTC, expressed in dollars (millions) and based on published regional/national averages of retail spending by event delegates. Outcome measured annually.
  - 2.2 Sales tax dollars to the State of Washington's General Fund generated from estimated WSCTC delegate spending. Outcome measured annually.
  - 2.3 Number of attendees at the WSCTC events. Output measured annually.
3. Improved Profit Position
  - 3.1 Operating profit or loss expressed in dollars. Output measured annually.
  - 3.2 Number of events held at the WSCTC. Output measured annually.
  - 3.3 Compare benchmarking results with six other West Coast convention centers. WSCTC submits standard revenue, event space used, and attendance results to an independent third party, who provides results back to the participants in an anonymous format for comparison and trends.

### **STRATEGIES**

1. Customer Service
    - Update service-training strategies that support the service vision for staff and customers.
    - Continue to review and refresh service systems to deliver a quality event experience tailored to the satisfaction of every customer.
    - Continue hiring to assure the right person is in the right job to meet WSCTC objectives. Continue to update training programs for new employees that provide them with the skills to achieve quality service objectives.
    - Upgrade wall coverings, operable walls, restrooms finishes, linens, flooring, and doors.
  2. Economic Benefits
    - Target marketing efforts to large events that have high per-capita delegate spending.
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- Increase efforts to attract large national associations and corporate events that will bring an increasing numbers of attendees to WSCTC.
  - Continue efforts to meet and work with growers, farmers, ranchers, wine makers and brewers to promote and showcase Washington agricultural products.
  - Market to organizations that are now choosing environmentally friendly or “green” facilities.
3. Continue to be financially self-sustaining
- Examine monthly expenditures and revenues to achieve stated financial goals.
  - Continually update financial projections and make recommendations that will assist in achieving the goal of self-sustaining operations.
4. Coordinate the destination sales effort
- Achieve a marketing agreement with SCVB that ties into the marketing strategies of both the hotel community and WSCTC.
  - Target future events and site visits to coordinate with the hotel community’s calendar.
  - The Professional Convention and Management Association (PCMA) met at WSCTC in January 2008. PCMA is the largest and most prestigious group of decision makers that book conventions, tradeshow and meeting space in North America. In concert with the hotel community and SCVB, the Convention Center plans to build on contacts made at PCMA to promote conventions and meetings in our region for years to come.
5. LEED’s Certification
- LEED points for existing building certification and Silver LEED certification for 800 Pike Street renovation.
  - Enhanced recycling, composting and reduce carbon foot print.
6. Renovation of 800 Pike Street
- Provides 138,610 square feet of space.
  - New, high quality meeting and exhibit space.
  - Design to add flexible, customer friendly spaces.

Our staff members are our most important resource. WSCTC’s aim is to provide staff with continued training for safety and efficiency, reward them for outstanding performance, open lines of communication with management and to provide service excellence.

WSCTC is an enterprise fund, which operates similar to a private business rather than a governmental agency. Due to concern for the bottom-line, the useful life of many capital items has been stretched to the maximum. In the event that some or all of these items need to be replaced during this biennium, the budget is not large enough to accommodate the replacement cost and the impact would affect the Convention Center’s business. Therefore, in Capital Fund 01V, a long-term maintenance and improvement program is outlined that addresses preservation of WSCTC’s capital assets over a ten-year cycle. RCW 67.40.040 (6)(b) reserves \$13,782,505 for the biennium in Fund 01V to fund facility enhancements and capital maintenance.

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New technology and the number of new or expanded convention centers not only in the local market, but nationally, compel WSCTC to keep its building finishes and technology competitive to maintain its marketability.

### **PERFORMANCE ASSESSMENT**

The WSCTC continues to be a major catalyst in the economic development of the State through the tourism industry. It is our intent, with the 2009 - 2011 biennium budget proposal, to continue the high level of success that we have experienced since our opening in June of 1988.

The purpose of the WSCTC is to attract new revenue from outside Washington State by hosting national, international and regional conventions and trade shows. Delegate spending significantly increases area hotel use, retail and service industry sales and provides new sources of state and local tax revenues. This region's reputation as a desirable destination for conducting international and national business has been enhanced by the availability of exhibit and meeting space, as well as, the high service level provided by the WSCTC. The influx of visitors to the State also contributes significantly to the tourism industry.

Sales tax receipts from visitor spending go directly into the State Treasury to support our educational and social and health programs. Also, convention delegates do not make demands on local government services. Conservative projections estimate WSCTC's 2009 – 2011 biennium events will add over \$22 million of sales tax revenue to the State Treasury.

### **APPRAISAL OF EXTERNAL ENVIRONMENT**

The supply of exhibit space and the number of convention centers continue to expand, increasing competition in the industry. In order to continue to distinguish WSCTC and attract guests from out-of-state, a continued focus on our clients and services is vital. Our customer service needs are also reflected in this budget proposal. For continued success, it is essential that we are able to provide our clients with the appropriate contracted staffing levels and a well-maintained facility. When the need arises for additional staffing or services, we must be prepared to provide them as required. These additional services are paid for by the client, but must first be charged to our operating budget. Until such time as we can offset expenses with added revenues, we must anticipate additional client service requests in our budget planning process. Any potential reduction in this budget submittal may affect the service level provided to our contracted users.

While attendance from 1996 through 2004 was strong, except for fiscal 2002, following 9/11 which was down slightly. Fiscal 2005 attendance was down six percent, however, out-of-state attendance was up 11 percent and delegate spending was up five percent. Fiscal years 2006 and 2007 have shown strong growth in out-of-state attendance. The outlook over the 2009 – 2011 biennium from our state forecaster predicts slow-to-moderate growth during this period.

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The maintenance and facility operating budget is built to keep the WSCTC a first-class facility. Great pride is taken in the appearance and condition of the building and our budget request is based on that expectation. This building does not just house our business, it is our business.

WSCTC is an enterprise fund agency that receives ongoing revenues from operations and from excise taxes on hotel and motel rooms in Seattle and King County, designated by statute for WSCTC operations and marketing. However, WSCTC can, by statute, transfer revenues to operations from Capital Fund 01V that are in excess of debt service payments.

From the inception of the Convention Center, it was anticipated that WSCTC would need to borrow from the General Fund for operations through the year 2000. As a result of the positive influence the Center has had on the hotel industry and resultant hotel/motel tax receipts, there has been no need to borrow since fiscal year 1993. We do not anticipate the need for future borrowings.

To restate, we do not require a General Fund loan for this upcoming biennium. However, there could be a transfer requirement from existing dollars in Fund 01V.

### **REFERENCE/CONTACT INFORMATION**

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