



New York Convention Center Operating Corporation

Adopted Annual Budget and Multi-Year Financial Plan

Fiscal Year 2022 - 2025

§ 203.6 Budget and Financial Plan presentation.

(a) An explanation of the public authority's relationship with the unit or units of government, if any, on whose behalf or benefit the authority was established.

New York Convention Center Operating Corporation (NYCCOC) was established by the New York State Legislature in 1979 as a public benefit corporation through Title 27 of the Public Authorities Law. NYCCOC was created to operate and maintain the Jacob K. Javits Convention Center (Convention Center). The Convention Center hosts more than 170 events a year, including trade events, conventions and special events, and home to 20 of the top 200 trade events in the United States. The Javits Center is more than just a convention center. Named after the legendary and lifelong New Yorker, Senator Jacob K. Javits, this self-sustaining New York icon has become a wildlife sanctuary, a community partner and a nationwide nexus where the latest ideas in business and pop culture converge under one very green roof. With a significant investment in our infrastructure, we have quickly become a leader in sustainability, security and technology, setting a new standard for convention centers throughout the country. We employ thousands of experienced event and construction professionals dedicated to coordinating and constructing events with major brands from around the world, generating waves of economic activity across the region. And with a historic expansion project underway, we are preparing to host an even wider variety of events in the years to come, attracting new generations of visitors to Manhattan's West Side.

The mission of the NYCCOC is to serve the citizens of the State and City of New York by generating new business and employment opportunities, serving as a catalyst for the continued redevelopment of the local community and operating in the public interest, consistent with the social, economic and environmental priorities of existing state policy. NYCCOC meets these objectives through maximizing the booking of trade events, conventions, public events, and special events that stimulate spending within the regional economy, create jobs at the Javits Center and in the surrounding community and generate a reliable source of revenue for the State and City of New York. NYCCOC strives to achieve these results by operating in accordance with the highest professional standards, generating sufficient operating revenue to be financially self-supporting, maintaining the convention center facility in accordance with our core values and ensuring our operations are consistent with contemporary sustainability objectives and a community friendly approach.

As a secondary goal, NYCCOC strives to operate the facility and to manage its funds in such a way as to be self-supporting. NYCCOC meets this objective by directly supplying as many services to its customers as it can efficiently administer, and by carefully managing its expenses.

Finally, NYCCOC has added a new goal in recent years: to achieve an expansion and renovation of the existing facility that will better meet the needs of its existing customers

and will also allow it to attract new events to benefit the State and City economy. NYCCOC meets this objective by soliciting input from its customers and by cooperating with the New York Convention Center Development Corporation to secure the most cost-effective improvements to the Center.

(b) A description of the budget process, including the dates of key budget decisions.

Our process for developing the budget begins with the Sales Department identifying each event that is licensed, the events that are expected to be licensed and estimates of the special events yet to be licensed, based on the historical data and current economic climate. Special events are harder to predict than recurring trade events. Special Events license their space from as little as a week in advance of the event (i.e. photo shoot) to 6 months in advance for a more complex event (i.e. movie screening). We then use the gross square footage based on the license agreement for which the event has rented. From the gross square footage, we determine the net square footage based on historical data and information from the event manager or other venues. The net square footage is the basis for generating the event related revenue and expense. We determine the revenue and expense based on the labor hours projected and apply the labor rates and benefits. The labor rates and benefits are a combination of the current rates and upcoming contractual rate increases. In addition to the event labor expense we also must budget for the house labor expense. We work with the operations department and determine the staffing levels, contractual rates of pay, and the repair and maintenance needs of the building. The repair and maintenance needs continue to increase as the building ages and the infrastructure improvements are completed. The Operations Department works on adjustments to the five-year plans for both repairs and maintenance and capital improvements based on labor required and available time in the calendar to complete the projects. Lastly, there are emergency repairs that occur which are estimated based on the age of the facility in addition to the labor demands required as a result of the on-going renovation. We expect to continue to see reduced emergency work as a result of the capital investments made and increase costs in preventive maintenance.

(c) A description of the principal budget assumptions, including sources of revenues, staffing and future collective bargaining costs, and programmatic goals.

Please see attached.

(d) A self-assessment of budgetary risks.

NYCCOC updates the operating and five-year capital plan on an annual basis and presents it to the Board of Directors for approval.

(e) A revised forecast of the current year's budget.

Once approved by the Board of Directors the budget is not revised as the year progresses.

(f) A reconciliation that identifies all changes in estimates from the projections in the previously approved budget or plan.

Once approved by the Board of Directors the budget is not revised as year progresses.

(g) A statement of the last completed fiscal year's actual financial performance in categories consistent with the proposed budget or financial plan.

Please see attached.

(h) A projection of the number of employees, including sources of funding, the numbers of full-time and full-time equivalents, and functional classifications.

FY22 Headcount Request		
	Full Time	Part Time
Administration	107	10
House Labor	119	30
Event Labor	0	206
TOTAL	226	246

(i) A statement of each revenue-enhancement and cost-reduction initiative that represents a component of any gap-closing program and the annual impact on revenues, expenses and staffing.

NYCCOC has established a broadcast studio and event space for live broadcast event for customers so that they can connect to a large virtual audience while the event capacity is limited. The event space can also accommodate safely, a live audience of up to 278 physically distanced.

NYCCOC has paused all non-essential services to minimize the operating costs beginning in FY21 due to the Covid-19 pandemic. Furthermore, other operating expenses have been reduced to the minimum amount necessary to maintain the facility. Furloughs of approximately 60% of the pre-pandemic headcount were also completed to further minimize operating costs. These reductions continue in FY22 and are estimated to slowly phase out to accommodate the Vaccination Center, the turnover of the Expansion and events resuming in the fall of FY22.

(j) A statement of the source and amount of any material non-recurring resource that is planned for use in any given fiscal year.

None.

- (k) A statement of any transactions that shift material resources from one year to another and the amount of any reserves.

None.

- (l) A statement of borrowed debt projected to be outstanding at the end of each fiscal year covered by the budget or financial plan; the planned use or purpose of debt issuances; scheduled debt service payments for both issued and proposed debt; the principal amount of proposed debt and assumed interest rate(s); debt service for each issuance as a percentage of total pledged revenues, listed by type or category of pledged revenues; cumulative debt service as a percentage of available revenues; and amount of debt that can be issued until legal limits are met.

Finance leasing of Cisco equipment and other related expenses:								
<u>Lease Amount</u> <u>(Principal)</u>	<u>Length (in</u> <u>years)</u>	<u>Payment Amount</u>	<u>Payment</u> <u>Frequency</u>	<u>Outstanding Principal as of:</u>				
				<u>3/31/2020</u>	<u>3/31/2021</u>	<u>3/31/2022</u>	<u>3/31/2023</u>	<u>3/31/2024</u>
1,039,704	3	105,670	Quarterly	732,350	315,432	-	-	-
13,202,827	5	677,607	Quarterly	11,912,016	9,310,974	6,683,824	4,030,304	1,350,149
9,606,576	5	Varies by payment	Quarterly	9,106,576	1,412,046	1,008,604	605,163	201,721

- (m) A statement of the annual projected capital cost broken down by category and sources of funding, and for each capital project, estimates of the annual commitment, total project cost, expected date of completion and the annual cost for operating and maintaining those capital projects or capital categories that, when placed into service, are expected to have a material impact on the operating budget.

Please see attached.