



THE STATE BAR OF CALIFORNIA

OFFICE OF GENERAL SERVICES

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MEMORANDUM

DATE: September 26, 2016

TO: Leah Wilson
Chief Operating Officer

FROM: Steve Mazer
Director of General Services

SUBJECT: State Bar Annual Meeting 2017 and 2018
Preliminary Review of Alternative Venues

Project Scope and Approach

This report presents a preliminary review of alternative venues for the State Bar Annual Meeting in 2017 and 2018. It assumes a goal of generally replicating the current size and structure of the Annual Meeting, but in venues that are more modest in appearance and potentially less costly.

Events of this size are usually booked between two to five years in advance. The Bar's standard process is to send a formal Request for Proposal to eight to ten venues; the venues then require up to four weeks to prepare and submit detailed proposals; after submission State Bar staff (Office of Education) and a contracted event management firm (Mosaic) spend four to six weeks reviewing, analyzing and clarifying the proposals, before making a final selection.

Because the comprehensive RFP process could not be replicated in the time available for this exercise, we limited our review to a selection of venues that are used as test centers for the February and July Bar Exam, where State Bar staff members are already familiar with the meeting spaces and hotels, and have business relationships that allowed for expedited responses to informal inquiries. Inquiries were made to two northern and two southern venues that were viewed as more modest locations and that were determined to have sufficient space: the Sacramento Convention Center; the Santa Clara Convention Center; the Ontario Convention Center; and the downtown Los Angeles Convention Center. This project was coordinated by the Office of General Services; information on meeting parameters in addition to those documented in current contracts was provided by the Office of Education; research into the alternative locations was conducted by the Section Chief for Bar Exam Administration in the Office of Admissions.

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Current Annual Meeting Parameters

Based on the current site contracts for the 2017 and 2018 meetings, the parameters and cost factors related to venue selection are described below.

Meeting Schedule and Duration

The Annual Meeting is held over four days (Thursday to Sunday), preceded by two days of set up. The venues we contacted confirmed that in most cases hotel rates are higher on weekdays than on weekends, as hotels that cater to business travelers have lower demand on weekends. The Bar most likely benefits from including a weekend in its multi-day event and might face higher hotel costs if the meeting were shifted to weekdays only. Other cost factors related to weekday v. weekend scheduling were not evaluated for this review.

The Annual Meeting has historically been held in the fall, usually in September. For this review we looked for available dates in August, September and October; for comparison we also inquired about available dates in January 2018, with the view that an MCLE event held near the annual MCLE reporting deadline might be of interest. Other times of year could be evaluated for the future.

Some savings could be realized if the total number of event days were reduced.

Sleeping Room Block

The current contracted sleeping room block is approximately 2,900 room nights at \$239 per night (\$693,000) for 2017 (Disneyland Hotel in Anaheim); and 3,300 room nights at \$249 per night (\$820,000) for 2018 (Marriott Marquis in San Diego). Twenty-five rooms (150-160 room nights) for Bar staff are discounted, and a limited number of hospitality suites (for events) are complimentary.

Lower nightly rates available in more modest venues would result in less expense for the Bar, for those rooms occupied by Bar staff and by volunteers who attend the Annual Meeting in their Bar-volunteer capacity and seek reimbursement through the Travel Expense Report process (this is compared to rooms occupied by regular meeting attendees who incur the cost themselves). The total sleeping room expense incurred by Bar staff and volunteers for past meetings should be assessed, but this information was not readily available for this review; it can, however, be tracked following the 2016 meeting as Travel Expense Reports are processed.

Food & Beverage

The current contracted food and beverage minimum is \$175,000 for 2017 and \$150,000 for 2018. The Annual Meeting typically includes 30 – 35 catered functions of various types (sit down meals, buffets, cocktail receptions, etc). Some catered functions are paid events, while others are sponsored by a section, committee or other group and are complimentary to attendees. Total actual food and beverage expenses, and the division of expenses between

those covered by paying attendees and those covered by a section, committee or other group, should be assessed, but this information was not readily available for this review.

Savings on food and beverage could be realized by negotiating with alternative venues for lower contracted minimums, and then scaling back to those minimums with fewer catered functions, less expensive menu options, ticketed functions in place of complimentary functions, etc. It should also be noted that the current contracted venues for 2017 and 2018 might be willing to re-negotiate the food and beverage minimums to a lower level, to incentivize the Bar to retract the cancellation of the entire meeting. If the Bar chooses to pursue this option, Mosaic could be engaged to renegotiate the existing contracts.

Meeting Space

The 2017 Annual Meeting is scheduled to use approximately 40 rooms of varying sizes for CLE classes, meetings and other events; total reserved meeting space is approximately 115,000 square feet. The 2018 meeting is scheduled to use approximately 50 rooms totaling approximately 125,000 square feet.

When events are held in a hotel, there is typically no separate charge for use of meeting space if the overall event contract includes sufficient revenue for the hotel from the sleeping room block and the food and beverage minimum. That is the case for the current 2017 and 2018 hotel contracts. The same arrangement of offsetting meeting room costs with sleeping room and catering minimums generally applies when meetings are held in a convention center and sleeping rooms are reserved in nearby hotels, as the entire event is booked through the local Convention & Visitor's Bureau as a package deal.

Excluded

All other goods and services related to the Annual Meeting, whether provided by the venues or by third party vendors, have been excluded from this review.

Alternative Venues

Assumptions and Qualifications

The contracts, floor plans and capacity charts for the Disneyland Hotel and the San Diego Marriott Marquis were reviewed in detail to establish a baseline for proposed alternative venues. While the alternative venues are all generally suitable, the following should be noted:

- **Sleeping Room Block:** We have assumed a comparable 2,500 – 2,800 room night block, but a location that is viewed as less attractive and/or less fun might result in fewer attendees. This could result in nightly sleeping room rates that are higher than the estimates noted below, and/or in a charge for meeting room space to make up for a venue's lower contracted revenue from the sleeping room block.
- **Food and Beverage:** One component of lower food and beverage minimums is choosing less expensive menu items. Menu items at the alternative venues are often less

expensive than comparable items at higher-end venues. For example, a filet mignon entrée at a sit-down dinner costs \$98 per plate at the San Diego Marriott Marquis and \$68 per plate at the Santa Clara Convention Center. That said, the assessment of food quality is subjective and cannot be accounted for in this review.

- Meeting Space: While the convention centers noted below have sufficient total square footage, the division of that space into individual meeting rooms is not as flexible, efficient or seamless as space offered in hotels, where ballroom-style spaces are easily combined or divided with movable walls. Some larger convention center spaces, for example, might need to be subdivided with a “pipe and drape” system (heavy fabric suspended on a metal frame). The number and logistics of classes, meetings and other events may therefore require adjustment based on available layouts, number of rooms and room sizes. At the same time, the hotels noted below with each convention center have additional meeting space that could supplement the convention center space.

The information provided here is based on the venues’ expedited response to our informal inquiries. All venues indicated that more detailed and certain information can only be obtained via a formal RFP process.

See next page for venue information.

Northern California Venues

	Santa Clara Convention Center	Sacramento Convention Center
Available Dates (August – October in 2017 and 2018, and January 2018)	<u>2017</u> Aug 22-27 (Tue-Sun)	<u>2017</u> Aug 1-6 (Tue-Sun)
Tue-Wed setup Thur-Sun meeting	<u>2018</u> Jan: Not available Aug 21-26 (Tue-Sun)	<u>2018</u> Jan: Not available Oct 23-28 (Tue-Sun)
Hotels Associated with the Convention Center, with Estimated Nightly Rates	\$259 Hyatt Regency \$229 Hilton \$199 The Biltmore	\$162 Sheraton Grand \$TBD Hyatt Regency \$ TBD Citizen Hotel (a Marriott brand, opening spring 2017)
Sleeping Room Block	2,500 estimated	2,500 estimated
Food & Beverage Minimum	Estimated \$75,000 food and beverage minimum, combined with estimated sleeping room block, would offset the cost of meeting space. Other arrangements TBD via the RFP process.	Estimated \$75,000 food and beverage minimum, combined with estimated sleeping room block, would offset the cost of meeting space. Other arrangements TBD via the RFP process.
Meeting Space Available (square feet)	153,000 sf	182,000 sf
Meetings Rooms Available (# varies by configuration)	15 – 37 (+600 seat theater)	14 – 36
Meeting Space Charge / Comments	See Food & Beverage above.	Meeting rooms with catered events offset by F&B minimum only; meeting rooms w/o catered events offset by sleeping room block only. Details TBD via RFP.

Southern California Venues

	Ontario Convention Center	Los Angeles Convention Center
Available Dates (August – October in 2017 and 2018, and January 2018) Tue-Wed setup Thur-Sun meeting	<u>2017</u> Aug 22-27 (Tue-Sun) Sep 5-10 (Tue-Sun) Sep 26-Oct 1 (Tue-Sun) <u>2018</u> Jan: Not available Aug 14-19 (Tue-Sun) Aug 21-26 (Tue-Sun) Sep 11-16 (Tue-Sun)	Not available during any requested periods.
Hotels Associated with the Convention Center, with Estimated Nightly Rates	\$139 Doubletree \$119 Sheraton \$97 Radisson	n/a
Sleeping Room Block	2,500 estimated	n/a
Food & Beverage Minimum	Estimated \$75,000 food and beverage minimum, combined with estimated sleeping room block, would offset the cost of meeting space. Other arrangements TBD via the RFP process.	n/a
Meeting Space Available (square feet)	117,000 sf	129,000 sf
Meetings Rooms Available (# varies by configuration)	26 – 29	34 – 54
Meeting Space Charge / Comments	Additional convention center operational costs are charged, but likely offset by negotiated rebate on hotel room rate. Details TBD via RFP.	Meeting rooms with catered events offset by negotiated F&B minimum. Other rooms offset by sleeping room block, but requires min 1,500 rooms per night at peak times.

cc: Elizabeth Parker
Pam Wilson
Greg Shin
Tammy Campbell
Keith Jenkins

Comparison of Potential Annual Meeting Venues

	Disneyland Hotel Anaheim (current 2017 venue)	Marriott Marquis San Diego (current 2018 venue)	Santa Clara Convention Center	Sacramento Convention Center	Ontario Convention Center	Los Angeles Convention Center
Available Dates (August – October in 2017 and 2018, and January 2018)	2017 Contract: <u>Setup:</u> Aug 22-23 (Tue-Wed) <u>Meeting:</u> Aug 24-27 (Thurs-Sun)	2018 Contract: <u>Setup:</u> Sep 11-12 (Tue-Wed) <u>Meeting:</u> Sep 13-16 (Thurs-Sun)	<u>2017</u> Aug 22-27 (Tue-Sun) <u>2018</u> Jan: Not available Aug 21-26 (Tue-Sun)	<u>2017</u> Aug 1-6 (Tue-Sun) <u>2018</u> Jan: Not available Oct 23-28 (Tue-Sun)	<u>2017</u> Aug 22-27 (Tue-Sun) Sep 5-10 (Tue-Sun) Sep 26-Oct 1 (Tue-Sun) <u>2018</u> Jan: Not available Aug 14-19 (Tue-Sun) Aug 21-26 (Tue-Sun) Sep 11-16 (Tue-Sun)	Not available during any requested periods.
Hotels Associated with the Convention Center, with Estimated Nightly Rates	Meeting in hotel \$239 Disneyland Hotels	Meeting in hotel \$246 Marriott Marquis	\$259 Hyatt Regency \$229 Hilton \$199 The Biltmore	\$162 Sheraton Grand \$TBD Hyatt Regency \$ TBD Citizen Hotel (a Marriott brand, opening spring 2017)	\$139 Doubletree \$119 Sheraton \$97 Radisson	n/a
Sleeping Room Block	2,900 contracted	3,300 contracted	2,500 estimated	2,500 estimated	2,500 estimated	n/a
Food & Beverage Minimum	\$175,000 contracted	\$150,000 contracted	Estimated \$75,000 food and beverage minimum, combined with estimated sleeping room block, would offset the cost of meeting space. Other arrangements TBD via the RFP process.	Estimated \$75,000 food and beverage minimum, combined with estimated sleeping room block, would offset the cost of meeting space. Other arrangements TBD via the RFP process.	Estimated \$75,000 food and beverage minimum, combined with estimated sleeping room block, would offset the cost of meeting space. Other arrangements TBD via the RFP process.	n/a
Meeting Space Available	115,000 sf reserved by Bar	125,000 sf reserved by Bar	153,000 sf	182,000 sf	117,000 sf	129,000 sf
Meetings Rooms Available (# varies by configuration)	40 reserved by Bar	50 reserved by Bar	15 – 37 (+600 seat theater)	14 – 36	26 – 29	34 – 54
Meeting Space Charge / Comments	None, based on current sleeping room block and food and beverage minimum.	None, based on current sleeping room block and food and beverage minimum.	See Food & Beverage above	Meeting rooms with catered events offset by F&B minimum only; meeting rooms w/o catered events offset by sleeping room block only. Details TBD via RFP.	Additional convention center operational costs are charged, but likely offset by negotiated rebate on hotel room rate. Details TBD via RFP.	Meeting rooms with catered events offset by negotiated F&B minimum. Other rooms offset by sleeping room block, but requires min 1,500 rooms per night at peak times.

