

Partnering with Hotels to Get
What You Need



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FEBRUARY 20-23//2010 CANCUN//MEXICO



Learning Objectives

- Understanding the financial priorities of your hotel partners
- Develop an understanding of what is negotiable and why.
- Understanding the financial structure of the hospitality business.

Our Panel

- ❑ Michael Dominguez, Vice President of Sales, Loews Hotels
- ❑ Robyn Mietkiewicz, CMP, Senior Manager, Accounts & Global Meeting Management Services, Meeting Sites Resource
- ❑ Bryan Gay, Vice President of Sales, The Mirage
- ❑ karen m. king, cmp, cmm, principal, meeting strategists



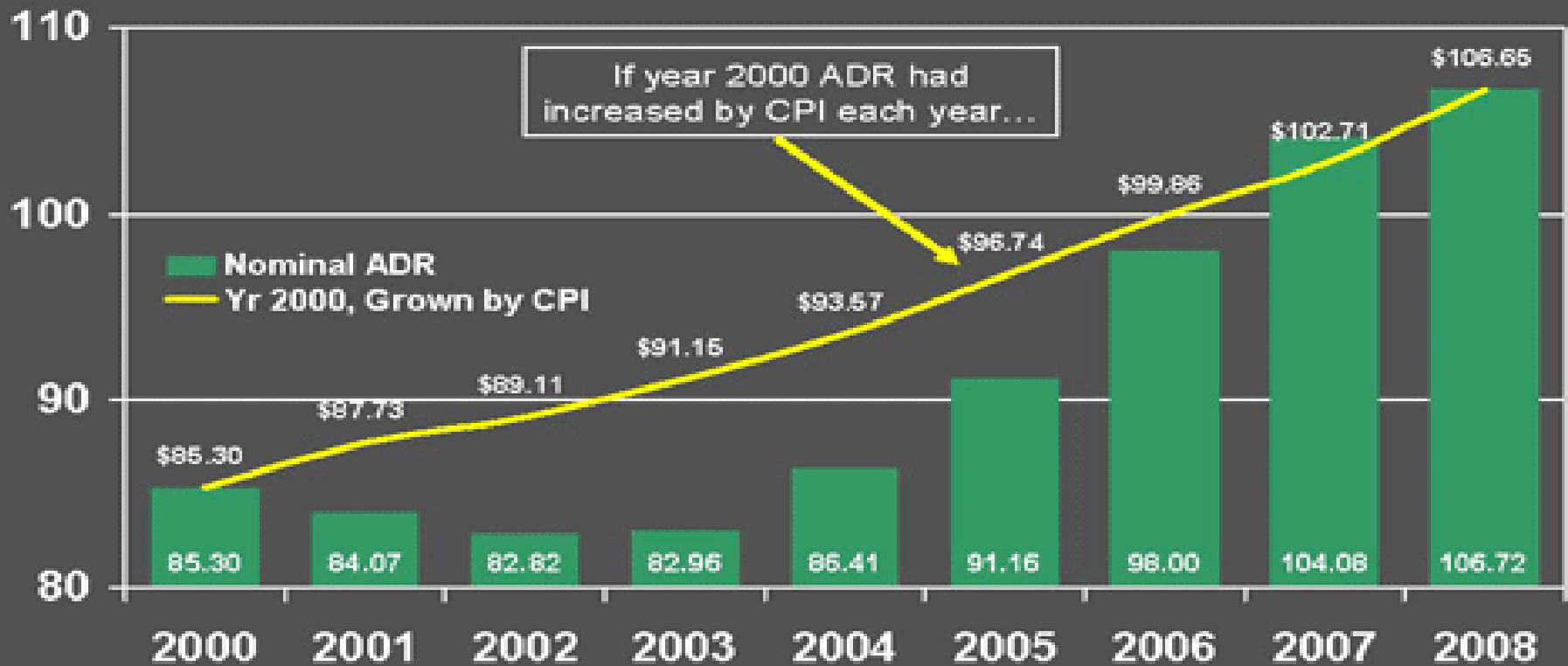
Burning Questions

- What do you want to leave this session with today?
- What is your burning question for your counterpart, either a hotelier or a meeting professional?

Total US Room Rates

Actual vs. Inflation Adjusted

2000 - 2008



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Top 5 States with Destination Resorts

April 2009

<u>State</u>	<u># Properties</u>	<u># Rooms</u>	<u>% of Total Rooms</u>
Florida	100	66,431	41.8
California	46	19,363	12.2
Hawaii	27	14,414	9.1
Arizona	24	10,720	6.7
South Carolina	17	7,216	4.5

**321 total U.S. Destination Resorts with 158,981 rooms

Source: STR / TWR / Dodge Construction Pipeline



Negotiable Items

- Labor is the #1 Cost in a Hotel/Resort
- Separate locations for Reception/Dinner
- Outdoor Spaces run more labor typically
- Turning rooms (Labor Intensive)
- Good Information (Manifest/Arrival Times)
- Turndown Service (VIP only)
- Smaller Groups using Restaurant for Meals
- Roll-in Buffets

Revenues and Expenses

Year End 2007 Averages

Revenues		
Rooms	\$23.8 Mil	
F&B	\$22.6 Mil	
Other Operating Departments	\$7 Mil	
Rentals and Other Income	\$1.4 Mil	
Total Revenues	\$54.8 Million	
Departmental Cost and Expenses		
Rooms	\$5.8 Mil	24%
F&B	\$14.8 Mil	65%
Other Operating Departments	\$5.5 Mil	79%
Total Revenues	\$26.1 Million	47%
Undistributed Operating Expenses		
Administrative and General	\$4.0 Mil	7%
Marketing	\$3.7 Mil	7%
Property Operation and Maintenance	\$2.9 Mil	5%
Utility Costs	\$1.6 Mil	3%
Total Undistributed Expenses	\$12.2 Million	
Gross Operating Profit	\$16.42 Million	
Management Fees	\$1.6 Million	
Income Before Fixed Charges	\$14.8 Million	
Property Taxes and Municipal Charges	\$2.0 Million	
Insurance	\$405K	
Total Fixed Charges	\$2.4 Million	
Net Operating Income	\$12.4 Million	

Thank you!