

LEGAL CONSULTANTS TO THE MEETINGS AND EXHIBITION INDUSTRY

CONVENTION CENTER CONTRACT NEGOTIATIONS: Part I - How to Begin the Selection and Negotiation Process

By Mark Roysner, Esq.

Convention center leases and licenses are often written with a perspective that reflects a diverse range of events being staged that may not fully coincide with your event's specific requirements. Therefore, before investing your organization's time and money on site inspections and lengthy negotiations, do your homework up front.

Determine the convention center's booking policies at the onset of the selection process. Every city is different, and their market focus on the types of events that they book into their facilities is likewise different. Ask if there is a minimum amount of hall space you must contract for in order to secure the appropriate amount of meeting rooms necessary to accommodate all of your organization's requirements. Furthermore, determine if the convention center has a policy about the minimum number of guest rooms that the organization will need to block on a definite basis, in order to contract for convention center space, and how far in advance they will confirm the space on a definite basis. If any of the answers to these issues are of concern, you may want to reconsider your options at the earliest stages of the site selection process.

Next, evaluate how your preferred site's convention center facilities are designed to accommodate your needs. Start the process by submitting the organization's initial request for proposal (RFP). The RFP should clearly identify in-detail the overall dates (move-in, show, move out) and the exhibit and meeting space necessary. Include any optional dates you can consider. Provide as much accurate information about the event's past history as possible. Be sure to tell the convention center what you will use the space for: exhibits (and what type), general sessions, registration, educational sessions. Also, find out what other events are scheduled to take place immediately before, during and after your event, so that you can be sure your event fits, logistically into the schedule. Keep overly optimistic future projections to an absolute minimum, since if not realized, they can be an unnecessary source of potential liability exposure. Request a sample of the convention center's standard contract and a copy of their rules and regulations, also commonly referred to as "Operational Policies and Procedures" or "Event Planner's Guide".

You also need to determine which city entity has the actual authority to negotiate the contract. Is it the center itself, or the city's convention and visitors bureau? Often, a city's convention and visitors' bureau will have the exclusive right to reserve all of their city's convention center's exhibit hall and meeting space for an organization booking 12-18 months or more in the future. This exclusive right is usually limited to the bureau's right to make the convention center available, including reserving dates, committing specific areas in the convention center, and quoting current rental rates. Nevertheless, the convention center's final rates and contractual provisions can only be confirmed and signed by the convention center itself or the governmental entity with authority over the convention center.

This simple question can prevent you from becoming a convention center client who has signed a convention bureau's Letter of Agreement for guest room commitments and convention center space allotments years in advance of the actual event, but did not bother to carefully read or negotiate the convention center lease or license until well after the city site decision was finalized, you therefore find yourself faced with a convention center lease or license containing unacceptable provisions or unanticipated costs that you may have no choice but to sign, since all the alternative sites options are no longer available.

LEGAL CONSULTANTS TO THE MEETINGS AND EXHIBITION INDUSTRY

Finally, only sign the lease or license confirming the event at the convention center, once the all of the "final" terms and conditions of the agreement have been agreed to by both parties and incorporated into the lease or license.

The next installment will focus on modified and negotiating of the terms and conditions of a convention center lease or license.

The Law Office of Mark Roysner specializes in all matter related to the meetings and exhibition industry. Questions can be e-mailed to Mark Roysner at roysner@roysnerlaw.com.

Disclaimer

This publication is designed solely to provide basic information for the general public in regard to the subject matter covered. It is not presented as, nor intended, in anyway whatsoever, to be a substitute for the services or legal opinion of an attorney or any other professional. It is strictly being provided with the understanding that the publisher and author are not by way of this publication rendering any legal advice, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional should be sought.