

## **Qwest Center Omaha Continues Profitable Performance** (07-Jan-2010)

Omaha, NE – Qwest Center Omaha and the Omaha Civic Auditorium generated profits of \$3.71 million in fiscal 2008-2009, primarily fueled by sporting events and a record 31 concerts. The facilities also generated a record \$7.5 million in local and state taxes and other payments during the year. However, industry trends indicate the outlook for the next fiscal year will be challenging. Management reported financial numbers to the Metropolitan Entertainment & Convention Authority (MECA) Board of Directors at its October meeting. MECA operates both Qwest Center Omaha and the Omaha Civic Auditorium.

The two facilities earned a combined net profit of \$3,711,024 for the fiscal year, which is a decrease from the previous year. Of this total, Qwest Center Omaha contributed the vast majority of the profit. The Omaha Civic Auditorium earned a cash basis net profit of \$255,000 and has turned a profit every year since MECA assumed management in 2004.

For the first time since opening in 2003, Qwest Center Omaha total attendance dropped by nearly 50,000, despite significant attendance from Creighton basketball, UNO hockey, the NCAA Volleyball championships and final days of the Olympic Swim Trials, plus numerous concerts held during the fiscal year. The downturn in the economy was evident as average per concert attendance, consumer and trade show attendance and total social/corporate business bookings were all down from the previous year.

MECA Board Chairman Gail Werner-Robertson said Qwest Center Omaha's profitable performance during the economic downturn is a credit to both the community and MECA's management team.

"Qwest Center Omaha performed extremely well despite very challenging industry conditions, which is a credit to strong community support and operational efficiencies by the management team and staff," Werner-Robertson said. "Attendance and booking trends for the next fiscal year are a concern and the MECA board will work closely with management to monitor the situation and ensure we continue to offer customers great entertainment opportunities and quality customer service."

Roger Dixon, President and Chief Executive Officer of MECA, said Qwest Center Omaha has some excellent sports entertainment events set for the next year, but noted everyone in the industry is concerned with the lack of activity in the concert world.

"In addition to excitement for the upcoming Creighton basketball, UNO and Omaha Lancer hockey seasons, we look forward to hosting NCAA Division I Women's Regional Volleyball in December and NCAA Division I Wrestling Championships in March," Dixon said. "However, there are very few concert tours planned for this fall and questions remain about how many will start up after the first of the year. Around the country concert attendance is down and artists are going to be very careful determining if or when to go on tour, and where to perform. There is no question that 2009-2010 will be the most financially challenging year ever faced by Qwest Center Omaha and the Omaha Civic Auditorium."

Lea French, Chief Financial Officer for MECA, said local and state taxpayers both directly benefited from the operational performance of Qwest Center Omaha and the Omaha Civic Auditorium.

"At a time when overall city and state tax receipts are down, Qwest Center Omaha and the Omaha Civic Auditorium actually generated record tax revenues," French said. "During the fiscal year the City of Omaha received more than \$2.4 million in city sales tax, facility and parking fees, and became eligible to receive another \$3 million in state turnback tax revenue. The State of Nebraska also received \$1.3 million in state sales taxes that will be used to support other Nebraska communities. Since construction began in 2001 more than \$47 million in revenue has been paid to the City of Omaha and State of Nebraska."

French said cash reserves will continue to be used to ensure Qwest Center Omaha remains a state-of-the-art facility. French noted Qwest Center Omaha is now a six-year old, \$292 million facility and there is a growing need for improvements inside and outside the facility. She said reserves are available to meet current and future improvement needs without requiring city budget support.