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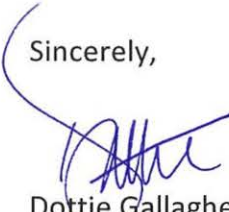
February 8, 2012

The Honorable Lynn Marinelli
Chair, Community Enrichment Committee
Erie County Legislature
1701 Hertel Avenue
Buffalo, New York 14202

Dear Lynn:

In accordance with the reporting requirements outlined in Exhibit A of the Agreement between the County of Erie and the Buffalo Niagara Convention & Visitors Bureau dated January 1, 2011, enclosed is the 4th quarter report for 2011 regarding efforts made toward achieving funding purposes as stated in our Marketing Plan and Budget.

Sincerely,


Dottie Gallagher-Cohen
President and CEO

/Enclosure

3M-49



February 8, 2012

I, the undersigned, do hereby certify based on my knowledge, the information provided herein:

- is accurate, correct and does not contain any untrue statement of material fact;
- does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made;
- fairly presents, in all material respects, the financial condition and results of operations of the authority as of and for the periods presented in the financial statements.

Buffalo Niagara Convention & Visitors Bureau

By _____

Dottie Gallagher-Cohen
President and CEO



Q4 Report

Financial Summary

4th Quarter - December 31, 2011

	<u>Projected</u>	<u>Budgeted</u>	<u>Variance</u>	<u>% Variance</u>
Revenues	\$ 3,859,178	\$ 3,729,050	\$ 130,128	3.49%
<u>Expenses:</u>				
Marketing Department	\$ 1,300,155	\$ 1,204,130	\$ 96,025	7.97%
Convention Sales & Services	1,596,100	1,512,335	\$ 83,765	5.54%
Buffalo Niagara Film Commission	264,211	240,000	\$ 24,211	10.09%
Administrative & Finance	699,966	772,585	\$ (72,619)	-9.40%
Total Expenses	\$ 3,860,432	\$ 3,729,050	\$ 131,382	3.52%
Increase (Decrease) in Net Assets	\$ (1,254)	\$ -	\$ (1,254)	N/A

SALES

Q4 Sales Results	Goal	Actual	+/-	% Variance
Leads	167	181	14	8%
Group Tour Leads	40	47	7	18%
Definite Business	109	93	-16	-15%
Hotel Room Nights	41,000	41,467	467	1%

YTD Sales Results	Goal	Actual	+/-	% Variance
Leads	620	630	10	2%
Group Tour Leads	160	184	24	15%
Definite Business	404	441	37	9%
Hotel Room Nights	165,000	165,644	644	0%

YOY Comparison	2010	2011	+/-	% Variance
Leads	550	630	80	14%
Group Tour Leads	155	184	29	18%
Definite Business	401	441	40	10%
Hotel Room Nights	150,439	165,644	15,205	10%

Website Q4

Visitbuffaloniagara	2010	2011	Variance
Unique Visits	120,635	170,955	42%
Page Views	528,164	810,737	54%
Time on Site	6:38	3:45	-44%

Website YTD

Visitbuffaloniagara	2010	2011	Variance
Unique Visits	495,439	697,131	41%
Page Views	2,054,908	3,358,915	63%
Time on Site	5:57	5:26	-8%

Lost Business:

In 2011, 295 pieces of business were lost across all markets which represented a loss of more than 237,235 hotel room nights for various reasons from room availability, room rates or facility limitations. I.e.: convention center too small. Below is a short list of lost business.

Church of our Lord Jesus Christ – July 2013, 2,500 hotel room nights – Group was lost because the Pastor was not happy with the quality and price of the hotel accommodations and the cost of shuttle service.

National Supreme Council Ancient and Accepted Scottish Rite Masons - August 2014, 1266 hotel room nights - Lost to Detroit because the organization will be celebrating an anniversary in 2014 and wanted to host it where they are headquartered.

Quality Bicycle Products - October 2012, 1770 hotel room nights-The organization just opened a warehouse in PA and thought it would be a better idea to host their event there. Per meeting planner she was pleased with our bid and said there isn't anything we should have done differently. Our bid included a signing bonus for a two-year deal.

Professional Skaters Association - 2015/2016 International Skating Conference – 915 hotel room nights - Reason given: Negative image of Buffalo in the minds of their Board of Directors.

Eastern Regional Interstate Child Support Association - May 2014, 955 hotel room nights – Buffalo did not make the short list for consideration by this group. Their RFP gave parameters for what the group was willing to consider for room rate and responding hotels were not able to offer rates within that range. They received much more favorable offers from St. Louis, Dearborn, MI and Columbus, OH.

International Association of Healthcare Service Material Management – May 2015, 2000 hotel room nights - The group eliminated Buffalo from consideration because of the size of the Convention Center exhibit hall. Much of their organization revenue is based on the funds they get from vendors during their annual conference. Ideally they want 80,000 sq. ft. to allow for potential growth and to maximize profits.

Definite Booking Highlights for Future Years:

New York State Board of Law Examiners – Feb 2012	3,700 hotel room nights
Grand Encampment of Knights Templar – August 2015	2,375 hotel room nights
NYS Volunteer Firemen – August 2016	2,200 hotel room nights
Church of God and Saints in Christ – April 2014 + 2015	1,934 hotel room nights
New York State YMCA Swim – March 2012	1,650 hotel room nights
Speedo Super Sectionals/Star Swimming - August 2012	1,650 hotel room nights
National Assoc. of Educational Office Professionals – July 2015	1,570 hotel room nights
American Association of Airport Executives - April 2014	1,475 hotel room nights
Department of New York Veterans of Foreign Wars- June 2014	1,450 hotel room nights
Civil Service Employees Association – June 2012	1,300 hotel room nights
National Agricultural Media Summit – August 2013	1,240 hotel room nights
Higher Education Web Professionals – October 2013	1,222 hotel room nights
Atlantic 10 swim championships – February 2012	1,000 hotel room nights

Upcoming Tradeshows:

Religious Conference Manager	January
American Bus Association	January
Helms Briscoe	January
Heartland Travel Showcase	February
OMCA ABA Summit	March
Conference Direct Partner Meeting Tradeshow	March
Reunion Friendly Network	March

Buffalo Niagara Sports Commission:

The 138 Definite pieces of sports business were booked this year for future years, representing 84,110 total hotel room nights. 130 sports events and meetings were held during 2011 fiscal year. These events represent over 71,000 hotel room nights utilized by 83,426 attendees for an economic impact of more than \$52 million.

The Commission attended the annual T.E.A.M.S. Conference in Las Vegas where they met with event rights holders and discussed Buffalo as a potential host site for future events.

In November the commission retained the services of the National Association of Sports Commissions (NASC) to complete an assessment of area facilities and execute a market study as part of the commission's market development plan.

In December Don Schumacher, CEO of NASC, spent three days in Buffalo reviewing 39 area facilities and speaking with various facility managers and event operators as part of the study. A final report is expected in 2012.

Success stories:

Based on the success of the 2011 Nickel City Triathlon USA Triathlon announced that Buffalo would be the host of the 2012 National Championship and would increase the purse size from \$75,000 to \$100,000 for the event. USA Triathlon is also expanding the youth and disabled components for the 2012 event.

The NCAA Division I Cross Country Regional Championships, hosted by UB, took place at the Amherst Audubon Golf Course in November. Coaches and officials praised the event for its success and were highly complementary of the course itself. Based on this success UB will look to host similar events in the future as well as bid on the D-I National Championship

Lost Business:

The National Association of Sports Commissions did not choose Buffalo as a host site for their 2014 and 2015 annual conventions. They cited needed renovations to the first floor of the convention center as well as the poor condition of the downtown core as reasons for choosing alternate destinations.

Site Committee Chair Gary Alexander praised the commissions bid as one of the best he'd ever seen and noted that Buffalo executed its site visit better than any other city. He expressed his desire to partner with the sports commission in the future and encouraged Buffalo to continue to bid on the event.

MARKETING**Consumer Advertising/Branding**

Two additional segments of Buffalo. For Real TV were released. The November video focused on the Buffalo Bills tailgating scene and the December video highlighted Vidler's 5 & 10 in time for the holiday shopping season.

Sold over \$72,000 in hotel, attraction & package bookings to date via ARES, our online booking engine. (VBN revenue about \$3,500).

Tallied our 30,000th Facebook fan on the Buffalo fan page.

Continue to attract new Facebook fans to our 6 pages that include Buffalo (30,500 fans), The 716 (67,327), Shopping in Buffalo (3,080), National Garden Festival (3,083), Buffalo Niagara Convention Center (937) and the Buffalo Niagara Sports Commission (133)

Worked with local fashion consultant, Erin Habes to host a 'Shop Talk' session with neighborhood retailers and re-design the shopping section on VBN.com with emphasis on neighborhood shopping and local retailers.

Advertised with Fashion Magazine, Flare weekly, Facebook and deployed a Google PPC campaign to promote our 'Win a shopping weekend in Buffalo' contest. Received 1,729 entries with 73% of those signing up for at least one e-newsletter.

Advertised a Holiday Shopping package in Southern Ontario that included an overnight stay, gift cards to Walden Galleria and the Elmwood Village along with various coupons and maps. Sold \$15,000 in packages.

Attended the National Women's Show in Toronto to promote our Holiday Shopping package, Shopping Contest and promote shopping in Buffalo. Partnered with the Elmwood Village Association, retail store 'anatomy' on Elmwood, and retail store 'room Buffalo' on Hertel Avenue.

To coincide with the Toronto Star's November editorial "Foodie Weekend in Buffalo", we advertised in the Star and City Bites to promote 'Win a Foodie Weekend in Buffalo'. Received 824 entries with 67% of those signing up for at least one e-newsletter.

LGBT microsite has seen 8,000 unique visitors since the site's inception. Pushed visitors to the microsite via advertising in Curve Magazine, online ads and e-blasts with Here Media and a Google PPC campaign.

Continue to publish monthly/quarterly e-newsletters on Shopping (10,000 subscribers), History (7,866), Family Fun & Special Deals (7,764), Dining (6,883), Art & Architecture (5,636), Theater (3,934) and Gardening (3,228) with an average open rate of 37%

Media Relations

Fourth Quarter Media Value: more than \$743,963

Fourth Quarter Publicity Value: more than \$2,196,294

Non-Local Media Highlights

Oct. 18 – WSJ.com: story about National Preservation Conference, \$82,253

Nov. 5 – Toronto Star/TheStar.com: Travel/dining story about Buffalo, \$33,538

Nov. 6 – Washington Post/WashingtonPost.com: Travel story about Buffalo's architecture, \$341, 376

Nov. 19 – northjersey.com: Travel story about Buffalo's architecture, \$11,865

Nov. 21 – usatoday.com: : Travel story about Buffalo's architecture, \$254,607

Nov. 24 – Toronto Star/TheStar.com: Travel story about Buffalo, \$13,483

Nov. 25 – The Week: Travel story about Buffalo's architecture, \$6,841

Dec. 1 – Outlooks: LGBT travel story about Buffalo

FAM Tours

Oct. 14 to 16 – Bryen Dunn from Outlooks magazine

Oct. 18 to 21 – JoAnn Greco, on assignment from the Washington Post

Nov. 1 – Lyndsey D'Arcangelo on assignment for Curve magazine

Nov. 9 – Kathy Renwald, Hamilton Spectator and the Toronto Star

Other

Oct. 3 – Communications Manager Peter Burakowski attended Discover America Day in Toronto, where he met with more than a dozen members of the Canadian travel media

AMBASSADOR REPORT

1433 Ambassadors plus an additional 540 industry partners receiving monthly e-newsletter, Tourism Insider, ending year with an increase of 230% since January of 2011, with open rate averaging 30%.

Industry meeting held October 11 at Marriott; attendance 45+.

Two VBN/Ambassador presentations:

October - UB Emeritus

November - Alumni After Hours

Presentations – National Trust debrief at Niagara University - November 29

Front line training Hampton Inn new employees – December

New Leads – American Association of Editorial Cartoonists – 2012 or 2013 conference - Adam Zyglis, local ambassador.

Visitor Readiness. An all-out visitor readiness/city beautification initiative took place due to the large volume of visitors (10,000+) expected during the month of October, the most important of which was the National Trust Conference for Historic Preservation. This included:

- Signage – welcome signage was placed at the airport (behind volunteer table, above elevator and on Duratran, plus on video LED welcome and video montage in Jet Blue terminal); on 300+ busses and at 6 downtown bus shelters; at downtown businesses and retailers along Elmwood Avenue.
- Banners along Main Street, Washington, and Niagara Square.
- Taxi Cabs: “Talking Point” cards were created for the drivers to engage visitors in conversation about things going on in Buffalo during the month of October.
- Digital Billboard at corner of Chippewa and Delaware.
- Volunteers were recruited and trained to assist on the street as greeters, at the airport, during the opening and closing reception as well as opening plenary and awards reception and at the host hotels (Adams Mark, Hyatt, Embassy Suites, plus tables set up at Hampton Inn, Comfort Suites and The Mansion on Delaware); Convention Center, airport. In addition, VBN worked with local organizing committee to assist with volunteers at Museums by Moonlight, Candlelight Tours and Niagara Day. VBN also worked with Junior League of Buffalo “Do it in a day” to prepare 2500+ conference registration bags.
- Working with the City of Buffalo and Erie County, VBN identified areas in the downtown core in need of repairs to the sidewalks and curbs, graffiti removal, dead and dying trees, extensive weeding and general trash cleanup. This resulted in a signature project at the W. Genesee median – in collaboration with Green Fund, Boy Scouts and Keep Western New York Beautiful – soil was amended, trees were pruned and 200+ mums were planted, followed by 200+ tulip bulbs planted by Make-A-Wish. The Green Fund contributed \$6,000 to the cleanup and re-tree effort.

BUFFALO NIAGARA CONVENTION CENTER

Revenue	Goal	Projected	Variance
Rent Revenue	131,448	190,019	44.6%
F&B Revenue	475,936	678,423	42.5%
Electrical Service	26,300	22,769	-13.4%
Total Earned Revenue	633,684	891,211	40.6%

	2010	2011	Variance
No. of Events	43	63	46.5%
Attendance	42,392	46,855	10.5%

YTD Revenue	Goal	Projected	Variance
Rent Revenue	590,000	677,502	14.8%
F&B Revenue	1,621,406	2,232,443	37.7%
Electrical Service	102,050	125,329	22.8%
Total Earned Revenue	2,313,456	3,035,274	31.2%

	2010	2011	Variance
No. of Events	124	189	52.4%
Attendance	300,000	291,000	-3.0%

Comments Q4

- Total earned revenues were up to budget for the 4th quarter by 41% (\$257k). The main sources for the increase were National Assn. for Campus Activities (\$49k), Buffalo Urban League (\$46k), Vector Marketing (\$25k), Ambit Energy (\$17k) and an additional \$69k derived from events that were booked in the year for the year.
- The majority of the increase in Rentals came as a result of a change in the recording of Disco revenue as well as \$20k in groups booked in the year for the year.
- Food and Beverage revenues were up by \$202k due in large part to NYS School Boards (+\$65k), Roswell Park (+\$27k) and Preservation Trust (+\$19k) as well as the aforementioned new business booked.
- Electric revenues were flat to budget.

Comments YTD

We are projecting to end 2011 up by \$722k in total earned revenues. The majority of this increase is in Food and Beverage (up \$611k). Through December, revenues of \$784k were booked in the year for the year.

Earned Revenue Analysis	
Variance to Budget	Variance Highlights
Jan + \$6k	Ingram Micro up by \$10k
Feb +\$11k	Auto Show up by \$15k
Mar +\$22k	Ultimate Playground new \$10k, Break the Floor up by \$5k, Motorama up by \$5k
Apr + \$5k	Insurance Day up by \$5k
May + \$15k	Business First (new) \$6k, Taekwondo up by \$6k
Jun + \$33k	Prison (new) \$12k, MCEER (new) \$28k
Jul + \$198k	Prison (new) \$181k, WSW Reunion \$5k
Aug + \$122k	Prison (new) \$56k, U.S. Army \$36k, Abbott Labs (new) \$10k, SBA Conference up by \$10k
Sep + \$76k	First Niagara (new) \$36k, M&T Bank (new) \$16k, new weddings \$20k
Oct + \$109k	NYS School Boards up by \$65k, Preservation Trust up by \$19k, NACA (new) (\$49k)
Nov + \$134k	Delaware North up by \$32k, Roswell Park up by \$23k, Vector (new) (\$25k), Buffalo Urban League (new) (\$46k)
Dec - \$50k	Alpha Kappa Alpha Cancelled (\$5k), Wrote off Legacy Dance Bad Debt (\$5k) and fell short of budgeted monthly goal (\$40k)

This increase in revenues, as well as improved profitability, enabled us to complete \$370,000 in additional projects in the building in 2011.

The Buffalo Niagara Convention Center successfully hosted a multitude of convention groups and other high profile events in the 4th quarter. Notable highlights include:

Major Events hosted October - December :

National Trust for Historic Preservation	3,000
National Association for Campus Activities Mid Atlantic Convention	700
NYS School Boards Association	2,500
Delaware North Companies	500
Ambit Energy	600
UB Dental Meeting	1,000
Vector Marketing	320
Turkey Trot	10,000
World's Largest Disco	7,000

Major Events Booked

Kaleida Foundation Gala	\$75,000
NYS Board of Law Examiners (February 2012)	\$39,000
Agricultural Media Summit (August 2013)	\$26,000
WNY Stormwater (March 2012)	\$12,850

Notable Activities:

Hired Convention Sales Manager to fill open position Oct. 2011.
Hired additional Convention & Event Services Manager Oct. 2011.
Albany sales trip and Buffalo hospitality team dinner w/ NYS clients.
BNCC along with VBN & Hospitality partners hosted ESSAE Holiday reception.

BUFFALO NIAGARA FILM COMMISSION

- Rich Wall hired as Operations Manager / Production Services
- Contracted and implemented Reel Scout Location and Crew Management System
- Launched updated Website with internally controlled CMS System
- Provided support for Russia One Crew filming Documentary on Water in Niagara Falls
- Provided support for National Commercial shoot for Ogilvy Advertising in Buffalo
- Provided support for final production of Major Independent Film "Queen City"
- Continued Support for Hockey Fan Documentary
- Provided Support for forthcoming Documentary TV Series on Major Cable Network
- Qualified WNED TV studios as officially sanction New York Soundstage
- Provided Support for Independent Horror Movie
- Provided Support for Major Cineplex Reopening
- Provided Support for launch of Buffalo Bills Superbowl Documentary

Q4 Scouts

- Major Motion Picture Scout Old Growth Forest Settings in the following regional parks- Allegany, Tuscarora, Chestnut Ridge, Evangola, Emery, and Hunters Creek.
- Major Motion Picture Scout for Tenement Buildings with unique fire escapes
- Major Motion Picture Scout for College Football Stadium
- Scout for Military Reality Show at Bethlehem Steel