

**LEGISLATIVE #**

**110374G**

## **TDC Member Comments on Capital Project RFP**

### **CONFERENCE CENTER**

Based upon their own surveys, 83% of meeting planners already use Gainesville for meetings and those planners who did not schedule meetings here did not cite hotel or meeting space as the problem. Accessibility and airports seemed to be a major deterrent. A new hotel would compete with the existing hotels with conference centers and not appear to improve the overall product inventory in an appreciable way. Also, long term sustainability was not clear. **Lucie Regensdorf**

This project describes a new opportunity for a public-private partnership in the local downtown area. The documentation from the VCB about the lack of available meeting space in Alachua County supports the need for a conference center in this community. The project follows the VCB Vision Statement of providing opportunities for meetings that draw visitors. The location of the project supports redevelopment goals of the City of Gainesville and will be located near the Florida Innovation Hub on SW 2<sup>nd</sup> Avenue, which would support the need for meeting and hotel space. It also provides additional meeting space in downtown Gainesville, which contains many restaurants and some retail within walking distance. Having this meeting space would actually support more bed nights in other hotels in the community as larger and more meetings are brought to town. **Jeanna Mastrodicasa**

Gainesville has long needed a convention center. Had this proposed project been for a stand alone convention center I could support the project. To ask out local hotels to be seed money for competition of another hotel is ridiculous. **Bob Todd**

Overall this is a good idea- it builds downtown Gainesville and contributes to developing a viable "tourist district" downtown. However, there are several concerns.

1. The economy does not support and additional hotel and thus, a convention center may be a mute point. Gainesville is not going to ever by Orlando and thus, the number, size and type of conventions needed to support the facility might be out of reach and not realistic- the adage you build it and they will come is not true.
2. I am not really in support of taking business away from existing businesses in our county- especially when occupancy and room rentals are down- this does not help our current hoteliers- in fact it competes with them-- so I am concerned that we would be merely shifting business not building new business. **Lori Pennington-Gray**

Executive Summary on p. 3 indicated funding would not be needed until approx. mid 2013; my question: why apply now? Also, TDT funding for 2010-2012 could re-directed to a different project(s)"

**Carolyn Wade**

The Statistics supported by PKF are incorrect:

2009 Totals	Actual Occupancy %	PKF Occupancy %	Actual ADR	PKF ADR
Best Western	71	45-50	\$86	\$90-95
Hilton Garden Inn	63	50-55	\$109	\$145-150
Courtyard	66	50-55	\$105	\$120-125
Holiday Inn Univ.	64	50-55	\$107	\$115-120

The market mix for the Best Western is off by 20% in some categories. Only 105 meetings were identified that are too large to hold in Gainesville. Some of those would be too large for the new conference center. The new hotel would resort to stealing business from existing hotels. If the hotel/management company cannot sustain itself in the black, what would become of the white elephant conference center the County would now own? **Ron Gromoll**

Proposal includes research and recommendations from outside consultants projecting positive results for key tourism meeting segment. This would meet the needs for additional and larger attendance of conferences and meetings in Alachua County. As recommended in the project, bed tax funds could be allocated in the near future after the Cade Museum is underway and a potential hotel chain is identified. Has strong potential to self-sustain because of year-round use to accommodate meetings and sporting events. **Rocky Draud**

## **MLK CENTER**

Long term sustainability was not clear. **Lucie Regensdorf**

This project would certainly bring in additional bed nights in Alachua County, through events coordinated by the Gainesville Sports Commission. A lack of facilities for sporting events is well-documented in this community and the MLK expansion would provide significant permanent inventory of multi-purpose space. The project follows the VCB Vision Statement of providing sporting events that draw visitors. The location of the project is a destination supported by Plan East Gainesville and is in the core of the city of Gainesville where there is traffic capacity. My only concern is that the City of Gainesville would take on additional operating expenses in a time of budgetary challenges.

**Jeanna Mastrodicasa**

This is a worthwhile project but I am not convinced of the return on investment as it would be used mostly by the local and nearby communities. **Bob Todd**

My main concern is the projections and if they were accurate- they are housing the 7000 new participants and 8600 new spectators each year in order to get a return on investment in the bed tax, if we have 5000 rooms in the county= and 365 days that is 1, 825,000 roomnights- is the proposed project really going to bring in 15,600 new overnight visitors each year? When are they coming? Where are they staying?

On ROI: these figures below seem inflated... not sure if you will get 8600 new spectators? And 7000 new

spend \$67 per day when attending sporting events. Using these figures and basing the first year estimate of 8,600 new spectators and 7,000 new participants, an expanded MLK Multipurpose Center could create an economic impact in Alachua County of \$1.56 million dollars in the first year based on an average of a one-day stay for an event. If participants and spectators stay an average of three days, the economic

participants in year 1--- seems unrealistic heavily reliant on the sports segment- and GSO---

Where are these currently being held? Is it just shifting business or building new business? Proposed events.

**Year One (53 weekends):**

AAU Jujitsu  
 Wrestling Invitational (12 Mat)  
 US Fencing Regional Qualifier  
 Regional Cheerleading  
 30-Team Winter Invite Basketball Tourney (G)  
 30-Team Winter Invite Basketball Tourney (B)  
 Volleyball Winter Invitational (G)  
 Volleyball Winter Invitational (B)  
 USA Wrestling Regional  
 30-Team Summer Invite Basketball Tourney (G)  
 30-Team Summer Invite Basketball Tourney (B)  
 Volleyball Summer Invitational (G)  
 Volleyball Summer Invitational (B)  
 10-Team Weekend Tournaments-Volleyball (10 ea)  
 10-Team Weekend Tournaments-Basketball (10 ea)  
 Gainesville Senior Games (Volleyball Added)

**Lori Pennington-Gray**

Projected income and hotel nights very positive if facility is able to attract potential Tournaments / competitive events listed in project. Facility provides an excellent benefit to county residents. Location presents a challenge – no lodging options in near vicinity. **Rocky Draud**

An expansion of the MLK Center would add additional venues for the Gainesville Sports Commission to utilize to bring additional tournaments and events to Gainesville. The GSC has reached a ceiling (on events it can bid on) due to limited venue space. These additional tournaments/events would help generate more funding to the 5% bed tax. The year 1-2-3 plans seem to estimate the maximum potential on overnight rooms. Although I believe an added venue for sports alone will increase the number of GSC rooms, I do not believe it would double them in a 3 year period. I believe a percentage could be achieved. The enhanced center would specifically benefit the sports segment of tourism. The center would also provide a valuable local community asset. **Ron Gromoll**

It's nice to progress on the east side of Gainesville. P. 9 indicated that the City of Gainesville is committed to funding the increase in operational expenses so no cost to the County's General Fund which is a +. And, it seems there are more potential benefits to the residents with this project.

**Carolyn Wade**

## **CADE MUSEUM**

This is a truly exciting project that will be an outstanding part of the community and will definitely add a positive aspect to the inventory of Alachua County tourism destinations. The project follows the VCB Vision Statement of providing cultural attractions that draw visitors. The location of the project supports redevelopment goals of the City of Gainesville by locating in the Depot Park. The major drawback I see for the proposal is that it is too speculative at this point; they have significant fundraising and organizational responsibilities ahead of them. **Jeanna Mastrodicasa**

The Cade Museum will be an excellent addition to enhance the cultural community in Gainesville. Besides mainly bringing in schools for day trips and enhancing existing overnight stay the facility should also increase overnight visits specifically for this venue by producing fairs, conferences and workshops.

No doubt it will be able to support its operational fees once established. The Cade will be a valuable asset to the County adding a world class cultural facility. **Ron Gromoll**

This project fits the Vision for Alachua County Tourism Development. Innovation and technology are at the forefront of this beautiful facility which will complement and enhance Gainesville's reputation as an educational and research center. The workshops and programs the Cade Museum is offering is the foundation for the ROI we can expect for many students and scholars who will participate in the programs and workshops they offer. Since the groundbreaking for the museum is 2 years or more away I would suggest we offer matching funds which will entice corporate sponsorship. If this worthwhile project does not get corporate sponsorship it will never get off the ground and our matching funds should be used to entice investment. Our investment should be made only when outside funding is secured. In this way the bed tax money will be will leveraged and not wasted. **Bob Todd**

I really like this project- it is relevant and adds to the inventory- what is necessary is to make sure that it is not just another museum- it would need to be a place for special events related to UF, the school board, private sector partners, etc.-- it should also be a place for sitting, relaxing and eating-- walkable communities are important and I like the proximity of this to downtown-

I like this part too...

In 2006, Dr. and Mrs. J. Robert Cade contributed an asset that funds an endowment for museum foundation operating costs. This asset currently generates just over \$300,000 a year, sufficient to fund a maximum of 3 professional staff positions and to cover basic expenses. In addition, the President and Executive Director are working full-time as unpaid professional staff, the value of which is approximately \$200,000 a year. The Museum receives about \$22,000 a year in rent payments from

Love that this is a new inventory of things to do.. My feeling is that museums alone are not usually the "primary reason" for travel to the destination they would give people something to do as an add on to the trip OR if they museum is hosting a special event then the tourist might come in specifically

for the museum- and finally for perhaps school groups (which don't stay overnight regularly)-- so this part is where it might fall a bit short in the ROI but overall I like what it will do for the destination!

**Lori Pennington-Gray**

Well thought-out project with excellent local support. Project includes matching funds as well as permanent fund raising campaign. The Museum will employ a full time Director of Development. It is an excellent choice for a site to create opportunities to hold multi-day conferences and meetings. The Museum will provide not only a facility for conferences but an attraction for meeting participants and families to enjoy. Will bring visitors to Alachua County immediately. Will increase visitor nights at local hotels for all key tourism segments thus generating increase in bed tax funds. Excellent local support as well as a strong Board of Directors. Very positive projection on project ROI and self-sustaining.

**Rocky Draud**

I think their fundraising plan on p. 10 speaks for itself. **Carolyn Wade**

## **ALACHUA COUNTY FAIRGROUNDS**

According to Table 12 pertaining to Total Economic Impact as well as the total analysis, the majority of the visitors will be local and day visitors. Therefore, this project's regeneration of the tourism tax is limited in comparison to other projects. I understand the partnership with VCB and the Sports Commission to market the fairgrounds but would have liked to see a specific marketing plan ie: publications, websites and specific markets being attracted. For example, what would they do to attract the former Canterbury visitors? What advertising and marketing would be done to attract out of town visitors? Further, it appears the attractiveness of the facility in Phase I will be limited. Therefore, not until Phase III can they expect to begin to host major events. What is the timetable for each phase?

**Lucie Regensdorf**

The fairgrounds proposal would add a positive aspect to the inventory of Alachua County tourism destinations. The location of the project supports Plan East Gainesville. The project follows the VCB Vision Statement of providing opportunities for sporting events that draw visitors. My concerns are with the large gap in funding in light of the fiscal challenges facing Alachua County, and whether the county will be able to build the facility at a grand enough scale to support the business plan's ROI as stated. In addition, the location of the fairgrounds is quite far from any hotel or restaurant, and I am concerned that the events would not necessarily translate into bed nights in Alachua County.

**Jeanna Mastrodicasa**

The fairgrounds phase would increase all market segments coming into Alachua County. This would generate more tax revenue from those markets than any project listed for the additional 2 cents, other than the Nations Baseball. The project would increase the venues for sporting events and equestrian events which are poorly lacking. The total events projected per year were modest compared to the totals of other comparable facilities listed nationwide. I also believe there are other possibilities for revenue generation with this type of facility that aren't listed. This facility would contribute to a large increase of outside tourism besides being an excellent additional enhancement to the community.

**Ron Gromoll**

This is a viable project- I am a little concerned with "filling" the facility- a full time staff person can help but it will also take a cooperative effort with all other tourism entities- VCB, GSC and Cultural Affairs, etc. Again- if you build it they will come- is not an appropriate strategy- it is going to take financial commitments beyond the 1% bed tax below is what concerns me most..... If It doesn't generate income quickly- and the money is used for capital expenses- this is a lot of money in addition- it probably will take this kind of staff to be successful and fill the place 125 days a year minimum! **Lori Pennington-Gray**

**Table 15: Estimated Operating Expenses, Years 1 – 5**

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Salaries and Wages:</b>					
Executive Director	\$85,000	\$86,275	\$87,569	\$88,883	\$90,216
Sales Director	\$55,000	\$55,825	\$56,662	\$57,512	\$58,375
Event Coordinator	\$45,000	\$45,675	\$46,360	\$47,056	\$47,761
Administrative Assistant	\$30,000	\$30,450	\$30,907	\$31,370	\$31,841
Bookkeeper	\$30,000	\$30,450	\$30,907	\$31,370	\$31,841
Operations Manager	\$40,000	\$40,600	\$41,209	\$41,827	\$42,455
Building Operations/Maintenance (3)	\$105,000	\$106,575	\$108,174	\$109,796	\$111,443
Building Attendant (2 man days per event day)	\$26,848	\$29,360	\$32,000	\$33,440	\$33,760
Security (2 man-days per event day)	26,848	29,360	32,000	33,440	33,760
Fringe Benefits (30% of salaries)	<u>64,500</u>	<u>65,468</u>	<u>66,450</u>	<u>67,446</u>	<u>68,458</u>
Subtotal Salaries and Wages	\$508,196	\$520,038	\$532,237	\$542,141	\$549,910
<b>Other Expenses:</b>					
Supplies and Materials	20,000	20,000	20,000	20,000	20,000
Maintenance and Repair	93,750	140,625	187,500	187,500	187,500
Utilities	225,000	225,000	225,000	225,000	225,000
Concessions (80% of gross sales)	704,640	800,300	786,000	918,200	923,400
Promotion	75,000	65,000	50,000	50,000	50,000
Equipment and Other Capital Costs	15,000	17,500	20,000	20,000	20,000
Miscellaneous Costs	<u>78,975</u>	<u>89,881</u>	<u>94,550</u>	<u>94,550</u>	<u>94,550</u>
Subtotal Other	\$1,212,365	\$1,358,306	\$1,383,050	\$1,515,250	\$1,520,450
<b>Total Annual Operating Costs</b>	<b>\$1,720,561</b>	<b>\$1,878,344</b>	<b>\$1,915,287</b>	<b>\$2,057,391</b>	<b>\$2,070,360</b>

For many years we have needed to move the fairgrounds to use the existing fairgrounds which is better suited as an industrial park to promote growth in East Gainesville. I am very surprised that the county has not refined the scope of this project to something affordable. Earmarking land for the phase 3 arena with 2,500 fixed seating which would have marginal ROI even by the consultants optimistic report should have long since been replaced with an outdoor 800 seat amphitheater which would be much used for concerts, revivals and theater productions and be much less expensive to operate and cost effective for many events that would attract out of town visitors. As it stands I cannot support the request that tourism dollars be used for a project which will be used predominately by the local market.

**Bob Todd**

It's nice to see the incorporation of this project in Plan East Gainesville. The ROI seems adequate. The assumption of the bed-tax and sales tax generated is as reasonable as the other proposed projects and the benefit to residents is appropriate as well. **Carolyn Wade**

Projected income and hotel nights very positive if facility is able to attract potential events listed in project. A useful alternative might be a scaled down design with first phase meeting equestrian needs. Location presents a challenge – no lodging options in near vicinity. Of all the projects, because of location and history the immediate and frequent use of facility to achieve ROI may be uncertain.

**Rocky Draud**