# LEGISLATIVE #
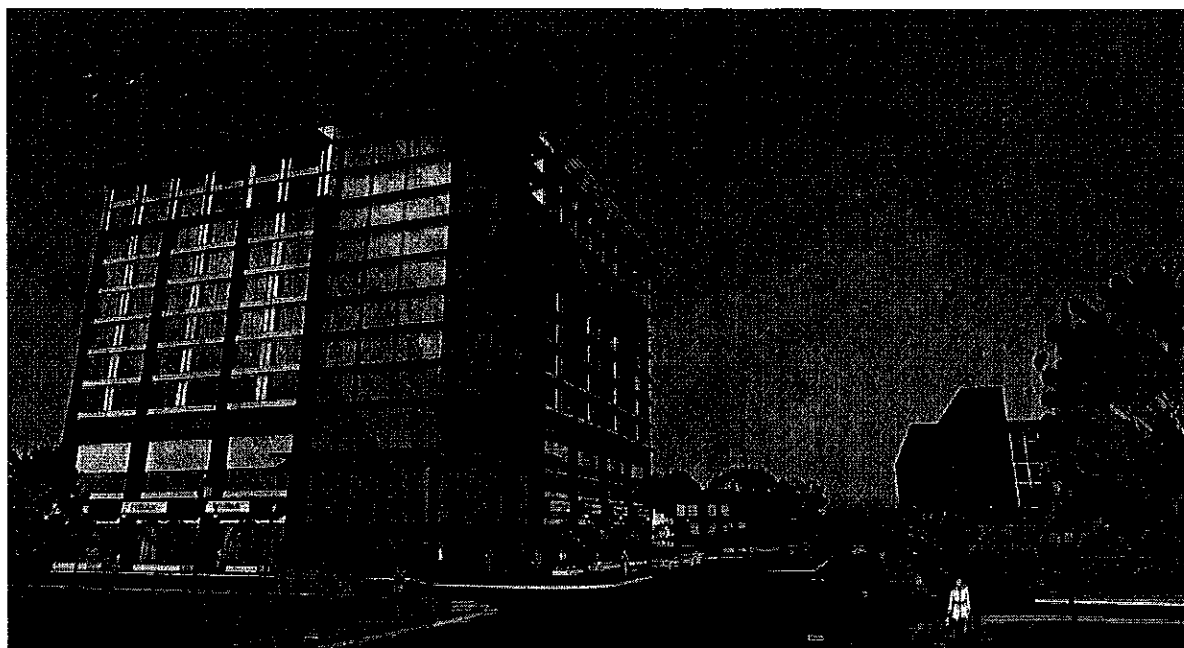
# 110374I

# Downtown Conference Center and Hotel
## "Where Innovation Meets"

### BUSINESS PLAN
(Capital Projects that Promote Tourism)

### MAY 2010

### Alachua County Board of County Commissioners
Alachua County Purchasing Division, Third Floor
County Administration Building
12 SE 1$^{st}$ Street
Gainesville, FL 32601-6983

### Submitted by

Gainesville
Community
Redevelopment
Agency

### On behalf of the City of Gainesville

## *Executive Summary*

- Our request: One percent <u>or</u> $625,000 annually of the Tourist Development Tax (TDT) be dedicated to the City of Gainesville for 20 years to fund the development a Downtown Conference Center
    - Funding would not be needed until approximately mid 2013
    - TDT funding for 2010-2012 could be re-directed to a different project(s)
    - TDT revenues in excess of $625,000 annually could be used to fund other projects

- The Downtown Conference Center and Hotel project ("The Project") consists of two separate projects that need to occur simultaneously:
    - 1) an approximately 38,000 square foot publicly-owned conference center and
    - 2) a 250-room full-service hotel branded as a Marriott, Hyatt, Starwood, or other national/international brand co-located with the conference center

- The Project is expected to generate *62,000 room nights* and have a *$26 million* impact annually to the local economy, including:
    - $7.0 million in salaries and wages
    - 234 new jobs
    - $1.5M in sales and lodging taxes

- The Project the estimated $625,000 in annual Tourist Development Tax dollars (i.e. one percent) into a $55 Million project that *attracts over $45 million dollars in private investment*
    - It is expected that the City of Gainesville can leverage approximately $8 million through bonds from an estimated $625,000 in annual TDT receipts

- The Project is located at the 200 block of SW 2$^{nd}$ Ave, currently known as City Parking Lot 10, a city-owned surface parking lot situated on a complete city block

    - This location provides close proximity to other hotels, parking, restaurants, entertainment, the University of Florida, and it is located on a multi-modal transportation corridor

- The conference center portion of the project, the Downtown Conference Center (DCC), fills a need in the market (limited meeting facilities) and offers the opportunity not only to capture existing meeting demand that is currently leaving Gainesville, but also the creation of a world-class conference facility to attract *new* national, regional, statewide meetings

    - A survey of meeting planners in Florida indicates that a significant number of meetings currently held outside Gainesville because of space limitation would be held in Gainesville if suitable facilities were available

- The hotel portion of the project fills a need in the market for additional hotel rooms in Downtown Gainesville to support the anticipated increase in visitors resulting from innovative redevelopment projects such as the Cade Museum, Depot Park, the Florida Innovation Hub, Innovation Square, and the Innovation Gainesville initiative

3

- o With the new 124 room Hampton Inn and Suites only two blocks away (easy walking distance); the Project will be marketed as a 374-room complex with conference facilities that can accommodate larger meetings

- o A Market Study and Financial Analysis performed by PKF Consulting concludes that there is sufficient market demand to support the Project

- The Project will be developed through a public/private partnership with a private master developer approach

  - o Through negotiations with a master hotel developer, it is expected that TDT revenues will not be used to subsidize any operational losses from Conference Center activity
  - o Letters of interest from hotel developers are included in Appendix C

- The Project supports Plan East Gainesville and provides benefits other than tourism, including:

  - o Creation of permanent jobs
  - o Support for Gainesville Regional Airport
  - o Redevelopment of Downtown Gainesville
  - o Premier space for weddings, receptions, banquets for residents of Alachua County