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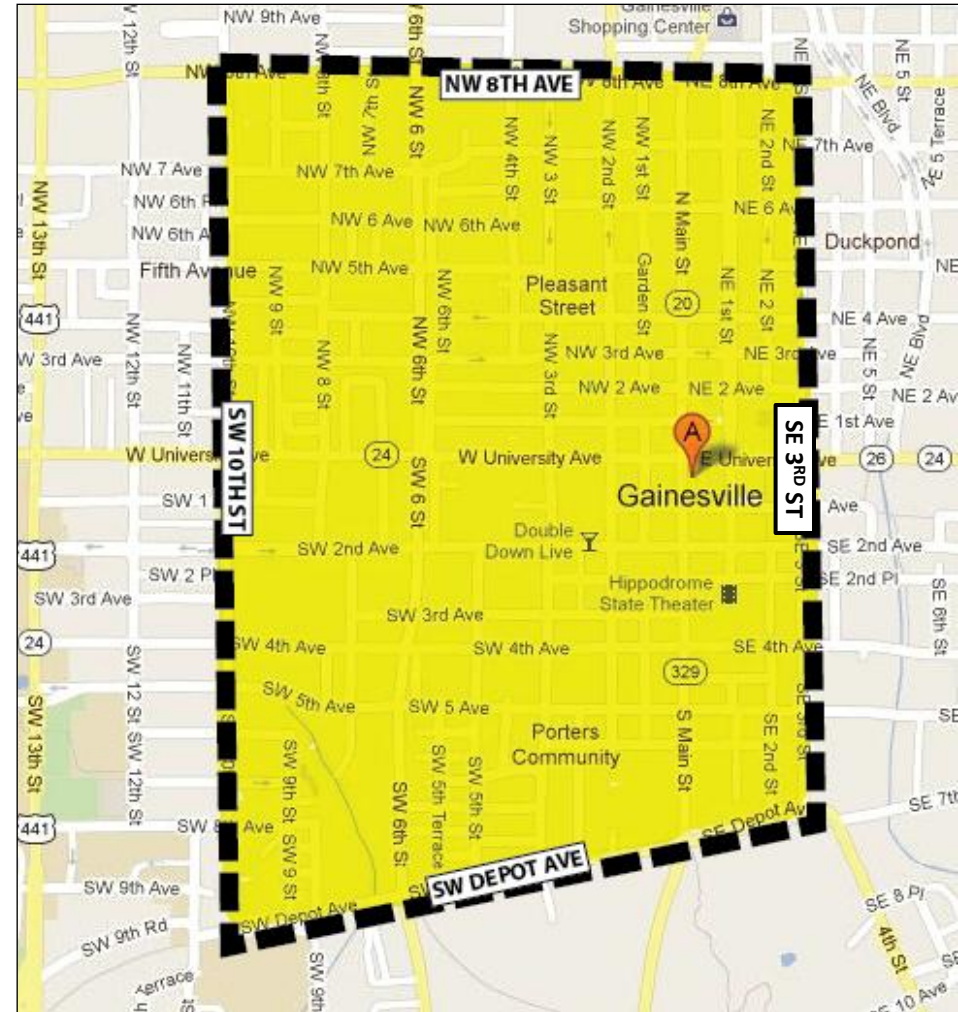
Downtown Conference Center

City Commission

December 20, 2012

Background

- Interest in Downtown Hotel and Conference Center dates back to 2009
- Developers have continued to approach the City to request financial assistance to build and operate this project
- Phase I of Multi-Step ITN was distributed in February 2012
 - Designated boundary area was established
- Phase I was designed to determine:
 - Interest level among qualified developers
 - Understanding if public assistance would be sought for the project



Background

- ITN Phase I results:
 - Two responses were received from developers
 - Both asked for significant financial assistance to complete the project
- City Commission requested staff to identify additional potential local funding partners

Proposer	# Hotel Rooms	Conference Space	Initial Cost Estimate	Public Assistance Sought
Acquest Realty Advisors	250	30,000 sq ft	\$50,000,000 - \$60,000,000	Underwrite conference center costs through a guaranteed lease, tax recapture or other financing method
Gainesville Hotel & Conference Center, LLC	200-250	20,000-25,000 sq ft	\$32,000,000 - \$36,000,000	<ul style="list-style-type: none"> • Lot 10 land contribution and infrastructure support • Parking revenue participation for expanded use due to hotel, conference and restaurant uses and for parking garage pay-off • Tax Increment Funds from Downtown CRA for transformational projects • Real estate tax rebates from State QTI • Funds from the increase in sales tax revenues due to the newly built Hotel and Conference center

Request to Identify Additional Funding Partners

•City staff contacted the following community partners as potential funding partners/collaborators:

- Alachua County
- County Visitors and Convention Bureau
- Gainesville Chamber of Commerce
- University of Florida Development Corporation
- University of Florida Foundation
- GDOT

Summary of Community Partner Feedback

- Specific feedback

- Gainesville loses events to due lack of large enough facility
 - Ex: larger UF medical-related conferences
- Small airport size would make it difficult to compete with Orlando, Tampa etc.
- Conference center would be geared to local and regional needs

- Concern regarding the size of the proposals submitted

- The two proposals submitted in Phase I do not address the missing market niche of the ability to host larger groups
- Maximum current group size is 350 at existing local conference facilities
- Global Spectrum study recommended 40,000-50,000 sq ft of (function + support space) conference facilities for ability to host larger groups of 350-500 attendees
- Proposals submitted offer similar capacity to existing facilities; want to avoid drawing business from existing conference facilities

- Conference center size is critical

- May want to consider increasing the size of the venue beyond the recommended size to be more of a “small convention center ” rather than a conference center
- Size impacts suitability of potential locations
- Parking implications

Summary of Community Partner Feedback

- Numerous early-stage potential hotels with some conference facilities being considered may change the landscape
- Other areas in the City beyond the boundary area should be considered
 - Depot Park
 - South Main area
 - Butler Plaza
- Recommended that more community partners should be included in the discussion
 - Butler Plaza
 - Hoteliers near I-75
 - Hilton
 - Land-owners near Hilton
 - University of Florida DOCE
 - Sports Commission
 - Santa Fe College
 - Airport
- Timing
 - Evenly divided on whether it was the right time to pursue this project or whether to wait until there is more clarity on the path for several new development patterns in the City

Summary of Community Partner Feedback

- Valuable concept worthy of pursuing
- Not able to commit funds for construction or operations at this time
- Willing to collaborate on further discussion and research
- Open to further discussions on how to make such a project financially feasible
- May be willing to assist in other ways:
 - Research
 - Promotion
 - Consensus-building

Successful Conference Facilities

- Major economic drivers to a community
 - Subsidized operations
 - Generally through bed tax mechanism
- Characteristics of successful conference centers
 - Strong collaborative network among existing hotels
 - Transportation resources: airport, taxi, bus
 - Proximity to restaurant and retail amenities
 - Successful conference center operator
 - Fully-engaged event planners to attract larger conferences

Recommendation

1. Hear presentation from staff on potential local community funding partners
2. Discuss requested assistance and whether it is feasible for the City to make any assistance available; and
3. Provide direction to staff on whether to terminate the ITN or, if assistance is made available, to initiate phase two of the ITN.