

December 15, 2009

Alachua County Purchasing Division, Third Floor  
County Administration Building  
12 SE 1st Street  
Gainesville, Florida 32601

Subject: Letter of Interest – Capital Projects that Promote Tourism

To Whom It May Concern:

The City of Gainesville would like to be considered as a candidate for Alachua County's "Capital Projects that Promote Tourism."

The City's Department of Parks, Recreation and Cultural Affairs has the primary responsibility for providing quality parks, recreational and cultural opportunities to the citizens of Gainesville. In addition, the department collaborates with the Gainesville Sports Commission (GSC) to provide city parks and recreation facilities for populations of all ages, to create and continue various sports events that have an economic impact on Gainesville and Alachua County.

The City proposes to expand the overall size of the Martin Luther King Jr. Community Center by 22,600 square feet with the majority of the increased space to be used to host large indoor sporting events. With this expanded space, the City and other sports agencies in conjunction with the City would have the ability to increase the number of annual (indoor) sporting events that take place in Gainesville and Alachua County resulting in a greater economic impact on the local economy including significant increases in both the sales taxes and the bed tax.

According to the Alachua County Visitor's and Convention Bureau, Sports Tourism is the #1 activity for visitors to Alachua County. In this proposal, the City of Gainesville will demonstrate its ability implement, manage and sustain this proposed Sports Arena without funding from Alachua County other than the associated costs for the project's design and construction.

Sincerely

Russ Blackburn  
City Manager  
City of Gainesville

## Capital Projects that Promote Tourism

### GENERAL REQUIREMENTS

The services requested herein are for **Capital Projects that Promote Tourism** and must meet the requirements of Florida Statute 125.0104(5) and the following requirements, including but not limited to:

1. ***A brief description of the project.***

At its November 19, 2009 meeting the Gainesville City Commission approved the City Manager pursuing the process opened by Alachua County for Capital Projects that Promote Tourism. This proposal outlines capital improvements to the Martin Luther King Jr. Community Center (“MLK”), located at the corner of Waldo Road and NE 8th Avenue in Gainesville, Florida.

By expanding MLK, the majority of the Capital Projects funding from Alachua County would be used to ensure that the majority of the 22,600 square feet expansion would be utilized as an open activity area, serving to supplement the Center's existing indoor activity/sports space of 10,000 square feet. The center currently has several indoor spaces that will not have to be constructed within the building's expansion, and which will mutually complement expanded areas that the City proposes. Existing resources include the center's large concession stand and kitchen, large multi-use stage and existing locker rooms. Construction of additional storage space, office space and restrooms within the new expansion would be minimal, as these types of spaces already exist within the MLK Center as well. In addition, stormwater drainage and utilities along with sufficient parking areas already exist on site. As part of the overall project, these parking areas will be improved to include paved drives with grass stalls for 134 vehicles.

The center's expansion would allow for greater utilization of the existing Citizen's Field Recreation Complex, which include a 50-meter swimming pool, a football and soccer stadium, and a large open area currently used for such sports as soccer, flag football and ultimate Frisbee.

2. ***How does the project fit the statutory requirements?***

By enlarging the existing Martin Luther King, Jr. Center, a publicly owned and operated facility, this project fits the statutory requirements: “To acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate, or promote one or more publicly owned and operated convention centers, sports stadiums, sports arenas, coliseums, or auditoriums, open to the public, within the boundaries of the county or subcounty special taxing district in which the tax is levied.

3. ***The proposed project may require joint ownership between County and requesting Public Entity.***

In order to accomplish this, the City would work with the County in an intergovernmental agreement since funding this project would result in an expansion of an existing facility.

4. ***What is the anticipated return on investment (ROI) for tourism?***

The return on investment would accrue through the ability of the City or other sports agencies, such as the GSC, to increase the number of (indoor) sporting events that could be hosted in Alachua County. Currently the number and size of (indoor) sporting events coordinated by GSC is restricted due to the lack of a central indoor facility with sufficient indoor sports activity space. The GSC has estimated that if the MLK Center was expanded to include additional activity/sports space, the number of indoor sporting events held in Alachua County could increase by 45% in the first year, 85% in year two and nearly 100% by year three.

On average, GSC events currently generate approximately 30,000 room nights per year. An adequate sports arena within Gainesville/Alachua County would enable the City or other sports agencies to host additional sporting events and would result in a significant increase in the total

number room nights generated. Information provided by the GSC shows that additional events, such as the ones listed in 3.1, have the potential to generate 13,592 additional room nights in year one, 25,467 additional room nights in year two and 28,800 room nights in year three.

The current average daily rate (ADR) of hotels/motels in Alachua County is approximately \$68. At this rate, the first year of new events at the MLK Community Center would yield \$55,455 in sales taxes and \$36,970 in bed tax. The second year would yield \$103,905 in sales tax and \$69,270 in bed tax. The third year would yield \$117,504 in sales taxes and \$78,336 in bed tax. All told, the first three years of new events would generate \$461,440 in new sales and bed taxes for the Alachua County.

The Florida Sports Foundation estimates that adults spend \$131 per day and youth spend \$67 per day when attending sporting events. Using these figures and basing the first year estimate of 8600 new spectators and 7000 new participants, an expanded MLK Community 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 impact in Alachua County increases to \$4.68 million the first year, \$9.25 million over two years and more than \$10 million after three years.

The only limiting factor to increasing the number of (indoor) sporting events could be the unavailability of hotel/motel room nights within the County. Currently there are times during the year that available room nights are limited. As efforts by local organizations committed to expanding tourism in Alachua County become increasingly successful, available room nights may be difficult to find at certain times of the year.

5. ***Where is the project to be located and how would this be the best location for attracting tourists?***

The Martin Luther King Jr. Community Center, located at the corner of Waldo Road and NE 8th Avenue offers many advantages. The location is easily accessible from I-75 using Williston and Waldo Roads, and offers a viable location that can serve as an alternate or supplemental venue to the existing University of Florida facilities. Parking is readily available.

6. ***What is the projected cost associated with the project?***

Construction:

This project is being estimated at a construction cost of \$200.00 per square foot. With an addition of 22,600 square feet to the MLK Community Center, construction costs will be \$4,520,000.00. After adding in Project Design Costs, Contingency and funding for Fixtures, Furniture and Equipment, the total cost of the project is projected to be \$5.658.000.00. It should be noted that included within the \$200.00 a square foot construction cost is additional landscaping for the site as well as parking improvements to the area just south of the Citizen Field stadium.

Operating Costs:

The City of Gainesville estimates that the additional operating cost resulting from the expansion of the facility will be in the area of \$153,851 for the first year of operation. It is also estimated that the expanded facility will generate approximately \$80,000 in event revenues in the first year. Both operational expenses and revenues are projected to increase annually. The City of Gainesville is committed to funding the increase in operational expenses related to the expansion of the MLK Center. There will be no cost to the County's General Fund.

7. ***How does the project support the brand and the main purposes of travel into the County?***

As previously mentioned, the expansion of the Martin Luther King Jr. Community Center will allow the City or other sports agencies in conjunction with the City to successfully bid for events that, up to this point in time, have been out of reach. The City or any other local sports agency has not been able to host events such as the Sunshine State Games or the State Senior Games due the lack of an indoor multi-purpose facility. The City of Gainesville was the initial site of the Sunshine State Games in 1980, and subsequently hosted that event in 1981, 1982, 1989, 1995, 1996 and

2000. However, improvements to other facilities as well as the construction of new indoor facilities around the state have put Gainesville and Alachua County at a disadvantage when competing or bidding to bring these and other large sporting events to this area.

Sports tourism is the #1 reason people come to Gainesville and Alachua County. By adding 22,600 sq. ft. of indoor facilities to the MLK Center, Alachua County would once again be in a position to successfully bid and host these kinds of events. Indeed, Alachua County would be the beneficiary of several hundred thousand dollars of additional bed-tax revenue in the first three years after the completion of the expansion.

The results of a comprehensive economic impact study published in the March/April 2006 issue of *SportsEvents* magazine, reveals the importance of a robust program for attracting sports events to communities. Among the findings were:

- A. Two-fifths of U.S. adults are sports events travelers. In the past five years, 75.3 million U.S. adults attended an organized sports event, competition or tournament as either a spectator or as a participant while on a trip of 50 miles or more, one-way, away from home. One-fourth of all sports event travelers attended events to watch their children or grandchildren play. The average spending per athlete has increased substantially. Last year, the value in direct spending per athlete was \$361 per event. This year that spending will nearly double to \$680.
- B. The sports event industry is on a growth track. "American society values the competitive aspect of sports - at all levels. It starts with youth sports and the passion remains through the highest levels. The industry has become more competitive for both event owners looking to book business into cities, and Convention & Visitors' Bureaus and sports commissions trying to attract more business." So says Patrick Rishe, Ph.D., associate professor of economics at Webster University in St. Louis, MO.
- C. For event owners, the quality of the competition site is of utmost importance. 66% of respondents in the study stated that it was extremely important, while 51% cited the proximity to hotels.
- D. When it comes to choosing a city to host an event, the single most important characteristic (45%) is the quality of competition facilities, while sponsorship potential (17%), payment of bid fee (9%), and demographic of community (2%) rated much lower.

8. ***What would be the second-hand benefit to the County other than tourism?***

While the primary purpose of an expanded Martin Luther King Jr. Community Center would be to host new sporting events being brought to Gainesville and Alachua County, the new expansion would be available for local community recreational uses during the week and would significantly enhance existing and expanding (indoor) youth and adult sports programs within the local area. In addition, local sports and recreation events could still take place at the center even when one portion of the center is being used for large community functions or non-sporting events.

9. ***How will the project be marketed to tourists?***

The City or other sports agencies will market the expanded MLK facility primarily through their yearly bid proposals. The City of Gainesville will also partner (wherever possible) with the Alachua County Visitor's and Convention Bureau, the Original Florida Tourism Task Force and Visit Florida to market the expanded facility for possible non-sports related events.