

**RESOLUTION 2014-05-03**

**A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY (“DIA”) APPROVING THE SCOPE OF SERVICES IDENTIFIED IN THE EXPANDED/NEW CONVENTION CENTER FEASIBILITY ANALYSIS UPDATE REQUEST FOR PROPOSAL; AND IDENTIFYING DIA AS THE MANAGING ENTITY OF ANY AGREEMENT ENTERED INTO BY THE CITY AND A CONTRACT AWARDEE PURSUANT TO THE RFP.**

**WHEREAS**, the City of Jacksonville and DIA are desirous to undertake an Expanded/New Convention Center Feasibility Analysis; and

**WHEREAS**, the City and DIA find it prudent to seek outside expert consultation for the analysis; and

**WHEREAS**, in accordance with local and state procurement requirements, the City and DIA will issue a Request for Proposal (“RFP”) to hire an individual or firm (“Consultant”); and

**WHEREAS**, the DIA finds that the Scope of Services included within this Resolution 2014-05-03 as Attachment ‘A’ will provide the analysis necessary for future policies and actions relating to a new or expanded convention center; and

**WHEREAS**, Ordinance 2012-364-E created the Downtown Investment Authority (“DIA”), identifying DIA as the Downtown Community Redevelopment Agency (“CRA”) and assigning to it certain authorities relating to investment and development within the CRA Boundaries (i.e. “Downtown”); and

**WHEREAS**, the existing convention center is located within the jurisdictional boundaries of DIA.

**BE IT RESOLVED**, by the Downtown Investment Authority:

**Section 1.** The DIA finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

**Section 2.** The DIA approves the Scope of Services included as Attachment ‘A’.

**Section 3.** DIA recommends to the City Council that DIA is the appropriate managing entity of any agreement entered into by the City of Jacksonville and a contract awardee pursuant to the RFP.

**Section 4.** This Resolution 2014-05-03 shall become effective upon its approval by the DIA this 28<sup>th</sup> day of May, 2014.

WITNESS:

**DOWNTOWN INVESTMENT AUTHORITY**



  
Oliver Barakat, Chairman

VOTE: In Favor: 7 Opposed: 0 Abstained: \_\_\_\_\_

FORM APPROVAL:

  
Office of General Counsel

**RESOLUTION 2014-05-03  
ATTACHMENT A**

**Section 4  
Description of Services and Deliverables**

**Task1: Business Demand, Market Support & Infrastructure Analysis**

As an initial step in the engagement, the Consultant hired by the Downtown Investment Authority (“DIA”) will work under the direction of DIA, and engage the City of Jacksonville, Visit Jacksonville, the Jacksonville Chamber, and other key project representatives to establish the specific project goals and time frame. An initial planning meeting will take place to collect pertinent project data and interview key industry stakeholders. Additionally, we will conduct on-site inspections of existing convention, hotel, restaurant, entertainment and related visitor industry amenities.

Step I. Existing Market Conditions Analysis

The purpose of this step is to update the previous research into relevant local hospitality industry characteristics within the Jacksonville area as well as the existing event facility infrastructure (i.e., convention, conference, meeting, civic, and spectator facilities).

The primary components of a successful new convention facility/destination package will be evaluated in order to assess the area's ability to support added convention, conference, trade, meeting and other event activity. This aspect of the analysis is critical in updating an assessment of the community's visitor industry resources and infrastructure. Characteristics to be evaluated as part of this overall analysis step include the following:

- Committable, quality hotel properties and rooms.
- Existing/planned conference, event and hotel facilities in the local area.
- Hotel cost structures.
- Air, rail, ground transportation and shuttle access.
- Entertainment offerings and attractions.
- Restaurant and food service capacity.
- Key community resources and other such characteristics.
- Planned development in the downtown area that can impact the convention attendee experience.

The results of this step will be used in combination with updated data prepared throughout the study to assess Jacksonville's competitive position within the national, regional and state marketplace and its ability to accommodate additional event demand.

## Step 2. Analysis of Existing Convention Center Data

The Consultant will update the prior analysis of existing/historical physical and operational characteristics of existing convention and event facilities including the Hyatt Regency Jacksonville (Hyatt) and the Prime Osborne Convention Center. This analysis will help form the basis for updating estimates of future demand levels and the *incremental* level/mix of business that a new Center could generate. This analysis will also include a site visit and detailed interviews with facility representatives. As the information is available, the updated collection and review of data will include, but will not be limited to:

- Center physical components, configuration, functionality, amenities and related issues.
- Event characteristics:
  - Number of events by type
  - Utilization days (move-in, event, move-out)
  - Space used, by area
  - Attendance
  - Origin of attendees
  - Length of stay
- Square footage and daily occupancy by type of space.
- Event seasonality.
- Operating revenues.
- Operating expenses.

The results of this step will provide an updated assessment of the capacity, performance and limitations of a new Center and, importantly, benchmark data for subsequent tasks and steps.

## Step 3: Industry Characteristics and Trends Analysis

As we near the middle of 2014, there are indications that the overall economy has started to rebound. Subsequently key demand indicators for the convention and tradeshow industry have responded similarly. As this rebound continues to emerge, there have been some changes to the selection criteria used by convention and tradeshow planners. Planners are highly focused on factors that impact the experience of the event attendee, including walkable access to hotels, restaurants and entertainment. Event attendees seek productive work spaces within facility pre-function areas to collaborate with other industry professionals. Event exhibitors and corporate sponsors increasingly look to a defined return on investment.

The Consultant must demonstrate an understanding of these and related important characteristics and how they have and will continue to affect the industry. The Consultant's understanding of industry trends and their implications on specific markets and needed convention center and destination amenities is something that will factor highly in the decision making process. The focus of the feasibility

analysis during this step should be to generate selection criteria, demand, supply and other trends in the industry that may impact future Jacksonville convention center demand and supportable building program options.

#### **Step 4: Comparable and Competitive Facility Analysis**

In this step, the Consultant will update the prior analysis of the physical and operational characteristics of existing and planned facilities in the region and throughout the country that could compete with a proposed Jacksonville Convention Center. Projects around the country that may offer some element of comparable insight should also be evaluated.

As available, the types of data that should be assembled for comparable and competitive facilities include, but are not limited to the following types:

- Exhibit, meeting, ballroom/multipurpose space and capacities.
- Fixed and temporary seating components.
- Future expansion plans.
- Event characteristics (levels, attendance, utilization, future bookings, etc.).
- Operating revenues and expenses.
- Hotel availability, quality and proximity to the facility.

This analysis will assist in providing data as to how a new Center in Jacksonville could compete within specific event markets, as well as later assisting in the evaluation of the associated development scenarios, financial operations and economic and fiscal impacts of the proposed project.

#### **Step 5: Market Survey Research**

The Consultant will conduct an updated survey of potential users of a new Center from a national and regional basis. It is expected that the Consultant will contact a number of event planners from the following event specialties: professional associations, corporations, SMERF (social, military, religious, educational and fraternal) groups, government and related organizations. Such interviews are an important component of any study, allowing us to go beyond simply relying on competitive and comparable facility data. The Consultant's current and recent work in various comparable communities nationwide will provide a strong basis for the identification of specific groups and organizations that could represent market potential for Jacksonville.

Event organizer survey results will be analyzed to provide updated summaries of the following data specific to added Jacksonville facilities:

- Assessment of the strengths and weaknesses of existing Jacksonville event facilities.

- Likelihood of using a new Center in Jacksonville.
- Reasons for not choosing the Jacksonville area.
- Space/seating levels required to attract the event.
- Hotel room requirements and the positive impact of adjacencies to the existing Hyatt.
- Other important community requirements to attract the event.
- Event seasonality.
- Length of event data.
- Event attendance data.
- Perceptions of the Jacksonville area, and other related event information and relevant opinions.

By combining the results of this step with the analysis results generated in previous steps, the Consultant should be able to provide a complete update to the prior assessment of the capability of a new Center to generate additional event activity, as well as the various facility and destination requirements associated with such activity. This data will provide important information for current and future project decision making purposes.

### **Task 2: Building Program and Event Levels Analysis**

In the previous task, we will have prepared an updated analysis of the market demand potential for a new Center in Jacksonville. In this task, we will review the market-supportable facility development options, based on market demand and related data. Building components focused on will include exhibit, meeting, ballroom, general session and related areas. Market capture levels under various facility development scenarios will be prepared.

Based on the results of the market demand and building program analyses, we will prepare updated estimates of the level and characteristics of added events and activities that could be attracted to a new Center during the initial start-up period, as well as a stabilized year of operations. The market potential will be presented for those sources of demand that are identified as being supportable in the Jacksonville area. These event sources could include conventions, tradeshow, conferences, meetings and other events.

### **Task 3: Financial Operating Analysis**

Based on the results of the previous steps, the Consultant will prepare an updated financial operating analysis based on the recommended program approaches detailed in previous steps. As an initial effort, the updated financial operating analysis should develop a model incorporating comparable facility data, along with the estimated levels of incremental event utilization and attendance associated with recommended center development options in order to prepare updated estimates with regard to future Center operating revenues and expenses. Revenues including rental, food service, event service, parking, advertising and sponsorship revenues, and other such sources will be estimated. Expenses including salaries (permanent and event driven staff costs), utilities, maintenance, supplies, insurance, contract service costs and others will be estimated.

#### **Task 4: Community Economic Impact Analysis**

In this task, the Consultant will prepare updated assessments of economic and fiscal (tax) impacts associated with a potential new Center. The operation of convention centers typically attracts some level of out-of-town event delegates/attendees/exhibitors to the community. The non-local attendees brought into the community by Center operations represents the basis for added local economic and fiscal impacts.

As part of this analysis, the Consultant shall develop estimates of total incremental out-of-town attendees to the Jacksonville area generated as a result of a proposed Center. These estimates will then be applied to appropriate per-delegate/attendee/exhibitor spending estimates using industry data adjusted to the local area. The resulting delegate spending levels will be segmented by industry and applied to economic impact multipliers.

The multipliers, specific to the Jacksonville area and provided by leading input/output multiplier models, will be used to estimate total economic output, earnings and employment generated as a result of a potential facility. From these economic impact variables, the Consultant shall apply appropriate local, regional and statewide tax rates to estimate the added tax revenue generated as a result of the project.

#### **Task 5. Preparation of Reports/Presentations**

In this final task, the Consultant will prepare a written report summarizing the updated findings and conclusions. The Consultant will summarize these matters in a draft report, which will be submitted to the working group prior to finalizing the document. The report will consist of a detailed briefing of research findings and recommendations. The Consultant will present study results to the project working group and key decision makers in Jacksonville.