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**SEMINOLE COUNTY GOVERNMENT  
AGENDA MEMORANDUM**

**SUBJECT:** Multi-Use Meeting Facility Marketing & Financial Analysis recommended by the TDC and authorized by the BCC.

**DEPARTMENT:** Economic Development

**DIVISION:** Tourism

**AUTHORIZED BY:** William McDermott

**CONTACT:** Shani Beach

**EXT:** 7135

**MOTION/RECOMMENDATION:**

Staff is seeking direction from the Board on the recommendations resulting from the Multi-Use Meeting Facility Study completed by Real Estate Research Corporation.

County-wide

Bill McDermott

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**BACKGROUND:**

On February 27, 2007 the Board authorized Economic Development to contract with RERC for the purpose of updating the convention center market report to determine the feasibility of a convention center in Seminole County. The report was originally prepared in 1994 and was updated in 1997. The study indicates a need for a new facility in Seminole County.

RERC will present their recommendations, financial analysis and the next steps required should the Board decide to move forward. The Tourism Development Council at their July 12, meeting voted unanimously to recommend that the Board consider the recommendations of the RERC study and explore multiple funding options to cover any shortfalls.

**STAFF RECOMMENDATION:**

Staff is seeking direction from the Board on the recommendations resulting from the Multi-Use Meeting Facility Study completed by Real Estate Research Corporation.

Based on the next steps and items to be resolved, as depicted on page 72 of the study, staff is recommending the BCC provide guidance as to the next steps in the process.

**ATTACHMENTS:**

1. Presentation

<b>Additionally Reviewed By:</b> No additional reviews
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# Market and Financial Analysis Multi-Use Meeting Facility Seminole County

**Real Estate** RESEARCH  
CONSULTANTS



# RERC Research Efforts

- 1994: Original Market and Financial Analysis, Site Area Analysis
- 1995: Site Analysis
- 1995-1996: RFP Preparation and Review of Responses
- 1997: Update of Original 1994 Market and Financial Analysis for the Pizzuti/Heathrow site
- 2007: Update 1997 Market and Financial Analysis

# Major Work Tasks

- Evaluate the potential market.
- Identify the probable user market segments.
- Assess the area's supporting infrastructure.
- Profile existing competitive & comparable facilities.
- Identify proposed competitive venues.
- Recommend the most appropriate building program .

# Major Work Tasks *(continued)*

- Estimate potential annual operating revenue and expenses.
- Estimate a range of construction cost.
- Estimate fiscal impact of the facility.

# Key Definitions

- Convention Center:
  - Large venue. Focuses on out-of-area groups.
  - Substantial operating deficit but large economic impacts.
- Conference Center:
  - Smaller facility, usually attached to hotel.
  - Focuses on smaller meetings, 75 people or less.

# Key Definitions *(continued)*

- Civic Center:
  - Smaller venue. Focuses on local groups.
  - Break-even or small operating deficit but little economic impact.
- Arena:
  - Spectator events - sports, concerts, etc.
  - Capacity can range from 5,000 - 20,000+.
  - Local attendance, little economic impact.

# Hotel Market

## Seminole County vs. Orlando Area Hotel Room Supply 1996-2006

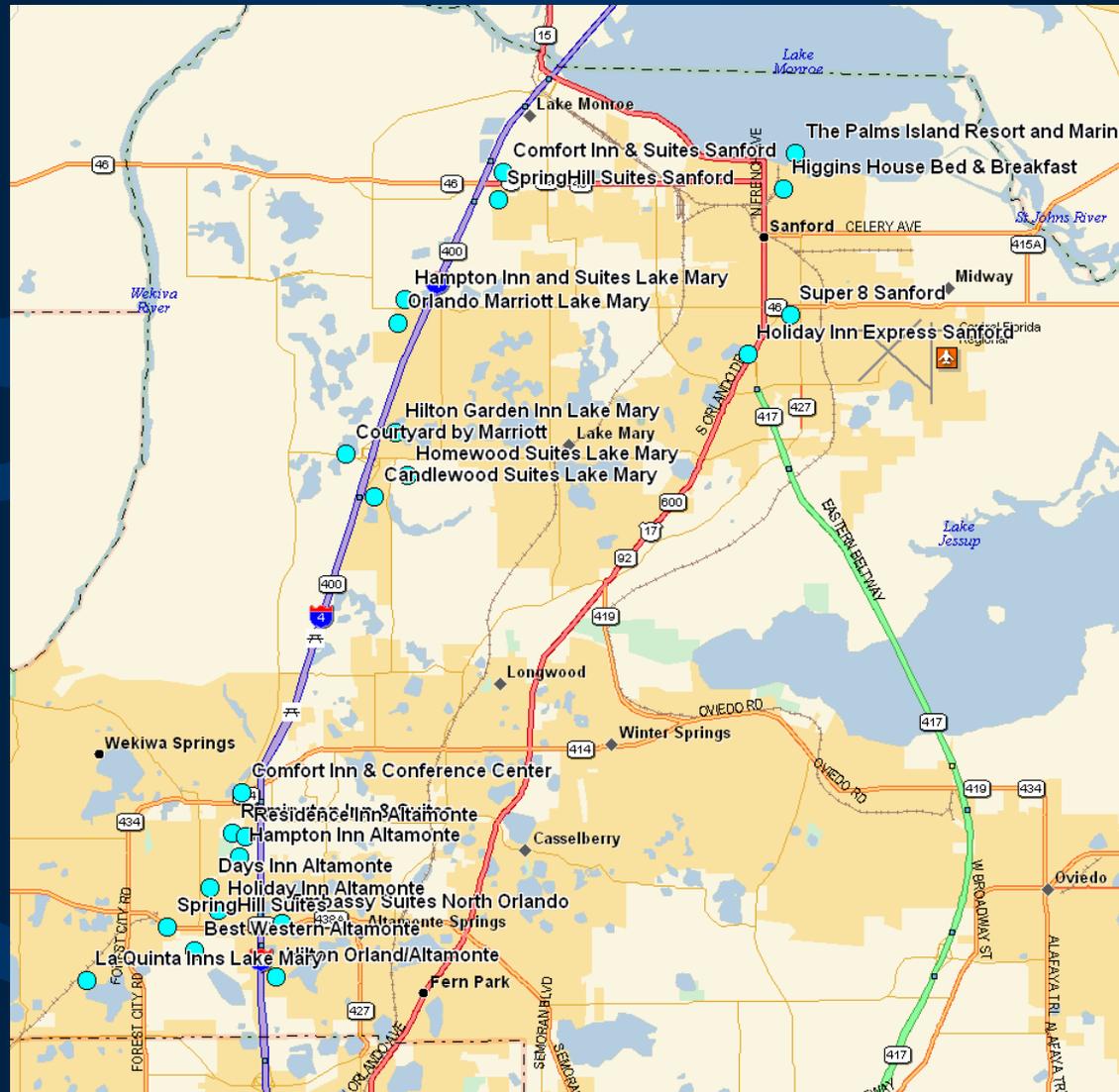
	1996	2000	2006	Compound Annual Growth %		
				1996-2000	2000-2006	1996-2006
Orlando Area <sup>(1)</sup>	81,062	97,708	108,746	4.8%	1.8%	3.0%
Seminole County	2,820	3,921	4,660	8.6%	2.9%	5.2%
Seminole % of Total	3.5%	4.0%	4.3%			

<sup>(1)</sup> Orange, Seminole and Osceola Counties.

Source: State of Florida Department of Business and Professional Regulation; Real Estate Research Consultants, Inc.

# Hotel Market *(continued)*

## Seminole County Hotels with Meeting Space



# Hotel Market *(continued)*

## Major Hotel Meeting Space Seminole County and North Orange County

Hotel	Location	# of Rooms	Total Meeting SF	Largest Room Meeting SF	Banquet Capacity
Hilton Orlando/Altamonte	I-4 Corridor (Altamonte Springs)	322	16,289	6,720	500
Orlando Marriott Lake Mary	I-4 Corridor (Lake Mary)	304	11,550	8,400	800
Embassy Suites Orlando North	I-4 Corridor (Altamonte Springs)	277	7,061	5,213	300
Holiday Inn Altamonte	I-4 Corridor (Altamonte Springs)	<u>262</u>	<u>5,584</u>	320	250
Subtotal-Seminole County		1,165	40,484		
Sheraton Orlando North	I-4 Corridor (Maitland)	<u>400</u>	<u>14,204</u>	7,505	500
Total-Seminole & North Orange County		1,565	54,688		

Source: Hotel Management; Seminole County TDC; Real Estate Research Consultants, Inc.

# Hotel Market *(continued)*

- Four hotels are proposed to be built

	<u>Rooms</u>	<u>Location</u>
<b>Westin Hotel</b>	<b>263</b>	<b>International Pkwy.</b>
<b>Embassy Suites</b>	<b>160-200</b>	<b>International Pkwy.</b>
<b>Best Western</b>	<b>NA</b>	<b>Sanford Intl. Airport</b>
<b>Hyatt Place Extended Stay</b>	<b>NA</b>	<b>Lake Mary</b>

# Hotel Market *(continued)*

- 21 Orlando hotels have over 50,000 SF of meeting space.
- These properties total 23,202 hotel rooms, ranging from 630 to 2,004 rooms in size.
- All located in tourist corridor.

Meeting Space	% of Total Meeting Space	% of Total Hotel Rooms
Over 200,000 square feet	50.2%	27.7%
100,000 – 199,999 Square Feet	15.4%	17.9%
Under 100,000 Square Feet	34.4%	54.4%
	100.0%	100.0%

# Major Central Florida Public Meeting Facilities

Facility	Total Meeting & Exhibit SF	Walking Distance Hotel Rooms	Arena/Theater Seats	Primary Market Orientation
Orange County Convention Center	2,533,010	8,000	-	National conventions & trade-shows
Osceola Performing Arts Center	23,600	0	-	Ticketed events
Osceola Heritage Park				
<i>Silver Spurs Arena</i>	33,946	300	8,300	Consumer & tradeshow, concerts
<i>Exhibition Building</i>	57,930	300	-	Consumer & tradeshow, meetings
Ocean Center- Daytona Beach	67,435	1,275	8,400	Consumer & tradeshow, ticketed events
Lakeland Center				
<i>Arena</i>	61,068	128	10,000	Consumer & tradeshow, conventions, ticketed events
<i>Conference &amp; Exhibit Halls &amp; Theater</i>	75,000	128	2,296	Consumer & tradeshow, conventions, concerts
Tampa Convention Center	263,000	2,199	-	Conventions, consumer & trade-shows

# Proposed Facilities

- Ocean Center Expansion, Daytona Beach – complete Summer 2008
- UCF - 10,000 seat on-campus arena – complete Fall 2007
- UCF - 45,000 seat on-campus Bright House Networks Stadium - complete Fall 2007
- Deltona Arts and Historical Center – 1,500 seat opera hall, 23,000 SF art gallery, hotel – No funding or timetable
- Various new hotels and meeting space in tourist corridor

# User Surveys

- Meeting Planners
- Consumer Show Promoters
- Major Employers
- Area High Schools
- Chamber of Commerce & Local Civic Groups

# Meeting Planner Site Location Criteria

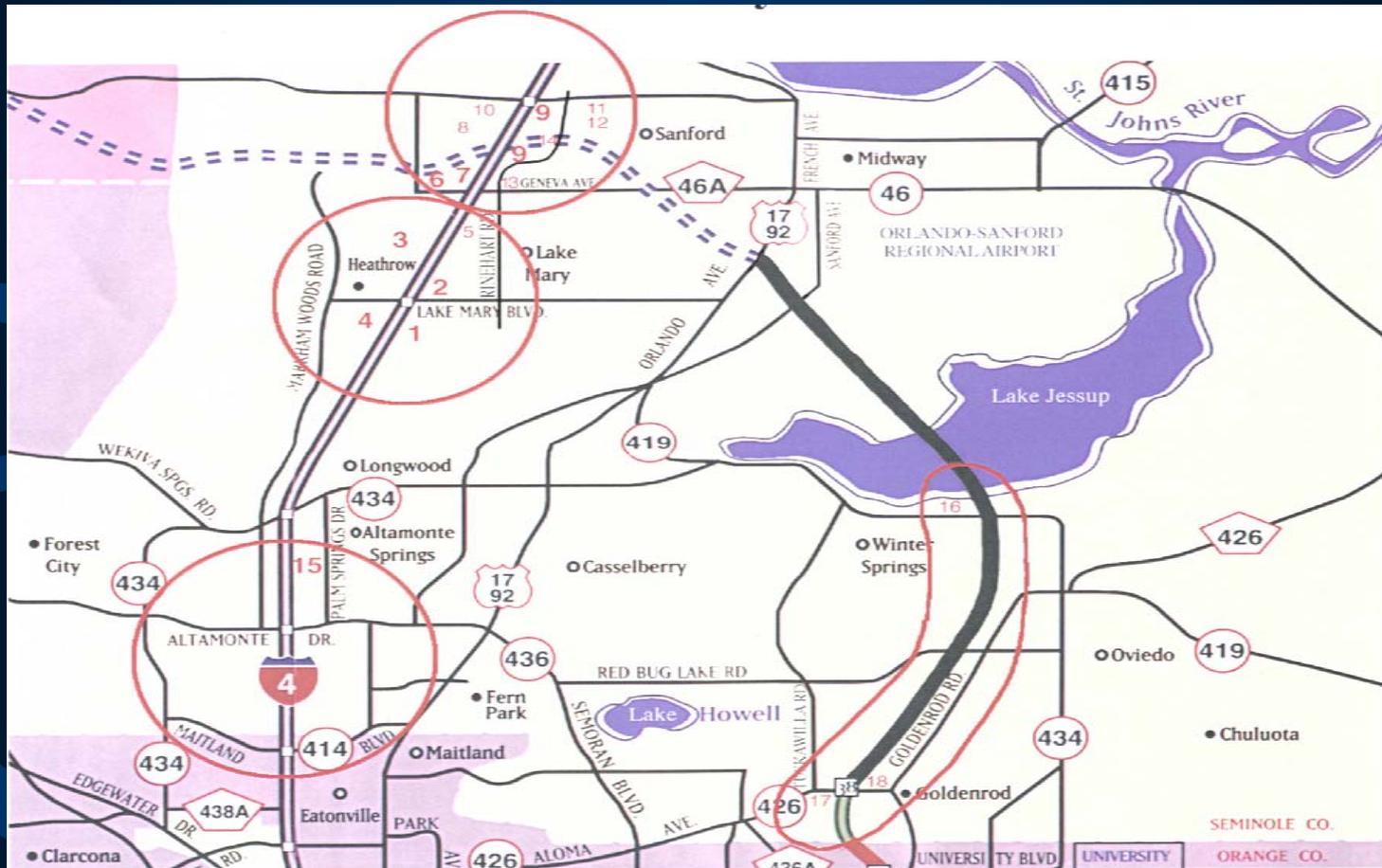
- Proximity to Convention Quality Hotels
- Access to Interstate 4
- Proximity to Other Support Services
- Proximity to Other Meeting Facilities
- Proximity to Area Population

# Comparable Meeting Centers

Facility	Location	Hotel Rooms Within Walking Distance	Total Exhibit Sq Ft	Total Meeting Sq Ft	Sq Ft of Largest Room
St. Johns County Convention Center	St. Augustine	300	0	36,485	26,450
Davis Conference Center	Layton, UT	500	0	18,093	12,459
Gwinnett Civic and Cultural Center	Duluth, GA	550	50,000	80,785	50,000
Meadowview Conference Center	Kingsport, TN	496	34,768	54,596	34,768
Marietta Hotel and Conference Center	Marietta, GA	199	0	18,263	6,534
Hilton Hotel and Conference Center	Gainesville, FL	245	0	17,211	6,860

# Site Area Analysis

## Potential Facility Locations - 1995



## Site Area Analysis *(continued)*

- Very little remaining land in Altamonte Springs. Would require redevelopment
- No hotel support in Oviedo/Eastern Seminole County
- I-4 corridor from Lake Mary Blvd. to SR 46
  - About 1,100 hotel rooms, many of convention quality
  - About 450 more rooms in planning
  - Excellent vehicular access from I-4 and SR 417
  - Only area in County with existing base of convention quality hotel rooms plus vacant land

# Recommendations

## There is demand for a meeting facility in Seminole County

- Local, state, and regional corporate conferences and meetings
- Academic conferences
- Corporate and business training sessions
- State, local, and some national associations and conferences
- Limited consumer shows and exhibitions
- Limited concert and performance entertainment events
- Local social events, weddings, banquet functions

# Recommendations *(continued)*

## Recommended Building Program

- Multi-use space of 25,000 - 30,000 SF
- Breakout meeting space of 15,000 - 20,000 SF
- Additional space for pre-function & lobby areas, back of house (food service, storage, corridors, dock space) & office space

# Recommendations *(continued)*

## Recommended Building Program

- Building footprint 2.0+ times size of meeting area
- 9 - 12 acres including parking
- Minimum of 250 – 300 convention quality hotel rooms
- May want additional land for future expansion

# Financial Operations and Cost Estimates

- Operating deficit could range from a low of approximately \$500,000 to a high of \$750,000
- Deficit is prior to debt service on the development and construction cost of the building.
- Development costs excluding land and hotel from \$25 million to \$30 million. These estimates are for the meeting center and exclude hotel and land costs.

# Fiscal Benefits Generated by Meeting Center

## Annual Recurring Fiscal Benefits

Sales Tax	\$286,000
Resort Tax	\$274,000
Gasoline Tax	\$8,000
Ad Valorem Tax	<u>\$130,000</u>
Total	\$698,000

Source: Florida Department of Revenue; Seminole County Property Appraiser; Real Estate Research Consultants, Inc.

# Funding Needs

- **Debt service assumptions:**

- 20 year bonds
- 6% interest
- \$30,000,000 cost

- **Annual Funding:**

Debt service	\$2,600,000
Operating Subsidy	<u>\$ 650 000</u>
Total	\$3,250,000

# Funding Shortfall

- Each penny of current 3% resort tax generates \$800,000
- Extra two cents generates \$1,600,000 in new tax revenue – Conservation assumption.

Total Annual Funding	\$3,250,000
New Resort Tax (extra 2¢)	<u>(\$1,600,000)</u>
Total Shortfall	\$1,650,000

# Potential Sources to Fund Shortfall

- Community Redevelopment District
- Tax Increment Financing
- Dedication of resort tax from new hotels in district
- Reallocation of existing TDC resources (not preferred)

# Next Steps

- Issue Request for Proposals (RFP) to the private sector outlining County's goals and objectives for the center and hotel site requirements
- Establish entity to manage the planning of the meeting center process. Identify and include at least one community leader who can provide guidance, vision and leadership throughout the life of the project
- Develop an implementation plan to carry concept from completion of feasibility through opening

## Next Steps *(continued)*

- Identify sources to cover the estimated funding requirements
- Issue an RFP to the private sector
- Retain firms with strong strategic planning, meeting center design and cost estimating skills to offer advice and guidance during the implementation process