



---

# Market and Program Analysis for a Proposed Downtown Miami Conference Center

---



Presented to the:  
Miami Downtown  
Development Authority

---



November 3, 2011

---





November 3, 2011

Ms. Alyce M. Robertson  
Executive Director  
Miami Downtown Development Authority  
200 South Biscayne Boulevard, Suite 2929  
Miami, FL 33131

Dear Ms. Robertson:

Conventions, Sports & Leisure International (CSL) has completed a market and program analysis for a proposed downtown Miami conference center. The research conducted as part of this study includes analysis of historical operations of existing Miami convention facilities, extensive surveys of event planners, analysis of competitive facilities within the market, analysis of industry trends that would impact the project and an overview of conditions in both downtown and greater Miami that could impact the viability of potential future facility development. The attached report presents our research, analysis and findings and is intended to assist the Downtown Development Authority (DDA), the City of Miami and other involved parties in evaluating various issues pertaining to potential conference center development.

The sources of information, the methods employed and the basis of significant estimates and assumptions are stated in this report. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

We sincerely appreciate the assistance and cooperation we have been provided in the completion of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,

CSL International

# - Table of Contents -

---

## Executive Summary

I.	Introduction.....	1
II.	Local Market Conditions Analysis.....	3
III.	Historical Knight Center/Miami Convention Center Operations Analysis.....	11
IV.	Industry Characteristics and Trends Analysis .....	15
V.	Analysis of Competitive and Comparable Facilities.....	23
VI.	Market Demand Analysis .....	27
VII.	Market Supportable Building Program Analysis.....	47

# Market and Program Feasibility Analysis for a Proposed Downtown Miami Conference Center

## Executive Summary

Conventions, Sports & Leisure, International (CSL) was retained by the Miami Downtown Development Authority (DDA) to prepare a market and program analysis for potential downtown Miami conference center development. This Executive Summary presents the key findings associated with the analysis of local market conditions, historical Miami area convention facility operations, industry trends and characteristics, competitive and comparable markets and facilities and market demand characteristics specific to downtown Miami.

The study process consisted of detailed research and analysis, including a thorough set of market-specific information derived from the following:

- Local market visits and site tours.
- In-person interviews/meetings with DDA officials, Community Redevelopment Agency (CRA) management, Greater Miami Convention and Visitors Bureau (GMCVB) management and sales staff, Miami Convention Center (MCC) management, business and community leaders, hoteliers, downtown organizations, government officials, City departments and related entities.
- Research and analysis of local market conditions (both downtown and within greater Miami).
- Analysis of trends in the conference and visitor industry that may impact development of additional conference space in downtown Miami.
- Analysis of data from competitive and comparable facilities and markets.
- Analysis of GMCVB lost business records.
- Approximately 100 completed interviews with meeting planners of targeted national conventions, tradeshow, conferences and other events.
- Approximately 30 interviews with corporate meeting planners within Florida and along the East Coast.

This Executive Summary highlights the key findings of the resulting report completed by CSL. The full report should be read in its entirety to obtain the background, methods and assumptions underlying the findings. Our findings take into consideration the potential for future large-scale resort development and associated convention/hotel space (as envisioned in the Destination Resorts Bill). Courses of action to be considered are presented assuming both a gaming and non-gaming future.

The estimated market supportable facility program for a downtown conference center is tied closely to the unique characteristics of the greater Miami market, as well as the current and potential future hotel inventory and other visitor amenities in the downtown area. The resulting market-supportable building program focuses on the levels of exhibit, meeting and ballroom space that would be necessary to accommodate potential conference, convention, banquet, meeting and other event demand unique to the Miami market.

Support areas, such as lobby, circulation, storage, office and other areas are not specifically itemized within this analysis; however, based on state-of-the-industry facility development standards, such spaces normally require square footage roughly equal to or slightly greater than the total amount of sellable square footage incorporated in the building.

## Summary of Findings

Based on the analysis presented herein, several key findings should be considered as various courses of action are evaluated with respect to future development of downtown Miami conference space. These include the following:

- The James L. Knight Center (inclusive of the Miami Convention Center) is the primary public convention space in the downtown area. This facility provides 75,700 square feet of sellable space, with a largest contiguous space of 28,000 square feet in Riverfront Hall. The Knight Center/MCC continues to attract a wide diversity of events, and remains an active home for local, regional and occasional national events. Over the past three years, the Knight Center/MCC has hosted between 450 and 481 events annually, inclusive of meetings, banquets, exams, concerts, expositions and conventions. The majority of these events draw attendees from the greater Miami area, although there are numerous conventions and other events hosted at the Center that generate room nights.
- Generally, the space within the Knight Center/MCC is lacking in terms of updated finish as compared to newer urban conference and convention centers. The column structure and ceiling heights in many areas of the complex are not at industry standard and can create a less than desirable atmosphere for non-local conventions and conferences.
- There are approximately 6,750 hotel rooms in the downtown Miami area, including approximately 2,000 that have been developed in the past ten years. Newly developed projects include the 313-room JW Marriott Marquis, the 326-room Mandarin Oriental, the 411-room Epic, the 305-room Four Seasons, and the 162-room Viceroy.
- In the downtown Miami area, the largest contiguous high-quality meeting space is 18,400 square feet, provided at the JW Marriott Marquis. Other downtown hotels provide contiguous meeting/banquet areas ranging in size from 2,600 square feet to 16,700 square feet. These parameters help to define the space programming potential for future downtown conference center development.
- Over the past several years, significant development within the hotel, restaurant, office and residential sector has taken place in the downtown Miami area. Although the residential sector has suffered significantly in the current economic downturn, absorption of existing inventory has increased significantly in recent years, resulting in occupancy percentages that currently exceed 85 percent.
- Development at the Port of Miami (including the Port of Miami tunnel and the deep dredge), as well as on-going transportation improvements linking the airport to downtown (opening in the spring of 2012), will help enhance the economic base within the Miami area, as well as the ability of the destination to accommodate the transportation needs of convention attendees.
- It is clear that the recent economic recession has had a significant negative impact on overall national convention and conference demand. Over the past 12 to 18 months, an unsteady yet slightly increasing pattern of demand appears to be emerging. Studies conducted by CSL and many other industry researchers indicate that the linkage between the convention and

conference industry and the overall economy will continue to be strong, and that eventual economic improvement will drive a rebound in demand for facility space. It will likely take several years for demand levels to regain previous industry highs recorded prior to the recession.

- According to the Professional Convention Management Association 2011 Meetings Market Survey, 50 percent of meeting planners prefer a downtown center location to other destination types. Thirteen percent prefer resort facilities, with the remainder preferring suburban hotels, airport hotels and other such venues.
- As part of our research, we have conducted surveys with national association and corporate event planners. Over 130 meeting planners were contacted as part of this research. Results are summarized below by event segment.

#### National Event Planner Analysis

- Seventy-six percent of planners surveyed had not used a greater Miami venue for an event location. However, 62 percent would consider a greater Miami venue for a future event. This provides for a significant base of potential event activity for new downtown Miami conference facility development.
- Eighty percent of the potential national event demand for greater Miami can be accommodated in 100,000 square feet of exhibit space. With 200,000 square feet of exhibit space, market capture increases slightly to just over 90 percent. In addition to exhibit space, any new conference center in downtown Miami would have to offer sufficient meeting and ballroom space.
- Event planners cite added meeting space as the number one facility or destination feature in terms of increasing importance. The second most important feature is offering a walkable center/hotel/entertainment environment for event attendees. Adequately addressing this characteristic will have a significant impact on the viability of potential future Miami conference center project sites.

#### East Coast & Florida Corporate Event Planners

- Surveys were conducted with event planners for corporations based in Atlanta, Boston, Chicago, New York, Philadelphia and Washington D.C. Planners for corporations based in Florida were also surveyed.
- The location of Miami relative to South and Latin America will not serve to guarantee high levels of corporate event activity for a new center. However, for corporations that have a significant presence in Latin and South America, there may be several reasons for an enhanced appeal of the greater Miami destination, including the following:
  - Ease of getting international attendees into the Miami area and to the conference site, with few logistical issues.
  - Many also alluded to the fact that they not only have individuals from Latin and South America attending their events but individuals from all over the world, enhancing the appeal of the greater Miami area given its international reputation.
  - The more professional or corporate atmosphere of the downtown area in comparison to the recreation/resort ambiance associated with the beach area is often viewed as an advantage.



- Attendance at these corporate events will range widely, from small ten person meetings up to larger corporate functions for as many as 5,000 attendees. A new downtown center could cater to events of this type with attendance in the 750 to 5,000 range.
- Approximately 70 percent of corporate planners based in Florida indicated an interest in a new downtown center. For many events, particularly those with limited space needs, the existing downtown facility inventory is sufficient. Others indicated a need for added space, registering the following types of comments:
  - Existing downtown space is very limited for conventions or tradeshow.
  - Need more meeting space.
  - Existing downtown space is outdated, not particularly attractive, limited in size.
  - Severely lacking! Virtually non-existent.
  - They (existing downtown facilities) are acceptable, but for meetings with attendance larger than 300, it is a challenge.

The market research findings summarized above, as well as the broader elements of research conducted as part of this project, have been used to generate market-supportable conference center program findings as presented throughout the remainder of this Executive Summary.

### **Future Downtown Miami Conference Center Program Considerations**

We have developed various findings as to the potential market-supportable program for downtown Miami conference center development. We also note that there are important and emerging realities with respect to future development in the downtown Miami area that have to be reflected as part of our findings. Specifically, the potential for large-scale downtown destination resort/convention development would dramatically impact the future course of action relative to a publically-sponsored conference center. On a somewhat lesser but still important scale, the existing downtown Hyatt/MCC complex may offer potential opportunities through some form of public/private partnership to accommodate a larger share of the demand for downtown conference event space.

Throughout the remainder of this Executive Summary, we first present the base level of market-supportable space for a future downtown Miami conference center. We then present a series of findings and recommendations tailored to the unique realities and future development potential within the downtown Miami area.

#### Market-Supportable Space Program for a Downtown Miami Conference Center

Given the existing level of demand for convention space in the greater Miami area, as well as the existing supply of convention and conference space within the broader market area, and considering the significant development that has taken place in the downtown area over the past several years, we have developed a market-supported target program for a future downtown conference center. This program consists of between 125,000 and 155,000 square feet of sellable space, segmented as follows:

- 75,000 to 100,000 square feet of contiguous exhibit/multi-use space
- A 25,000-square foot ballroom
- 25,000 to 30,000 square feet of breakout meeting space

In addition, space for pre-function, loading, office, storage, circulation and other back of house space will be needed. The total amount of built space appropriate to support the project would range between 275,000 and 340,000 square feet.

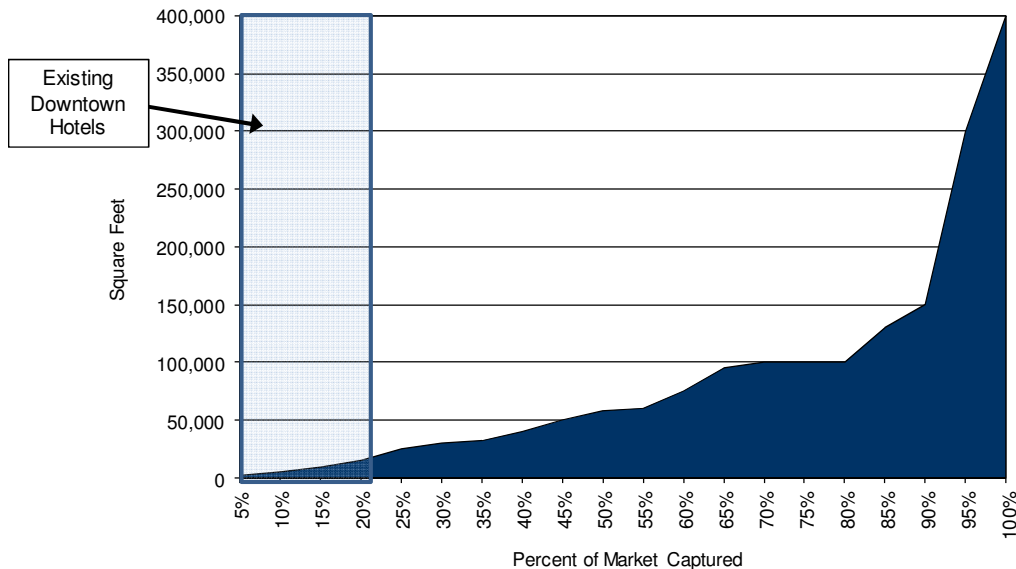
In addition, it will be critical to the success of any future center development in downtown Miami to provide for significant adjacent hotel inventory. We recommend that at least 1,000 convention quality rooms be provided adjacent to or connected to any new project. This could include existing room inventory and/or new hotel development. In addition, it will be critical to offer restaurant and entertainment opportunities within walking distance of any new center.

Within the remainder of this Executive Summary, we summarize the implications for future downtown Miami conference center development associated with both the destination resort and non-destination resort scenarios.

Scenario 1: Assuming the Destination Resorts Bill is Approved

Under this scenario, we would expect that the development of a large-scale resort project would take place, inclusive of significant contiguous multi-use space, added breakout meeting space and several thousand hotel rooms. To assess the impact of such a project on the future market-supportable need for added downtown space, we consider the exhibit space demand profile that was previously summarized herein. In this case, we first overlay the share of the market that can be accommodated by existing quality conference space within the downtown area.

**Exhibit ES-1  
Summary of Exhibit Space Demand  
National Conventions and Tradeshows**



Note: Data represented includes all organizations with a potential interest in a new downtown Miami conference center.  
Source: CSL Interviews, 2011

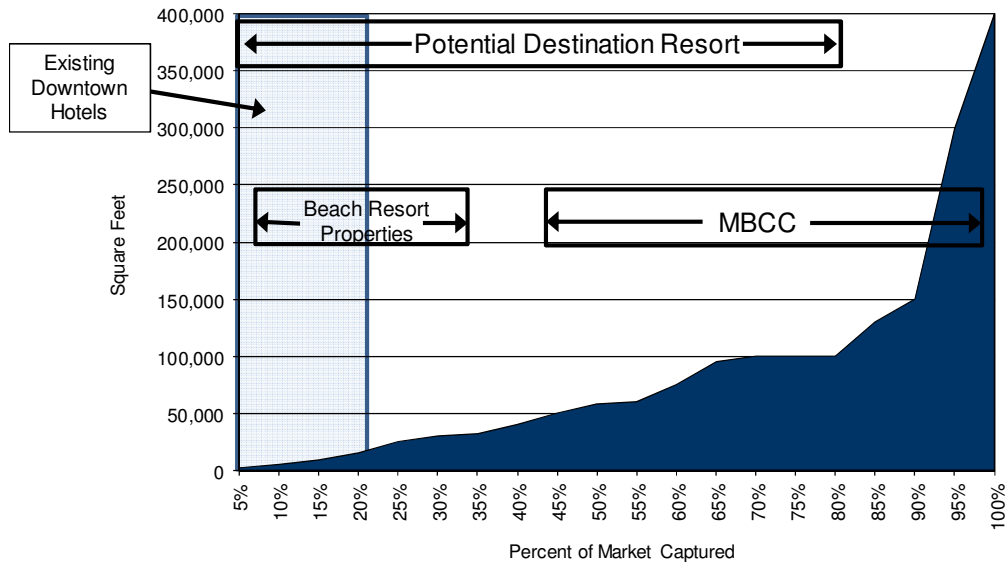
As presented above, space within existing downtown hotels (such as the JW Marriott Marquis, Hilton, Intercontinental and JW Marriott) can accommodate the smallest 20 percent of the potential national event market unique to downtown Miami.





In Exhibit VII-2, we look at demand and industry parameters from a broader greater Miami area perspective. In addition, the exhibit references estimated demand capture from a potential future destination resort development.

**Exhibit ES-2  
Summary of Exhibit Space Demand  
National Conventions and Tradeshows**



Note: Data represented includes all organizations with a potential interest in a new downtown Miami conference center.  
Source: CSL Interviews, 2011

The Miami Beach Convention Center generally accommodates events requiring between 50,000 and 500,000 square feet of exhibit space. Miami Beach resort properties (such as the Fontainebleau and Lowes) often decide which events to pursue based on an event’s potential for revenue generation (food and beverage, guestroom rentals, etc.). The contiguous space needs for these events can range between 0 and 35,000 square feet. As a result, the combination of the MBCC and beach resorts competes for events that generally require between 0 and 35,000 square feet; and 50,000 to 500,000 square feet of contiguous space.

It is important to note that 50 percent of event planners prefer downtown conference venues as opposed to resort properties. This tends to create a larger gap in the ability of the greater Miami event space inventory to fully accommodate potential event demand.

In addition, there are various destination resort development concepts currently being discussed for the market, each of which would include a substantial element of convention and conference space. Such development could compete for events requiring zero to 100,000 square feet of contiguous space; however, this could change substantially depending on the final program of space developed.

Assuming a destination resort/convention center project was to be developed within the downtown Miami area, the need and economic rationale for a largely publically funded downtown conference center would be eliminated. The destination resort/convention center project would in effect become the downtown Miami conference center. The role of the DDA and the City at this point should be to ensure that the parameters of the destination resort-associated

convention project at least meet the program elements previously defined in this section. Given published reports and other conversations with project representatives, it appears that the market-supportable convention center space parameters for downtown Miami would be significantly exceeded assuming the Destination Resorts Bill is approved.

#### Scenario 2: Assuming the Destination Resorts Bill is not Approved

If the Legislature does not approve gaming for south Florida, some type of publically-sponsored conference center in the downtown area would still be supportable from a market-demand perspective. Such a project should encompass the space levels and site area amenities (hotels/restaurants/entertainment) defined previously in this Executive Summary.

For the DDA and the City, future next steps in pursuing this type of project should include the following.

- Evaluate opportunities to partner with developers of sites that had been targeted for destination resort development. Some level of hospitality and/or conference element could still be a project component on these sites, and a public/private partnership could serve to address the needs for a downtown Miami conference center.
- Identify other parcels in the downtown area that offer important adjacencies to existing hotel, restaurant and entertainment amenities. Parcels should provide for sufficient size to accommodate initial center construction and future expansion (minimum three to five acres).
- Determine current parcel ownership of potential future conference center development sites, and evaluate the ability to acquire the site(s).
- Evaluate potential funding options for land acquisition and center construction.
- Analyze project economic and financial impacts.

In any market, available sites can be difficult to acquire for conference/convention center development in urban settings. Given the current uncertainty regarding future destination resort legislation, the DDA and the City should consider pursuing the above outlined steps even in advance of a final decision on gaming. This would help protect against the possibility that a drawn out destination resort discussion would result in viable conference center sites being eliminated in favor of other development initiatives.

In reviewing potential available sites for a downtown Miami conference center project, several features can significantly impact market and operational success. These features, as listed below, should be considered carefully in the evaluation of potential sites for a downtown conference center.

- Proximity to existing quality full-service hotel inventory
- Proximity to restaurants, retail, nightlife, entertainment
- Proximity to public transportation systems
- Pedestrian-friendly walking environment surrounding the site
- Parking availability
- Potential to acquire a suitable parcel or parcels for development
- Ingress / egress

- Site visibility
- Synergy with other public sector development initiatives / master plans
- Compatibility with current and planned surrounding development

Beyond these criteria, other factors will influence future site decisions including the ability to acquire a parcel, land cost, impact on project financing and long-term city development goals.

### The Knight Center/MCC Option

We have noted that the level of finish, configuration, space parameters and other elements of the existing Knight Center/MCC are not at a standard common to first class convention centers. We also note that the Hyatt and Knight Center/MCC exist in an area of downtown that has seen very significant development over the past five years, including the development of several hundred high-end hotel rooms and numerous restaurants. In addition, various forms of development continue to take place in the area.

As a result, the Hyatt/Knight Center/MCC site may provide a highly viable opportunity to develop greatly improved conference center space within the downtown Miami area. Given the size and configuration of the site, there is no opportunity to fully accommodate the market-supportable conference center program elements described above. At the same time, there is a fairly sizable segment of the conference market unique to the greater Miami area that requires more space than is available in existing downtown hotels, and that requires significantly *less* space than the primary target market for a new convention center developed as part of a large-scale destination resort project.

Consideration should therefore be given to exploring a public/private partnership between Hyatt and the City with respect to the future of the site/facilities. Issues to be considered by both the City and the DDA with respect to such a partnership include:

- Level of redevelopment of existing Knight Center/MCC space, inclusive of demolition and rebuilding.
- Long term land ownership and lease issues.
- Corresponding investment in improving the Hyatt property.
- Overall hotel/center operational approaches.
- Funding for ongoing operating subsidies.

There have been discussions as to the development of large mixed use projects within the general vicinity of the Hyatt. Should such development take place, the market and financial viability of a public/private Hyatt/Knight Center/MCC project as discussed herein could be negatively impacted.

### Summary

Taking the above scenarios and initiatives into consideration, the next steps that should be pursued by City and DDA can be summarized as follows:

- Monitor the progress with respect to the Destination Resorts Bill and the specific plans for conference center development within each project competing for designation under

the Bill. Ensure that the ultimate project meets the minimum conference center space parameters presented herein.

- Identify and evaluate alternative sites for conference center development in the downtown area. Should the Destination Resorts Bill not be approved, it will be important for the City to ensure that options are available for future conference center development.
- Facilitate discussions as to a public/private partnership between the City and Hyatt as to some level of development/redevelopment on the Knight Center/MCC site.
- Given the fact that between 16 and 17 percent of total Convention and Tourist Development Tax collections have been generated by downtown hotel properties over the past seven years, City and DDA officials should consider how current and future tax revenues are allocated within the County.

## I. Introduction

Conventions, Sports & Leisure (CSL) has completed a market and program analysis for a proposed downtown Miami conference center. This report outlines the key findings associated with the analysis of local market conditions, historical Miami area convention facility operations, industry trends and characteristics, the inventory of competitive and comparable facilities, and market demand characteristics specific to downtown Miami.

The study process consisted of detailed research and analysis, incorporating a thorough set of market-specific information derived from the following:

- Local market visits and site tours.
- In-person interviews/meetings with DDA officials, Community Redevelopment Agency (CRA) management, Greater Miami Convention and Visitors Bureau (GMCVB) management and sales staff, Knight Center/Miami Convention Center management, business and community leaders, hoteliers, downtown organizations, government officials, City departments and related entities.
- Research and analysis of local market conditions (both downtown and within greater Miami).
- Analysis of trends in the conference and visitor industry that may impact development of additional space in downtown Miami.
- Analysis of data from competitive and comparable facilities.
- Analysis of GMCVB lost business records.
- Approximately 100 completed interviews with meeting planners of targeted national conventions, tradeshow, conferences and other events.
- Approximately 30 interviews with corporate meeting planners within Florida and along the East Coast.

This report consists of the following primary analysis sections:

- *Local Market Conditions Analysis* – presents analysis of local attributes and hospitality infrastructure, focusing on event space, hotels, restaurants, entertainment and other such factors.
- *Historical Knight Center/Miami Convention Center Operations Analysis* – provides a review of utilization levels, event mix and related operational characteristics of the Knight Center/MCC. This detail is important in providing a basis from which to evaluate potential unmet demand for event space in the market.
- *Industry Characteristics and Trends Analysis* – offers considerable insight into recent trends in the industry that may impact development of additional conference space in Miami.
- *Analysis of Competitive and Comparable Facilities* – provides a comparison of various physical characteristics and resources of competitive and comparable facilities relative to the greater Miami conference and convention industry.

- *Market Demand Analysis* – provides the results of a detailed survey analysis of targeted national organization event planners, as well as corporate event planners (both within South Florida and along the East Coast) that reflect the market potential for additional conference space in Miami.
- *Market Supportable Building Program Analysis* – presents an analysis of the market supportable level of sellable space, by space component, as well as hotel and other requirements essential to accommodating the demand for potential conference, convention, tradeshow, banquet, meeting, public/consumer show and other events in downtown Miami.

When evaluating the feasibility of developing conference space, communities throughout the country have differed in the specific criteria that best reflects the definition of feasible for their community. Facility criteria such as operating profit, room night generation, economic impact, spurring added downtown real estate development, and serving as a community gathering place have all been used as criteria, individually or in combination, by communities evaluating the merits of a project. The research data, information and analysis provided through this study is intended to allow the DDA, the City and other community constituents to draw their own informed conclusions concerning the feasibility of new conference center development in downtown Miami.

## II. Local Market Conditions Analysis

A community's hospitality infrastructure, in terms of entertainment, attractions, hotels, restaurants and other such factors, can contribute significantly to the success of a conference center. The marketability of such a facility increases when combined with a supporting visitor amenity infrastructure within close proximity. As such, CSL has conducted an analysis of these and other local market attributes as they relate to downtown Miami and the surrounding area.

### Local Event and Hotel Facilities

We begin with a review of the inventory in-house flat floor space at area event facilities and hotels. Exhibit II-1 presents a summary of the event space offerings throughout the Miami metropolitan area (including downtown, Miami Beach and other areas), summarizing the space levels and hotel inventory offered at each facility.

**Exhibit II-1  
Summary of Greater Miami Event Space**

Property Name	Downtown?	Exhibit Space	Meeting Space	Ballroom Space	Total Sellable Space	Largest Contiguous Space	Hotel Rooms
Miami Beach Convention Center		502,800	127,600	0	630,400	502,800	0
Miami Airport Convention Center		74,400	33,300	0	107,700	48,600	334
Fontainebleau			59,600	46,800	106,400	33,600	1,504
Knight Center/MCC/Hyatt Regency	X	28,000	35,900	11,800	75,700	28,000	612
Loews Miami Beach Hotel - South Beach			15,500	27,600	43,100	27,600	790
Doral Golf Resort & Spa			40,700	42,500	83,200	24,100	693
JW Marriott Marquis Miami & Hotel Beaux Arts (1)	X		10,200	29,800	40,000	18,400	357
Hilton - Miami Downtown	X		10,800	25,500	36,300	16,700	527
Intercontinental - Miami	X		37,700	28,900	66,600	13,900	641
Miami Beach Resort & Spa			11,700	10,500	22,200	10,800	424
Eden Roc Hotel			24,100	20,800	44,900	10,200	631
JW Marriott Hotel Miami	X		5,300	10,000	15,300	10,000	296
Miami Marriot Biscayne Bay	X		7,000	9,800	16,800	9,800	601
Hilton - Miami Airport			12,700	14,700	27,400	9,600	500
Double Tree Miami Airport & Convention Center			5,300	9,600	14,900	9,600	334
Mandarin Oriental Miami	X		5,500	7,900	13,400	7,900	326
Intercontinental - West Miami			2,100	17,800	19,900	7,200	265
Marriott - Miami Dadeland			9,900	9,800	19,700	6,200	300
Four Seasons Hotel Miami	X		4,000	8,300	12,300	5,800	305
Trump International - Beach Resort Miami			11,600	10,200	21,800	5,160	390
The Alexander			1,800	4,900	6,700	4,800	173
Biltmore		8,200	22,400	16,500	47,100	4,500	273
The Westin - Colonnade Coral Gables			6,400	5,100	11,500	4,300	157
Kimpton EPIC Hotel	X		6,000	4,200	10,200	4,200	411
Shula's Hotel & Golf Club			5,300	4,100	9,400	4,140	205
Conrad Miami	X		8,600	3,900	12,500	3,800	203
Mayfair Hotel & Spa			5,200	3,300	8,500	3,300	179
Sonesta Bayfront Hotel - Coconut Grove			2,700	5,000	7,700	2,800	205
Viceroy	X		1,400	2,600	4,000	2,600	162
<b>Totals (2)</b>		<b>110,600</b>	<b>402,700</b>	<b>391,900</b>	<b>905,200</b>		<b>11,798</b>
<b>Average (2)</b>		<b>36,867</b>	<b>14,382</b>	<b>13,996</b>	<b>32,329</b>	<b>12,057</b>	<b>421</b>

Note: Facilities are sorted by largest contiguous space.

(1) Ballroom space includes a 7,900-square foot basketball court.

(2) Excludes the Miami Beach Convention Center.

Source: facility floorplans

Excluding the Miami Beach Convention Center (which provides more than 630,000 square feet of sellable space), there are a total of 28 event facilities in greater Miami that provide in excess of 4,000 sellable square feet of flat floor event space. The properties reviewed combine to provide



more than 900,000 total sellable square feet of privately owned and operated meeting and banquet space in Miami. The Miami Airport Convention Center offers the most total sellable square feet of space, with approximately 108,000 square feet; as well as the largest single room with the 48,600-square foot West Hall. The Fontainebleau offers by far the largest number of sleeping rooms as well as a significant amount of sellable event space. Other large venues include the Knight Center/MCC, the Loews and the Doral Golf Resort & Spa. These venues demonstrate the wide diversity of conference/event center quality and type that exists in the market.

Among all metropolitan area facilities, an average of more than 32,300 square feet of total sellable space is provided. A facility's largest single room, referred to as its largest contiguous space, is often indicative of the largest individual group that the venue is capable of hosting. In greater Miami, there are five facilities (excluding the Miami Beach Convention Center) that provide more than 20,000 square feet within a single room, only one of which is located within downtown Miami. Two facilities (the Miami Airport Convention Center and the Fontainebleau) provide more than 30,000 contiguous square feet; however, no area venues (excluding the Miami Beach Convention Center) provide in excess of 50,000 square feet in one single area.

Of the 28 area facilities presented in Exhibit II-1, 11 are located within downtown Miami. Exhibit II-2 displays a summary of flat floor event space and associated hotel offerings within downtown Miami, and also takes into account the level of outdoor space available at each facility.

**Exhibit II-2  
Summary of Downtown Miami Event Space**

Property Name	Exhibit Space	Meeting Space	Ballroom Space	Total Sellable Space	Largest Contiguous Space	Outdoor Space	Hotel Rooms
Knight Center/MCC/Hyatt Regency	28,000	35,900	11,800	75,700	28,000	1,400	612
JW Marriott Marquis Miami & Hotel Beaux Arts (1)		10,200	29,800	40,000	18,400	8,900	357
Hilton - Miami Downtown		10,800	25,500	36,300	16,700		527
Intercontinental - Miami		37,700	28,900	66,600	13,900	14,300	641
JW Marriott Hotel Miami		5,300	10,000	15,300	10,000		296
Miami Marriot Biscayne Bay		7,000	9,800	16,800	9,800		601
Mandarin Oriental Miami		5,500	7,900	13,400	7,900	2,100	326
Four Seasons Hotel Miami		4,000	8,300	12,300	5,800	5,300	305
Kimpton EPIC Hotel		6,000	4,200	10,200	4,200	13,800	411
Conrad Miami		8,600	3,900	12,500	3,800		203
Viceroy		1,400	2,600	4,000	2,600		162
<b>Totals</b>		<b>132,400</b>	<b>142,700</b>	<b>303,100</b>		<b>45,800</b>	<b>4,441</b>
<b>Average</b>		<b>12,036</b>	<b>12,973</b>	<b>27,555</b>	<b>11,009</b>	<b>7,633</b>	<b>404</b>

Note: Facilities are sorted by largest contiguous space.  
 (1) Ballroom space includes a 7,900-square foot basketball court.  
 Source: facility floorplans

Meeting and banquet facilities within downtown Miami combine to provide more than 300,000 sellable square feet of indoor and outdoor event space. The Knight Center/MCC is the largest downtown facility in terms of sellable indoor space, with more than 75,000 square feet. At 28,000 square feet, Riverfront Hall is largest contiguous space available in downtown Miami. The quality of Riverfront Hall, as well as other areas within the Knight Center/MCC complex, is not up to the standards set by modern urban conference and convention centers.

In the downtown Miami area, the largest contiguous high-quality meeting space is 18,400 square feet, provided at the JW Marriott Marquis. Other downtown hotels provide contiguous meeting/banquet areas ranging in size from 2,600 to 16,700 square feet. There are just five facilities within downtown Miami that provide 10,000 or more square feet within a single room. It is very difficult for high-impact association and corporate events requiring more than 18,000



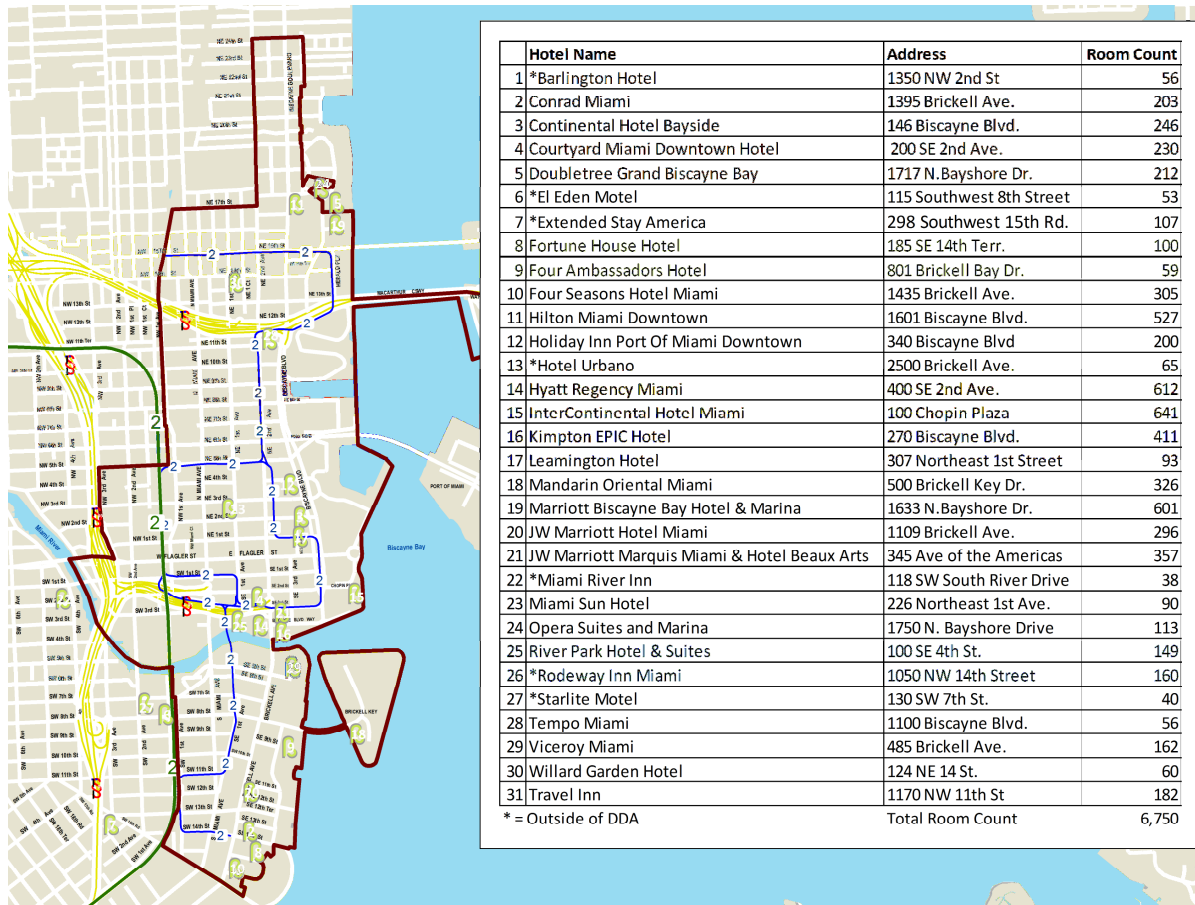
square feet to be accommodated in downtown Miami. These parameters help to define the space programming potential for future downtown conference center development.

Meeting space offerings range from nearly 36,000 square feet (at the Knight Center/MCC), to a low of 1,400 square feet (at the Viceroy hotel). Outdoor event space is provided at six of the downtown facilities and is often a popular alternative for meeting planners. Such space is particularly suitable for food and beverage functions wishing to take advantage of Miami's climate. Hotel room offerings range from a high of 641 (at the Intercontinental Miami) to 162 rooms at the new Viceroy hotel.

The number of existing event facilities in the local market, as well as the supply and location of local hotel rooms, are important considerations with respect to the ability to attract and accommodate conference and convention market potential and associated economic impact. This data can help assess the impact of the current hotel base on potential event market capture for a proposed conference center in downtown Miami.

Based on information compiled and provided by the DDA, we have examined the location and room count among all existing hotel properties within downtown Miami. Exhibit II-3 presents map (created by the DDA) of hotel properties that could potentially provide rooms to events held at a new downtown conference center.

**Exhibit II-3  
Map of Downtown Miami Hotel Properties**



Source, Miami Downtown Development Authority, 2011

As shown, within downtown Miami, there are an estimated 6,750 hotel rooms spread among a total of 31 properties. Approximately 2,000 (or 30 percent) of these rooms have been developed in the past ten years. Newly developed projects include the 313-room JW Marriott Marquis, the 326-room Mandarin Oriental, the 411-room Epic, the 305-room Four Seasons, and the 162-room Viceroy.

The greatest concentration of hotel properties within downtown Miami is located on or near Brickell Avenue, with many larger properties (including the Hyatt Regency, JW Marriott Marquis, Epic, InterContinental and others) situated just north of the Miami River.

As discussed throughout this report, the event capture at any conference center cannot reach beyond the capacity of the supporting hotel room inventory. Depending on the development of added hotel inventory adjacent to any new facility, this set of hotels could be important to the success of a new downtown conference center.

Over the past several years, significant development within the hotel, restaurant, office and residential sector has taken place in the downtown Miami area. Although the residential sector has suffered significantly in the current economic downturn, absorption of existing inventory has increased significantly in recent years, resulting in occupancy percentages that currently exceed 85 percent.

### **Downtown Miami Development Projects**

In recent years, downtown Miami has seen unparalleled levels of growth in terms of residential, office and other developments, hotels, parks entertainment and supporting infrastructure. Based on the most recent DDA estimates, downtown Miami (including Brickell, Park West, and Omni neighborhoods) is home to approximately 72,500 residents, making it one of the most populated downtowns in the United States. By 2016, this number is expected to grow to 84,000. Additionally, downtown Miami has a daytime population of approximately 200,000.

In addition to the more than \$13 billion worth of development that has recently taken place in downtown Miami, a number of significant projects are under also consideration, being planned or are currently under construction. Together, these projects will have lasting effects on the landscape of the downtown community and are likely have an impact on the success of any future downtown Miami conference center. We have summarized important elements of seven of the most prominent of these projects.

## **Miami World Center**

- The project consists of a nine block, 25-acre proposed mixed-use development located immediately north of the Central Business District in downtown Miami.
- The project, if undertaken, would open in stages starting in the next several years and continuing to 2025.
- Current plans call for three hotels, cinemas, 20 restaurants and cafes, 100 shops, international culture, and a fashion week production studio.
- The project area is located adjacent to the cruise terminal, American Airlines Arena and the Arsht Performing Arts Center.



## **Resorts World Miami**

- Newspaper publisher McClatchy Co. sold the Miami Herald's property (located on the waterfront of Biscayne Bay) for \$236 million to Genting Group (a Malaysian-based casino operator) for the Resorts World Miami Development.
- Genting Group has retained Miami-based Arquitectonica to design a \$3 billion, 14-acre downtown Miami resort complex.
- The full project is contingent on legislative approval of the Destination Resorts Bill. Without the bill's passage, a more modest program of space would likely be pursued by the developer.
- The full project is expected to include a hotel, convention center, restaurants, shopping, residential towers, entertainment and other commercial facilities.
- The Miami Herald will continue to operate from its current location for up to two years rent free while McClatchy pursues other sites.
- Genting recently acquired the entire Omni site, giving them control of approximately 30 acres downtown.





## **Brickell CitiCentre**

- Swire Properties, a subsidiary of a Hong Kong-based company that developed much of Brickell Key, will invest \$700 million to build Brickell CitiCentre.
- The 4.8-million-square foot, mixed-use project is being designed Arquitectonica.
- The project is located on nine acres of land at SW 8th Street and S. Miami Avenue, just south of the Miami River and west of U.S. Highway 1.
- The complex is planned to consist of four towers, with direct access to the Eighth Street Metromover Station.
- Amenities include two levels of underground parking, covered sidewalks, and interconnectivity between all the buildings (which has resulted in its "city within a city" moniker).
- The City Commission gave the project its final approval in July 2011.



## **Port of Miami Tunnel**

- The on-going project will provide direct access between the seaport and I-395 and I-95, and create another entry to the Port of Miami besides the Port Bridge.
- The full development program will result in \$1 billion in new infrastructure investment.
- The State has agreed to pay 50 percent of the capital costs (design, construction) and all of the operations and maintenance, while the remaining 50 percent of the capital costs will be provided by Miami-Dade County and the City of Miami.
- Construction began in May 2010 and the tunnel is expected to be open to the public in May of 2014.



## **Metropolitan Miami Development**

- Metropolitan Miami is a partially completed mixed-use development with four skyscrapers and a lifestyle center in the Central Business District.
- The \$1 billion project features two residential buildings (Met 1 and Met 3), a hotel and office component, the two-towered Met 2; as well as an entertainment complex (Met Square).
- The first phase was completed in 2008 with the Met 1 condo tower, and was followed by Met 2, consisting of Wells Fargo Center (previously the Met 2 Financial Center) and the Met 2 JW Marriott Marquis and Hotel Beaux Arts, completed in late 2010.
- Construction on the \$110 million Met 3 is expected to begin in November 2011. The 28-story building will feature retail, more than 1,400 parking spaces and 440 residential units.
- The entertainment block, which is the last piece of the Met project, will feature two restaurants and a 12-screen boutique theater with high-end amenities.



## **One Bayfront Plaza**

- If completed, the building would stand at 1,049 feet, with 80 floors.
- The \$1.8 billion project would feature two million square feet of office space, 120,000 square feet of exhibition or banquet space, 112,000 square feet of retail outlets, and an 850-room hotel.
- The project is located near the waterfront on Biscayne Boulevard, overlooking both Biscayne Bay and Bayfront Park.
- Florida East Coast Realty, the building's developer, estimates that the building would take no more than three years to complete. Final plans for a project start date have not been made.



## **Miami Metrorail Connection**

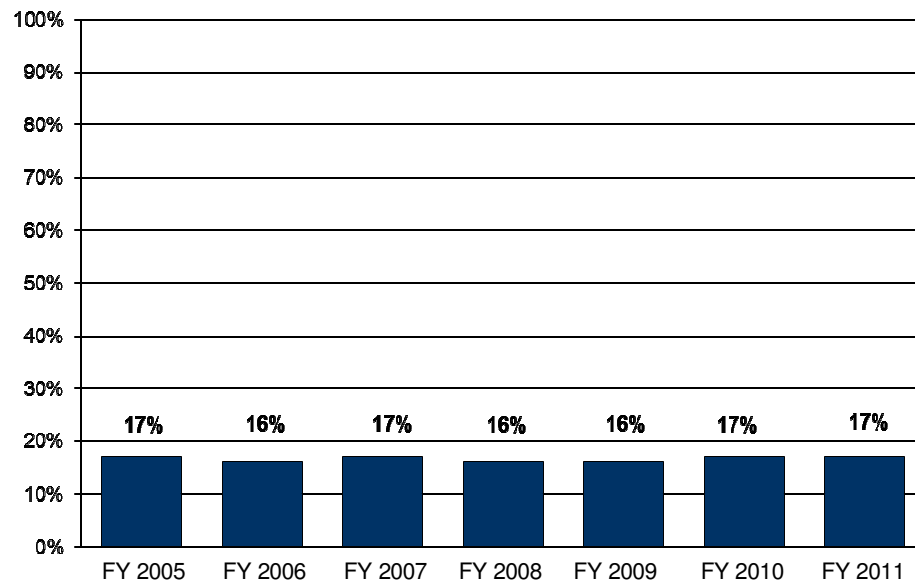
- The new Orange Line will offer a direct rail access from downtown to Miami International Airport.
- Construction on the project started in 2009, with service scheduled to begin in the spring 2012.
- The bulk of the funding for the \$506 million project is being provided by the People's Transportation Plan half-penny tax, with the Florida Department of Transportation contributing \$101.3 million.



## **Convention and Tourist Development Tax Collections**

In an effort to better understand the impact of downtown hotel properties on the Dade County economy, we have also examined Convention and Tourist Development Tax Collections within downtown Miami as a percent of total collections within the County.

**Exhibit II-4  
Convention and Tourist Development Tax Collections Downtown as a  
Percent of Total Collections (FY2005 – FY2011)**



Source: Miami DDA, CSL International, 2011

Given the fact that between 16 and 17 percent of total Convention and Tourist Development Tax collections have been generated by downtown hotel properties over the past seven years, City and DDA officials should consider how current and future tax revenues are allocated within the County.



### III. Historical Knight Center/Miami Convention Center Operations Analysis

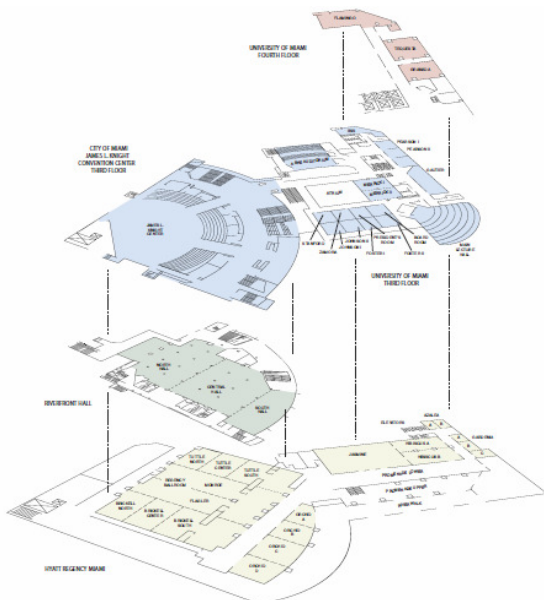
The purpose of this chapter is to inventory and analyze key elements of the historical operations of the Miami Convention Center, which is part of a larger complex of facilities (under one roof) that also includes the Hyatt Regency Miami and James L. Knight International Center. Throughout the report, the complex is often referred to as the Knight Center/MCC.

Understanding utilization levels, event mix and other such characteristics of the facility is important to provide a basis from which to evaluate potential unmet demand for new conference center space in the market. We begin with a review of Knight Center/MCC space offerings.

#### Introduction to Knight Center/MCC Space Offerings

The James L. Knight International Center opened in 1982 on the Miami River Walkway. In 1987, the Center was expanded to include the University of Miami Auditorium and the Miami Convention Center. Collectively, the facility offers nearly 76,000 square feet of sellable indoor event space (not including lobbies, outdoor event space or space within fixed-seat venues) located on the first four floors of the complex. A summary of the space within the complex is presented below.

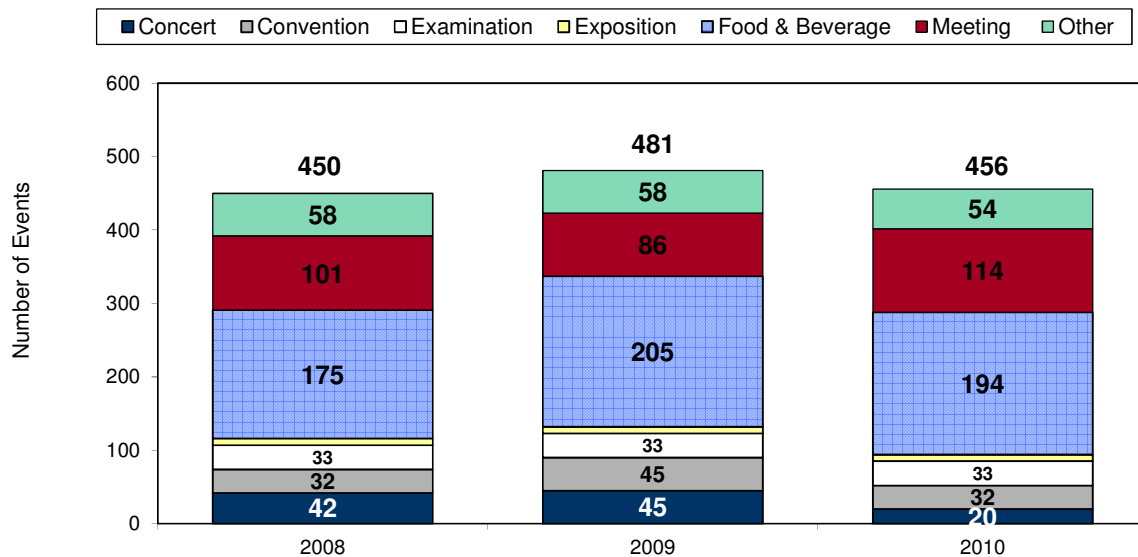
- Riverfront Hall, the facility's largest contiguous space, provides 28,000 square feet with ceiling heights ranging from 10 to 13 feet and columns on 30-foot centers.
- The James L. Knight Center is located on the third floor and consists of a 5,000-seat concert venue that regularly hosts traveling entertainment acts, as well as fixed-seat general sessions that are also occupying other space at the facility.
- The Miami Convention Center (fourth floor), provides 13 breakout rooms, 516 fixed seats of lecture hall and auditorium space (spread over two rooms) and 1,400 square feet of outdoor event space.



## Analysis of Historical Knight Center/MCC Operations

The Knight Center/MCC hosts a wide variety of both local and non-local events, including conventions, corporate meetings, concerts, food and beverage functions, tradeshows, community, government and other events. We begin with an overall summary of the total number of events hosted at the Knight Center/MCC for the three-year period spanning 2008 through 2010. Based on classifications provided by Knight Center/MCC management, data have been segmented into seven event type categories.

**Exhibit III-1  
Total Number of Events at MCC  
(2008 – 2010)**



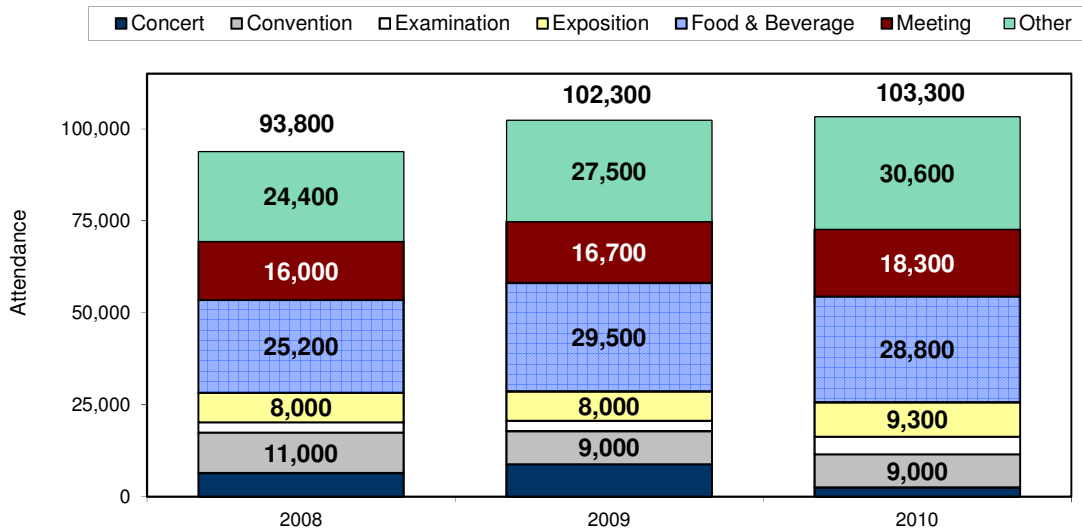
Notes: Event types are based on classifications provided by facility management. Data does not include internal events.  
Source: CSL International, facility management, 2011

The Knight Center/MCC continues to attract a wide diversity of events, and remains an active home for local, regional and occasional national events. Over the past three years, the total number of events held at the Knight Center/MCC has remained relatively constant, averaging approximately 460 events per year and peaking at 481 events in 2009. Food and beverage events have comprised an average of approximately 41 percent of all events held at the facility—more than any other event type. The Center hosts an average of approximately 100 meetings each year and more than 50 “other” events. Examples of “other” events include graduations, examinations and award shows.

The number of concerts held within the Knight Center has ranged from a high of 45 (in 2009) to a low of 20 (in 2010).

Exhibit III-2 outlines total attendance by event type among all events utilizing the Knight Center/MCC between 2008 and 2010.

**Exhibit III-2  
Total Attendance by Event Type  
(2008 – 2010)**



Notes: Event types are based on classifications provided by facility management. Data does not include internal events.  
Source: CSL International, facility management, 2011

As shown, attendance at MCC events has been stable in recent years, attracting an average of approximately 100,000 attendees per year. Food and beverage events held at the MCC result in the highest attendance totals among identified event types, averaging approximately 28,000 annual attendees over the past three years. Attendance at meetings held within the Center comprises the second largest portion of event attendance, accounting for approximately 17 percent of total attendees in recent years. Total attendance among conventions has ranged from 9,000 to 11,000 in recent years, while expositions have attracted between 8,000 and 9,300 attendees to the facility annually. These data indicate the more local nature of the event mix for the complex.

**Summary**

The James L. Knight Center (inclusive of the Miami Convention Center) is the primary public convention space in the downtown area. This facility provides 75,700 square feet of sellable space, with a largest contiguous space of 28,000 square feet in the Riverfront Hall. The Knight Center/MCC continues to attract a wide diversity of events, and remains an active home for local, regional and occasional national events. Over the past three years, the Knight Center/MCC has hosted between 450 and 481 events annually, inclusive of meetings, banquets, exams, concerts, expositions and conventions. The majority of these events draw attendees from the greater Miami area, although there are numerous conventions and other events hosted at the Center that generate room nights.



Generally, the space within the Knight Center is lacking in terms of updated finish as compared to newer urban conference and convention centers. The column structure and ceiling heights in many areas of the complex are not at industry standard and can create a less than desirable atmosphere for non-local conventions and conferences.

## IV. Industry Characteristics and Trends Analysis

The market success of a conference center can be partially attributed to the characteristics of the industry as a whole. In order to assess the current and future strength of the market with regard to downtown Miami and the greater Miami area, it is important to evaluate the industry nationwide.

Broad industry changes, characterized by retraction and expansion in convention and conference demand have taken place within the industry over the past decade. After significant decreases in industry demand levels during the recent recession, demand for convention, conference and related public assembly space has stabilized industry-wide over the past 12 to 18 months.

Within this section, various industry trends are evaluated, particularly those that may impact future development decisions regarding the downtown Miami conference center product.

### Introduction

As we approach the end of 2011, nearly all indicators suggest the national economy has stabilized somewhat from a significant recession. A large collection of data suggests that the health of the convention, conference and meetings industry—like nearly all industries—has historically been and is currently linked to the strength and fluctuations of the overall U.S. economy. This “linkage” is a fundamental premise of any analysis of future convention and conference industry performance. To pursue the question of future industry trends, we need to first consider how the future landscape of the conference and convention industry will respond in these post recessionary times.

Over the past 20 years, there has been a good deal of discussion regarding external threats to this linkage. Years ago, the advent of teleconferencing was seen as a force that would “de-link” convention and conference industry growth from overall economic performance. Today, there is a demonstrated shift toward a blend of technology and the traditional face-to-face meeting. In essence, the ability to electronically “import” a speaker or other program element into a general session can improve the overall experience of being at the event. Conversely, the ability to digitally record content at an event for current and/or future dissemination to off-site parties improves the value of the event itself for the show sponsor. The incorporation of the various technologies that support this phenomenon has resulted in what has been called the hybrid event.

In post recessionary times, with fundamental shifts taking place in how product and ideas are being marketed and disseminated domestically, there can be no certainty as to how the convention and conference industry will perform going forward. What we hope to accomplish herein is to assemble useful and credible research that offers insight into this question in order to make intelligent assessments as to the role and magnitude of the convention and conference industry within the economy over the next several years.

To supplement our research, we have also reviewed and summarized the findings of several industry sources that have recently released research and information with regard to the overall performance of the convention and visitor industry in the United States.

These sources include the following:

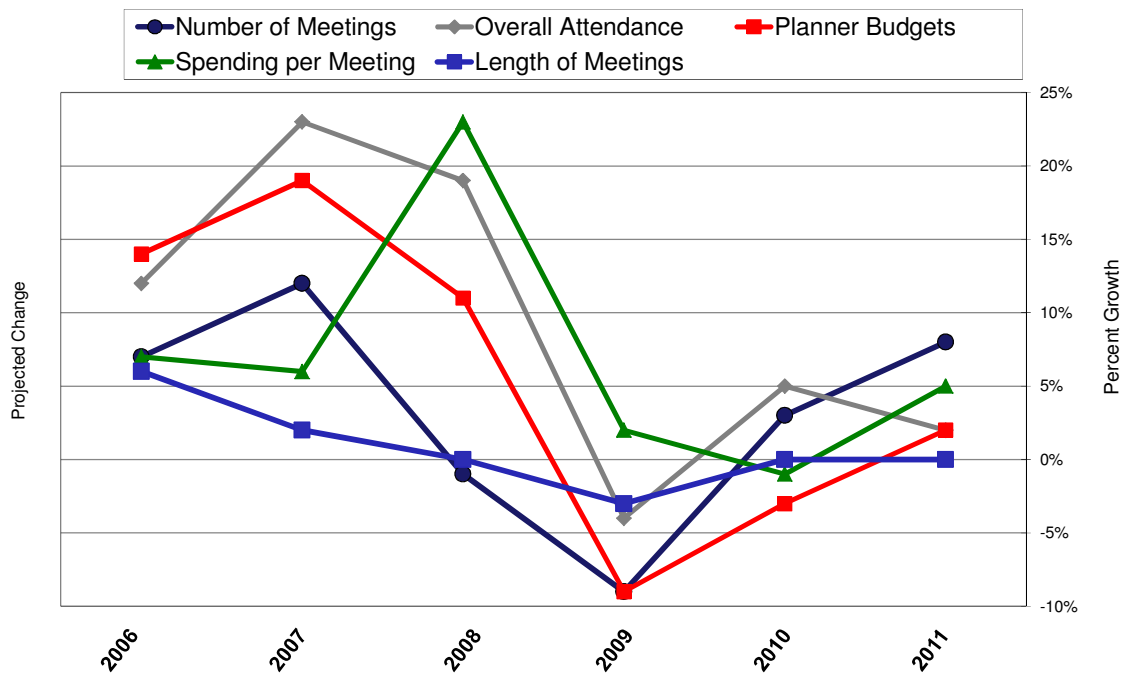
- Center for Exhibition Industry Research
- Colliers PKF Hospitality Research
- International Association of Conference Centers
- Meeting Professionals International
- PricewaterhouseCoopers
- Professional Convention Management Association
- Standard & Poor's
- U.S. Bureau of Economic Analysis

In February 2011, the Convention Industry Council released a study entitled "The Economic Significance of Meetings to the U.S. Economy". The report, prepared by PricewaterhouseCoopers, provides a statistical basis for defining the industry in terms of an economic component of the United States economy. Highlights of the report are presented below.

- In 2009, nearly 1.8 million meetings took place in the U.S. These meetings were attended by an estimated 205 million participants. Of these meeting participants, an estimated 52 percent attended corporate/business meetings, followed by 25 percent attending conventions/conferences/congresses.
- \$113 billion (or 43 percent) of the direct spending in the meetings industry is on travel and tourism commodities, such as lodging, food service and transportation.
- Of the \$708 billion in direct tourism output in the U.S. in 2009, \$113 billion (or 16 percent) is the result of the meetings industry.
- Total output for 2009 related to meetings activity is estimated at \$907 billion, while the total contribution to GDP is \$458 billion. Meetings activity supported 6.3 million jobs and generated \$271 billion in total labor income.
- The tax effects of the meetings were also significant in 2009, with \$64 billion in federal taxes generated by the industry, and an additional \$46 billion at the state and local level.
- According to the U.S. Bureau of Economic Analysis, the U.S. GDP totaled approximately \$14.1 trillion in 2009. The meetings industry directly contributed \$106 billion to this total.

Meeting Professionals International (MPI) is a world-wide organization comprised of variety of industry professionals. MPI conducts annual research as to the future of the meetings and event industry. The 20<sup>th</sup> annual "Future Watch 2011" was released in March 2011. Based on MPI research, the following exhibit presents a summary of year-to-year trends in meeting statistics for the six year-period spanning 2006 through 2011.

**Exhibit IV-1  
Year-to-Year Trends in Meeting Statistics**



Source: Meeting Professionals International FutureWatch, 2011

The focus of this research has been on five important elements that can reflect the overall health of the industry. Over the past several years, survey respondents have provided feedback as to the projected change in the number of meetings, attendance, budgets, spending and length of their event(s). As presented, each of the identified metrics has shown growth in recent years, following sharp declines in 2008 and 2009. In particular, the number of meetings being planned by organizations increased by eight percent from 2010 to 2011, while the number of delegates per meeting advanced by two percent. Average spending at meetings is up approximately five percent over the past year.



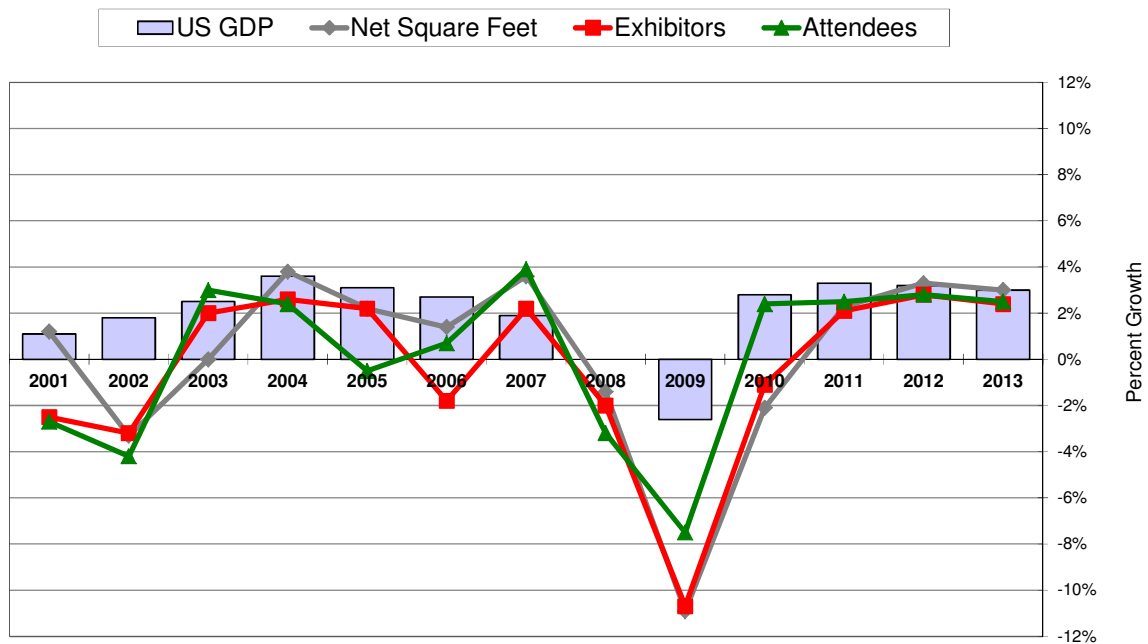
The Center for Exhibition Industry Research (CEIR) is a nonprofit organization whose mission is to advance the growth, awareness and value of exhibitions in the United States. The annual CEIR Index Report is developed to provide an objective measure of the annual performance of the exhibition industry. The CEIR Index Report measures year-over-year changes in four key metrics of industry performance:

- Net Square Feet of Exhibit Space Sold
- Professional Attendance
- Number of Exhibiting Companies
- Total Event Gross Revenue

The industry's performance within these four metrics was calculated from data provided from over 300 events. The 2011 CEIR Index Report displays and analyzes event-specific data from 2000 through 2010 and provides a forecast for 2011 to 2013.

We begin with a summary of historical and projected performance among three of the four variables listed above, as compared to growth in the U.S. GDP, for the 13-year period spanning 2001 through 2013.

**Exhibit IV-2  
Year-to-Year Trends in Meeting Statistics**



Source: Center for Exhibition Industry Research (CEIR), 2011

As shown, the overall exhibition industry, as measured by the CEIR Index, has experienced a substantial decline in overall performance, down in nearly all categories post 2007. The indices appear to have bottomed out in 2009, during which space use showed a 10.9 percent decline and the number of exhibitors fell by an estimated 10.7 percent when compared to 2008. The recent recession ended in June 2009, and the recovery thus far has been somewhat unsteady. Event attendance increased by an estimated 2.4 percent in 2010. Attendance numbers are projected to increase in the next three years.

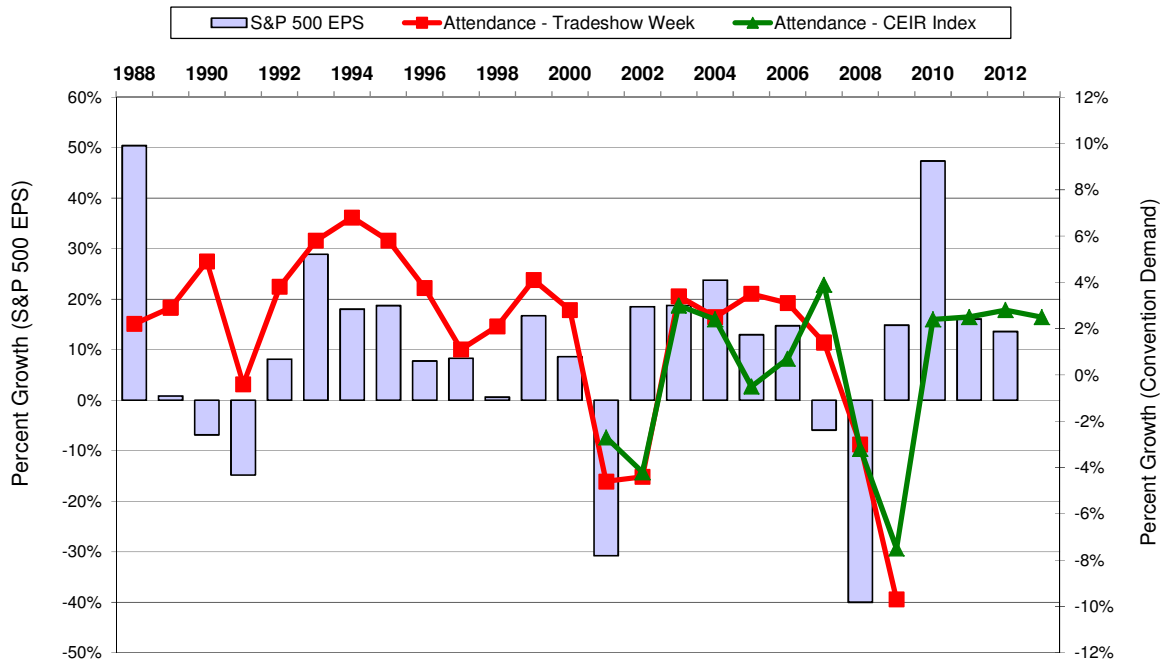
In 2010, net square feet of exhibit space measured by CEIR fell 2.1 percent from 2009 (which is an improvement over 2009—during which square footage demand declined by approximately 11 percent. Along with the loss in square footage, the number of exhibitors fell 1.1 percent. While the industry has still been in a period of decline, these declines are taking place at a much slower rate than in 2009.

It is believed that the worst of the economic downturn is over, with the U.S. economy starting to gain momentum beginning in the fourth quarter of 2010 and continuing in an unsteady pattern through 2011. As shown above, growth among the three Index variables is estimated at approximately two percent annually between 2011 and 2013, which follows a pattern similar to recent projections for the U.S. GDP.

We have further explored the relationship between the performance of the convention and tradeshow industry with the United States economy by focusing on overall event attendance levels (as measured by Tradeshow Week) and earnings per share data for the S&P 500 since 1988. Tradeshow Week is no longer being published as of 2009, so we have supplemented the attendance data with attendance information provided by CEIR. We have also included projected data for 2011 and 2012 for the performance of the S&P 500, as well as projected data for 2011 through 2013 for event attendance (as measured by CEIR).

Exhibit IV-3 summarizes the industry and economic data presented in terms of annual growth percentages (or declines) for the past 23 years, in addition to projected data for future years.

**Exhibit IV-3  
Annual Changes to Convention & Tradeshow Attendance and S&P 500 EPS**



Sources: Tradeshow Week, 2010; Standard & Poor's, 2011; Center for Exhibition Industry Research (CEIR), 2011.

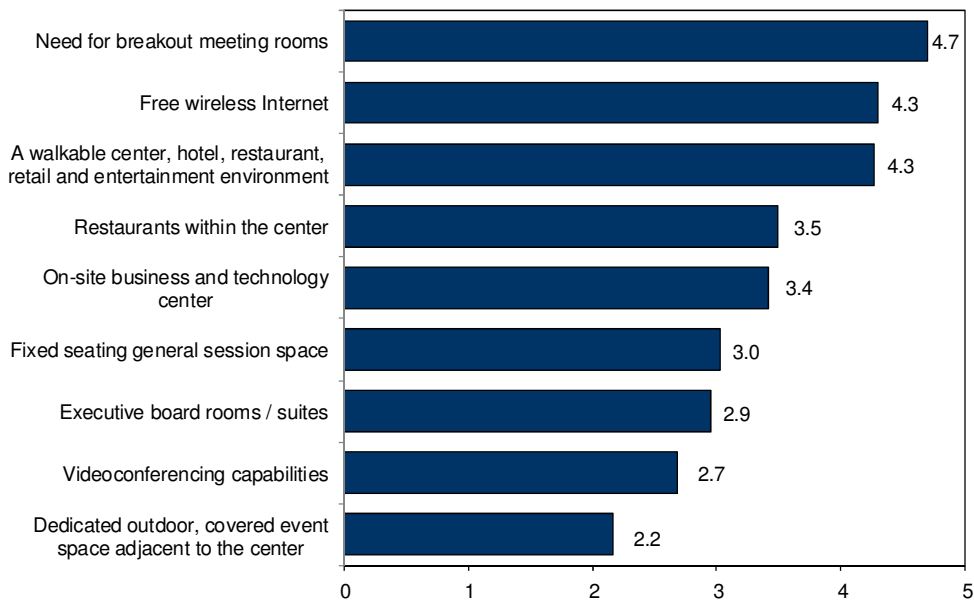
In terms of event attendance, the convention and tradeshow industry experienced the worst of the economic downturn in 2009, with measures of attendance falling by between eight and ten percent over 2008 levels. The greatest decline in earnings per share data for the S&P 500 took place one year earlier, falling by an estimated ten percent in 2008. With respect to the linkage between the convention/tradeshow industry and the overall economy, this comparison further highlights the parallels between the two and is again indicative of the phenomenon whereby exhibition industry performance tends to follow a similar, although a slightly lagging pattern to that of the U.S. economy.

A study conducted by Colliers PKF Hospitality Research in late 2010 indicated some optimism among meeting planners with regard to the attendance and spending levels associated with their event(s). Findings of their independent research include the following:

- Approximately 37 percent of planners surveyed believe attendance at their events will rise in 2011, while only six percent foresee a decline in attendance (down from 18 percent one year prior).
- Corporate and association budgets for meetings and exhibitions appear to be growing.
- More than 50 percent indicated that the economy is no longer affecting their destination and meeting venue choices.

As part of our research with targeted national convention and tradeshow event planners, survey respondents were asked to identify which of several convention center and destination features are expected to increase in importance in the future. Results among approximately 125 survey respondents are presented in the following exhibit.

**Exhibit IV-4**  
**Convention Center & Destination Features Expected to Increase in Importance in the Future - National Conventions and Tradeshows**

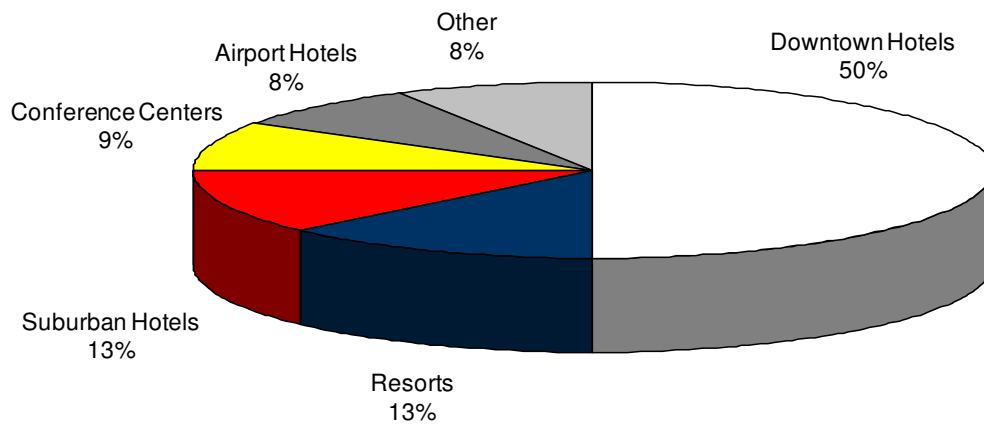


Notes: Data represented includes all organizations interviewed  
Ratings are based on a scale of one through five, with five being most important and one being least important.  
Source: CSL Interviews, 2011

As presented above, the need for breakout meeting rooms was viewed as the most pressing need for hosting future events, with an average score of 4.7 (on a scale with 0 being the least important and "5" being the most). Following the breakout rooms in importance was the need for free wireless internet and more attractions within the walkable area surrounding the host facility. Interest in a walkable environment surrounding a center has increased significantly over the past five to ten years. Adequately addressing this characteristic will have a significant impact on the viability of potential future Miami conference center project sites.

We have also reviewed industry data with respect to the types of conference and convention properties that meeting planners tend to prefer. This data is summarized in the following exhibit.

**Exhibit IV-5**  
**Location Preference for Conventions and Conferences**



Source: Professional Convention Management Association, Annual Meetings Market Survey, 2011

According to the Professional Convention Management Association 2011 Meetings Market Survey, 50 percent of meeting planners prefer a downtown center location to other destination types. Thirteen percent prefer resort facilities, with the remainder preferring suburban hotels, airport hotels and other such venues. These data provide support for the viability of a downtown Miami center in the context of the broader resort orientation of much of the existing greater Miami conference facility product.

## V. Analysis of Competitive and Comparable Facilities

There are many private convention/conference and hotel facilities in the greater Miami area, including the Miami Beach Convention Center and the James L. Knight Center/MCC in downtown Miami. Large resort hotel/conference centers accommodate a significant share of the corporate and association meeting market within the destination. Smaller properties also accommodate convention and meeting demand. In downtown Miami, a variety of hotel projects developed over the past several years have increased the ability of the downtown market to compete in this sector.

This chapter provides an analysis of various physical characteristics and resources of competitive and comparable facilities in the greater Miami area. The data help place the potential for Miami conference center development within the context of existing local facility supply, hotel inventory and other related destination features.

### **Hyatt Regency Miami (Including James L. Knight International Center and Miami Convention Center)**

Miami, Florida

- Opened in 1982 on the Miami River Walkway. The land under the hotel and Center is owned by the city, with the land under the hotel leased to Hyatt.
- In 1987, the Center was expanded to include the University Miami Auditorium and the Miami Convention Center.
- The Hyatt is managed separately from the Knight Center/MCC; however, both entities collaborate directly when selling and servicing events.
- The Hyatt includes 612 total guest rooms along with a workout facility, valet services, outdoor swimming pool and a parking garage for up to 1,450 vehicles.
- Collectively, the facility offers nearly 76,000 square feet of indoor event space (not including lobbies, outdoor event space or space within fixed-seat venues) located on the first four floors of the Hyatt complex.
- Riverfront Hall, the facility's largest contiguous space, provides 28,000 square feet.
- The James L. Knight Center is located on the third floor and consists of a 5,000-seat concert venue that regularly hosts traveling entertainment acts, as well as fixed-seat general sessions that are also occupying other space at the facility.
- The Miami Convention Center (fourth floor), provides 13 breakout rooms, 516 fixed seats of lecture hall and auditorium space (spread over two rooms) and 1,400 square feet of outdoor event space.



### **Westin Diplomat Resort and Spa** Hollywood, Florida

- Opened in 2002.
- 20 miles north of downtown Miami seven miles south of the Ft. Lauderdale International Airport.
- \$800 million to construct; underwent complete renovation in 2008.
- Beachfront property with 998 guest rooms.
- Second location is 15 minute shuttle ride away and consists of a 60 room facility, an 18-hole golf course, driving range, spa and tennis facility.
- Nine on-site restaurant options. Within walking distance of the Village at Gulfstream Park (which includes more than 40 dining and retail options).
- More than 130,000 square feet of event space is located on three levels in an adjacent facility (on a 3.75-acre site) and is capable of housing groups of up to 8,000 attendees.
- Great Ballroom offers 50,100 contiguous square feet. Meeting space is comprised of 42 rooms totaling nearly 30,000-square feet.



### **Fontainebleau Miami Beach** Miami Beach, Florida

- Opened 1954 on 22 acres in Miami Beach.
- Underwent a massive renovation in 2006 costing \$1 billion and lasting nearly two years. Reopened in late 2008.
- Total of 1,504 rooms.
- Amenities include 12 restaurants, lounges and bars, a 40,000-square foot spa, multiple pool spaces with full cabana service and recreational oceanfront activities and access to the Fontainebleau Marina.
- Largest Miami area hotel property in terms of event space offerings, with 106,000-square feet of indoor event space.
- The 33,600-square foot Sparkle Ballroom offers the largest contiguous space.
- 59,600 square feet of meeting space, consisting of 58 individual rooms.
- 37,000-square feet of outdoor event space.





## Miami Airport Convention Center

Miami, Florida

- Located approximately one mile south-west of the Miami International Airport.
- Adjacent to the Double Tree Miami Airport (334 rooms), which manages the Center.
- Within the surrounding "Airport Cluster", there are a total of 3,750 rooms with four other full-service hotels: Sheraton (399 rooms), Embassy Suites (318 rooms), Hilton (500 rooms) and the Marriott (359 rooms).
- Provides approximately 107,700 of indoor event space, distributed among three floors.
- Includes 74,400 square feet of exhibit space made up of two separate halls. The West Hall is the largest contiguous space, at 46,640 square feet.
- Meeting space consists of 28 rooms, totaling approximately 33,300 square feet.
- Amenities include parking for up to 2,500 automobiles (valet and self), high tech audio and visual systems, catering services, full-service business center and a salon facility.



## Doral Golf Resort and Spa Miami

Doral, Florida

- 650-acre resort opened in 1962 on what was originally swamp land (two miles west of MIA).
- Has seen more than \$100 million in expansion and improvements since 1987. Currently undergoing a \$16 million renovation.
- 693 total guest rooms spread throughout the property in villa-like buildings.
- Golf amenities consist of five, 18-hole golf courses, a pro shop, driving range and the Jim McLean Golf School.
- The facility houses two restaurants, four retail shops and the \$50 million Saturnia Spa.
- 83,800 square feet of total sellable space, spread among three facilities.
- The Legends Ballroom is the largest contiguous space, at approximately 24,000 square feet.
- The facility does not include any outdoor event space.



## **Miami Beach Convention Center (MBCC)**

Miami Beach, Florida

- The Center opened in 1957, and was expanded and renovated in 1990 at a cost of more than \$92 million.
- The 790-room Loews Hotel (which opened in 1998) was developed to improve the ability of the MBCC to accommodate events with significant out-of-town attendance.
- Today the MBCC program of space includes approximately 503,000 square feet of exhibit space and 127,600 square feet of meeting space. Unlike most convention centers, the MBCC does not offer space dedicated for banquets, general sessions and related functions.
- There are 17 hotel properties within one-half mile of the MBCC, combining to provide more than 4,300 total guestrooms.
- The MBCC competes with major markets such as Orlando and Atlanta, as well as other markets in the eastern region for nationally-rotating conventions and tradeshow. In some cases, particularly with corporate events, the MBCC may compete with other warm-weather destinations nationally.



### **Summary**

Taken together, the inventory of conference and convention venues within the greater Miami and surrounding south Florida area represents a significant base of supply accommodating national and international conventions, conferences, meetings and other public assembly events. The destination offers a combination of resort and, to a lesser degree, urban oriented facilities.

These data are used extensively in forming our findings and recommendations as to future conference center development, including potential supportable program elements, in the downtown Miami area.

## VI. Market Demand Analysis

Convention and conference centers typically host events that vary widely in space needs, attendance levels and hotel room requirements. The size, type and flexibility of the space integrated within many centers allow for the accommodation of small meetings and banquets, as well as mid-sized conventions and tradeshow. To form a basis for the market demand analysis, detailed surveys were completed with meeting planners within various market segments that represent the potential event market for a downtown Miami conference center. These data provide a basis for evaluating event potential in downtown Miami and amenity characteristics necessary to accommodate potential events. Our research was conducted in an effort to evaluate facility and community amenity requirements, hotel requirements, current perceptions of downtown Miami as an event destination and opinions as to the future of the industry overall.

Additionally, we have examined lost business records of events that at one point indicated a potential interest in the Miami area for a future event, but could not be accommodated for one or more of a variety of reasons.

### Summary of Participating Survey Respondents

Telephone and Internet-based surveys were completed with representatives of the following types of organizations:

- Targeted national convention, conference and tradeshow event planners – National associations are membership-based organizations that typically have annual conventions and conferences that rotate among various cities throughout the United States. These events frequently generate significant levels of non-local attendees and often have sizable requirements in terms of both event space and hotel needs. For purposes of this analysis, we have focused on events requiring between 20,000 and 300,000 gross square feet of exhibit space.
- East Coast corporate event planners – In an effort to assess potential demand for Miami area event space among major East Coast corporations, we have surveyed a sample of major private employers in a select set of markets. Particular attention was paid to whether or not the Miami market has a particular appeal given its proximity to Latin and South America.
- Florida corporate event planners – Within Florida, and particularly within South Florida, there are a number of corporations that may have a need for off-site event space. Our survey assesses whether or not these organizations have an interest in downtown Miami, as well as what space levels, facility amenities and other requirements are sought by their organization.

We begin with our analysis of market demand with a summary of our interviews with targeted national convention, conference and tradeshow planners.

## **Analysis of Targeted National Convention, Conference and Tradeshow Market Demand**

Our survey sample of national conventions, conferences and tradeshows was selected through information contained in the empowerMINT database maintained by Destination Marketing Association International (DMAI). In general, these data sources identify a majority of national convention, conference and tradeshow events; however, new events are entering the market and added private sector events will be planned within very short periods. In addition to national associations, this sample is comprised of SMERF (social, military, educational, religious and fraternal) and corporate event contacts.

National associations are membership-based organizations that typically have annual events that rotate among various cities throughout the United States. Corporations also often sponsor major convention, conference or trade events, while SMERF groups also represent significant producers of rotating event activity. For purposes of this analysis it is therefore assumed that established data sources reflect approximately 60 to 70 percent of the actual event population.

The sources used to evaluate and quantify the population of events are widely used within the industry and have been used for numerous similar consulting studies throughout the country. The surveys were conducted to assess the likelihood that event planners would hold a future event at a new downtown Miami conference center and to generate information regarding the characteristics of individual events. In an effort to frame the market appropriate to downtown Miami, we have queried the extensive empowerMINT database and directed our survey effort toward events that have been held recently (2007 through 2011), and that require between 20,000 to 300,000 gross square feet of exhibit space.

Exhibit VI-1 presents a table of approximately 100 national organizations that were interviewed as part of our research.

### **Exhibit VI-1 Participating National Conventions, Conferences and Tradeshows**

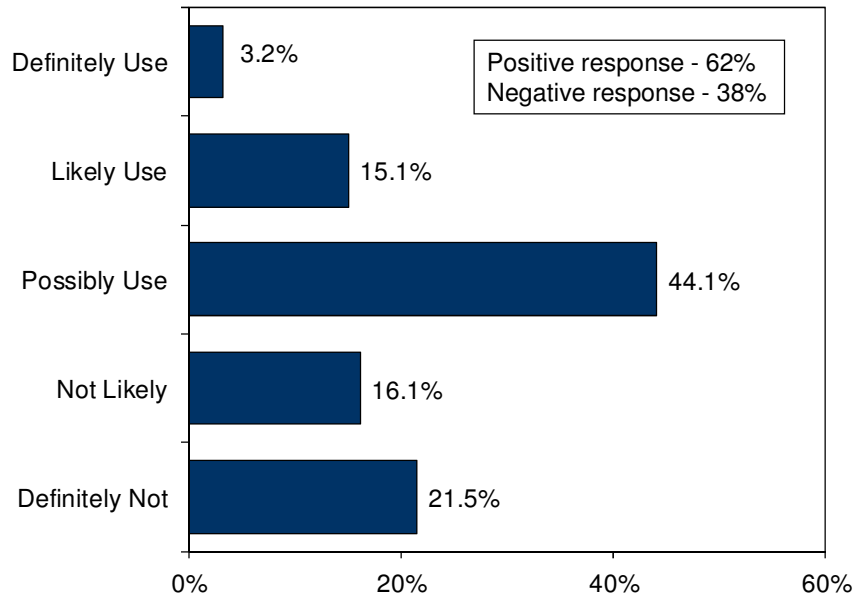
Academy of Neonatal Nursing	Corenet Global	National Institute of Governmental Purchasing
Access Intelligence, LLC	Ecobuild America, LLC	National Mobility Equipment Dealers Association
Airborne Law Enforcement Association	Electric Utilities Environmental Association	National Scholastic Press Association
American Association of Neurological Surgeons	Electrical Apparatus Service Association	National Science Teachers Association
American Association of Oral and Maxillofacial Surgeons	Employee Assistance Professionals Association	National Soccer Coaches Association of America
American College of Allergy Asthma & Immunology	Forging Industry Association	National Society of Professional Engineers
American Legion	Gospel Music Workshop of America	National Square Dance Convention
American Mosquito Control Association	Grain Elevator & Processing Society	National Tank Truck Carriers, Inc.
American Orthopedic Society for Sports Medicine	Green Meeting Industry Council	Organization of American Historians
American Society for Cell Biology	Healthcare Convention and Exhibitors Association	Pheasants Forever
American Society for Clinical Pharmacology & Therapeutics	Hyland Software, Inc.	Population Association of America
American Society for Parenteral and Enteral Nutrition	International Association of Assessing Officers	Psmj Resources, Inc.
American Society of Consultant Pharmacists	International Committee on Space Research	Regulatory Affairs Professionals Society
American Society of Echocardiography	International Dyslexia Association	Religious Conference Management Association
American Society of Gene Therapy	International Gas Turbine Institute	Society for Clinical Data Management, Inc.
American Society of Landscape Architects	International Harvesters Collectors Club	Society for Inherited Metabolic Disorders
American Society of Nephrology	International Society for Physical Activity and Health	Society for Science and the Public
American Sokol Organization	Learning Disabilities Association of America	Society for Technical Communications
Americas Health Insurance Plans	Million Dollar Round Table	Society for the Advancement of Material and Process Engineering
Armed Forces Communications and Electronics Association	National Association for Campus Activities	Society of Government Meeting Professionals
Asian American Hotel Owners Association	National Association of Federal Credit Unions	Specialty Retail Report
Assemblies of God	National Association of Physician Recruiters	Structural Building Components Association
Association of International Educators	National Baptist Convention USA, Inc.	Students in Free Enterprise
Association of the Wall and Ceiling Industries International	National Center for State Courts	Telemanagement
Athletic Equipment Managers Association	National Correctional Industries Association	United Church of Christ
Best Western International, Inc.	National Council on Education/Ceramic Arts	US Institute for Theatre Technology
Career Communications Group, Inc.	National D.A.R.E. America	Virgo Publishing, Inc.
Caribbean Hotel & Tourism Association	National Defense Industrial Association	World of Asphalt
College Media Advisers	National Demolition Association	World Science Fiction Society
Community & Hospital Infection Control Association	National Institute for Case Management	XRX/Stitches

### **Interest in Using a Downtown Miami Conference Center**

Following several introductory questions, national organization event planners were asked to indicate the likelihood of their organization using a downtown Miami conference center in the future, assuming the facility and community met the needs of their event(s) in terms of space availability, hotel requirements, etc. Respondents were given various options of indicating interest in holding a future event at a downtown Miami conference center from “definitely” to “definitely not” hold an event.

Responses related to targeted national organizations surveyed are presented in Exhibit VI-2.

**Exhibit VI-2**  
**Likelihood of Using a Downtown Miami Conference Center**  
**National Conventions, Conferences and Tradeshows**



Note: Data represented includes all organizations interviewed.  
Source: CSL Interviews, 2011

Based on these survey results, the positive response percentage (definitely use, likely use and possibly use) among national conventions and tradeshows approximates 62 percent. A significant percentage of this positive interest (44 percent) can be viewed as tentative interest (i.e. those that indicated possibly hold an event at the Downtown Miami conference center, rather than "likely" or definitely). Conversely, approximately 38 percent of all respondents indicated a lack of interest in utilizing a downtown Miami conference center as a host facility for their future event(s).

Based on a review of recent historical Knight Center/MCC event data and conversations with facility management, the facility has hosted very few national convention, conference and tradeshow events in the past. The response levels generated as part of the survey appear to reflect a lack of exposure for downtown Miami to the national meeting planner community. This is expected given the fact that the Knight Center/MCC and other downtown facilities can only accommodate a relatively small share of the national event market, and very few resources have been expended in marketing to these larger events.



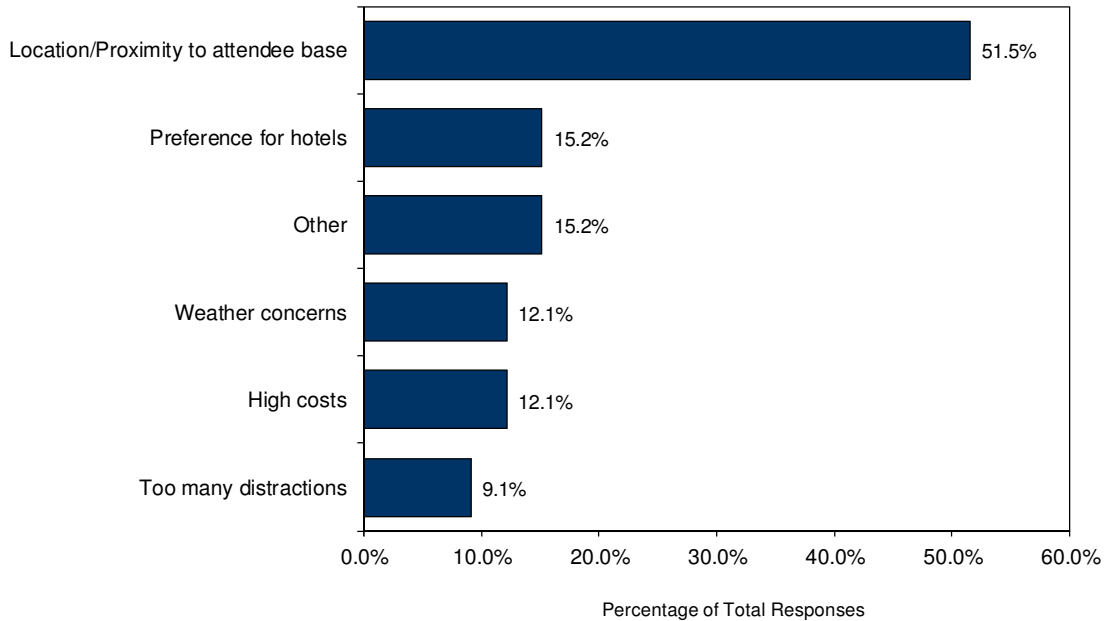
Some of the specific organizations that would consider using a downtown Miami conference center include the following:

- Academy of Neonatal Nursing
- American Association of Neurological Surgeons
- American Society for Clinical Pharmacology & Therapeutics
- American Society for Parenteral and Enteral Nutrition
- American Society of Nephrology
- Asian American Hotel Owners Association
- Association of International Educators
- Association of the Wall and Ceiling Industries International
- College Media Advisers
- Gospel Music Workshop of America
- Healthcare Convention and Exhibitors Association
- International Committee on Space Research
- National D.A.R.E. America
- National Facility Management and Technology Exposition
- Organization of American Historians
- Society for Science and the Public
- Society of Government Meeting Professionals

Of all respondents, approximately 24 percent indicated that they had hosted an event in downtown Miami in the past. When considering only positive respondents, approximately 33 percent had utilized downtown Miami event space for their event(s). The nine percent increase among positive respondents indicates that those that have brought an event to downtown Miami in the past are somewhat more likely to return in the future.

To further examine the meeting planner perception of the proposed downtown Miami conference center, respondents indicating that they would either “not likely” or “definitely not” utilize the proposed downtown Miami conference center, assuming it met the needs of their group, were questioned as to specific reasons for their overall lack of interest. Exhibit VI-3 outlines the primary reasons stated for a lack of interest in the market.

**Exhibit VI-3  
Reasons for Lack of Future Interest in a Downtown Miami Conference Center  
National Conventions, Conferences and Tradeshows**



Notes: Data represented includes all organizations without a potential interest in a downtown Miami Conference Center.  
 Figures total more than 100 percent, as several organizations cited more than one reason.  
 Source: CSL Interviews, 2011

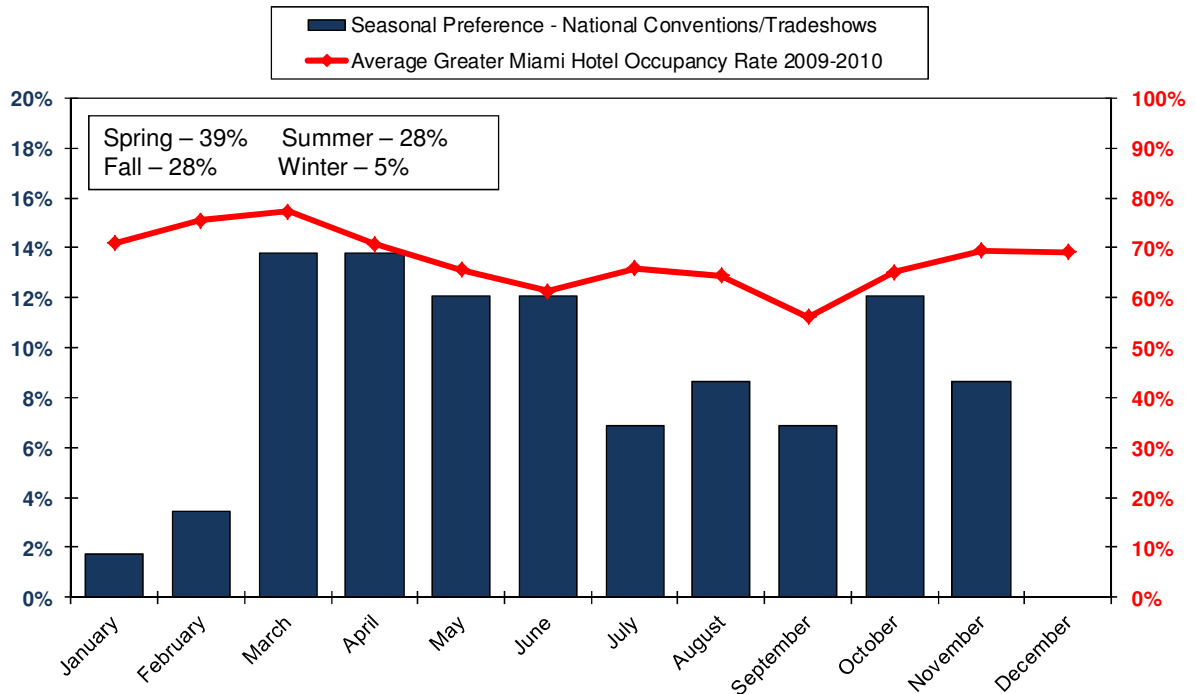
As shown, the most frequent response cited for a lack of interest in using the proposed downtown Miami conference center is relates to the Miami area’s proximity to their attendee base, with approximately 52 percent. The ability to keep their event (and attendees) under one roof was the second most common response, as noted by more than 15 percent of those expressing a lack of interest in the venue. Other reasons for lack of interest among national event planners were weather concerns, high costs and an abundance of distractions—all of which could potentially deter attendance.



## Seasonal Preference

Rotating national events typically have specific preferences and/or requirements with regard to the months in which their event(s) can occur. Likewise, associations typically employ a particular rotational policy that allows the annual event to return to a specific location only after a certain period of time. Exhibit VI-4 presents the seasonality patterns, by month, for those national organization events that represent the primary event market demand for a downtown Miami conference center. For purposes of comparison, we have also presented the average hotel occupancy percentages for greater Miami, by month, from 2009 and 2010.

**Exhibit VI-4**  
**Seasonal Preference and Average Downtown Miami Hotel Occupancy Rate**  
**National Conventions, Conferences and Tradeshows**



Note: Data represented includes all organizations with a potential interest in a new downtown Miami conference center.  
 Source: CSL Interviews, 2011

In some cases, the seasonality of demand can assist in understanding demand potential for multiple overlapping events. For example, heavy demand for a particular event type during historically busy periods at a center can indicate a “clustering” of demand, and highlight the need for a center to be able to accommodate multiple overlapping events. As presented above, seasonal preference among targeted national groups with an interest in a downtown Miami conference center follows a pattern somewhat similar to industry standards, specifically with regard to stronger demand in spring and fall months.

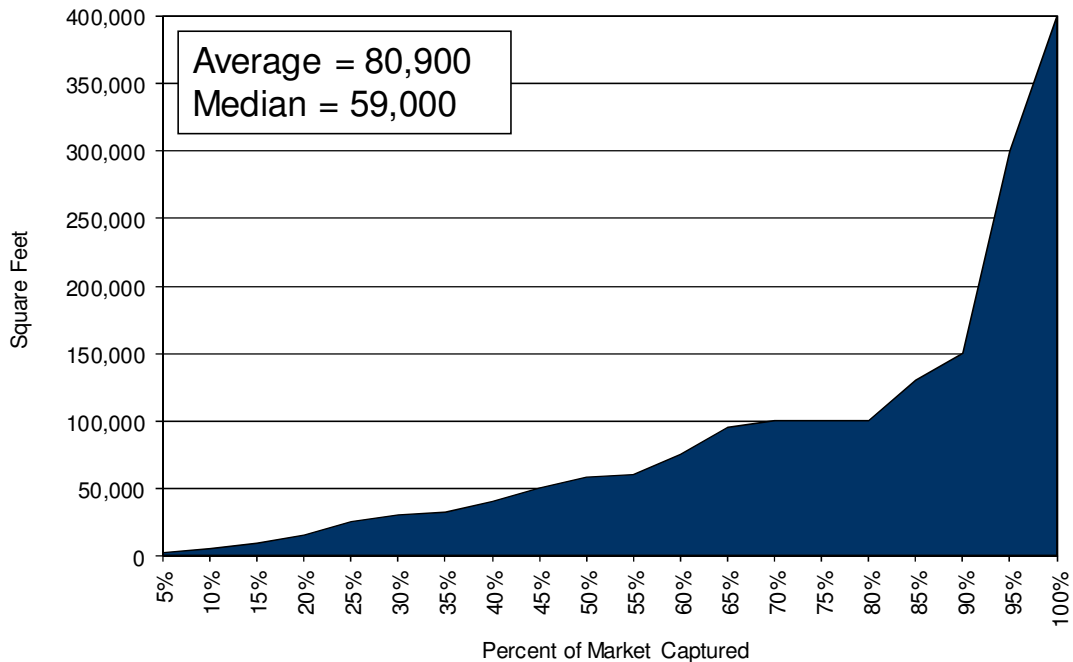
National convention and tradeshow event demand appears to peak in March through June at between 12 and 14 percent, while December through February represent the slowest months. Hotel occupancy rates in greater Miami do not necessarily correlate with demand among the targeted national organizations; however, Miami experiences occupancy rates that are significantly higher than national averages, especially during the winter months. The high overall

hotel occupancy rates could negatively impact the ability to secure room blocks for a new downtown conference center. This condition has negatively impacted the ability to attract large events to the Miami Beach Convention Center in the past.

### Event Space Requirements

In order to approximate event space requirements of the national event market specific to Miami, event planners with a potential interest in the market were asked to estimate the average amount of exhibit, meeting and ballroom space required for their event(s). Responses for exhibit space square footage needs among the targeted set of planners are outlined in Exhibit VI-5.

**Exhibit VI-5  
Summary of Exhibit Space Demand  
National Conventions, Conferences and Tradeshows**



Note: Data represented includes all organizations with a potential interest in a new downtown Miami conference center.  
Source: CSL Interviews, 2011

In order to accommodate 50 percent of the potential market for nationally-rotating convention, conference and tradeshow events, a new conference center in downtown Miami would need to provide a total of 58,000 square feet of exhibit space. Up to 80 percent of the Miami market could be accommodated by a facility providing 100,000 square feet of exhibit space.

There are diminishing marginal returns as the amount of exhibit space is increased beyond a 100,000-square foot threshold. For example, 200,000 total square feet of exhibit space adds just over ten percentage points of capture when compared to what could be accommodated with 100,000 square feet.

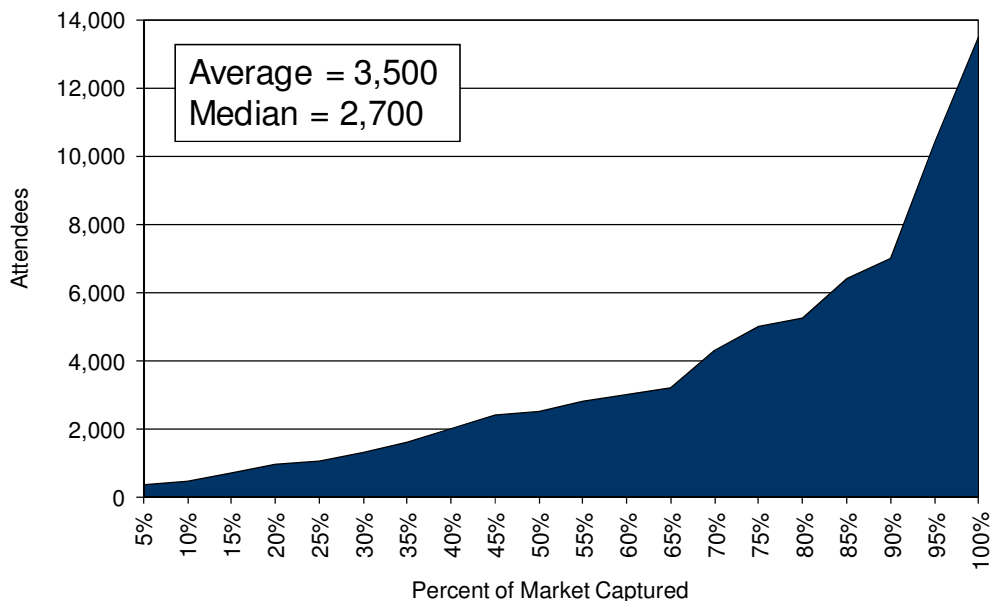


Another fundamental component of a complete conference center is its available breakout meeting space. Because meeting room space can be used for different purposes, actual square footage requirements can vary considerably. Our research into the facility needs of event planners interested in hosting an event in downtown Miami indicate a somewhat higher than average need for meeting space. Should future investment be made in a new conference center, we suggest that ratios of meeting to exhibit space be targeted at between 0.30 and 0.33. This and other programmatic considerations will be discussed later in this report. In addition to meeting and exhibit space, a ballroom/general session space is a critical component for a successful conference center.

### Average Delegate and Exhibitor Attendance

National convention, conference and tradeshow event planners were asked to estimate the average total delegate and exhibitor attendance levels for their events. These figures exclude spouses and guests of the event’s delegates. Responses are summarized in Exhibit VI-6.

**Exhibit VI-6  
Summary of Total Attendance  
National Conventions, Conferences and Tradeshows**



Note: Data represented includes delegate and exhibitor attendance among all organizations with a potential interest in a new downtown Miami conference center.  
Source: CSL Interviews, 2011

As shown, the average national convention, conference and tradeshow event with a positive interest in a Miami conference center attracts approximately 3,500 delegates and exhibitors. Approximately 50 percent of the potential national organization market consists of events with 2,500 or fewer total attendees. Ninety percent of the potential national convention and tradeshow market consists of events attracting fewer than 7,000 total attendees.



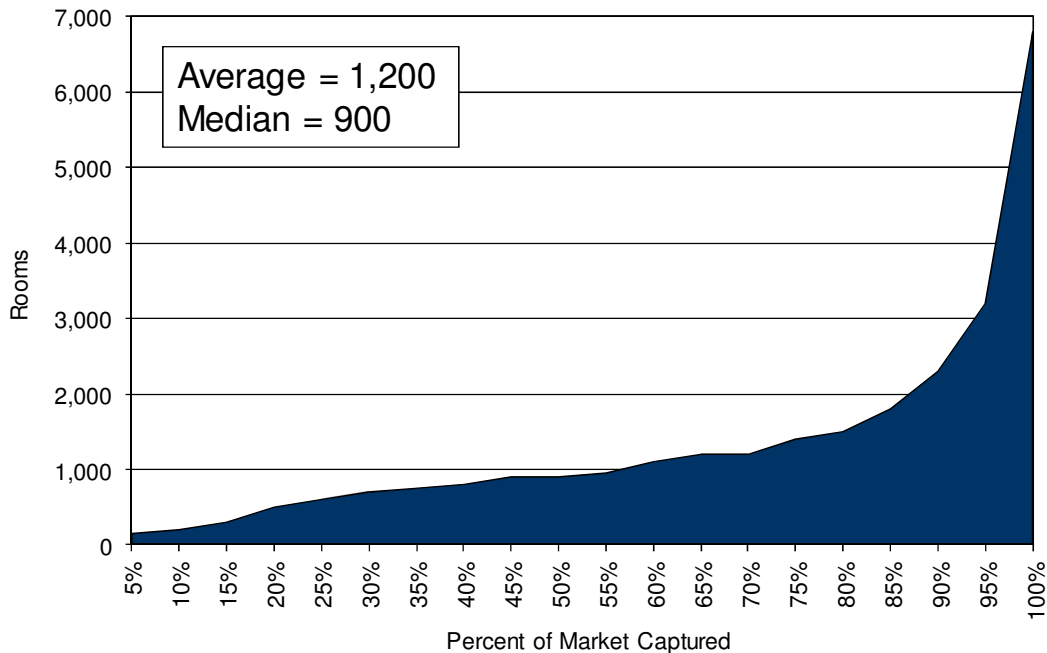
Such data with regard to delegate and exhibitor attendance levels will be an important factor in determining the amount of economic impact potentially generated by a new downtown Miami conference center.

### Hotel Room Demand

The number of attendees at an event influences the number of hotel rooms occupied. One of the most important aspects in attracting non-local conventions, tradeshows, conferences, meetings and other related events is the availability of committable, convention-quality hotel rooms. Convention-quality is a term that varies based on the particular community and type of group considered; however, the term generally represents full-service, upscale properties carrying the flag of a respected national brand.

The market share captured in any community cannot expand beyond what the area hotels can accommodate. Exhibit VI-7 presents a summary of peak night hotel room demand associated with the potential national convention, conference and tradeshow market for downtown Miami.

**Exhibit VI-7  
Summary of Peak Night Hotel Room Demand  
National Conventions, Conferences and Tradeshows**



Note: Data represented includes all organizations with a potential interest in a new downtown Miami conference center.  
Source: CSL Interviews, 2011

As shown above, the average national convention, conference or tradeshow event with a potential interest in rotating future events to a downtown Miami conference center requires a room block of approximately 1,200 peak night hotel rooms. To capture 80 percent of demand, the surrounding hotel base must offer a block of up to 1,700 rooms. It will be important for any future downtown conference center development to offer sufficient hotel room blocks (existing and/or newly built) within very close proximity of the center.



We also asked event planners to comment specifically on any unique facility features or amenities that would benefit their event(s). Comments collected among potential users of a potential conference center include the following:

- A 20,000-square foot ballroom, access to the outdoors and windows in the meeting space.
- A new facility is definitely needed. The Miami Convention Center is old and outdated.
- A food court; not just a single food outlet, but an entire food court.
- A good hotel package with a variety of price points and recognizable properties with frequent user rewards.
- A good location, within walking distance of hotels.
- Ceiling height is always an issue. The higher the ceiling, the better for exhibitors.
- Electronic signage that is not flat against the wall.
- Energy efficiency, water conservation, waste diversion and environmental purchasing practices, and sustainable policies.
- Free wireless for the attendees in all the public areas.
- Good access to loading docks and semi-trailer parking are critical for us.
- It needs to have a tight hotel package. The rooms need to be close to the designated meeting space. I need all the space in three or four hotels.
- They need to have more hotels in the downtown area to support it. My impression is that none of the hotels are large hotels that can offer a 1,000-room block.
- We would like all the hotels to be within walking distance.
- Easily accessible parking that is not miles away is a good feature.
- Proximity of restaurants is important.
- Reasonable prices for food and lodging.
- The exhibit hall space needs to be highly divisible and column-free.
- We would like it by a golf course.

In an effort to collect open-ended feedback with regard to current perceptions of downtown Miami area's position in the convention, conference and tradeshow industry, national event planners were asked to provide open-ended comments on their impressions of the market. Responses included, but were not limited to the following:

### **Positive Impressions**

- It is more of a professional environment versus the vacation environment.
- Opportunities for entertainment, dining, and shopping.
- It could be a great place. The international airport has a lot of flights and it has a diverse population.
- Many of our attendees come early and/or stay late for vacation purposes, so for us it's an attractive location.



- We have our conferences in the winter so it's a desirable destination.
- I think it has great potential.
- I think it would be a good fit, and a good draw. Our attendees would find it an interesting city.
- Good because of the average temperatures and the availability of hotel rooms, restaurants and attractions within walking distance.
- Positive location, attractiveness of the city, and accessibility to everything.

### **Negative Impressions**

- I have a perception that it's crowded.
- I'm not sure if it would be the best location, since it seems to be geared towards youth and young adults.
- We would be very concerned about timing and potential hurricane interference.
- When we go to Miami we try to place things in south beach because it's more of a destination draw. Downtown Miami is not as hip.
- Since we're a national organization, it's a long way for our exhibitors to bring equipment, compared to some places like Nashville or Las Vegas.
- Downtown Miami is a harder sell, because they're expecting the Miami Beach venue, and it is completely different from downtown Miami.
- It's questionable whether or not it would fit the demographic of our meeting, because it's a family-friendly meeting.
- It might work, but it needs a headquarter hotel by the convention center.

### **Interviews with East Coast Corporate Event Planners**

In an effort to assess potential demand for event space among major east coast corporations, we have surveyed a sample of major private employers in a select set of markets. Based on contact information provided by Meeting Planners International (MPI), ten telephone interviews were completed with event planners of large corporations located in six major east coast cities. Particular attention was paid to address whether or not the Miami market has a special appeal given its proximity to Latin and South America. Markets targeted in the survey process include:

- |           |                 |
|-----------|-----------------|
| • Atlanta | • New York City |
| • Boston  | • Philadelphia  |
| • Chicago | • Washington DC |

Event planners from companies such as Abbott Labs, Cox Enterprises, Elsevier Health Sciences, GlaxoSmithKline, JP Morgan, KPMG, Lockheed Martin, Pfizer Animal Health, T. Rowe Price and Vertex Pharmaceuticals were contacted.

As part of this research, CSL explored the appeal of the central location of Downtown Miami, utilizing the location as a hub between Latin and South America, and the United States. Based on survey results, the location of Miami relative to South and Latin America will not serve to

guarantee high levels of corporate event activity for a new center. However, for corporations that have a significant presence in Latin and South America, there may be several reasons for an enhanced appeal of the greater Miami destination, including the following:

- Ease of getting international attendees into the Miami area and to the conference site, with little logistical issues.
- Many also alluded to the fact that they not only have individuals from Latin and South America attending their events but individuals from all over the world, enhancing the appeal of the Greater Miami area given its international reputation.
- The more professional or corporate atmosphere of the downtown area in comparison to the recreation/resort ambiance associated with the beach area is often viewed as an advantage.

Characteristics of potential east coast corporate events are summarized as follows:

Attendance:

- Ranges from 10 to 5,000
- Average of 760
- Median of 150

Number of Event Days:

- Ranges from two to four days
- Average of 2.86 days

Number of Hotel Rooms:

- Ranges from zero to 5,000
- Average of 835
- Median of 200

East coast corporate event planners were also asked to provide details with regard to what specific facility amenities are important to them and what they would like to see in a conference facility. A summary of responses collected is presented below.

- Free wireless internet.
- Reasonably priced wireless internet.
- Bag check capabilities.
- Beverage stations throughout the facility.
- Flexible meeting space.
- Cell service-antenna within the facility.
- In house catering.
- Sufficient registration space.
- Headquarter hotel.
- Video conferencing.

## Interviews with Florida Corporate Event Planners

To further understand the potential for a downtown Miami conference center, CSL again utilized MPI contacts to assess the level of interest among corporations on a state-wide basis. A total of 19 interviews were conducted via email and telephone with Florida corporate event planners. Interviewed Florida corporations include:

Ancomp	Koncept Events, LLC
Association of Certified Anti-Money Laundering Specialists	Mango's Tropical Cafe
Business Development Consultants	Meeting Connections Inc.
Conference Partners, Inc.	Norwegian Cruise Line
Convention Event Management	Shea
Corevents, Inc.	Smith and Wollensky
Corporate Edge Event Planning, LLC	Stage America
Expolit	Swank Audio Visuals
Florida International University, Biscayne Campus	University of Miami
International Urogynecological Association	

Survey respondents were first asked what facility (or facilities) they have used to accommodate their event(s) in the Miami area. Past locations of events hosted by the surveyed corporations include:

- Courtyard by Marriott
- Doral Marriott
- Eden Roc
- Epic Hotel
- Fontainebleau
- Four Seasons
- Hyatt Coral Gables
- JW Marriott
- JW Marriott Marquis
- Miami Airport Convention Center
- Miami Beach Convention Center
- Miami Hilton
- Nikki Beach
- Restaurants with private meeting rooms
- Ritz Carlton
- South Beach hotels
- Trump Sunny Isles
- Turnberry
- Westin Diplomat

As presented, event planners within the state are currently utilizing a variety of greater Miami area event facilities to host their event(s). Such facilities range in size from a few thousand square feet available within hotel properties (some of which are located downtown), to larger venues including the Miami Airport Convention Center and the Miami Beach Convention Center.

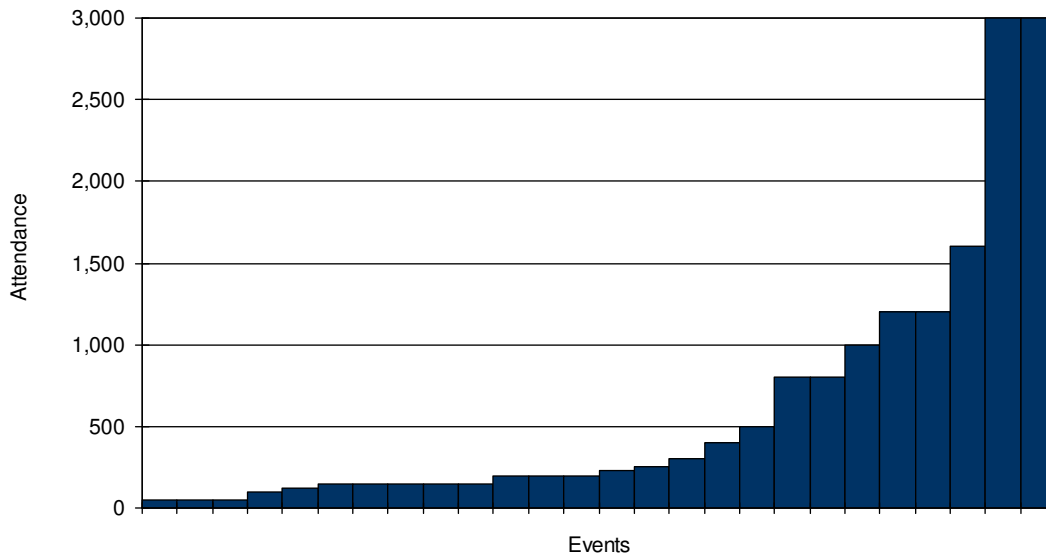
Corporate event planners organize a wide variety of events, including the following types :

- Annual meeting
- Conferences
- Corporate events
- Customer events
- Customer meetings
- Dinner receptions
- Evening dinner events
- Faculty dinners
- Food and beverage events.
- Guest speakers
- Holiday parties
- Medical conferences
- Meetings
- Product showcases
- Sales meetings
- Smaller regional conferences
- Social functions
- Tours and excursions,
- Tradeshow
- Training

Among all event planners surveyed, approximately 70 percent indicated a potential interest in a downtown Miami conference center, several of which would bring multiple events to a new facility each year.

Exhibit VI-8 displays a summary of the attendance levels among Florida corporate events with the potential to be hosted at a new downtown Miami conference center.

**Exhibit VI-8  
Summary of Attendance  
Florida Corporate Event Planners**



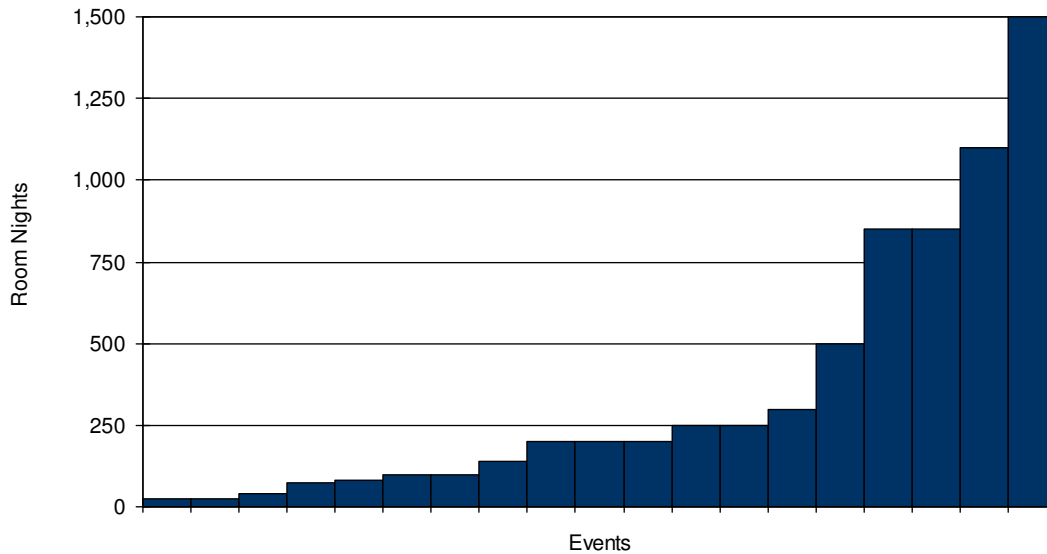
Source: CSL Interviews, 2011

In terms of total attendance, potential corporate events from within the state of Florida range from between 50 and 3,000 total attendees. Approximately two-thirds of those surveyed host events of fewer than 500 attendees.



Exhibit VI-9 displays a summary of peak night hotel room demand among interested Florida corporate event planners.

**Exhibit VI-9  
Summary of Peak Hotel Demand  
Florida Corporate Event Planners**

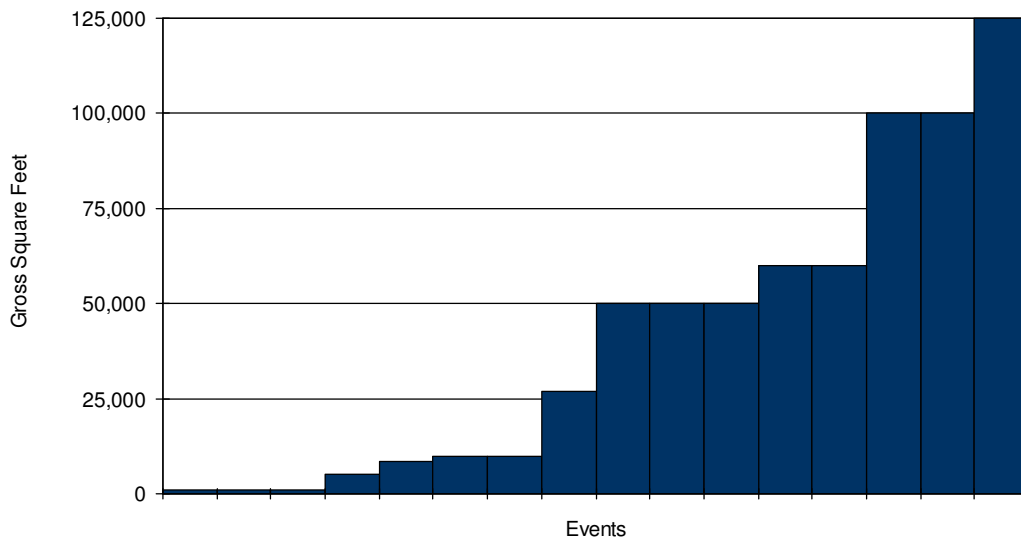


Source: CSL Interviews, 2011

Among events requiring hotel rooms, peak night room demand ranges from 25 to 1,500 rooms. Only two events require in excess of 1,000 peak rooms. The average number of peak night hotel rooms occupied is 360, while half of all events require 200 or fewer rooms.

Similar to attendance and room night requirements, the amount of exhibit space needed among Florida corporate event planners varies widely. Exhibit VI-10 presents a summary of exhibit space needs among Florida corporate event planners expressing an interest in downtown Miami event facilities.

**Exhibit VI-10  
Summary of Exhibit Space  
Florida Corporate Event Planners**



Source: CSL Interviews, 2011

As displayed, among events requiring exhibit space, square footage needs range from 1,000 to 125,000 square feet, averaging approximately 39,000 square feet.

Given their familiarity with the event facility product in greater Miami, event planners within the state were also asked to provide open-ended feedback with regard to existing downtown Miami event space. Comments collected include:

- Existing downtown space is very limited for conventions or tradeshow.
- Existing downtown space is outdated, not particularly attractive, limited in size.
- Fine for the size groups we manage.
- Very limited for conventions or tradeshow. Only the Hyatt Regency is available.
- Need more meeting space.
- Outdated, not particularly attractive, limited in size.
- Severely lacking! Virtually non-existent.
- They are acceptable, but for meeting with attendance larger than 300, it is a challenge.

Overall impressions of downtown Miami as an event destination were generally positive among statewide event planners, with some concerns noted relative to the hotels, congestion and transportation. Specific comments included the following:

- Great place to be in the winter months.
- I think it's ideal for events that attract local people and finance-related attendance. But, for out-of-towners, Miami Beach is more attractive as a location for a larger and more updated convention center.
- Parking and hotel prices must be controlled.
- Miami is an excellent market for events.
- Personnel must be properly trained on "service" which seems to be a problem in this city all the time!
- Need more sleeping rooms and convention space. The older hotels are very tired, nevertheless it has potential.
- Somewhat congested, but doable.
- The potential is good. Some decent hotels available and nice support areas such as Bayfront Park and Bayside shopping.
- There is limited meeting space for a city this size. Depending upon location, some public transport from the significant downtown hotels to the facility would be wonderful.

Statewide corporate event planners were also asked to provide suggestions as to what specific facility amenities are important to them and what they would like to see integrated into a new conference facility. Recommendations regarding a new downtown Miami conference center include:

- Easy loading access, usually three to five semis unloading at one time.
- No restriction on dock hours (unlike Diplomat).
- Attached to a hotel with lots of sleeping rooms.
- Complimentary Internet access in the ballrooms.
- Built-in/slide-down screens and LCD projectors (for PowerPoint presentations).
- Food/restaurant outlets.
- Location should be conducive to hotels.
- Miami is an interesting draw, quite expensive, especially for off-site venues.
- A potential draw for our needs as we deal in US based multi-national corporations so we are dealing with attendees from a world-wide basis.
- Must have parking within the venue and very inexpensive.
- Must be close to restaurants and shopping.
- Location must be easy to access off the highways.
- Needs to be connected to a high-quality hotel with covered walking space.

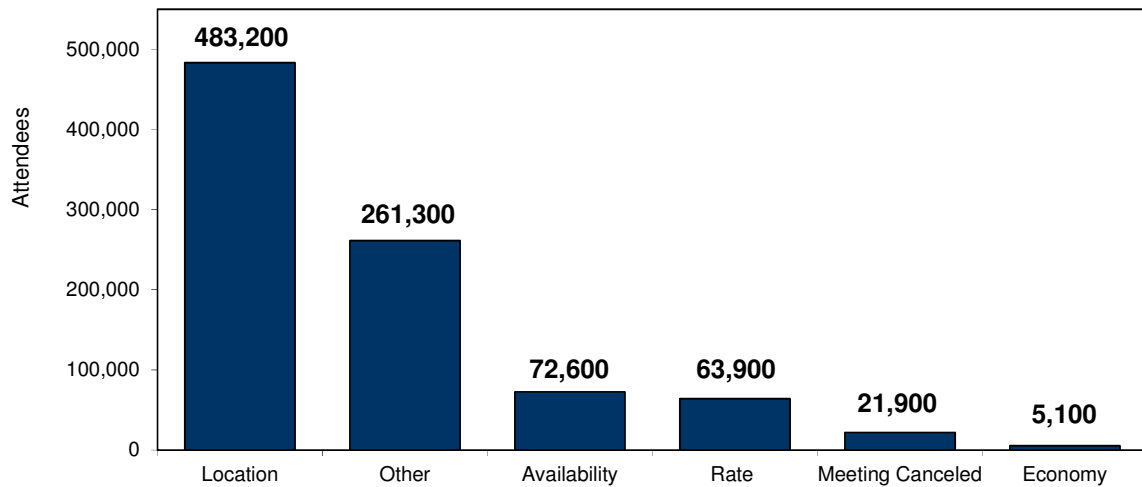


## Lost Business Analysis

Another method of evaluating the demand for event space is to review Convention and Visitors Bureau data regarding planners that indicated an interest the market for a future event but could not be accommodated for one or more of a variety of reasons.

Based on conversations with GMCVB management, we have identified a set of lost business records that focuses on approximately 220 "lost" events requiring between 700 and 3,000 peak room nights. The GMCVB notes that such parameters would best suit the event profile of a rotating national piece of business for a proposed downtown Miami conference center. Based on our review of records maintained by the GMCVB, Exhibit VI-11 presents a summary of attendance, by reason lost, for future events that were pursued between 2008 and 2011.

**Exhibit VI-11  
Summary of Lost Attendance by Reason (2008 - 2011)**



Notes: Based on events requiring between 700 and 3,000 peak room nights.  
Source: Greater Miami CVB, CSL International, 2011

As shown, between 2008 and 2011 the GMCVB has tracked events that represented a total of approximately 1,452,700 attendees that could not be accommodated in Miami. This information should not be interpreted as events that would have rotated to downtown Miami if suitable facility, hotel and other visitor amenity conditions were available. Rather, this data reflects organizations that expressed an interest in greater Miami at one point during their event planning process but ultimately selected another destination. Miami's location (i.e., its non-central geographical location relative to the rest of the country) resulted in the most lost attendance, with more than 483,000 attendees, or approximately 53 percent of the total lost attendance. Issues including facility and hotel availability, rates (for both facility rental and hotel rooms), canceled events and economic concerns were noted to a lesser degree.

We have also examined GMCVB data as to which specific markets Miami is losing events to within this important 700 to 3,000 peak room night segment. The following markets represent the primary competitors for the greater Miami area in terms of lost business (listed in order).

- Orlando, FL
- Las Vegas, NV
- New Orleans, LA
- Washington DC
- Fort Lauderdale, FL

## VII. Market Supportable Building Program Analysis

Based on the analysis of greater Miami market conditions and existing event facility inventory, industry trends and characteristics, competitive and comparable facilities, and market demand characteristics unique to downtown and the greater Miami area, an evaluation of the supportable program elements specific to potential future downtown Miami conference center development was performed. Our findings take into consideration the potential for future large-scale resort development and associated convention/hotel space (as envisioned in the Destination Resorts Bill).

The estimated market supportable facility program for a downtown conference center is tied closely to the unique characteristics of the greater Miami market, as well as the current and potential future hotel inventory and other visitor amenities in the downtown area. The resulting market-supportable building program focuses on the levels of exhibit, meeting and ballroom space that would be necessary to accommodate potential conference, convention, banquet, meeting and other event demand unique to the Miami market.

Support areas, such as lobby, circulation, storage, office and other areas are not specifically itemized within this analysis; however, based on state-of-the-industry facility development standards, such spaces normally require square footage roughly equal to or slightly greater than the total amount of sellable square footage incorporated in the building.

### Summary of Findings

Based on the analysis presented herein, several key findings should be considered as various courses of action are evaluated with respect to future development of downtown Miami conference space. These include the following:

- The James L. Knight Center (inclusive of the Miami Convention Center) is the primary public convention space in the downtown area. This facility provides 75,700 square feet of sellable space, with a largest contiguous space of 28,000 square feet in Riverfront Hall. The Knight Center/MCC continues to attract a wide diversity of events, and remains an active home for local, regional and occasional national events. Over the past three years, the Knight Center/MCC has hosted between 450 and 481 events annually, inclusive of meetings, banquets, exams, concerts, expositions and conventions. The majority of these events draw attendees from the greater Miami area, although there are numerous conventions and other events hosted at the Center that generate room nights.
- Generally, the space within the Knight Center/MCC is lacking in terms of updated finish as compared to newer urban conference and convention centers. The column structure and ceiling heights in many areas of the complex are not at industry standard and can create a less than desirable atmosphere for non-local conventions and conferences.
- There are approximately 6,750 hotel rooms in the downtown Miami area, including approximately 2,000 that have been developed in the past ten years. Newly developed projects include the 313-room JW Marriott Marquis, the 326-room Mandarin Oriental, the 411-room Epic, the 305-room Four Seasons, and the 162-room Viceroy.
- In the downtown Miami area, the largest contiguous high-quality meeting space is 18,400 square feet, provided at the JW Marriott Marquis. Other downtown hotels provide contiguous meeting/banquet areas ranging in size from 2,600 square feet to 16,700 square feet. These

parameters help to define the space programming potential for future downtown conference center development.

- Over the past several years, significant development within the hotel, restaurant, office and residential sector has taken place in the downtown Miami area. Although the residential sector has suffered significantly in the current economic downturn, absorption of existing inventory has increased significantly in recent years, resulting in occupancy percentages that currently exceed 85 percent.
- Development at the Port of Miami (including the Port of Miami tunnel and the deep dredge), as well as on-going transportation improvements linking the airport to downtown (opening in the spring of 2012), will help enhance the economic base within the Miami area, as well as the ability of the destination to accommodate the transportation needs of convention attendees.
- It is clear that the recent economic recession has had a significant negative impact on overall national convention and conference demand. Over the past 12 to 18 months, an unsteady yet slightly increasing pattern of demand appears to be emerging. Studies conducted by CSL and many other industry researchers indicate that the linkage between the convention and conference industry and the overall economy will continue to be strong, and that eventual economic improvement will drive a rebound in demand for facility space. It will likely take several years for demand levels to regain previous industry highs recorded prior to the recession.
- According to the Professional Convention Management Association 2011 Meetings Market Survey, 50 percent of meeting planners prefer a downtown center location to other destination types. Thirteen percent prefer resort facilities, with the remainder preferring suburban hotels, airport hotels and other such venues.
- As part of our research, we have conducted surveys with national association and corporate event planners. Over 130 meeting planners were contacted as part of this research. Results are summarized below by event segment.

#### National Event Planner Analysis

- Seventy-six percent of planners surveyed had not used a greater Miami venue for an event location. However, 62 percent would consider a greater Miami venue for a future event. This provides for a significant base of potential event activity for new downtown Miami conference facility development.
- Eighty percent of the potential national event demand for greater Miami can be accommodated in 100,000 square feet of exhibit space. With 200,000 square feet of exhibit space, market capture increases slightly to just over 90 percent. In addition to exhibit space, any new conference center in downtown Miami would have to offer sufficient meeting and ballroom space.
- Event planners cite added meeting space as the number one facility or destination feature in terms of increasing importance. The second most important feature is offering a walkable center/hotel/entertainment environment for event attendees. Adequately addressing this characteristic will have a significant impact on the viability of potential future Miami conference center project sites.

### East Coast & Florida Corporate Event Planners

- Surveys were conducted with event planners for corporations based in Atlanta, Boston, Chicago, New York, Philadelphia and Washington D.C. Planners for corporations based in Florida were also surveyed.
- The location of Miami relative to South and Latin America will not serve to guarantee high levels of corporate event activity for a new center. However, for corporations that have a significant presence in Latin and South America, there may be several reasons for an enhanced appeal of the greater Miami destination, including the following:
  - Ease of getting international attendees into the Miami area and to the conference site, with few logistical issues.
  - Many also alluded to the fact that they not only have individuals from Latin and South America attending their events but individuals from all over the world, enhancing the appeal of the greater Miami area given its international reputation.
  - The more professional or corporate atmosphere of the downtown area in comparison to the recreation/resort ambiance associated with the beach area is often viewed as an advantage.
- Attendance at these corporate events will range widely, from small ten person meetings up to larger corporate functions for as many as 5,000 attendees. A new downtown center could cater to events of this type with attendance in the 750 to 5,000 range.
- Approximately 70 percent of corporate planners based in Florida indicated an interest in a new downtown center. For many events, particularly those with limited space needs, the existing downtown facility inventory is sufficient. Others indicated a need for added space, registering the following types of comments:
  - Existing downtown space is very limited for conventions or tradeshow.
  - Need more meeting space.
  - Existing downtown space is outdated, not particularly attractive, limited in size.
  - Severely lacking! Virtually non-existent.
  - They (existing downtown facilities) are acceptable, but for meetings with attendance larger than 300, it is a challenge.

The market research findings summarized above, as well as the broader elements of research conducted as part of this project, have been used to generate market-supportable conference center program findings as presented throughout the remainder of this section.

### **Future Downtown Miami Conference Center Program Considerations – Final Recommendations and Implementation Strategy**

We have developed various findings as to the potential market-supportable program for downtown Miami conference center development. We also note that there are important and emerging realities with respect to future development in the downtown Miami area that have to be reflected as part of our findings. Specifically, the potential for large-scale downtown destination resort/convention development would dramatically impact the future course of action relative to a publically-sponsored conference center. On a somewhat lesser but still important scale, the existing downtown Hyatt/MCC complex may offer potential opportunities through some

form of public/private partnership to accommodate a larger share of the demand for downtown conference event space.

Throughout the remainder of this section, we first present the base level of market-supportable space for a future downtown Miami conference center. We then present a series of findings and recommendations tailored to the unique realities and future development potential within the downtown Miami area.

#### Market-Supportable Space Program for a Downtown Miami Conference Center

Given the existing level of demand for convention space in the greater Miami area, as well as the existing supply of convention and conference space within the broader market area, and considering the significant development that has taken place in the downtown area over the past several years, we have developed a market-supported target program for a future downtown conference center. This program consists of between 125,000 and 155,000 square feet of sellable space, segmented as follows:

- 75,000 to 100,000 square feet of contiguous exhibit/multi-use space
- A 25,000-square foot ballroom
- 25,000 to 30,000 square feet of breakout meeting space

In addition, space for pre-function, loading, office, storage, circulation and other back of house space will be needed. The total amount of built space appropriate to support the project would range between 275,000 and 340,000 square feet.

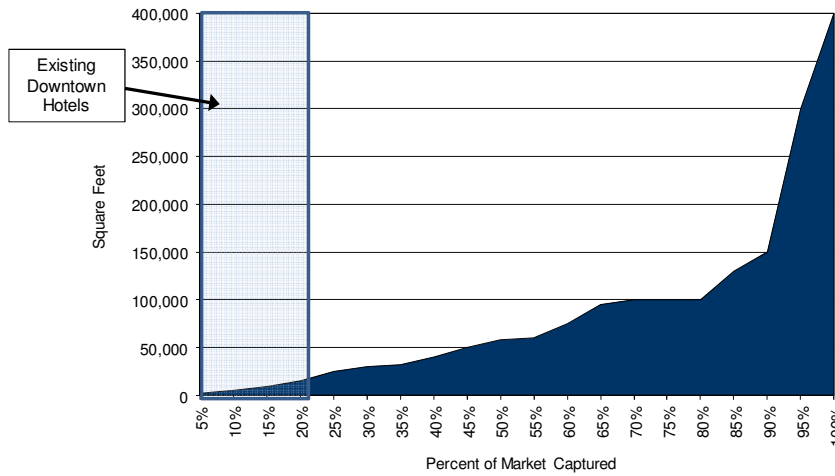
In addition, it will be critical to the success of any future center development in downtown Miami to provide for significant adjacent hotel inventory. We recommend that at least 1,000 convention quality rooms be provided adjacent to or connected to any new project. This could include existing room inventory and/or new hotel development. In addition, it will be critical to offer restaurant and entertainment opportunities within walking distance of any new center.

Within the remainder of this section, we summarize the implications for future downtown Miami conference center development associated with both the destination resort and non-destination resort scenarios.

#### Scenario 1: Assuming the Destination Resorts Bill is Approved

Under this scenario, we would expect that the development of a large-scale resort project would take place, inclusive of significant contiguous multi-use space, added breakout meeting space and several thousand hotel rooms. To assess the impact of such a project on the future market-supportable need for added downtown space, we consider the exhibit space demand profile that was previously summarized herein. In this case, we first overlay the share of the market that can be accommodated by existing quality conference space within the downtown area.

**Exhibit VII-1  
Summary of Exhibit Space Demand  
National Conventions and Tradeshows**

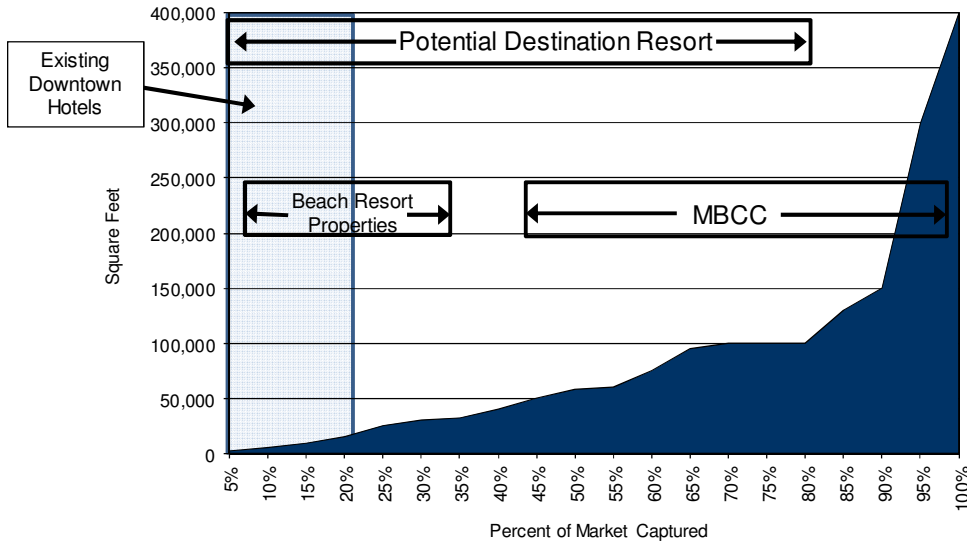


Note: Data represented includes all organizations with a potential interest in a new downtown Miami conference center.  
Source: CSL Interviews, 2011

As presented above, space within existing downtown hotels (such as the JW Marriott Marquis, Hilton, Intercontinental and JW Marriott) can accommodate the smallest 20 percent of the potential national event market unique to downtown Miami.

In Exhibit VII-2, we look at demand and industry parameters from a broader greater Miami area perspective. In addition, the exhibit references estimated demand capture from a potential future destination resort development.

**Exhibit VII-2  
Summary of Exhibit Space Demand  
National Conventions and Tradeshows**



Note: Data represented includes all organizations with a potential interest in a new downtown Miami conference center.  
Source: CSL Interviews, 2011



The Miami Beach Convention Center generally accommodates events requiring between 50,000 and 500,000 square feet of exhibit space. Miami Beach resort properties (such as the Fontainebleau and Lowes) often decide which events to pursue based on an event's potential for revenue generation (food and beverage, guestroom rentals, etc.). The contiguous space needs for these events can range between 0 and 35,000 square feet. As a result, the combination of the MBCC and beach resorts competes for events that generally require between 0 and 35,000 square feet; and 50,000 to 500,000 square feet of contiguous space.

It is important to note that 50 percent of event planners prefer downtown conference venues as opposed to resort properties. This tends to create a larger gap in the ability of the greater Miami event space inventory to fully accommodate potential event demand.

In addition, there are various destination resort development concepts currently being discussed for the market, each of which would include a substantial element of convention and conference space. Such development could compete for events requiring zero to 100,000 square feet of contiguous space; however, this could change substantially depending on the final program of space developed.

Assuming a destination resort/convention center project was to be developed within the downtown Miami area, the need and economic rationale for a largely publically funded downtown conference center would be eliminated. The destination resort/convention center project would in effect become the downtown Miami conference center. The role of the DDA and the City at this point should be to ensure that the parameters of the destination resort-associated convention project at least meet the program elements previously defined in this section. Given published reports and other conversations with project representatives, it appears that the market-supportable convention center space parameters for downtown Miami would be significantly exceeded assuming the Destination Resorts Bill is approved.

#### Scenario 2: Assuming the Destination Resorts Bill is Not Approved

If the Legislature does not approve gaming for south Florida, some type of publically-sponsored conference center in the downtown area would still be supportable from a market-demand perspective. Such a project should encompass the space levels and site area amenities (hotels/restaurants/entertainment) defined previously in this section.

For the DDA and the City, future next steps in pursuing this type of project should include the following.

- Evaluate opportunities to partner with developers of sites that had been targeted for destination resort development. Some level of hospitality and/or conference element could still be a project component on these sites, and a public/private partnership could serve to address the needs for a downtown Miami conference center.
- Identify other parcels in the downtown area that offer important adjacencies to existing hotel, restaurant and entertainment amenities. Parcels should provide for sufficient size to accommodate initial center construction and future expansion (minimum three to five acres).
- Determine current parcel ownership of potential future conference center development sites, and evaluate the ability to acquire the site(s).
- Evaluate potential funding options for land acquisition and center construction.

- Analyze project economic and financial impacts.

In any market, available sites can be difficult to acquire for conference/convention center development in urban settings. Given the current uncertainty regarding future destination resort legislation, the DDA and the City should consider pursuing the above outlined steps even in advance of a final decision on gaming. This would help protect against the possibility that a drawn out destination resort discussion would result in viable conference center sites being eliminated in favor of other development initiatives.

In reviewing potential available sites for a downtown Miami conference center project, several features can significantly impact market and operational success. These features, as listed below, should be considered carefully in the evaluation of potential sites for a downtown conference center.

- Proximity to existing quality full-service hotel inventory
- Proximity to restaurants, retail, nightlife, entertainment
- Proximity to public transportation systems
- Pedestrian-friendly walking environment surrounding the site
- Parking availability
- Potential to acquire a suitable parcel or parcels for development
- Ingress / egress
- Site visibility
- Synergy with other public sector development initiatives / master plans
- Compatibility with current and planned surrounding development

Beyond these criteria, other factors will influence future site decisions including the ability to acquire a parcel, land cost, impact on project financing and long-term city development goals.

#### The Knight Center/MCC Option

We have noted that the level of finish, configuration, space parameters and other elements of the existing Knight Center/MCC are not at a standard common to first class convention centers. We also note that the Hyatt and Knight Center/MCC exist in an area of downtown that has seen very significant development over the past five years, including the development of several hundred high-end hotel rooms and numerous restaurants. In addition, various forms of development continue to take place in the area.

We also note that there is a significant concentration of hotel properties (many of which have recently been developed) within close proximity to the Knight Center/MCC site. The map below highlights this inventory.

### Exhibit VII-3 Map of Downtown Miami Hotel Properties



Given the 2,400-room inventory in this area (including properties such as the Hyatt Regency, JW Marriott Marquis, Epic, InterContinental and others), the Knight Center/MCC site may provide a highly viable opportunity to develop greatly improved conference center space within the downtown Miami area. Given the size and configuration of the site, there is no opportunity to fully accommodate the market-supportable conference center program elements described above. At the same time, there is a fairly sizable segment of the conference market unique to the greater Miami area that requires more space than is available in existing downtown hotels, and that requires significantly *less* space than the primary target market for a new convention center developed as part of a large-scale destination resort project.

Consideration should therefore be given to exploring a public/private partnership between Hyatt and the City with respect to the future of the site/facilities. Issues to be considered by both the City and the DDA with respect to such a partnership include:

- Level of redevelopment of existing Knight Center/MCC space, inclusive of demolition and rebuilding.
- Long term land ownership and lease issues.
- Corresponding investment in improving the Hyatt property.
- Overall hotel/center operational approaches.
- Funding for ongoing operating subsidies.

There have been discussions as to the development of large mixed use projects within the general vicinity of the Hyatt. Should such development take place, the market and financial viability of a public/private Hyatt/Knight Center/MCC project as discussed herein could be negatively impacted.

#### Summary

Taking the above scenarios and initiatives into consideration, the next steps that should be pursued by City and DDA can be summarized as follows:

- Monitor the progress with respect to the Destination Resorts Bill and the specific plans for conference center development within each project competing for designation under the Bill. Ensure that the ultimate project meets the minimum conference center space parameters presented herein.
- Identify and evaluate alternative sites for conference center development in the downtown area. Should the Destination Resorts Bill not be approved, it will be important for the City to ensure that options are available for future conference center development.
- Facilitate discussions as to a public/private partnership between the City and Hyatt as to some level of development/redevelopment on the Knight Center/MCC site.
- Given the fact that between 16 and 17 percent of total Convention and Tourist Development Tax collections have been generated by downtown hotel properties over the past seven years, City and DDA officials should consider how current and future tax revenues are allocated within the County.