



Town Hall Albuquerque

A Discussion on the Proposed
Event Center and Hotel Complex

Background Report

- July 17, 2008
- Albuquerque Convention Center
Albuquerque, NM

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Forward

This report was prepared to provide background information for participants attending **Town Hall Albuquerque** on July 17, 2008. The report will provide context for the proposed development of a metropolitan event center and hotel complex in Albuquerque, offering current specifics as well as pros and cons of the project.

During the Town Hall, participants will flesh out questions they want answered in order to determine whether this development is a wise choice for Albuquerque. **This event is not the time to decide whether or not to move forward with the project; rather, the questions generated by this Town Hall will contribute to the process and issues that are considered during a viability assessment to be conducted this summer and fall.** Once the study is completed it will inform continued dialogue, helping stakeholders achieve consensus on a decision about whether this form of development is right for Albuquerque.

Participants are urged to review this report prior to attending the Town Hall.

Sponsor

The Town Hall is sponsored by the Albuquerque Convention and Visitors Bureau (ACVB), an organization whose mission is to stimulate economic growth by marketing Albuquerque as a travel destination. A private, nonprofit corporation, ACVB—with approximately 40 staff and a volunteer base of 120—is funded by Lodgers Tax (a tax paid for by visitors to New Mexico), in-kind contributions, and memberships. In 2007, ACVB was awarded accreditation from the Destination Marketing Accreditation Program (DMAP), an international accreditation program developed by the Destination Marketing Association International (DMAI). The ACVB is one of only 39 bureaus (national and international) to obtain this accreditation as of October 2007.

Convener

New Mexico First events bring together people from all walks of life to identify practical solutions to the state's toughest problems. In New Mexico First's 22-year history, it has engaged over 6,000 people in the democratic process. Co-founded in 1986 by U.S. Senators Pete

Domenici (R-NM) and Jeff Bingaman (D-NM), the organization conducts three major types of activities: an annual statewide town hall focusing on a critical issue facing the state; specialized town halls and forums for communities and institutions that need public feedback; and smaller consensus facilitations such as strategic planning sessions.

The Town Hall Process

Like all New Mexico First events, this Town Hall will take participants beyond the typical presentation-filled seminar setting and instead draw on their knowledge. In this case, the goal will be to surface questions for city and project leaders about the proposed event and hotel complex. This forum will include a few guest speakers, all experts in their field, to set the context. However, the bulk of the work will be done in small groups by the participants themselves. By the end of the town hall, each group will have drafted concrete questions for policymakers, the ACVB, those compiling the study, industry leaders, business leaders, and stakeholders to consider as they move forward with the viability and impact assessment.

This Report

There are few right or wrong answers, and the proposed development's impact on the city, region, and state is a complex subject. As a result, no report can include all the information, options, and ramifications available. The authors and reviewers have done their best to provide key viewpoints and statistics designed to offer fair, unbiased information for participants. Ultimately the people of Albuquerque must consider what path to take, one that is effective and unifying as the Duke City looks to its future.

This report was prepared by Elizabeth Perrachione and Heather Balas of New Mexico First. Reviewers included: Paul Gessing, Rio Grande Foundation; Alexis Kerschner, Rick Johnson and Company; Anna Lamberson, City of Albuquerque; Kara Shair-Rosenfield, City of Albuquerque; Gary Sapp, Hunt Development Group; Jim Long, Heritage Hotels and Resorts; Kelly Sanchez-Pare, City of Albuquerque; Joni Thomson, ACVB; and Jon Zaman, Albuquerque City Budget Director or Senior Policy Analyst

Project Overview

Tourism, which for the purposes of this town hall includes not only leisure travel, but travel related to meetings and events, is an essential ingredient that contributes significantly to Albuquerque's economic foundation. From the convention center downtown, to our culturally rich and unique Old Town, to the restaurant and retail district of Nob Hill, our community and state rely on tourism. It brings in \$2 billion a year for Bernalillo County, generating 23,000 jobs and \$452 million in payroll income, and it enables our community to look and feel like the Duke City.¹

However, many city leaders are concerned that Albuquerque is not attracting as many visitors – both from in-state and out-of-state – as it should. Furthermore, some local residents want the opportunity to attend more entertainment events right here in Albuquerque.

For these reasons and others, the city is considering a proposal to develop an event center and hotel complex for concerts, sporting events, and national trade shows. Located in downtown Albuquerque, the complex would be within walking distance of the RailRunner station and the Convention Center.

This project warrants careful consideration, research, and public debate. The City Council recently approved a \$700,000 viability and impact assessment to study costs, traffic, and infrastructure implications, as well as citizen concerns and priorities.

Project Specifics

The estimated cost of the proposed development, including the event center and headquarters hotel, is \$398² million.

Event Center

The event center as currently proposed would sit just north of Central and east of the railroad tracks. It would be built on land currently owned by Albuquerque's First Baptist Church. The church building itself would be renovated into residential units.

A canopy would cover the railroad tracks, and a rising walkway would allow people to walk east from downtown into the event center's main entrance by the tracks.

Current projections for the facility call for 12,000 seats for concert, family, and civic events, which according to the developer would "meet the requirements of 95% of acts currently touring within the country."³ It is hoped that the events center would be booked 130-145 nights a year⁴ with major attractions including:

- family entertainment (such as Ice Capades, circuses, or monster trucks)
- sports (such as arena football or WNBA)
- concerts
- civic and political events (including graduations, festivals, or debates)
- trade shows that are too large for the Albuquerque Convention Center alone
- other public activities

Headquarters Hotel

The project would also include a large hotel, located just west of the convention center at Second and Tijeras NW. The hotel is currently proposed to have:

- 450 or more rooms
- Up to 40,000 square feet of additional conference, ballroom, and general meeting space
- A direct link to the Albuquerque Convention Center

¹ The Economic Impact of Travel on New Mexico Counties Fiscal Year 2006, by the Research Department of the Travel Industry Association Washington, D.C. 2/2007

² "City of Albuquerque, New Mexico Event Center/Hotel Preliminary Finance Plan for Discussion" by RBC Capital Markets for the ABQ Downtown Development Team, 5/08

³ Fact Sheet, Hunt Development

⁴ "Proposal for Multi-Purpose Event Center Convention Center Headquarters Hotel Retail/Restaurant/Entertainment Zone & EDO Residential" by the ABQ Development Team, 4/16/08

The Assessment

A project of this scope requires significant planning and research. The Albuquerque City Council selected the team of Garfield Traub Development and Hunt Development to coordinate a viability assessment process. The team will work with independent third party researchers to conduct parking and traffic studies, an economic impact evaluation, studies on engineering and financing, and other research to be determined. The assessment may also evaluate the

current proposal, including whether the event center should have more seats than planned.

The City Council insisted that the fact-finding process be professional and transparent. All studies completed through the assessment, including design, technical, and financial data, will be made public. The assessment will start in July 2008 and is scheduled to be completed in four to six months.

Proposed Metropolitan Redevelopment Project

A mixed-use project that will combine retail and residential elements with a 450 room convention center headquarters hotel and a multi-purpose event center.



Alvarado Transportation Center Civic Plaza Convention Center (West Complex) 450 Room Headquarters Hotel Rail Runner Canopy New Retail & Entertainment District Existing Convention Center (East Complex) Central Ave. 11,000 Seat Event Center Renovated Historic Church (Residential) Additional Residential Martin Luther King Blvd.



Financing

The project will likely be funded through a combination of sources, including Gross Receipts Tax (GRT), proceeds from the complex itself, and private investments.

As part of the pending viability assessment, an analysis will be conducted of the project's optimum capitalization and finance structure (i.e., how to borrow the dollars at the best rates and the lowest impact to the taxpayers). Sources of income to support debt service include the net operating revenues from the hotel and event center as well as the private, mixed use elements. The development would require some level of public financing through bonds. The viability assessment will define that number.

Preliminary research by the developer indicates that if the city alone used only GRT backed bonds to fund 100% of

the necessary public investment, the total GRT allocation required would be less than 1/8 percent. Additionally, there are a number of alternatives that might reduce that GRT burden, including participation by the city, county and state in seeking the lowest cost of capital.⁵ In a worst case scenario, however, if the combination of the GRT and net revenues from the hotel and events center were insufficient to pay the debt service on the bonds, the city's portion of the debt would have to be paid out of the general fund.

The viability assessment will also examine potential benefits to the overall economy, including jobs, impact on nearby retailers, etc.

⁵ Source: Hunt Development Group

Convention Center Financing

Throughout the country, convention and event centers often run on annual operating deficits. One of the common justifications for committing public resources to these projects is the prospect of generating economic impacts for a local and regional economy. Because convention and event centers are often magnets that hopefully bring a higher level of spending into the local economy, the meetings industry recognizes many such facilities as “loss leaders.”⁶

This situation applies to Albuquerque, where our convention center runs at a deficit but provides economic stimulus for local business. According to a market study on Albuquerque, “Current and historic demand data indicates that the Albuquerque Convention Center generates substantial economic and fiscal (or tax) impacts not only for the city of Albuquerque, but also for the state of New Mexico.”⁷

This context relates to the proposed new development because the hotel, if built, is projected to generate additional business for the Albuquerque Convention Center.

CASE STUDY: Indianapolis Success Story⁸

In 1972 the Indianapolis Convention Center opened with 100,000 square feet of space. At that time, one hotel sat a few blocks away. Other hotels, including the Hyatt Regency, shortly followed. In 1984, the Convention Center expanded to include the 58,000 seat Hoosier Dome. The Baltimore Colts signed a deal to move their team to Indianapolis.

In 1993 the city upgraded the convention center again and the private sector expanded the surrounding retail. The \$320 million Circle Center Mall and Entertainment Complex opened in 1995. It is connected by skywalks to the convention center and downtown hotels, and its success is largely dependent on visitors to the City. In 2000, the city again expanded the convention center, which led to the development of another 1,500 room hotel.

⁶ “Albuquerque Convention Center Facility Improvement Analysis & Market Study” by HVS Convention, Sports & Entertainment Facilities Consulting – A Division of HVS International, Presented to Mr. Fred Mondragon, Director Mayor’s Office of Economic Development, January 2007.

⁷ “Albuquerque Convention Center Facility Improvement Analysis & Market Study”...

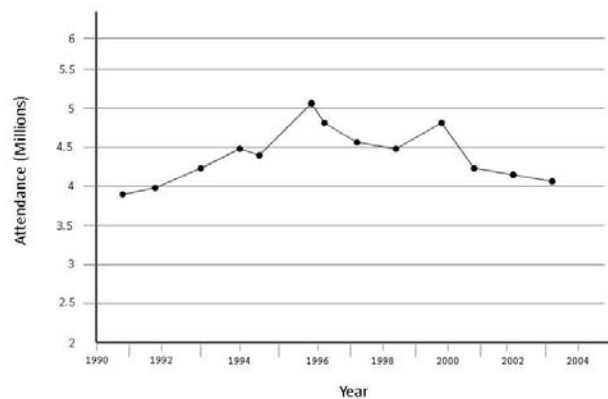
⁸ “Albuquerque: What if... A White Paper on the Future of the Q’s Downtown by Zeitgeist Consulting

Project Rationale

The Albuquerque Convention Center is currently suitable for holding meetings, conferences, and small to mid-sized conventions. The facility is not suitable for large-scale trade shows or conferences with large delegate bases due to its limited large assembly space and, experts say, the limited number of nearby hotels.

“In the 1990s, Albuquerque was widely recognized as one of the top convention destinations in the West,” wrote researcher Bill Geist in a report he conducted for the ACVB. For example, in 1994 the city’s convention center related hotel bookings topped 130,000 overnight guest rooms. In 2007, that number had dropped to 52,000, representing an estimated \$30 million decrease in visitor spending.⁹ This trend mirrors the nation, as the following chart demonstrates.

Attendance at Tradeshow Week 200 events began to decline in the mid-1990s and is now at the level of 1993



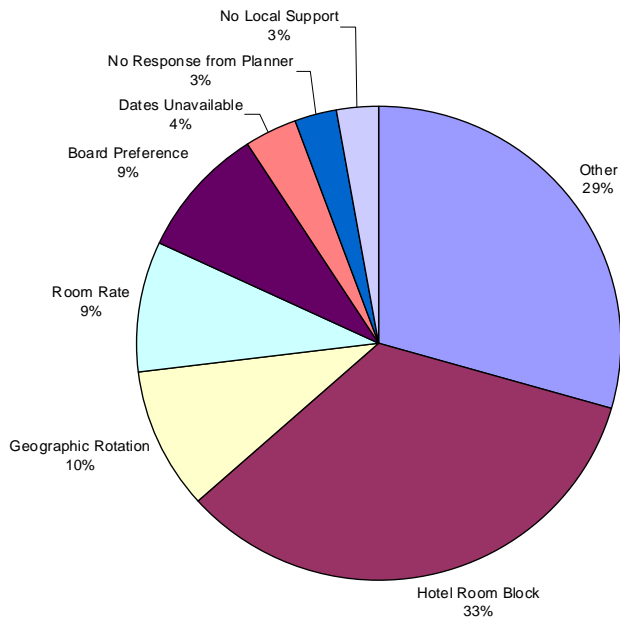
Source: Tradeshow Week “200” Directory, as reprinted in “Space Available...,” Brookings Institute, 2005

“The primary cause of the downturn in meetings and conventions downtown, as recorded by the ACVB, has been the lack of a sufficient inventory of sleeping rooms within walking distance of the Convention Center,” noted the Geist report.¹⁰ ACVB’s internal management reports show that meeting planners cited the lack of an adequate hotel room block as the reason 33% of conventions do not choose Albuquerque as their host city.

⁹ “Albuquerque: What if...”

¹⁰ “Albuquerque: What if...”

Convention Center Market Analysis, conducted by ACVB, June 1, 2007 - June 30, 2008, on why conventions did not choose Albuquerque



"Other" comprises 21 different reasons (e.g. meeting was cancelled, combined with other conferences, geographic location), with each individual reason representing less than 2% of the total.

Supporters of the new development say that the new hotel would provide rooms that are crucial for regaining the lost market segment. Supporters also say the event center would provide "much needed general assembly space and flat floor space enabling Albuquerque to once again attract trade shows and larger conventions."¹¹

Albuquerque is not the only city considering this type of solution. Cities across the nation are investing large amounts of public and government dollars into downtown event centers and hotels. These centers are hoped to become magnets, attracting large groups of patrons to a city's downtown.

Convention organizers also pay for meeting spaces, food, event equipment, and a variety of other necessary costs to ensure the success of their event. On an industry-wide basis, destinations that are attractive to convention visitors are more likely to attract leisure travelers. Visitors could first encounter Albuquerque, which is less well known on the travel circuit, during a convention. With a memorable and enjoyable convention trip, there is a higher probability that attendees will return for leisure travel, bringing their families with them.

¹¹ Fact Sheet, Hunt Development

CASE STUDY: Madison Success Story¹²

The university town of Madison, Wisconsin built a large convention center designed by Frank Lloyd Wright in the early 90s. They projected \$52 million in private sector development after the facility was built. Recent research puts that number closer to \$500 million in private sector investment in Madison's downtown.

The central part of the city is now a magnet for entertainment and cultural events, with \$1 million condos in the area. Office vacancy rates are low.

Community leaders point to the convention center as the catalyst for Madison's growth and success in the past decade.

In addition to increased bookings for the existing convention center created by the new headquarters hotel, supporters of the proposed development believe the new event center will bring an entirely different type of business. In his report, Geist offers that the population is large enough to support major entertaining acts, and Albuquerque's position at the intersection of I-40 and I-25 is even more compelling for tours attempting to make the most out of their routing. The city could become a popular choice for entertainers playing Kansas City, Denver, Phoenix, San Diego, or Los Angeles.¹³

"If case studies from around the country can be the proof, the bold investment of city dollars into an event center and/or convention center hotel will have a significant impact on the city of Albuquerque," says the Geist report, which also cites the following potential benefits:¹⁴

- Improved restaurant business
- Expanded downtown night life
- Increased retail sales
- Benefits for the cultural and arts community
- Increased residential living downtown

¹² Albuquerque: What if....

¹³ Albuquerque: What if...

¹⁴ Albuquerque: What if...

New Jobs

Some people support the concept of the new project because it would create a significant number of new jobs – both during the construction phase and after. As of the publication of this report, specific job and economic impact projections are not available but are expected to be released in coming months through the assessment process.

Project Concerns

Not everyone thinks the proposed event and hotel complex is a good idea, however. Opponents challenge the project on a range of issues, including that it would require public financing, that it would compete with existing hotels, resorts, and event centers, or that it should be located somewhere other than downtown. Still others are concerned that similar projects in other cities have not produced the projected dollars.

CASE STUDY: Portland's Troubled Location¹⁵

Instead of building its convention center downtown, community leaders in Portland tried to revitalize a failing section of city across the river by putting the convention center there. The development expected in the wake of building the convention center—including a headquarters hotel—did not manifest. In response, the city attempted to interest developers by expanding the convention center, to no avail.

Like Albuquerque, Portland's Destination Marketing Organization has collected data showing that the lack of adequate hotel rooms within walking distance of the convention center has resulted in a 30% business loss.

Portland, Oregon has hired a firm to study the feasibility of building a 600-room full service headquarter hotel within walking distance of its 1 million square foot convention center.

Local Hotelier's Perspective¹⁶

"Taxpayers are currently bearing the burden of \$46 million in bonds still owed on the current convention center," explains Jim Long, CEO of Heritage Hotels & Resorts, whose company owns the largest number of hotel properties in the state of New Mexico and has invested \$100 million in Albuquerque. "If you look at conventions in Albuquerque over the last 25 years, what you find is that 88% of conventions are coming in at 300 room nights or less. It was economically foolish to burden ourselves with the extra debt of expanding the Convention Center only to attract the additional 12% of our convention center business a year." The events center and 400+ room hotel, Long believes, will wind up being an additional burden of debt. "The whole concept of a downtown hotel and events center is critically flawed. The underlying economics simply don't support it. The best example of this is the Hyatt Hotel. Built 20 years ago for roughly \$80 million, it sold three years ago for \$35 million and is valued at even less today due to lack of convention business." What you'll wind up with, Long argues, is "a huge disconnect in terms of daily occupancy rates versus the cost to build the hotel, which means taxpayers will have to bear the brunt of the cost to build this additional facility."

The events center, according to Long, doesn't make much sense either. "There will be four other major convention sites that will establish themselves in the next 5-10 years." These include: Isleta Resort, Sandia Resort, and Santa Ana Start Casino and Resort. The fourth one is a property in Old Town, Hotel Albuquerque, owned by Jim Long, which "will be the largest hotel site in Albuquerque within the decade." And economics is not the only issue. "Going deeper into the conversation, the flaw is also regarding the point of view of where travel planners really want their guests to be." Old Town, Long offers, is a preferred destination for travel planners. It is unique to Albuquerque, has hundreds of years' worth of history behind it, and is already a vibrant restaurant and retail center. Following that logic, Long shares, "it might be a much wiser investment to take the 300 million planned for this downtown project and use it to make Albuquerque a significant cultural destination."

However, Long recognizes that a downtown development this size could potentially result in an important catalyst for future growth in Albuquerque. He thinks it is important for the taxpayers to vote on the issue if it receives public financing. "As one of the largest taxpayers in Albuquerque, I would lend my support for the project if the taxpayers are given the opportunity to vote and they support it."

¹⁵ Albuquerque: What if...

¹⁶ Long quotes taken from conversation

National Critic's Perspective

Heywood Sanders of the University of Texas-San Antonio is a critic of publicly funded convention centers and the downtown infrastructure that some say is necessary to support them. "The overall convention marketplace is declining in a manner that suggests that a recovery or turnaround is unlikely to yield much increased business for any given community, contrary to repeated industry projections," he writes in a Brookings Institute report.¹⁷

Dallas, he offers, is a perfect example of this. The 47 conventions generating 627,787 room nights they had in 1999 fell to 36 conventions and 368,000 room nights in 2001. Though they expanded their center in September of 2002, "the estimated room night total for 2004 is 280,784."¹⁸ And these falling figures, asserts Sanders, is true for many cities nationwide, including Denver, Charlotte, and Cincinnati, whose attendance dropped by 47 percent from 1999 to 2003.

At the same time that the demand is falling, cities across the nation are building or expanding. "Over the past decade alone," writes Sanders in the report, "public capital spending on convention centers has doubled to \$2.4 billion annually, increasing convention space by over 50 percent since 1990."¹⁹ This means added competition. (See *appendix for a listing of cities with new and expanded centers*.) Albuquerque is not looking to expand its convention center, rather it is proposing a large headquarter hotel to support the convention center. Sanders shares that "faced with increased competition, many cities spend more money on additional convention amenities, like publicly financed hotels, to serve as convention 'headquarters.'" He would say that this added money spent on infrastructure doesn't add up. "The bottom line: With events and attendance sagging in even the hottest destination spots ... local economic impacts have fallen far short of expectations."

¹⁷ Space Available: The Realities of Convention Centers as Economic Development Strategy, a report for the Brookings Institute by Heywood Sanders

¹⁸ Space Available...

¹⁹ Space Available...

CASE STUDY: St. Louis' Downtown Hotel²⁰

The Cervantes Convention Center opened in 1977 with 240,000 square feet of exhibit space. The city responded by investing local and federal dollars in a shopping mall and other revitalization.

In the mid-80s St. Louis invested millions of dollars in expansion and renovation of the center, including a domed stadium, completed in 1995, to attract an NFL team. These expenditures were justified, in part, on a consulting firm's projections that this development would produce an additional 814,000 convention center "attendee days" and hotel night stays. Unfortunately, the reality fell far short of the estimates. By 1999 there were only 173,000 attendees and 203,000 hotel room nights.

In response to this failing, downtown business leaders and city officials campaigned for a downtown headquarters hotel. Built next to the convention center, the hotel cost roughly \$265 million. Nothing the city did, however, managed to turn things around. In 2001, restaurant and hotel tax together brought in a little over \$9 million, which amounted to less than half of the \$20 million annual debt payment paid by taxpayers.

Free Market Perspective

Paul Gessing, Executive Director of the Rio Grande Foundation, opposes government funded projects on principle. "Government doesn't create money, so I don't endorse taxpayer dollars being used on projects like this," said Gessing. "I would much rather see entrepreneurs and independent businesses supported by loosening the heavy zoning regulations and other roadblocks that prevent revitalization and growth."

Gessing is also skeptical about whether the project would produce more conventions for the city, because of the declining economy. Rising fuel prices will make it more expensive to drive or fly, thus potentially reducing business and convention travel.

Bottom line, says Gessing, is that people and policymakers of Albuquerque should be skeptical about how much revenue this project would generate as the existing convention center is subsidized by taxpayers. "We need this study to be comprehensive, including the consideration of alternative locations and a 'do nothing' option, so we can make the right determination for our City."

²⁰ Space Available...

Cautionary Tale

Hank Bromley, formerly a Professor at the University of Buffalo and author of the article series: *Convention Follies*, was involved in the group opposing the development of an events center and hotel in downtown Buffalo warns against taking data and information at face value.

"There are a lot of numbers being thrown around, which is why it is necessary to dig into them to see what they are saying. Some numbers are based on something substantial, some are not."²¹

Finally, Bromley has a warning about the assessment process itself: "There are many points at which any assessment is vulnerable to bias: what alternatives are on the table to begin with, what kinds of impact are included in the scope of the study, what information is considered in predicting the impact, which studies are drawn on, which consultants are hired, what questions are they asked to address, how is the public hearing conducted, what use is made of the public comments? In all those areas, bias can arise without deliberate efforts to rig the outcome."²²

Neighborhood Voices

In addition to those who strongly support or oppose this project, there are those that want to be included in the planning process. Some citizens have expressed concerns about whether there will be sufficient community inclusion. To this end, organizations that might warrant inclusion include local Neighborhood Associations, such as Huning Highland, whose neighborhood borders the proposed project, Martineztown Neighborhood Association, which represents the eastern gateway to Downtown, and the Downtown Action Team.

Suzy Charnas, from Huning Highland, believes it is unwise to "build an events center and hotel just as the economy enters a swooping economic decline."²³ Instead, she asks: "Why not a project designed to mend and upgrade the city's infrastructure, which everyone uses, providing jobs for the construction trades that actually help our citizens?"²⁴

Other organizations, like EDo and the Wheels Museum, also have an interest in downtown development. Rob Dickson, from EDo and the Broadway Central Corridors

Partnership, categorizes himself as "conditionally for" the project. For him, it is about what questions are asked and answered: "How does this project fit into the overall vision of how we want Albuquerque to be 10, 30, or 50 years from now?"²⁵ Ultimately, Dickson feels that "there is nothing wrong with downtowns having a destination. But when cities become destinations without being real neighborhoods they are destined to fail. Our downtown is not holistic, it has fits and starts, but is faltering. What will it take to make ours a success?"²⁶

Concluding Thoughts

As readers were reviewing this background report, some may have felt a growing unease while others felt a mounting excitement. And for some readers, the jury is out. That is expected and will stimulate interesting discussions during the town hall.

During *Town Hall Albuquerque*, participants will take part in discussions about this proposed development and the upcoming viability assessment the City Council has approved. By the end of the process, the entire group will have identified questions and concerns for city leaders and the assessment team and that may influence the process and course of the project.

New Mexico First looks forward to a thought-provoking discussion among concerned Albuquerque citizens.

²¹ Interview: Hank Bromley, July 9, 2008

²² *The Convention Follies, Part 6: A Critical Moment Arrives*, Hank Bromley, published in the ARTVOICE v12n12, march 22, 2001, www.gse.buffalo.edu/fas/bromley/ccs/part6-av.htm

²³ Email: Suzy Chamas, community member, July 10, 2008

²⁴ Email: Suzy Chamas, community member, July 10, 2008

²⁵ Interview: Rob Dickson, July 10, 2008

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Appendices

Appendix A: Works Cited

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Appendix B: Domestic Travel Impact

<i>2006 Impact</i>	Expenditures (\$ Millions)	Payroll (\$ Millions)	Employment (Thousands)	State Tax	Local Tax
				Receipts (\$ Millions)	Receipts (\$ Millions)
County					
BERNALILLO	\$2,023.28	\$451.98	22.79	\$131.06	\$30.71
SANTA FE	602.43	109.70	7.05	38.00	10.33
DONA ANA	460.18	101.69	4.68	29.76	5.76
SAN JUAN	286.97	44.92	2.93	17.80	4.07
MCKINLEY	149.91	22.50	1.49	9.26	2.45
Five County Total	\$3,522.8	\$730.8	38.9	\$225.9	\$53.3
State Total	\$5,077.6	\$984.6	55.6	\$322.7	\$77.9
Share of Top 5 Counties	69.4%	74.2%	70.0%	70.0%	68.4%

Source: Travel Industry Association

Appendix C: Albuquerque Destination Master Plan

Note: The Destination Master Plan is the culmination of a six-month long process in 2006 involving over 300 individuals from public and private sectors that reflects the community's consensus of the next steps required to make Albuquerque a successful destination for leisure and convention travel. The issue of whether or not to build an events center and hotel complex relates directly to the vision and goals of the Albuquerque Convention and Visitors Bureau. While such a development would impact many of the bullet points below, it relates most specifically to those points highlighted in bold.

VISION: Environment for Success

The Destination of Albuquerque*, focusing marketing and visitor experience on the destination's strengths of culture & heritage, climate & landscape, and hot air ballooning, will grow its \$1.7 billion dollar hospitality economy. This will generate new jobs and business opportunities and will increase tax revenues, thereby supporting increased quality of life for local residents.

This growth will be accomplished by

- improving visitor experiences and products,
- recruiting more leisure travelers who will stay longer and spend more,
- **improving performance of its conventions and meetings industry,**
- sustainably managing and improving the assets important to visitor experiences and local residents,
- preserving and promoting the cultural/heritage environment
- improving the destination's profitability, and
- establishing and promoting a brand identity that showcases the strengths and uniqueness of the destination.

The Destination of Albuquerque has adopted a strong set of goals that

- shape the way the destination works together as a partnership,
- **improve Albuquerque's visitor products and experiences,**
- guide marketing and sales processes for both leisure and convention visitors,

- outline the gathering of information on how visitors interface Albuquerque's economy and how various components of the Destination of Albuquerque are performing, and
- chart the execution of this plan.

The Destination of Albuquerque will pull energies and investment from all partners to tackle a broad range of actions to move the destination toward the realization of the vision. Some of those actions, like "bringing Old Town to life at night" will generate immediate and visible results such as visitor satisfaction, increased profits, and greater gross receipts taxes. Some actions will work to refine the image of Albuquerque in a potential visitor's mind, and use Albuquerque's key strengths of culture & heritage, climate & landscape, and ballooning to build a strong interest-based constituency for Albuquerque's visitor experiences. Others, such as "**strengthening the partnership between the city and the tourism/hospitality industry**" will enable the destination to work together to tackle problems and seize opportunities.

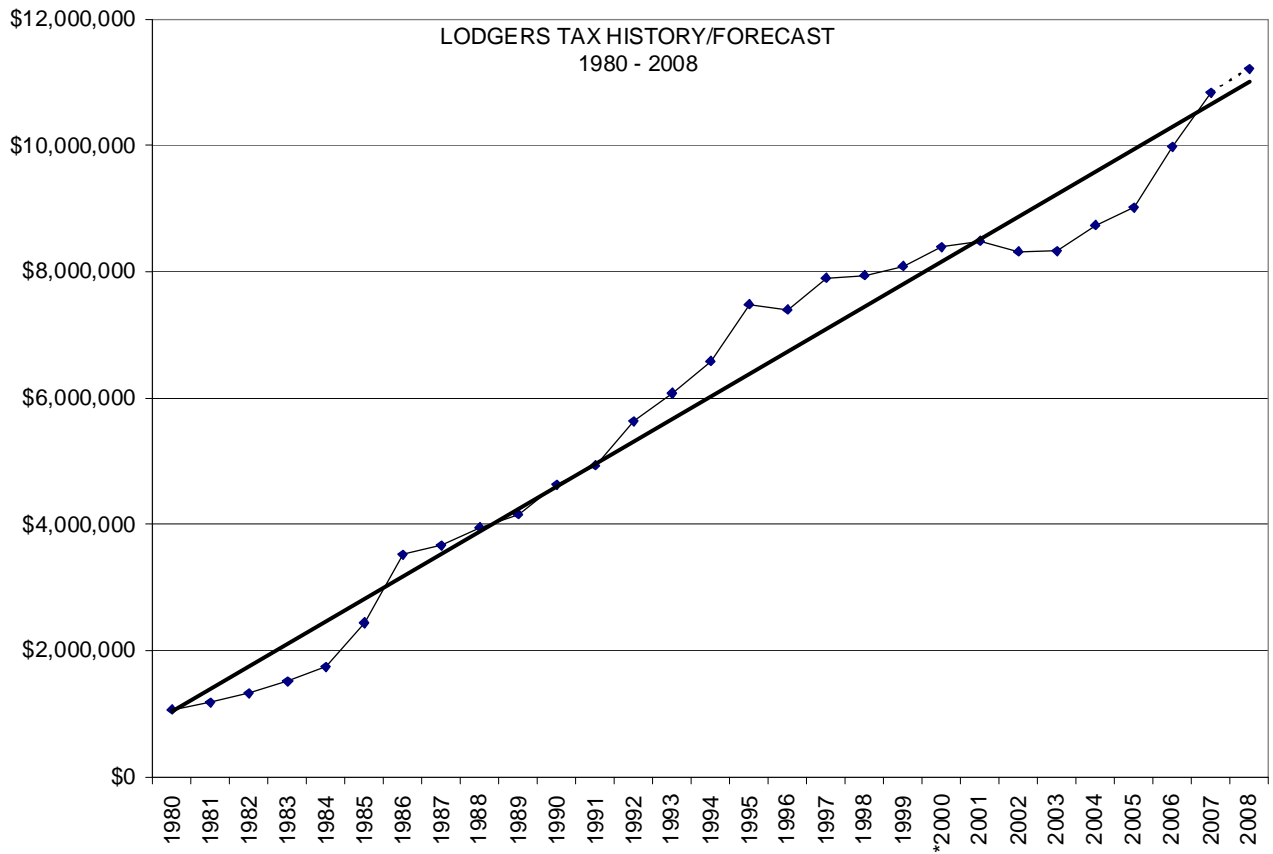
The Destination of Albuquerque faces the future, ready to work in a strong partnership dedicated to improving the experiences of our visitors while growing visitor numbers and spending.

*"Destination of Albuquerque" includes elected officials, city staff, hospitality industry, marketing organizations, cultural and heritage sector, the broader economic development community, media and residents of the greater Albuquerque area.

Appendix D: Albuquerque & New Mexico Visitor Demographics

Trip and Traveler Characteristics	NM	ALBUQUERQUE		
	2006	2006	2005	2004
Number of Visitors (000s)	12,869	5,286	3,999	3,862
Trip Purpose				
<i>Business</i>	28.1%	29.0%	21.6%	24.0%
Convention, Training/Seminar, Other Group Meeting	13.5%	13.2%	12.4%	10.5%
Other Business	14.5%	15.8%	9.2%	13.6%
<i>Leisure</i>	71.9%	71.0%	78.4%	76.0%
Type of Transportation				
Car/Van/Truck/Camper	81.6%	77.1%	67.3%	71.8%
Airplane	15.0%	22.1%	29.3%	26.2%
Other	3.4%	0.8%	3.5%	2.0%
Accommodation Type				
Hotel/Motel, Resort, All Suite Hotel	60.8%	66.2%	68.8%	50.9%
Home/apartment/condo/Timeshare [inc 2nd Home]	25.8%	26.7%	27.2%	40.4%
Other	13.3%	7.1%	4.0%	8.4%
Average Number on Trip	2.2	2.1	2.0	2.1
Average Length of Trip	4.7	3.4	4.6	5.8
Average Total Trip Spending	\$803	\$809	\$637	\$595
Activities				
Touring/Sightseeing	26.3%	24.3%	20.5%	24.5%
Gamble	8.0%	12.7%	6.2%	10.2%
Museum, Art Exhibit	9.6%	11.8%	5.5%	7.4%
Festival, Craft Fair	6.7%	9.7%	3.6%	13.0%
Night Life	10.2%	8.4%	2.7%	5.5%
Visit Historic Site	9.4%	7.5%	5.3%	10.6%
Park: National, State	9.4%	4.7%	4.8%	5.2%
Nature/Culture	3.0%	3.0%	2.7%	3.1%
Hunt, Fish	2.9%	2.7%	2.2%	2.6%
Hike, Bike, etc.	3.7%	2.7%	2.6%	2.7%
Play Golf	0.6%	1.7%	2.1%	2.2%
Boat/Sail	0.3%	1.5%	1.4%	1.5%
Snow Ski, Snow Board	1.1%	0.9%	0.9%	0.9%
Average Household Income	\$70,145	\$66,935	\$70,215	\$68,323
Average Age	48.8	49.8	47.9	47.7

Appendix E: NM Lodgers Tax History and Forecast



Source: the City Treasury Department of the City of Albuquerque

Appendix F: Other U.S. Cities with Recently Built or Expanded Convention Facilities

Note: This town hall is not focused on the expansion of the existing Convention Center in downtown Albuquerque. Rather, it is focused on the development of an events center and hotel complex. The following information is offered to show potential competition in the form of new and expanding centers nationwide.

Cities with new Centers	Cities with Expanded Centers
Boston, MA College Park, GA Council Bluffs, IA Galveston, TX Grand Forks, ND High Point, NC Houston, TX Knoxville, TN Omaha, NE Overland Park, KS Pittsburg, PA Sarasota, FL Savannah, GA Springfield, MO Tunica, MS Washington, DC West Allis, WI West Palm Beach, FL Wilmington, OH	Anaheim, CA Atlanta, GA Austin, TX Charleston, WV Chattanooga, TN Columbus, GA Columbus, OH Dallas, TX Denver, CO Duluth, GA El Paso, TX Fort Lauderdale, FL Fort Smith, AR Fort Worth, TX Fresno, CA Greensboro, NC Hickory, NC Hot Springs, AK Houston, TX Indianapolis, IN Lafayette, LA Las Vegas, NV Louisville, KY Memphis, TN Minneapolis, MN Orlando, FL Portland, OR Reno, NV Richmond, VA Rosemont, IL Salt Lake City, UT San Antonio, TX San Diego, CA Seattle, WA
<p><i>Source: Tradeshow Week Major Exhibit Hall Directory (2000, 2001, 2002, 2003, 2004) and author's (Heywood Sanders) research in Brookings Institute Report: Space Available</i></p>	