

**CEDAR RAPIDS EVENTS CENTER  
EDA GRANT  
PROGRAMMING PLAN UPDATE**



**Submitted by VenuWorks**

**October 14, 2010**



*Fulfilling promises. Creating success.*

As the schematic design nears completion for the Cedar Rapids Events Center a more complete programming plan has been developed. Taking into account the footprint limitations and utilizing a flexible hall concept, the programming plan has shifted to more of convention emphasis with fewer music and sporting events within the new square footage available. The current projection is still a conservative goal of obtaining 5.8% of potential conventions in Cedar Rapids. The new sales and marketing plan will highlight the strengths of the facility as a state of the art flexible convention center. The limited footprint space available reduced the desired amount of square footage on the main floor but still is within the largest sector of conventions held in Iowa. With the increase in convention days and only a limited number of prime dates available the number of sporting events and small music events will decrease. As this increases the economic impact benefit for Cedar Rapids, it also increases the subsidy.

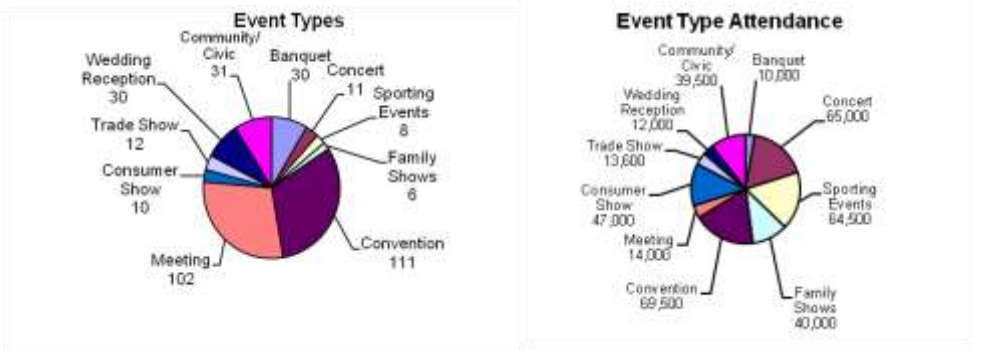
With the schematic design nearly complete the new construction and the existing arena have become one facility for planning purposes. Table 1 below represents event totals for the entire facility including the arena. In comparison, Table 7-2 in the EDA Supplemental dated July 9, 2009 only represented the increased event and attendance due to the new construction. The method used to develop the event mix analyzes room square footage, available weekend days compared to weekdays, room finish and market competitiveness. Utilizing the best attributes of the facility, the table below represents the estimated event and attendance projections for the entire Events center.

<b><i>Event Totals</i></b>		
<b>Event Type</b>	<b>Event Days</b>	<b>Attendance</b>
Banquet	30	10,000
Concert	11	65,000
Sporting Events	8	64,500
Family Shows	6	40,000
Convention	111	69,500
Meeting	102	14,000
Consumer Show	10	47,000
Trade Show	12	13,600
Wedding Reception	30	12,000
Community/Civic	31	39,500
<b>Totals for Year 3</b>	<b>351</b>	<b>375,100</b>

**Table 1**

**EVENT AND ATTENDANCE PROJECTIONS**

Projections based upon three years of operation after construction of expanded facilities.



Source: VenuWorks

Convention and meeting planners demand versatility as they plan their events. Facilities that can provide flexibility combined with amenities will prove successful in securing and maintaining this business. Survey results and conversations with current convention/meeting planners and representatives of the Cedar Rapids Area Convention Bureau further indicate:

- 67% of the survey respondents meet every year
- 50% choose their meeting locations on an annual basis
- 42% require meeting, banquet and exhibit space on the same day
- 75% require break out rooms with 44% of these respondents needing 5-10 rooms
- 82% require an on site hotel as their number one priority in site selection

The Cedar Rapids Area Convention & Visitors Bureau has provided the following sampling of business that could not be attracted to Cedar Rapids in the past due in part to facility limitations needed to meet event requirements. This listing reflects an average of \$2.3 million per year over the last 15 years of economic impact/direct spending not realized in the Cedar Rapids community. The development of the Cedar Rapids Events Center provides the opportunity for Cedar Rapids officials to reconnect with past meeting planners and reintroduce them to the Cedar Rapids market.

**Table 2****CONVENTION/MEETING AND TRADE SHOWS**

Sampling of Lost Business 1993 - 2008. Certain events were tracked by Economic Impact and Direct Spending. During this time there were also several pieces of business that the Visitors Bureau and U.S. Cellular Center did not pursue due to known facility

Event	Attendanc	Estimate Economic Impact Direct
School Administrators of	300	\$300,00
Iowa Association of Soil &	60	\$180,00
Iowa Snowmobile	35	\$105,00
Iowa Tire Dealers	40	\$120,00
Inc.	100	\$600,00
National Ag	60	\$180,00
Iowa Library	60	\$180,00
Order of the Eastern	80	\$320,00
Automobile License Plate	80	\$304,04
National Rural Letter Carriers	150	\$1,534,40
Piano Technicians	84	\$485,16
National Horseshoe Pitchers	145	\$16,378,34
General Conference of Church of God (7th	150	\$2,195,86
Airborne Law Enforcement	80	\$631,64
American Baptist	217	\$857,32
Professional Secretaries	160	\$1,451,29
National Farmers	63	\$406,07
Iowa State Association of	110	\$343,61
Iowa League of	100	\$278,91
Petroleum Marketers of	120	\$344,48
Associated General Contractors of	70	\$200,94
Iowa Veterinary Medical	75	\$215,30
Iowa Farm Bureau	100	\$287,07
Iowa Motor Truck	55	\$157,88
Iowa Newspaper	80	\$153,10
American Association of State Colleges &	70	\$200,94
American Forensic	80	\$229,65
Association for Development/Computer Based Instruction	70	\$200,94
American Institute of Architecture	80	\$229,65
Neighborhoods	120	\$391,31
United Methodist	100	\$509,24
International Conference of Police	75	\$354,35
Iowa Agribusiness Association Tri-State Feed	80	\$229,65
Iowa Agribusiness Iowa	100	\$275,07
American	200	\$407,34
Association of Midwest Fish & Wildlife	70	\$200,94
Association Milk Producers,	120	\$431,12
American Hemerocalis	56	\$151,87
Iowa League of	100	\$160,88
Iowa Downtown	30	\$61,35
Iowa State Association of	90	\$318,19
National Stereoscopic Association Annual	50	\$283,49
National Historic Railway Association National	100	\$326,55
Living Church of	80	\$419,00
National Association of Campus	87	\$223,58
General Association of Regular	150	\$432,04
<b>TOTAL</b>	<b>4483</b>	<b>\$34,247,74</b>

**Over the past 15 years the estimated economic impact and direct totals almost \$2.3 million per year from lost**

Source: Cedar Rapids Area CVB and VenuWorks June,

VenuWorks attempted to identify how many of these events were lost to facilities outside of a 100 mile radius of Cedar Rapids, thus creating an economic loss to the entire region. However, the Cedar Rapids Convention and Visitors Bureau no longer has access to these records because they were destroyed during the flood of 2008.

VenuWorks consulted with the Cedar Rapids Area Convention & Visitors Bureau to determine the potential of new business that could be pursued upon approval of the proposed Cedar Rapids Events Center. There are many database tools available for this research. The Cedar Rapids Convention & Visitors Bureau utilized one database available to them through *empowerMINT*, a resource of the Destination Marketing Organization. This resource provides the CVB with a tool to select query options applicable to their city amenities. With the query options customized, the resulting reports provide possible leads with regard to the specific events.

There are many variables that must be considered to be successful in attracting events to a city and venue. However, the following results indicate a dramatic increase in the opportunities available based upon the expansion project for the Cedar Rapids Events Center project.

Search Criteria #1

1. Exhibit space – equal to or less than 60,000 square feet
2. Hotel rooms – less than 290 (current maximum block available through the Crowne Plaza Hotel)
3. Meeting location – willing to rotate throughout Midwest United States
4. Meeting frequency – annually

This search resulted in identifying 1843 organizations which hosted 2071 convention/meetings that met these criteria.

<b>Table 3</b>		
<b>ESTIMATED DIRECT SPENDING FROM CONVENTIONS</b>		
Based on Criteria in Search #1 (with existing hotel rooms)		
<b>Formula</b>	<b>Total</b>	<b>Direct Spending Total</b>
Total meetings identified Search 1 = 2071		
Percent of meetings secured – 5.8% of total	120.12	
Average meeting attendance - 600	72,072	
Average Daily Spending x 100% of attendees	72,072	
Average Daily Spending Rate	\$61.00	\$4,396,392
Average overnights x 75% of attendees	54,054	
Average Overnights Rate	\$80.12	\$4,330,806
<b>ESTIMATED DIRECT SPENDING</b>		
<b>\$8,727,198</b>		
Source: VenuWorks		

When averaging the 1995-2006 economic impact figures, the U.S. Cellular Center generated approximately \$10.7 million per year. Combining the activities at the U.S. Cellular Center and the Cedar Rapids Events Center the resulting third full year of operation economic impact is estimated to be \$34,766,012. The economic impact was estimated at \$24,925,597 in the EDA Supplemental dated July 9, 2009. Two major factors have increased this number with the new programming focus. Using the most current data the economic impact benchmarks have been updated and increased since July 2009. And most importantly, the shift to attract more convention attendees instead of local attendees dramatically increases the economic benefit. Adversely, the facility subsidy estimate has increased close to \$100,000 annually. The cost/benefit analysis shows a return of for every extra dollar in subsidy spent, the return benefit to the city is \$100 in economic benefit.

**CEDAR RAPIDS ECONOMIC IMPACT**

**FROM EVENTS CENTER**

Cedar Rapids Events Center  
Attendance 375,100

Daily average spending (meals, retail, entertainment, travel)

(Using CVB direct spending total of \$61.00)

Attendance 375,100 x \$61.00 \$22,881,100  
Total Daily average  
spending \$22,881,100

Overnight hotel room average (\$80.12 using Smith Travel Research 2009)

33% of total Convention Center Attendance x \$80.12 \$ 9,917,494

Total Overnight  
hotel room average \$ 9,917,494

Wages - full and part  
time \$ 1,069,688

Concession/Catering  
Cost \$ 138,000

Contracted services paid  
by building \$ 47,591

Equipment repair, maintenance,  
supplies \$ 384,153

Increased Local Option Tax  
Generated \$ 327,986

**TOTAL ECONOMIC IMPACT FROM EVENTS CENTER**

**34,766,012**