

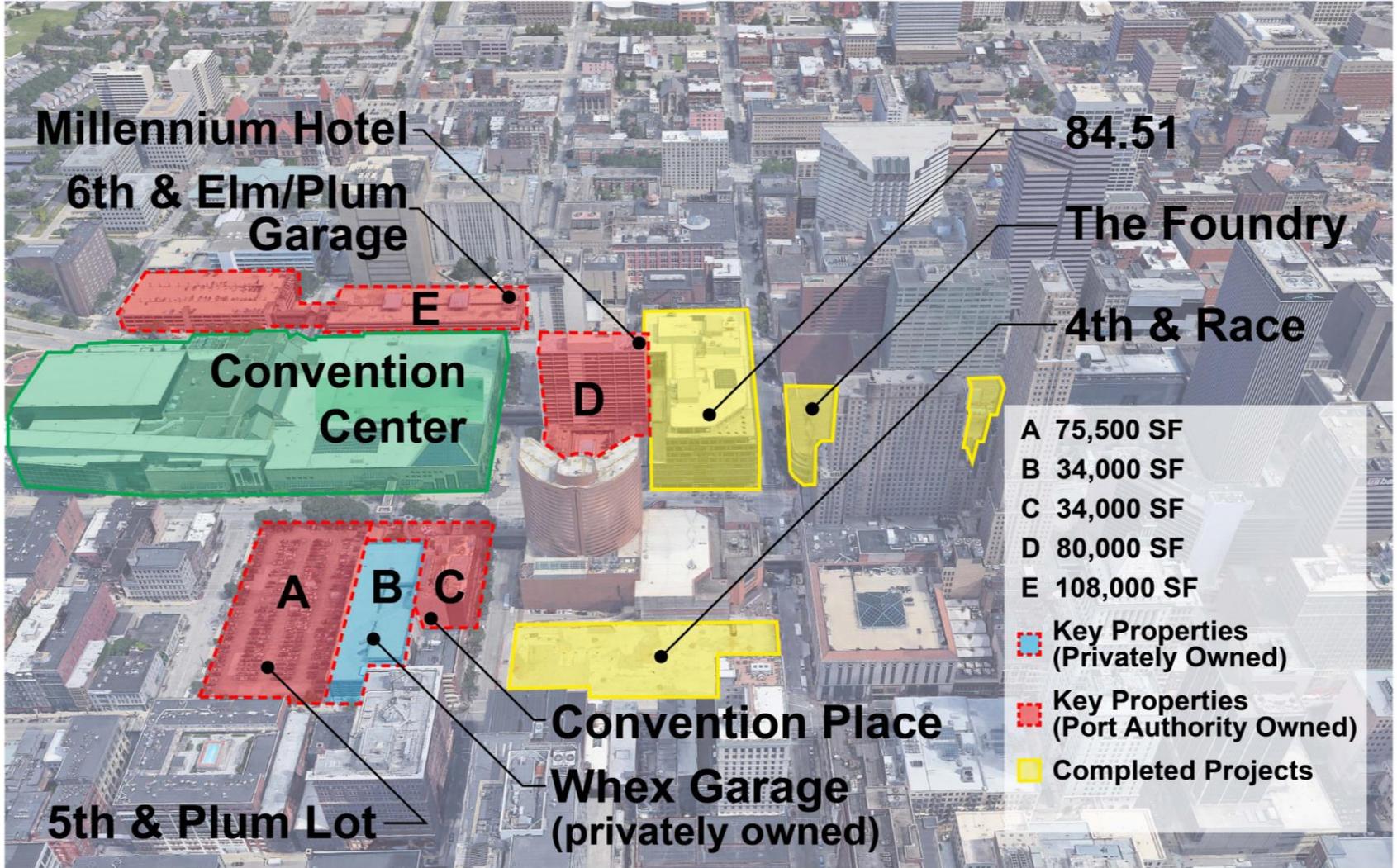
**OVER-THE-RHINE**

**CENTRAL  
BUSINESS  
DISTRICT**

**CONVENTION CENTER  
DISTRICT**

## Convention Center District Challenges:

- Blighted and underutilized properties throughout the district
- A convention center that is dated and underperforming
- The lack of a first-class convention center hotel
- Lodging tax revenues are recovering and have been historically allocated to pay existing debt service obligations and the operating expenses of organizations working on behalf of the hospitality industry. As a result; based on the present methodology for allocating the lodging tax; there are limited public revenues to invest in future capital projects
- Existing state enabling legislation and local cooperation agreements are barriers to an efficient reallocation of public revenues to support future capital projects





**A – 5<sup>th</sup> and Plum Lot**



**B – Whex Garage (privately owned)**



**C – Convention Place Mall (435 Elm Street)**



**D – Former Millennium Hotel**



**E – 6th & Elm/Plum Garages**

# Convention Center Hotel

The HVS study determined there is a solid market for a new convention center hotel with the following features:

- 800 rooms, upper scale, full-service hotel
- National brand affiliation
- 60,000-80,000 sq. ft. of flexible meeting space
- Junior and Senior Ballrooms (12,000-25,000 sq. ft.)
- Appropriate space for multiple food and beverage options

- 3,790 rooms at primary competitor hotels within downtown market. This compares to 4,225 rooms in the 2019 study
- Key metrics of the market:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2028</u> (Stabilized year of operation)
Average Occupancy	73.4%	28.8%	46.3%	71.9%
Average Daily Rate	\$165.72	\$129.77	\$157.43	\$212.63
Revenue Per Available Room	\$121.66	\$37.42	\$72.86	\$152.88

## Convention Center Hotel

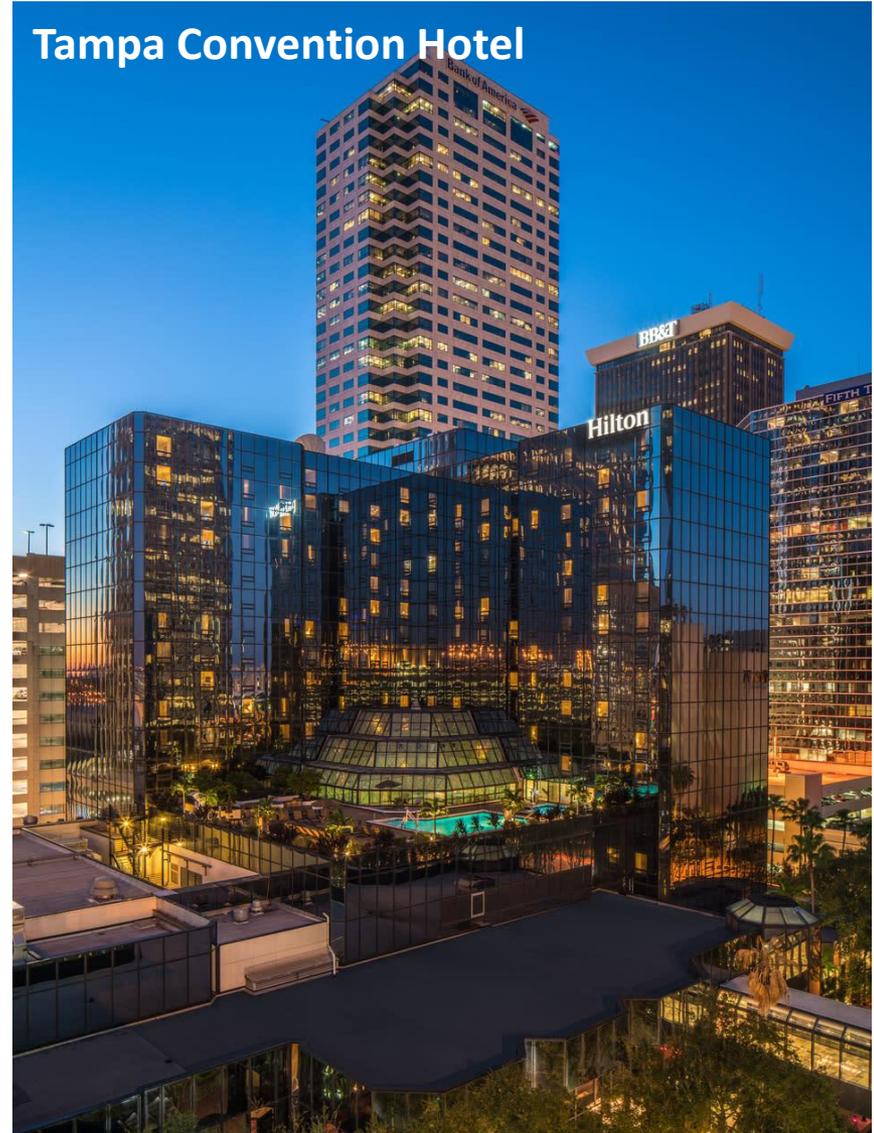
### 2028 (Stabilized year)

Average Occupancy	76%
Average Daily Rate	\$237.44
Revenue Per Available Room	\$180.46
Net Operating Income	\$27.3 MM*

\*includes full payment of hotel and property taxes



**St. Louis Convention Hotel**



**Tampa Convention Hotel**

# Duke Energy Convention Center



W 5<sup>th</sup> Street and Elm Street

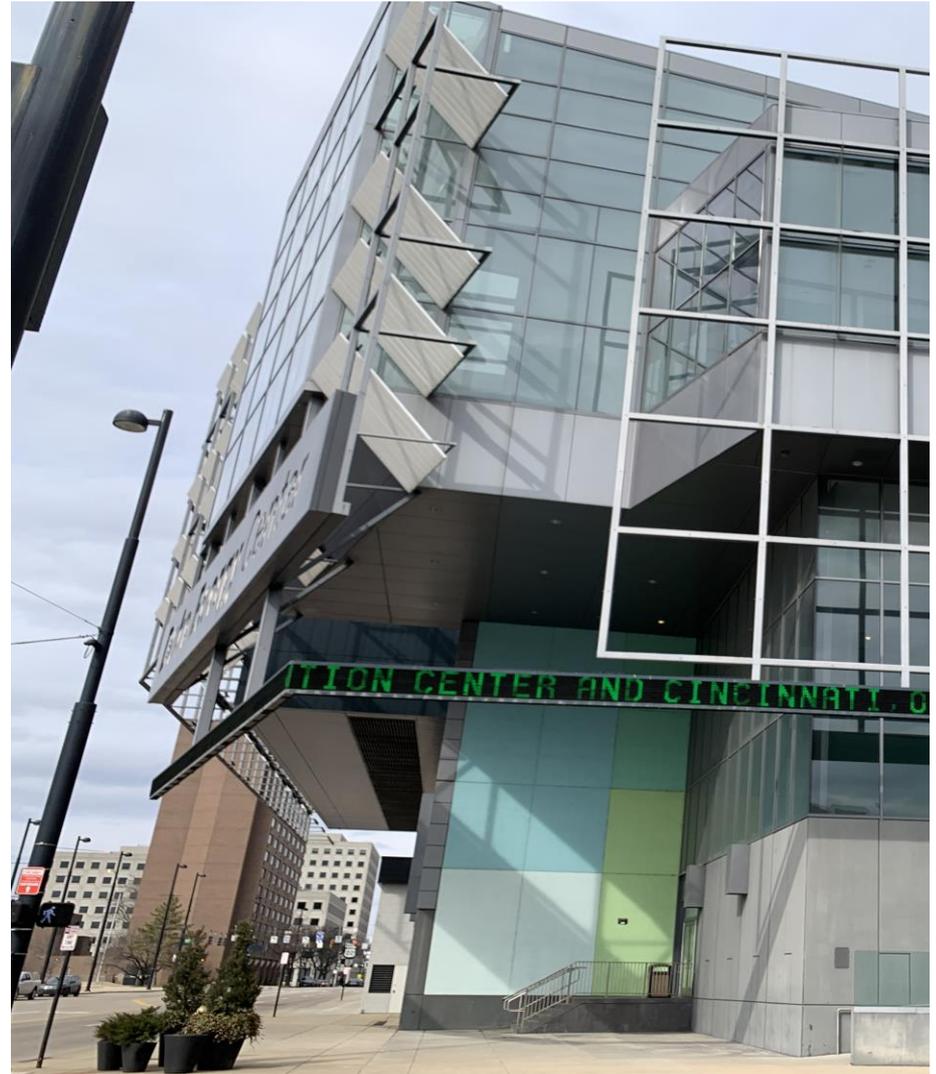


W 6<sup>th</sup> Street Facade

# Duke Energy Convention Center



Central Avenue and W 5<sup>th</sup> Street



W 5<sup>th</sup> Street Looking North

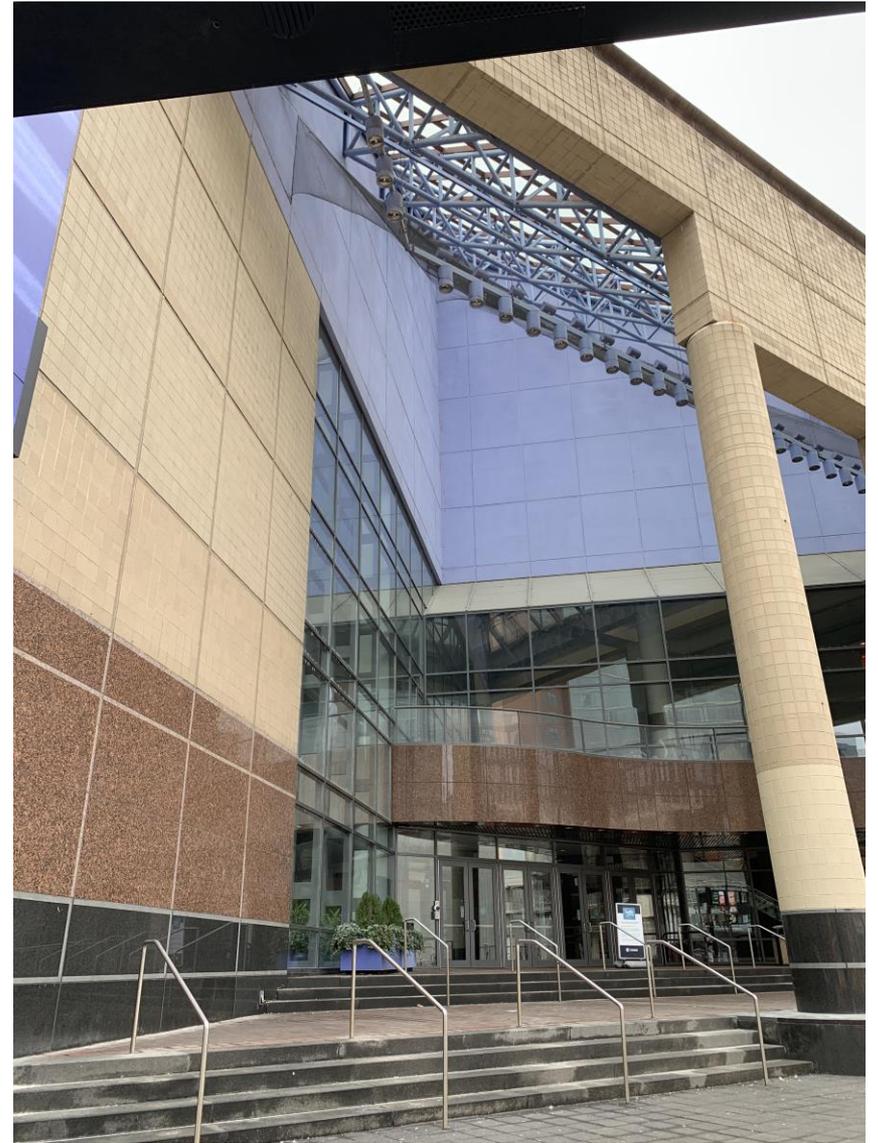
# Duke Energy Convention Center



W 5<sup>th</sup> Street and Plum Street



W 5<sup>th</sup> Street and Elm Street



Elm Street Entrance



W 5<sup>th</sup> Street and Elm looking Northwest



W 5<sup>th</sup> Street Former Site of Millennium Hotel



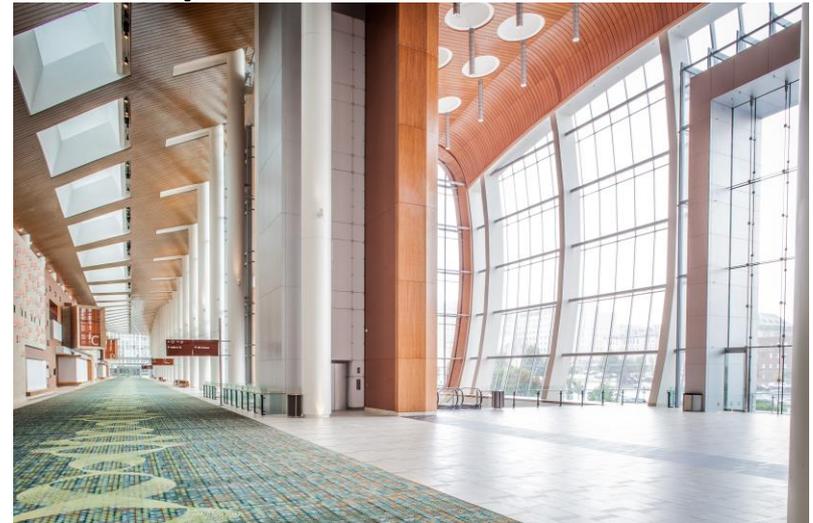
**Indianapolis Convention Center**



**Indianapolis Convention Center Interior**



**Nashville Convention Center**



**Nashville Convention Center Interior**



**Boston Convention Center Outdoor Space**



**Phoenix Convention Center Outdoor Space**



**Louisville Convention Center**



**Pittsburgh Convention Center**

## Duke Energy Convention Center Next Steps

- 3CDC has engaged Moody Nolan and TVS Architecture to assess the condition of the existing Duke Energy Center, interview prominent users of the Center and propose a capital improvements program that addresses needed functional and aesthetic improvements to the facility.
  - Moody Nolan and TVS Architecture have teamed up on major convention center projects; most notably The Music City Center and The Jacob Javits Center.
  - The design firms will take into consideration the potential of a longer-term expansion of the Center to the east (and maybe west) including 6<sup>th</sup> Street and the former Millennium hotel parcel, and include a conceptual design for an interim use of this future expansion site.



**Music City Center**



**Jacob Javits Center**

## Duke Energy Convention Center Next Steps

- Renovation costs will exceed \$100 million
- Potential sources to fund renovation:
  - Revenues From the existing Lodging Tax
  - Revenues from a new Lodging Tax
  - State Tax Credits-Transformational and Mixed-use Development Program (TMUD)

## Hamilton County/City of Cincinnati Lodging Tax Breakdown:

- Hamilton County Lodging Tax – 3%
  - Convention and Visitors Bureau
- Hamilton County Lodging Tax – 3.5%
  - Duke Energy Convention Center Debt Service
  - Sharonville Convention Center Debt Service
  - Millennium Hotel Debt Service
  - Misc. expenditures related to hospitality activities
- City Lodging Tax – 2.5%
  - Duke Energy Convention Center Debt Service
  - FC Cincinnati Infrastructure Debt Service
- City Lodging Tax – 1.5%
  - Duke Energy Convention Center Operations

State enabling legislation and local cooperation agreements govern the application, allocation and use of the various lodging tax. Frost Brown and Todd has been engaged to review the State law and local cooperation agreements to determine if a greater level of efficiency can be brought to the process of applying, allocating and usage of the lodging tax.