

Report - Findings of Fact - Assembly Building

Presented by County Manager Dale Williams – July 20, 2011

Committee Members: Commissioner Jody DuPree; TDC Member, Mike Collins; TDC member, Nick Patel, LSHA Bd. member, Stephen Douglas; County Utility Committee member and Economic Development Committee member, Glenn Owens; Mike Lee; John O'Neal; Bucky Nash; County Manager, Dale Williams; Senior County Staff Asst. David Kraus.

David Kraus assembled the following:

The TDC Fact Finding Committee has completed its review of assembly/event facilities. This Committee recognizes that the County has a current need for a large assembly facility and that this facility's mission could be expanded to include bringing events to Columbia County that would generate additional hotel, restaurant and gas revenues. TDC should support the development of a complex that can both serve the Community's needs and attract events to bolster the local economy.

The Committee has found the following:

- 1) Ideal situation is to acquire large acreage with interstate frontage.
 - a. Interstate frontage is critical to successful centers creating a presence and an awareness of the facility.
 - b. Land is less expensive before beginning operations.
 - c. The acquisition of additional acreage up front prevents the center from becoming land locked and allows for future expansion at lower cost.
 - d. A "campus" setting with multiple buildings allows for multiple events to occur simultaneously with modest additional cost. Many successful operations have centralized buildings.
 - e. Larger acreage is needed for events such as RV shows. Some facilities supply RV spaces with water/sewer/electric hookups to support events such as dog shows, etc.
 - f. Parking will always be a major concern and require space.
- 2) Facilities need to be designed to be multi-purpose events and not be limited to a conference or convention center.
 - a. Buildings should use free span construction and be designed to allow for future expansion. Buildings should be clustered.
 - b. Electrical grids should be placed in flooring. This would be needed for trade shows and allows flexibility in event planning.
 - c. High end finishes are not needed for all facilities.
 - d. All facilities should have redundancy built into their systems such as HVAC and Sound.
 - i. If a system fails, the events can continue and the facility will have less cancellations
 - ii. Systems, like HVAC, should be located outside event space so that maintenance and repairs will not impact events.

- iii. Buildings should use separate smaller systems so that spaces can be isolated. The facility could then heat or cool only what space is necessary. Zone sound systems can be designed for multiple events in one building.
- 3) These facilities are seldom self supporting and will require financial assistance. However, most events should be made to pay for self.
 - a. Of the facilities visited, outside funding was used to pay for the facility construction costs. Operating fees only were paid from usage fees and "bed taxes".
 - i. The best management only provided 75 to 80% return on operating expenses.
 - ii. The most successful facilities utilized "fairs" to generate a large portion of their annual revenue.
 - b. One day events do not cover costs unless rates are increased. The expenses are in set up and tear down on one day events.
 - c. Concerts currently do not make a profit. Promoters are asking for upfront fees and a percentage. The facility is gambling on attendance.
 - d. Outdoor only events, such as car shows, are not as profitable for a facility. However, they still benefit local economy.
 - e. All facilities should measure the economic impact of the facility on the community.
 - f. Targeted marketing is more effective than running ads.
 - i. Marketing staff should measure the results of their advertising campaigns to see what works.
 - ii. Recruiting events that have a good fit for facility and mission is necessary.
 - iii. Marketing staff should not over book types of events. If an event occurs too frequently, then the event will have a smaller draw.

These findings of fact have been reviewed and approved by the Committee.

*Modified for the web