

# CONVENTION INDUSTRY FUTURES STUDY FOR NORTHERN KENTUCKY

November 2, 2023





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Ms. Julie Kirkpatrick, CDME  
President & CEO  
MeetNKY  
50 East RiverCenter Blvd., Suite 1100  
Covington, KY 41011

Dear Ms. Kirkpatrick:

Conventions, Sports & Leisure International (CSL) has completed a Futures Study summarizing strategic investment opportunities designed to sustain and grow Northern Kentucky's position in the regional and national convention industry. The purpose of the analysis is to provide strategic direction for targeted investment in Center space, amenities, trend-forward configurations, outdoor amenities, hotel inventory, connectivity, innovation and long-term industry relevance.

We know that the convention and visitor industry is highly competitive, and that markets throughout the country are continuing to enhance their facilities and amenities to generate visitor-industry economic impact from a changing customer base. To help define future strategic initiatives that can support the Northern Kentucky convention industry, we have analyzed data provided by Northern Kentucky Convention Center management and MeetNKY, conducted extensive in-market stakeholder outreach, surveyed existing and potential facility users, and analyzed competitive/comparable facilities and communities.

CSL recognizes that multiple external factors can shape a destination's economy, from economic shifts to governmental changes. Visitors bring new revenue with minimal strain on public resources. To gauge a market's potential for expanded convention offerings, it's essential to monitor national trends. The industry standard for convention facility aesthetics and functionality has evolved, with a growing preference for modern designs. There have been significant shifts in event demand and attendance over the years. Most recently, the COVID-19 pandemic significantly disrupted the convention and tourism sectors, necessitating the need for understanding an analysis of these trends.

We sincerely appreciate the opportunity to assist you with this project and would be pleased to be of further assistance in the interpretation and application of the study's findings.

Sincerely,

A handwritten signature in black ink that reads "CSL International". The signature is written in a cursive, flowing style.

CSL International





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## Local Outreach & Historical Operations



# 1 LOCAL OUTREACH & HISTORICAL OPERATIONS

## Stakeholder Conversation Considerations

CSL's research process incorporates insights from a range of local stakeholders, representing industries such as tourism, economic development, and hospitality. Through a combination of in-person and remote interviews, we engaged with professionals who directly impact or are impacted by convention activity in Northern Kentucky. The following list provides an overview of the 31 stakeholders interviewed.

BE NKY	Gameday Communications	Newport Aquarium
Boone County Administrator	Kenton County Administrator	NKY Chamber of Commerce
Buffalo Wings & Rings	Kentucky Jailer's Association	NKYCC
Commonwealth Hotels	Kentucky State Representative	Otto's Restaurant Group
County Administrator (Campbell)	Kentucky State Senator	Pomeroy Computer
Covington City Manager	Keystone Hotel Group	Rolling Hills Hospitality
Dinmore & Stohl	Marriott Rivercenter	Salyers Group, Inc.
Economic Development (Campbell)	MeetNKY	Santoro Electric
Economic Development (Covington)	National Operations of FERN	Skanska
FERN	New Riff Distilling	Skyline Chili
Florence Y'Alls		

Conversations with stakeholders in and around Northern Kentucky provided CSL with valuable insights that shed light on factors influencing both successes and challenges faced by the Northern Kentucky Convention Center (NKCC). These insights have influenced our research and development of this Futures Study. The key considerations garnered from these conversations are as follows:

### Current Destination Conditions Impacting Convention Industry Market Capture

- Booking trends for NKCC indicate challenges due to increasing competition, potentially leading to stagnant growth.
- Midweek hotel business is experiencing a decline.
- As a significant portion of hotel tax revenue is generated from properties beyond downtown, broader consideration of market-wide room night generators is necessary.
- The presence of a major international airport is a unique advantage for the market's size.

### Stakeholder Perceptions of the Northern Kentucky Convention Industry

- The community is often described as having a distinct and "quirky" character.
- Unique restaurants and retail outlets contribute to the destination's appeal.
- The area is generally walkable, with room for improved connectivity.
- An aggressive pursuit of strategies for event and revenue growth is recommended.
- There are concerns about the safety of the Riverwalk at night, citing low pedestrian traffic and limited lighting.

### Major Convention Industry Opportunities

- Developing a shuttle route to connect the center with surrounding amenities, attractions and hotels.
- Targeted investments in NKCC assets: outdoor spaces, open learning areas, technology integration, unique and local food service and public art.
- Integration of ongoing wayfinding study findings.
- Exploring the potential for increased community-serving events produced by the center.
- Enhancing pedestrian connectivity in key districts such as Mainstrasse, NKCC/Riverfront, Newport, Madison Avenue, and downtown Cincinnati.

### Major Convention Industry Challenges

- Intense competition within the industry.
- Limited availability of hotel accommodations.
- Past investments in NKCC space and amenities are well operated and maintained but have not addressed emerging industry trends.
- The redevelopment of the Duke Energy Center is anticipated to result in a temporary loss of room night compression, while some event activity may temporarily shift to the NKCC.

Source: CSL Interviews, 2023.

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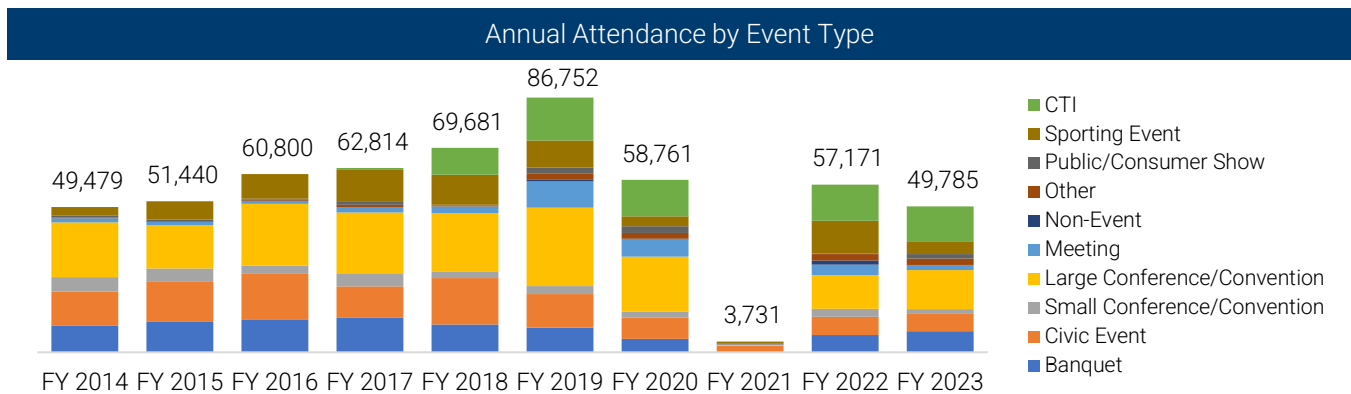
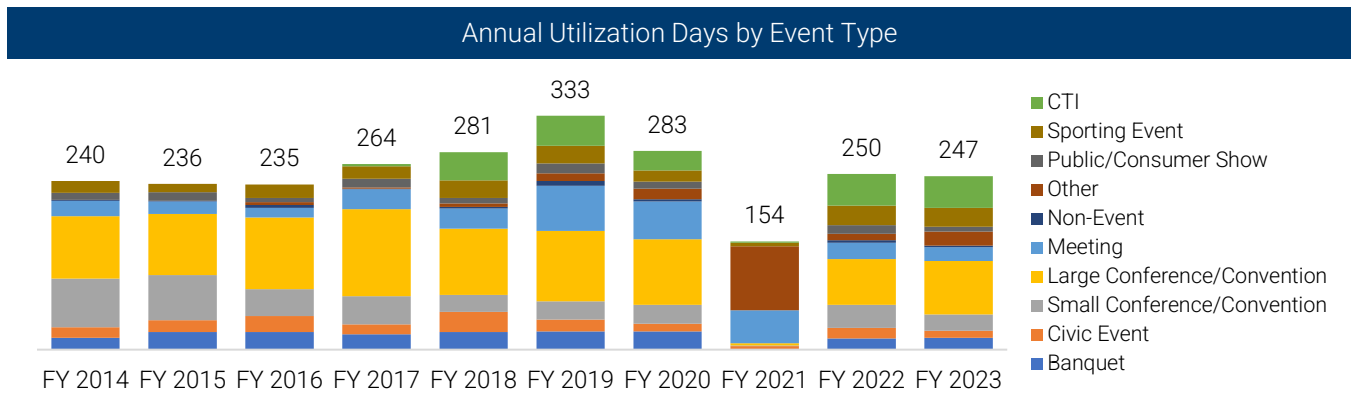
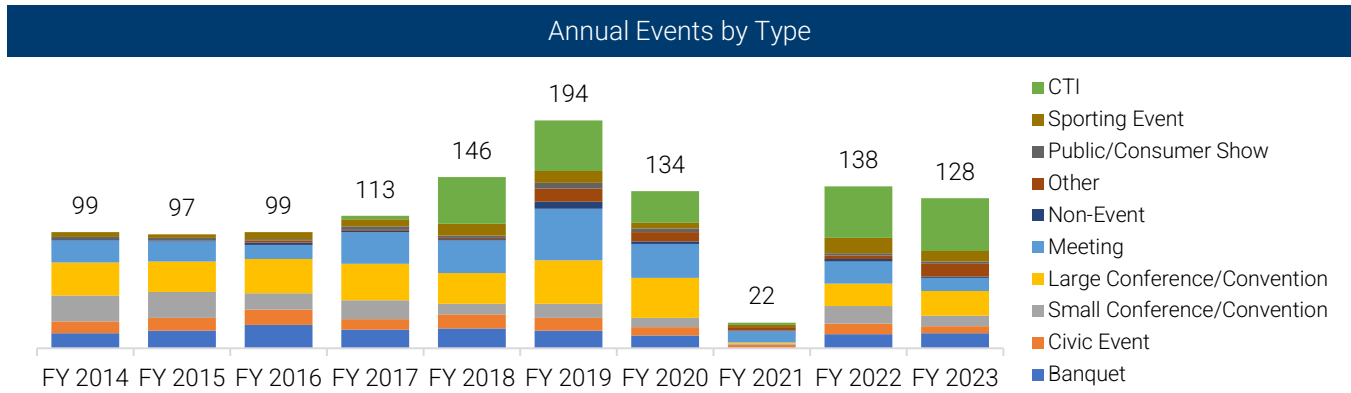
# LOCAL OUTREACH & HISTORICAL OPERATIONS

## Historical Operations – Event, Utilization Days, and Attendance Levels

Conventions and conferences generate the significant majority of NKCC economic and tax impact for the Northern Kentucky destination. These events generate a significant average attendee base compared to other NKCC event types, and remained relatively consistent during the pre-COVID period, with the exception of a noticeable jump in large conventions in 2019. As previously noted, competition for these types of events is very strong, and competitive destinations continue to invest in their convention and hospitality assets. We also note that in the two years prior to the Pandemic, NKCC hosted a somewhat higher number of sporting events than had been typical. Events produced by CTI in the new Learning Center have driven fairly significant increases in NKCC event activity starting in 2018. Other than the added CTI event activity, NKCC activity has remained generally consistent over the analysis period with the exception of the COVID-impacted years.

Annual attendance levels have closely followed trends in event levels through FY 2023. At its peak, attendance reached nearly 90,000 in FY 2019. Attendance figures were first affected by COVID in FY 2020 and have yet to return to normal levels with 57,000 in FY 2022 and a drop to 50,000 in FY 2023.

Considering the full range of NKCC activity, it is clear that the venue hosts a valuable mix of events that generate non-local economic impact, and those that serve the needs of the community including public/consumer shows, meetings, civic events, banquets.



Source: Northern Kentucky Convention Center & MeetNKY Management, 2023.



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# LOCAL OUTREACH & HISTORICAL OPERATIONS

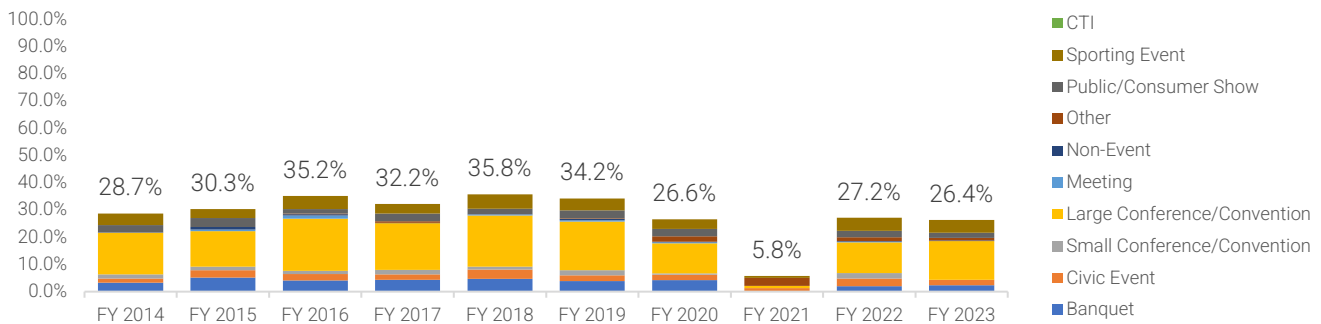
## Historical Operations – Exhibit, Ballroom, and Learning Center Utilization

Evaluating historical occupancy percentages within NKCC spaces offers insights into facility performance, existing limitations, and potential unmet demand. Convention center occupancy levels can indicate the degree to which usage of a facility has reached a maximum capacity. The occupancy of space within a facility is determined to be within a practical maximum capacity range when the occupied space in a facility reaches a level of 70 percent of total sellable capacity. Above 70 percent occupancy, a facility has exceeded “practical maximum capacity” and may be turning away significant business. Occupancy levels below 50 percent may indicate that a center has not attracted sufficient market share necessary to support existing space levels.

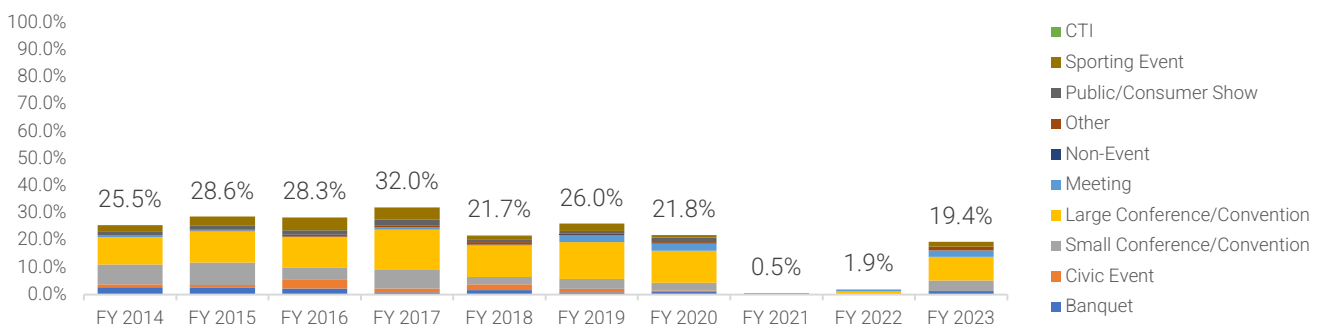
The following exhibit summarizes the annual occupancy levels in the Event Center, Ballroom and Learning Center for the period FY 2014 to FY 2023. As shown, no spaces within the Center have achieved occupancy of 50 percent or higher over the period analyzed. For the Event Center, most of the utilization is comprised of large conferences/conventions, with the closest share of utilization made up by sporting events. Similarly, most utilization of the ballroom is made up by large conferences/conventions, mainly for banquet and general session functions. The Learning Center achieved its highest occupancy in FY 2023, which was mainly comprised of CTI events.

Occupancy levels for the entire NKCC suggest minimal immediate needs for expansion, and rather, indicate needs for improvements outside of significant space expansions. These needs will be addressed more closely throughout this report, but could include improvements/modifications to existing space, trend-forward investments inside and outside of the Center, improved connectivity to surrounding amenities/districts, and the development of an additional HQ hotel.

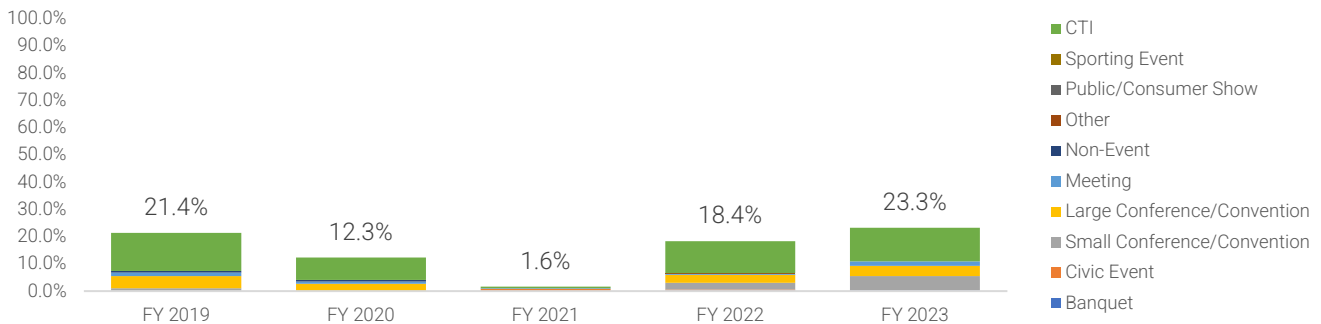
### Event Center Annual Occupancy



### Ballroom Annual Occupancy



### Learning Center Annual Occupancy



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# LOCAL OUTREACH & HISTORICAL OPERATIONS

## Lost Business - Lost Events, Attendance and Room Nights

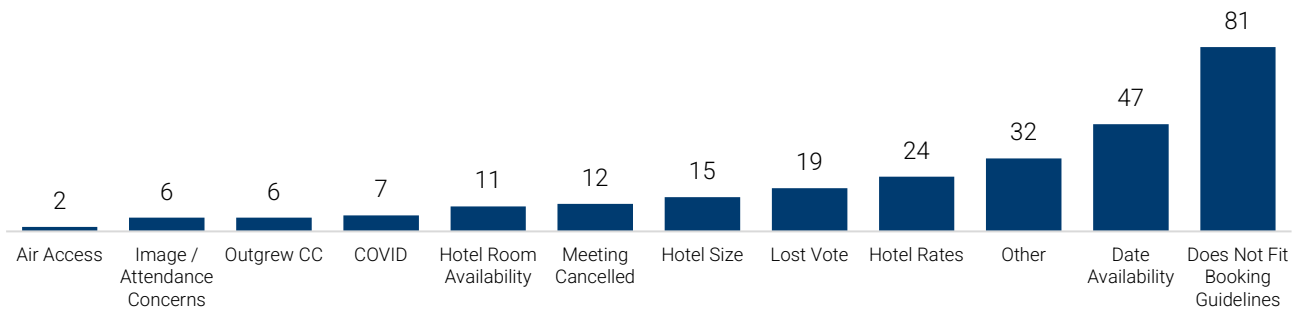
MeetNKY sales staff track the events, attendance and associated room nights lost to the destination during the competitive bid process. Typically, an association or corporation will issue a request for proposal, with the Center and CVB staff issuing a response that includes Center availability, rates, hotel room blocks and other response items.

The tracked lost events are summarized below with respect to reasons for choosing another destination. The most common reason for lost business, Does Not Fit Booking Guidelines, is comprised of lost codes "Convention Center Uncompetitive", "Didn't Make Short List", "Group Not Conducive to Facility" and "Outside of Booking Guidelines." These reasons account for 81 lost events, 77,000 lost attendees and 97,000 lost room nights from 2015 to 2027.

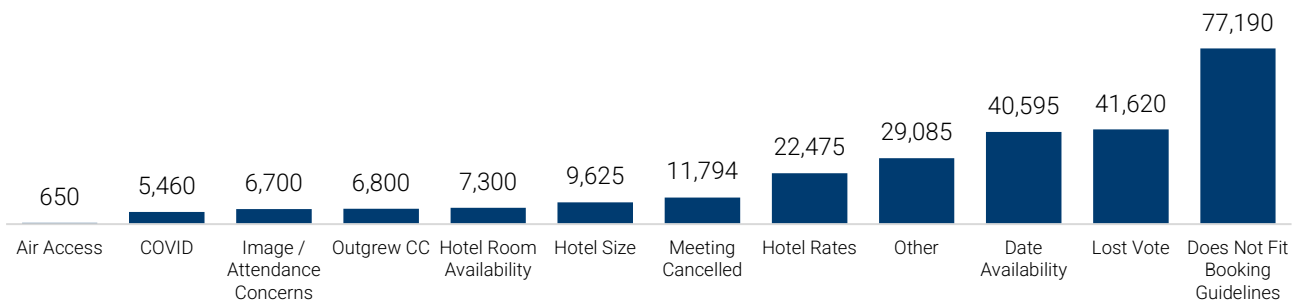
Relevant hotel issues including "Hotel Rates", "Hotel Size" and "Hotel Room Availability" account for a combined 50 lost events, 39,400 lost attendees, and 62,700 lost room nights for the Center. These data suggest a significant loss of high economic impact events that could potentially occupy an improved NKCC. As such, improvements/increases to the existing NKCC supporting hotel inventory should be considered.

"Date Availability" received an unexpectedly high level of reporting regarding lost events for the NKCC. As previously outlined, NKCC occupancy levels are notably low, indicating that date availability should not be as significant of a limiting factor for Center operations. While date availability is a generally uncontrollable factor for lost business, additional considerations should be made regarding sales strategies for utilizing available dates at the NKCC.

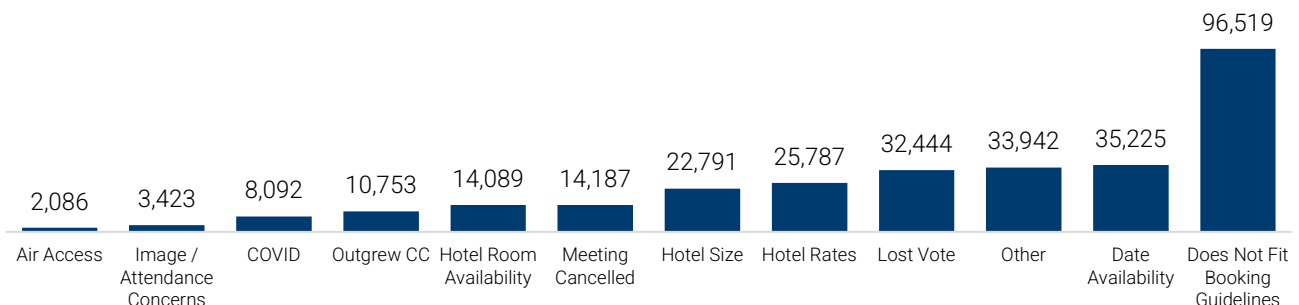
Events Lost 2015-2027 (From CVB Report)



Attendance Lost 2015-2027 (From CVB Report)



Room Nights Lost 2015-2027 (From CVB Report)



Source: MeetNKY Management, 2023.



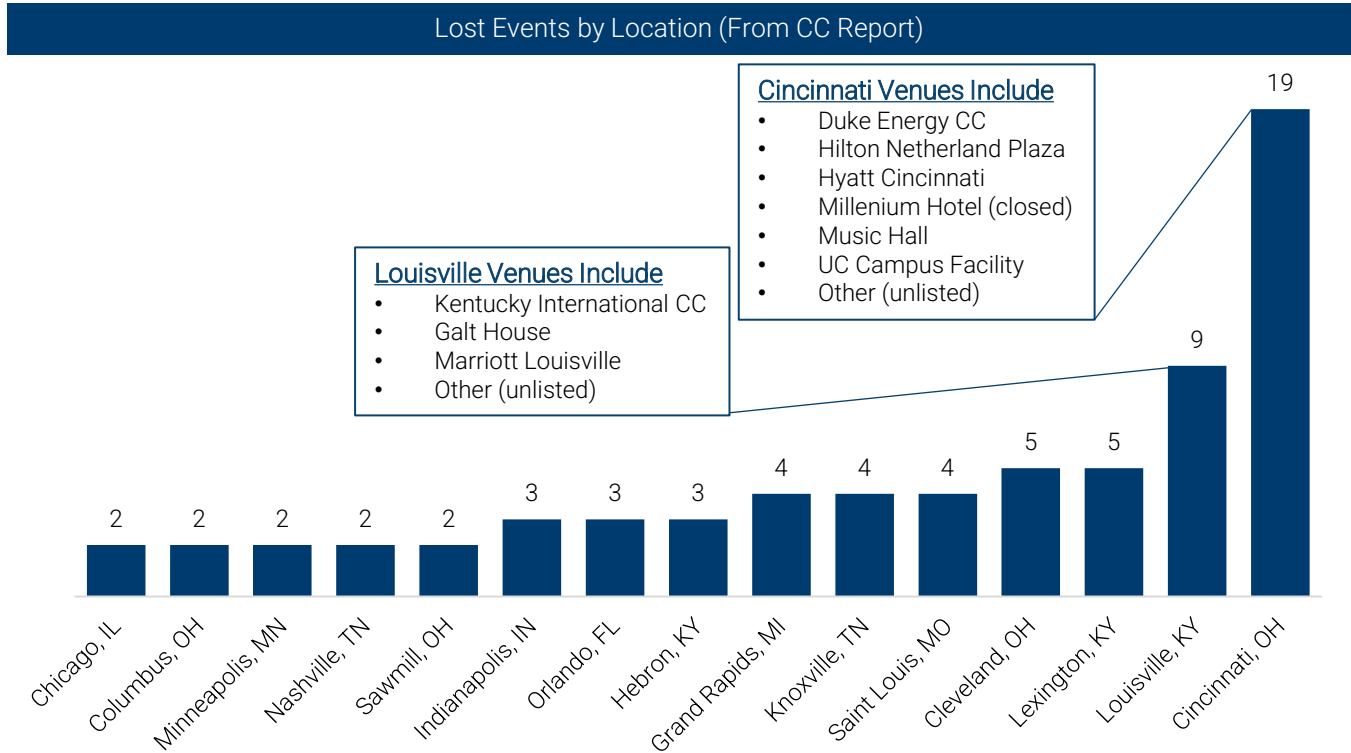
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# LOCAL OUTREACH & HISTORICAL OPERATIONS

## Lost Business – Competitive Destinations

We have also reviewed lost business data, collected by Convention Center staff, with respect to destinations to which the NKCC is losing business. As noted below, regionally adjacent metropolitan destinations such as Cincinnati, Louisville, and Lexington represents a significant share of lost business. In these markets, common competitors include large hotels and convention centers that offer flexible space for smaller groups.

The potential NKCC business lost to Cincinnati often chooses large hotels with sufficient hotel room counts and event space to self-contain the event. On rare occasions, the Duke Energy Convention Center will win a piece of business from the NKCC. The competition from large convention hotels in Louisville is also significant. The newly expanded Central Bank Center in Lexington will likely provide even stronger competition for the NKCC going forward.



Source: Northern Kentucky Convention Center Management, 2023.



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## LOCAL & REGIONAL CONDITIONS



# 2

## LOCAL & REGIONAL CONDITIONS

We have conducted a thorough analysis of local and regional conditions that will influence the ability of the NKCC to maintain and enhance market capture within the convention and meetings sector. The analysis focuses on existing hotel conditions, restaurants, area attractions and amenities, population and demographic characteristics, Cincinnati/Northern Kentucky International Airport capacity, corporate base, and the inventory of existing regional convention and meeting facilities. Results from this analysis are summarized throughout this section.

### Hotel Inventory

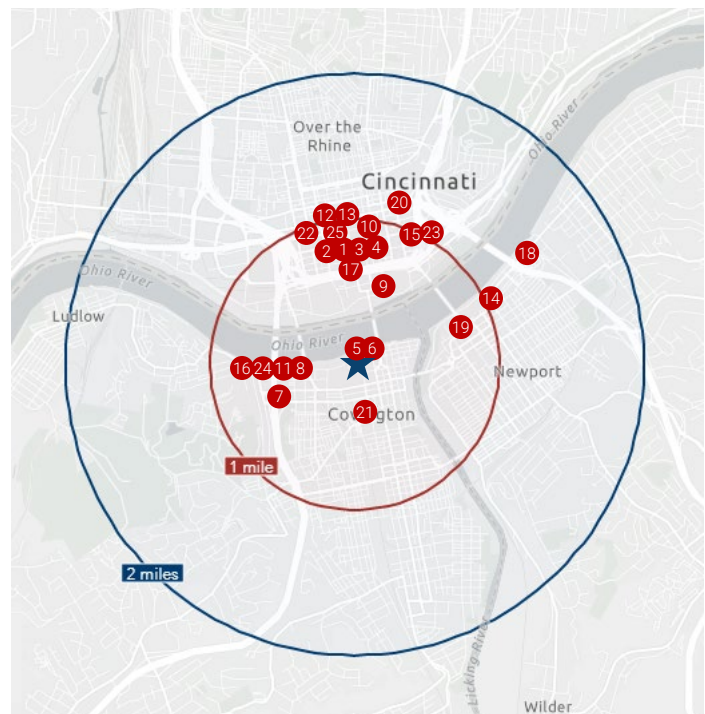
The chart and map below summarize existing lodging facilities located within two miles of the NKCC that offer at least 100 hotel rooms. There are 1,011 hotel rooms within ½-mile and 4,510 hotel rooms within 1-mile of the NKCC. In the state of Kentucky, within two miles of the NKCC, there are a total of 1,914 hotel rooms. Conversely, in the state of Ohio, within two miles of the NKCC, there are a total of 3,299 hotel rooms. These data suggest that potential economic benefit from NKCC attendees could be shifted to the state of Ohio, as guests consider using hotel rooms in Cincinnati.

The Marriott RiverCenter serves as the headquarters hotel for the NKCC with a total of 321 guest rooms. The adjacent Embassy Suites RiverCenter (227 rooms) is also commonly booked for NKCC events; however, CSL notes that Embassy-flag hotels generally do not reflect a typical headquarter hotel for the convention industry. Additionally, quality issues with the Embassy in Covington have been cited by past event planners, lost business planners, and community stakeholders. There are three additional hotels that fall within ½-mile of the NKCC, Courtyard by Marriott (194 rooms), Holiday Inn / Riverfront (155 rooms), and Hotel Covington (114 rooms). One-half mile is generally considered to be the maximum “walkable” distance for attendees, and planners often require hotels to be within this distance.

Committable hotel room inventory is one of the most critical factors influencing the ability to attract conventions. When factoring for rooms occupied by corporate and leisure visitors, area hotels located within ½-mile of a host convention facility typically commit between 40 percent and 70 percent of their hotel room inventory. MeetNKY sales staff indicated peak committability typically averages 200 rooms at the Marriott RiverCenter and 125 to 150 rooms at the Embassy Suites RiverCenter. In total, staff suggested a range of 600 to 765 hotel rooms are available or committable among seven hotel properties. This presents notable challenges for events that prefer a higher number of rooms in fewer hotels. Planner preferences and requirements regarding headquarter hotels, number of hotel properties, and hotel quality are detailed further throughout this report.

Summary of Primary Lodging Facilities Nearby Northern Kentucky Convention Center

Key	Hotel	City	Room Count	Miles from Convention Center
1	Hilton Cincinnati Netherland Plaza	Cincinnati	561	1.1
2	Hyatt Regency Cincinnati	Cincinnati	491	1.3
3	The Westin Cincinnati	Cincinnati	456	1.0
4	Renaissance Cincinnati Downtown Hotel	Cincinnati	323	1.0
5	Marriott / RiverCenter	Covington	321	0.1
6	Embassy Suites RiverCenter	Covington	227	0.1
7	Radisson Hotel / Cincinnati Riverfront	Covington	220	0.7
8	Courtyard by Marriott / Covington	Covington	194	0.5
9	AC Hotel by Marriott Cincinnati at The Banks	Cincinnati	171	0.8
10	21c Museum Hotel Cincinnati	Cincinnati	156	1.2
11	Holiday Inn / Riverfront	Covington	155	0.5
12	The Cincinnati Hotel, Curio Collection	Cincinnati	148	1.4
13	Hampton Inn & Suites Cincinnati-Downtown	Cincinnati	144	1.4
14	Aloft Newport on the Levee	Newport	144	1.5
15	Residence Inn by Marriott Cincinnati DT	Cincinnati	134	1.4
16	Holiday Inn Express Cincinnati Riverfront	Covington	127	0.8
17	Courtyard by Marriott Cincinnati Downtown	Cincinnati	126	0.9
18	Fairfield Inn & Suites Cincinnati Newport	Newport	124	1.9
19	Hampton Inn & Suites Newport/Cincinnati	Newport	122	0.9
20	Holiday Inn & Suites Cincinnati Downtown	Cincinnati	117	1.7
21	Hotel Covington	Covington	114	0.5
22	TownePlace Suites by Marriott Cincinnati	Cincinnati	110	1.4
23	The Lytle Park Hotel, Autograph Collection	Cincinnati	106	1.5
24	Extended Stay America / Covington	Covington	105	0.6
25	Homewood Suites by Hilton Cincinnati	Cincinnati	105	1.1
<b>Kentucky Rooms (within 2 miles)</b>			<b>1,914</b>	
<b>Ohio Rooms (within 2 miles)</b>			<b>3,299</b>	
<b>Total Rooms (within 2 miles)</b>			<b>5,213</b>	



Note: Drivetimes on chart display Google Maps drive/walk distance. Rings on map show exact diameter from NKCC. Only hotels in Kentucky, within 2 miles of the NKCC, and over 100 rooms are listed. Source: Google Maps, Hotel Sites, MeetNKY, 2023.

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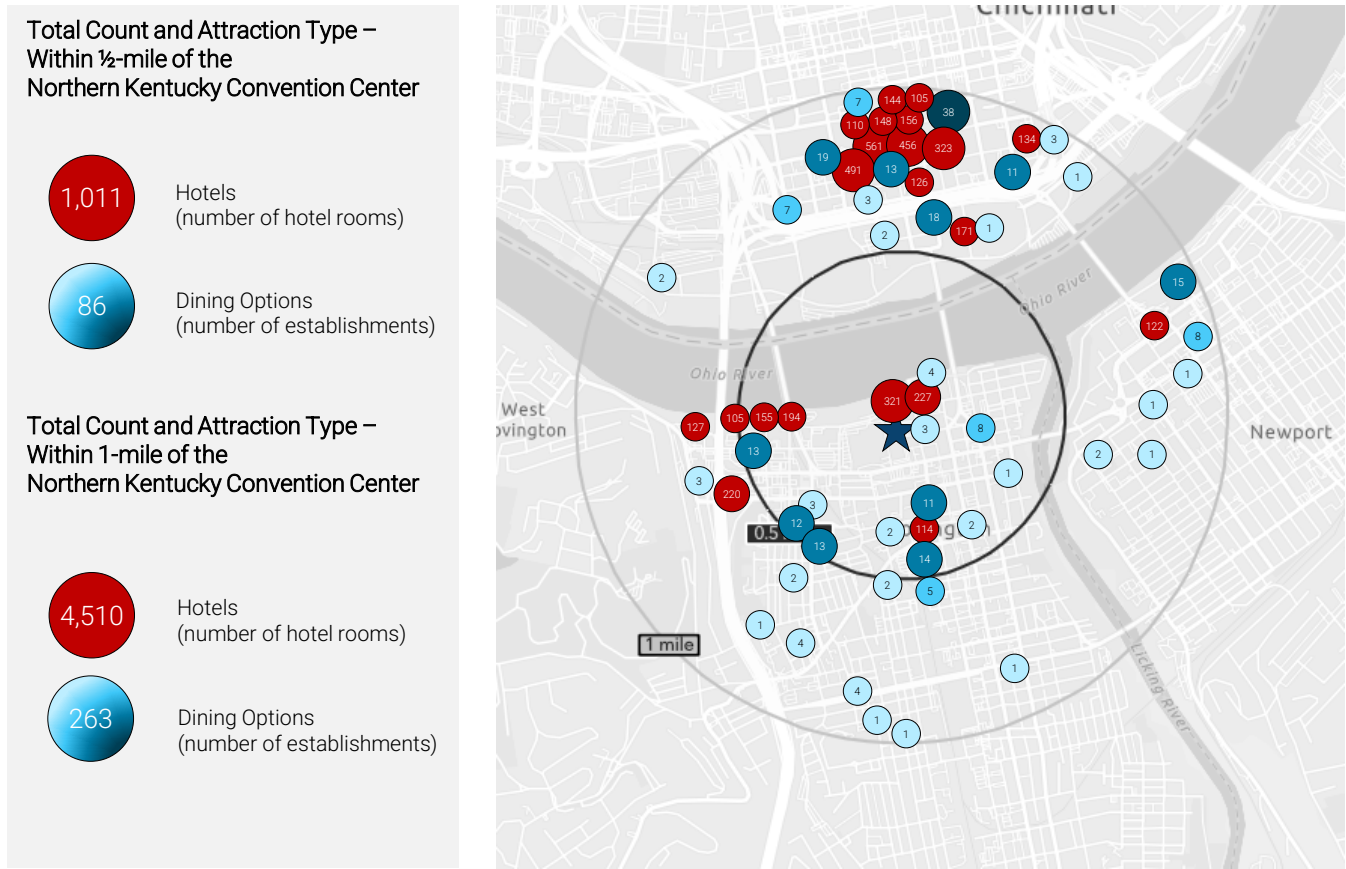
## LOCAL & REGIONAL CONDITIONS

### Hotels and Restaurants

Event planners routinely and increasingly consider the destination outside of the host facility when selecting sites for their events. To help evaluate the appeal and vibrancy of the area around the NKCC, we have prepared the map below which again displays the hotel inventory within ½-mile and 1-mile of the Center, while overlaying restaurant inventory. In addition to 1,011 hotel rooms within one-half mile of the NKCC, there are a total of 86 dining establishments. Within 1-mile of the Convention Center, dining options increase to 263 establishments.

Notably, hotels and dining establishments within ½-mile of the Center are generally near the outer edge of this ring. These are mainly concentrated in specific districts such as Mainstrasse and the Madison Avenue area. Convention planners and attendees commonly prefer and/or require a variety of visitor-industry amenities to be within convenient proximity to a convention center. While the Covington destination is generally walkable, the existing gaps between the Center and key convention amenities could present challenges in attracting new convention business to the market. Careful consideration should be given to opportunities to create enhanced pedestrian, micro-transit, and trolley connections in the downtown area.

To further evaluate the appeal of the walkable environment around the NKCC, these hospitality amenities will be considered as part of comparative analyses with other convention destinations presented later in this report.



Note: Hotels counted within ½- and 1-mile are based on diameters and do not always correspond with Google Maps drive/walk distances. Only hotels within 1 mile of the NKCC, and over 100 rooms are listed. Source: Google Maps, Hotel Sites, MeetNKY, TripAdvisor, CSL Research, 2023.

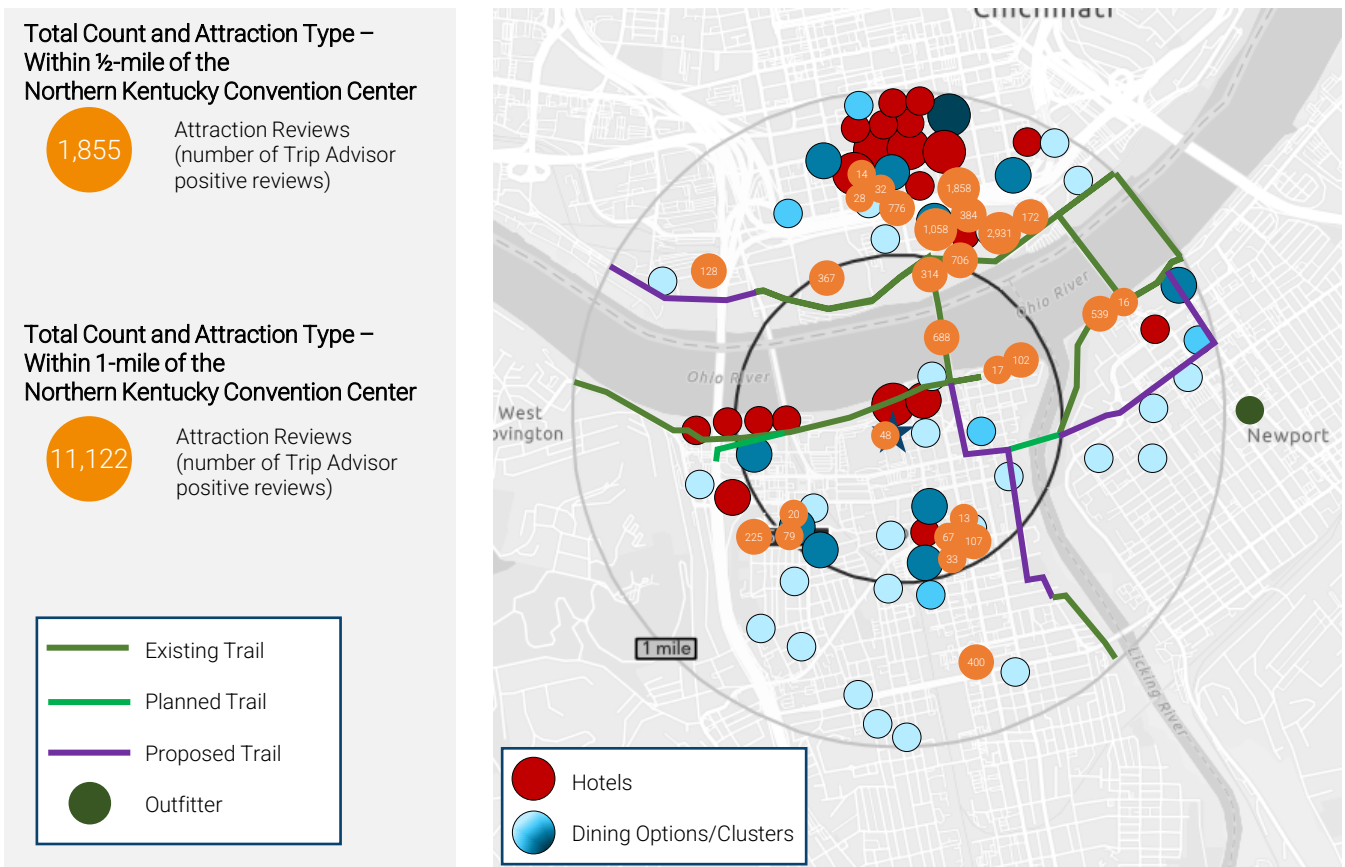
## Destination Development Through Downtown Attractions & Amenities

In addition to restaurant and hotel availability, attractions can create vibrancy and visitation. The image below overlays rated attractions and trails/paths that can facilitate visitor and resident vibrancy.

Within ½-mile of the NKCC, there are a total of 12 attractions that have received approximately 1,850 reviews on TripAdvisor. Within 1-mile, this figure increases to 27 attractions and 11,122 reviews. The most highly reviewed attractions are in Cincinnati, thus pulling potential economic impact from entertainment-seeking attendees out of the state of Kentucky.

Event attendees are increasingly desiring convenient accessibility to physical activity and wellness amenities. Regarding trails, there are few existing or planned connecting points between the NKCC and various surrounding amenities. Additionally, there are no equipment outfitters within 1-mile of the NKCC, resulting in limited options for attendees to pursue outdoor activities.

As developments continue throughout the downtown Covington destination and near the NKCC, advocacy for improved connectivity to surrounding amenities will be beneficial to Northern Kentucky's brand as a visitor and event destination. These considerations should include improved hotel, dining, and attraction developments in proximity to the NKCC; public art and wayfinding improvements for walkability, improved connectivity through trails spanning the Covington area, and improved transportation for accessibility to existing amenities.



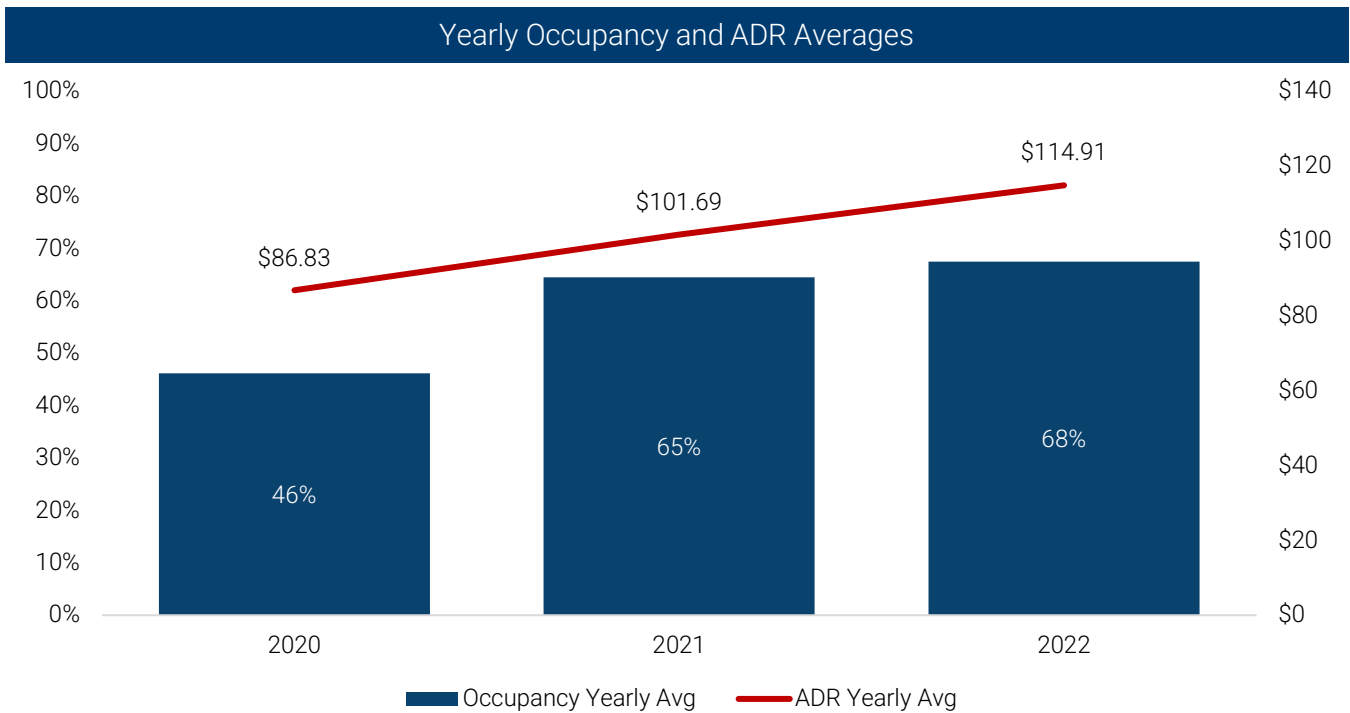
Note: Only attractions that are listed on TripAdvisor and have over 10 reviews are displayed; key attractions such as Newport on the Levee and Ovation are not listed. Source: Google Maps, Hotel Sites, MeetNKY, TripAdvisor, Tri-State Trails, CSL Research, 2023.



## Northern Kentucky Hotel Performance

Decisions as to the future of any substantial hospitality-related investment such as a convention center expansion or hotel development should consider the overall performance of a given area’s hospitality sector, which is partly defined by overall hotel occupancy and room rates. Markets with substantial leisure, group, and/or corporate transient demand often experience hotel occupancy levels at or exceeding 70 percent. In these cases, additional hotel inventory may be supported. The average daily rate (ADR) is also important to consider as part of any convention-related investment, as event planners typically seek competitive hotel rates when selecting a host destination.

As shown below, Northern Kentucky experienced notable growth emerging from COVID from 2020 to 2021. This growth was lower from 2021 to 2022; however, occupancy is nearly 70 percent. Average daily rate (ADR) has followed a similar growth pattern to that of occupancy in Northern Kentucky. This growth supports existing trends within the hotel industry following COVID, in which ADR across the country is experiencing significant growth.



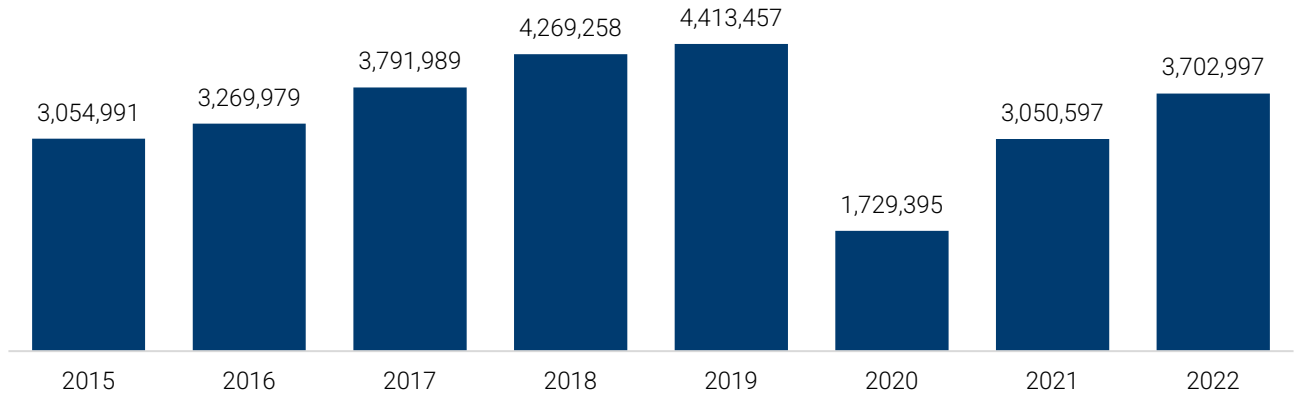
Source: STR, MeetNKY, 2023.

We also note that in markets throughout the country, there is often a dichotomy between the ability of a local hospitality economy to support added room inventory, and the need for added inventory to support increases in convention business. Local public and private sector decision makers will have to evaluate potential future support for added hotel inventory designed to help retain and attract large non-local convention business to the destination. In discussions of added hotel inventory to the Northern Kentucky market, strong considerations should be placed on locating said additions adjacent to the NKCC as part of the IRS site redevelopment.

## Cincinnati/Northern Kentucky International Airport

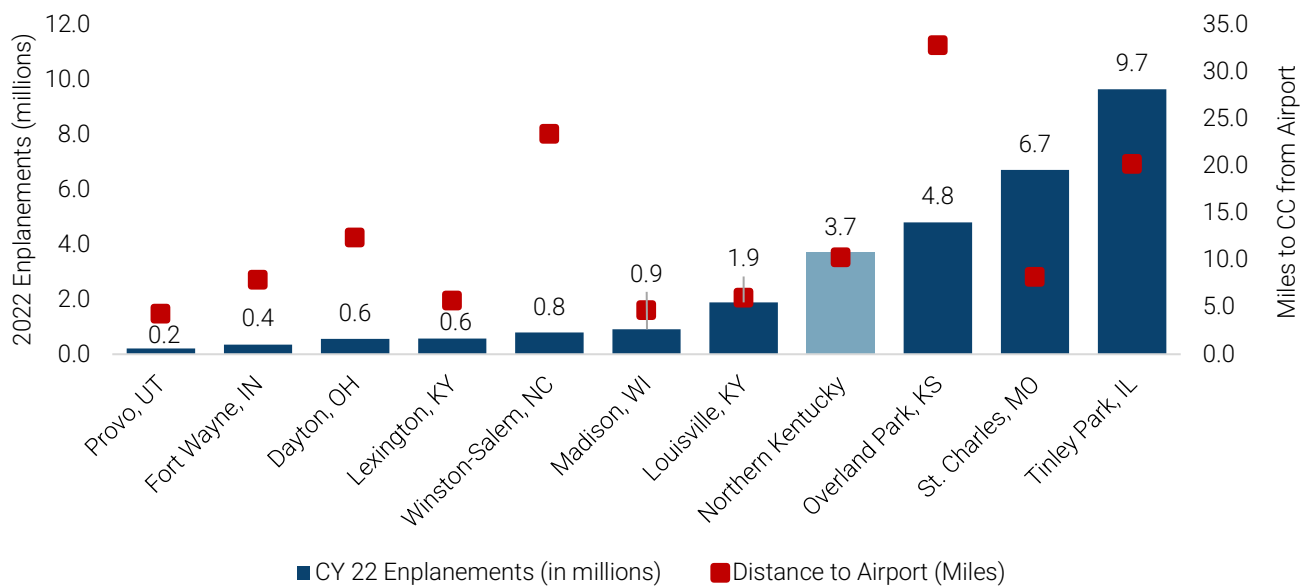
Airlift accessibility to a destination is an important decision criteria for both event planners and event attendees. Planners and attendees prefer fewer layovers, competitive flight costs and flexible flight options. As a mid-sized convention destination, Northern Kentucky is unique in that it is accessible by a large, international airport. The Cincinnati/Northern Kentucky International Airport (CVG) generally received positive reviews from stakeholders and event planners that were interviewed as part of this study process. Enplanements at CVG steadily increased from 2015 to 2019. Following COVID, enplanement figures are returning to normal levels, with 2022 figures closely comparable to 2017 levels.

Annual Enplanements at Cincinnati/Northern Kentucky International Airport



CSL selected 12 comparable facilities to the NKCC that will be analyzed in the Comparable Facilities section of this report. Of these facilities, 10 had relevant airports to compare to the NKCC's. CVG had the fourth highest number of enplanements in 2022 among the destinations reviewed. In terms of distance between convention center and airport in each respective market, Northern Kentucky ranked 7<sup>th</sup> out of 11. Only one market outranked Northern Kentucky in both enplanements and distance to airport, the St. Louis Lambert International Airport (6.7 million enplanements, 8.2 miles from CC). The NKCC's position near a large, international airport is a significant advantage for long-term success for the Center.

2022 Enplanements (in millions) and Distance (in miles) to Airport



Source: FAA, 2023.

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## LOCAL & REGIONAL CONDITIONS

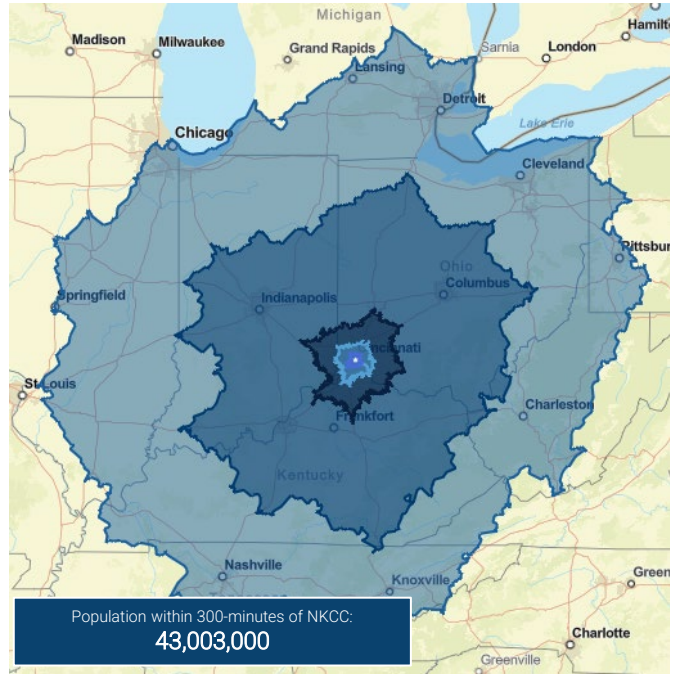
### Location & Accessibility

The exhibit below illustrates the proximity of Covington to other nearby markets and the population base captured within an estimated 15-, 30-, 60-, 180-, and 300-minute drive of the NKCC. As shown, Chicago and Detroit represent the largest population centers within a 300-minute drive. Within 180-minutes, the largest population centers include Cleveland, Indianapolis, and Cincinnati. Association, corporate and other types of event activity at the NKCC will likely draw significantly from these areas.

These driving distances (excluding 300-minutes) will be utilized on the subsequent page and later in the report for purposes of comparing demographic and socioeconomic variables to competitive and comparable markets.

Summary of Driving Distance To/From the Northern Kentucky Convention Center & Nearby Major Markets

City, State	Distance to NKCC (miles)	Drive Time (hrs:min)	Metro Area Population
Cincinnati, OH	2	0:05	1,775,000
Dayton, OH	55	1:12	746,000
Lexington, KY	81	1:27	344,000
Louisville, KY	98	1:36	1,395,900
Columbus, OH	110	1:45	1,708,000
Indianapolis, IN	113	1:50	2,075,000
Fort Wayne, IN	180	3:15	426,100
Knoxville, TN	250	3:40	784,000
Cleveland, OH	250	3:50	2,077,000
Detroit, MI	265	4:03	4,390,000
Nashville, TN	272	4:09	1,315,000
Pittsburgh, PA	289	4:27	2,350,000
Chicago, IL	295	4:41	9,806,200
Charleston, NC	334	5:47	734,000



Source: Esri, Google Maps, 2023.



# 2 LOCAL & REGIONAL CONDITIONS

## Corporate Base

The major employers in a local market are often an important source of facility usage with regard to corporate meetings, banquets and other similar uses; all of which are important to maintain the utilization and financial viability of a convention center. For instance, CTI's consistent use of the Learning Center at the NKCC is a strong supporter of Center operations. Indirectly, the size of a local corporate base also tends to correlate with the level and breadth of supporting community amenities (i.e., hotels, restaurants, transportation infrastructure, etc.), which are relevant when considering the ability to attract non-local events. Also, attracting events consistent with industry clusters that are prioritized by local economic development organizations can create important community business development synergies.

The charts below provide listings of the top 10 employers within Northern Kentucky and within the Cincinnati metropolitan area. Of the 10 Northern Kentucky companies listed, the entities with the highest employment are St. Elizabeth Healthcare, Amazon, Fidelity Investments, and DHL Air Hub. A significant portion of the employment base is driven by the healthcare and education industries. Healthcare is the leading industry in terms of highest employment with one organization comprising nearly 10,000 employees. The top 10 Cincinnati companies are notably larger in terms of employees retained. The leading industry for Cincinnati is healthcare with a total of over 58,000 employees across five top 10 companies. Kroger is the largest individual employer in the Cincinnati area with 20,000 employees.

Summary of Largest Employers in Northern Kentucky

	Name	Number of Employees	Industry/ Sector
1	St. Elizabeth Healthcare	9,865	Healthcare
2	Amazon.com LLC	6,000	Retail
3	Fidelity	4,800	Financial
4	DHL Air Hub	3,721	Aviation/Aerospace
5	Boone County Schools	3,500	Education
6	Northern Kentucky University	2,600	Education
7	Citibank	2,300	Financial
8	Duro Bag	1,300	Manufacturing
9	Mubea	1,200	Manufacturing
10	Cengage Learning	1,000	Education Distribution



Summary of Largest Employers in Cincinnati Metropolitan Area

	Name	Number of Employees	Industry/ Sector
1	Kroger LTD Partnership	20,000	Retail
2	Cincinnati Children's Hospital	18,502	Healthcare
3	Trihealth Inc.	12,096	Healthcare
4	University of Cincinnati	11,141	Education
5	St. Elizabeth Healthcare	10,353	Healthcare
6	UC Health	9,816	Healthcare
7	Procter & Gamble Co.	9,700	Consumer Goods
8	GE Aerospace	7,500	Manufacturing
9	Mercy Health - Cincinnati	7,500	Healthcare
10	Fifth Third Bancorp	7,000	Banking



Source: Covington Government, Biz Journals, 2023.

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## LOCAL & REGIONAL CONDITIONS

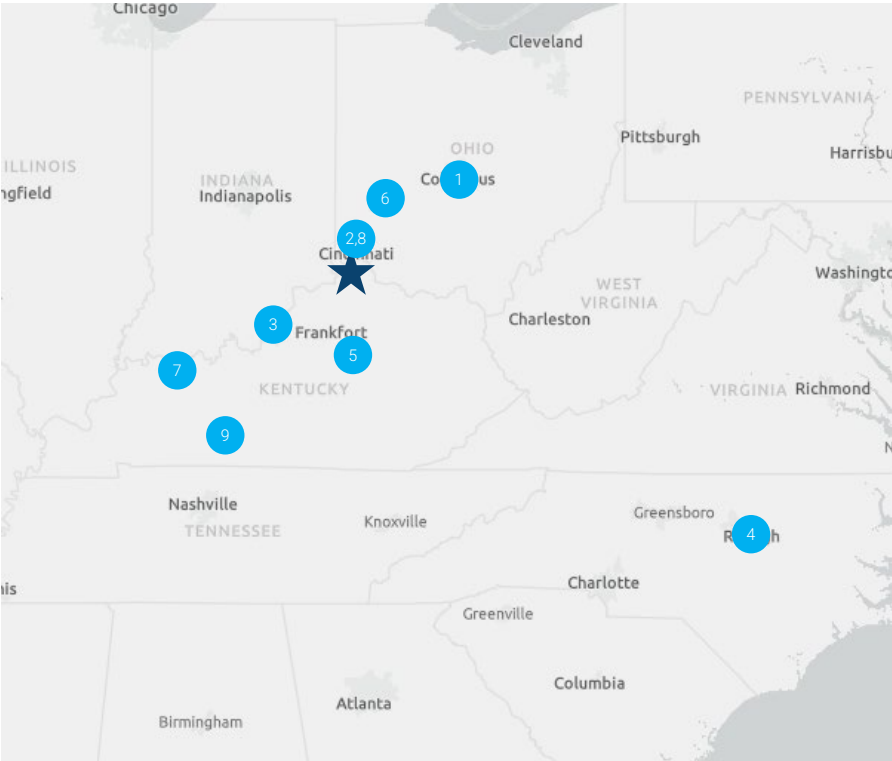
### Regional Area Competitive Facilities

It is important to consider the regional inventory of convention centers in terms of potential competitive influences. The exhibit below presents a summary of selected regional competitive facilities throughout Kentucky, southern Ohio, and extending to North Carolina. These listed facilities offer total sellable space ranging from 24,300 at the Sloan Convention Center in Bowling Green, KY, to 553,600 square feet at the Greater Columbus Convention Center in Columbus, OH. Additionally, headquarter hotels and hotel rooms within ½-mile of each facility are listed. The NKCC has a headquarter hotel with nearly 300 rooms less than that of the median and nearly 600 rooms less than the total of rooms within ½-mile.

Larger market convention center competitors to the NKCC include venues in Cincinnati, Columbus, Louisville and Raleigh. The list below also includes many small-to-mid-sized conference centers in nearby population centers that, to some degree, can compete with the NKCC for state and large corporate events. Added detailed assessment of these venues is presented on the following pages.

Primary Regional Area Convention Facilities

Facility Name	Market	Total Sellable Space (SF)	Largest Contiguous Room (SF)	Headquarter Hotel Rooms	1/2-mile Hotel Rooms
1 Greater Columbus Convention Center	Columbus, OH	553,600	370,000	1,000	3,173
2 Duke Energy Convention Center	Cincinnati, OH	296,900	195,300	800	3,469
3 Kentucky International Convention Center	Louisville, KY	260,000	204,169	1,621	5,859
4 Raleigh Convention Center	Raleigh, NC	244,700	146,900	576	937
5 Central Bank Center	Lexington, KY	152,500	99,247	735	1,327
6 Dayton Convention Center	Dayton, OH	108,000	68,400	0	5
Northern Kentucky Convention Center	Covington, KY	76,600	46,200	321	1,011
7 Owensboro Convention Center	Owensboro, KY	76,500	44,100	273	273
8 Sharonville Convention Center	Sharonville, OH	59,000	20,500	125	1,541
9 Sloan Convention Center	Bowling Green, KY	24,300	19,500	218	444
Average		197,300	129,800	600	1,900
Median		152,500	99,200	600	1,300



Note: Embassy Suites RiverCenter is not counted as an HQ hotel for the NKCC. Source: CSL Research, Facility Management, Facility & CVB Sites, Google maps, 2023.

# 2

## LOCAL & REGIONAL CONDITIONS

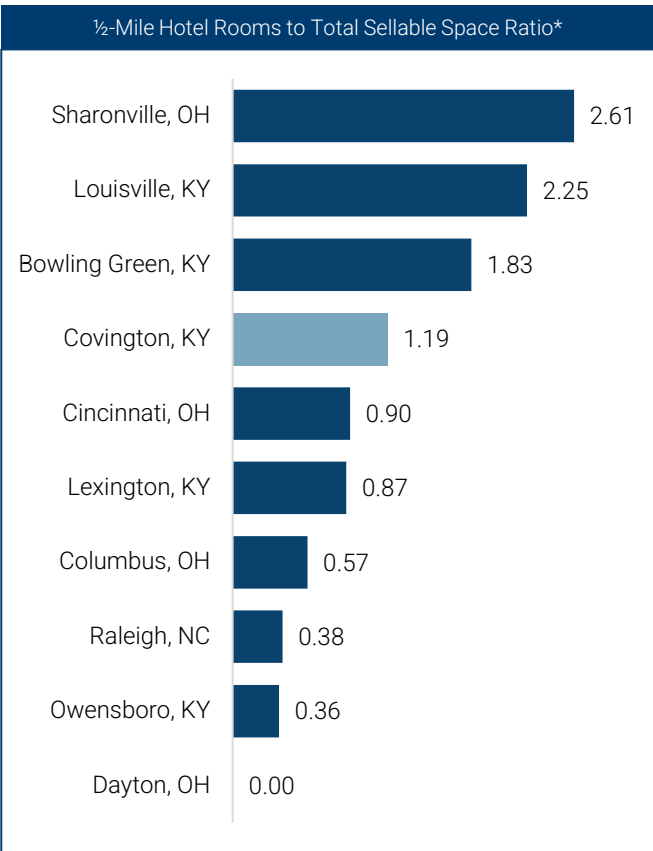
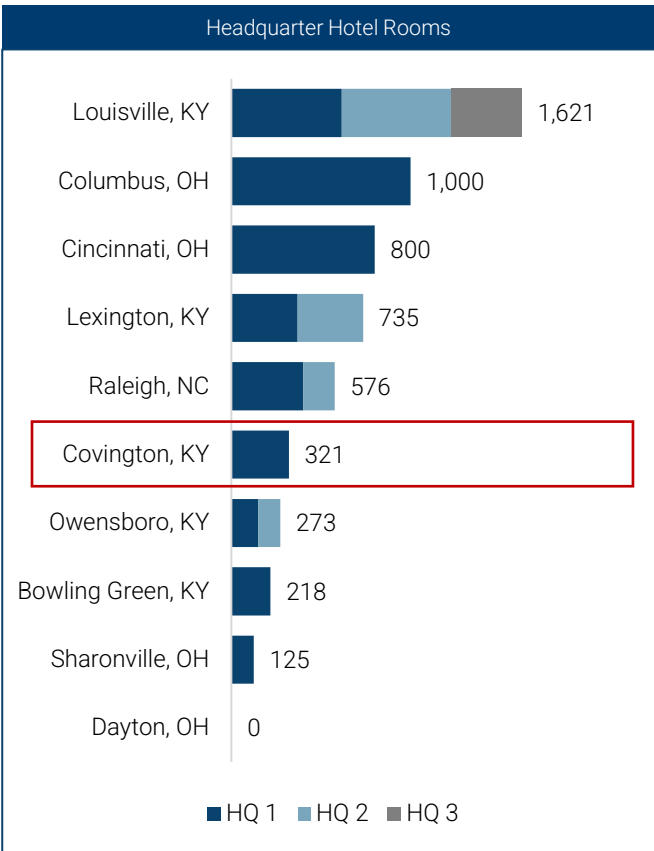
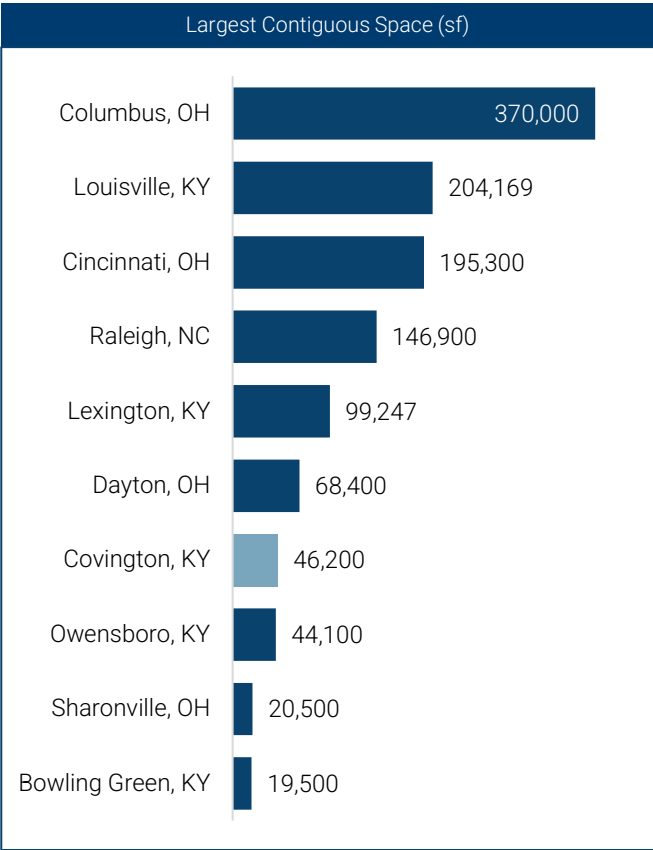
### Regional Area Competitive Facilities Inventories

As presented in the adjacent exhibit, the NKCC has the seventh largest contiguous space among regional venues reviewed at 46,200 square feet. From a total sellable space perspective, the NKCC ranking remains at seventh among the venues reviewed.

Dedicated convention centers in Owensboro, Sharonville, and Bowling Green offer contiguous space levels lower than the NKCC. Convention centers in Louisville and Lexington have undergone significant upgrades in recent years, and planning is underway for significant investment in Cincinnati and Raleigh. While occupancy levels at the NKCC are somewhat low, a long-term investment in added NKCC space may eventually be warranted.

The headquarter hotel at the NKCC has the sixth highest number of guest rooms available of the 10 facilities reviewed. The ratio of hotel rooms within ½-mile to the total sellable space of a facility for the NKCC ranks fourth among regional competitive facilities.

While these data suggests that the NKCC is well-positioned in terms of hotel rooms available per total space offered, it is noteworthy that most Center-applicable hotels are at the outskirts of the ½-mile ring and may be considered “unwalkable” and are not typical convention hotel brands. The Center should closely examine the potential development of an additional HQ hotel or added hotel inventory in immediate proximity to the NKCC.



Note: HQ Hotel Rooms: See note on previous page.  
 \*Ratio is multiplied by 100 for readability.  
 Source: Facility management, Facility sites, 2023.



# 2

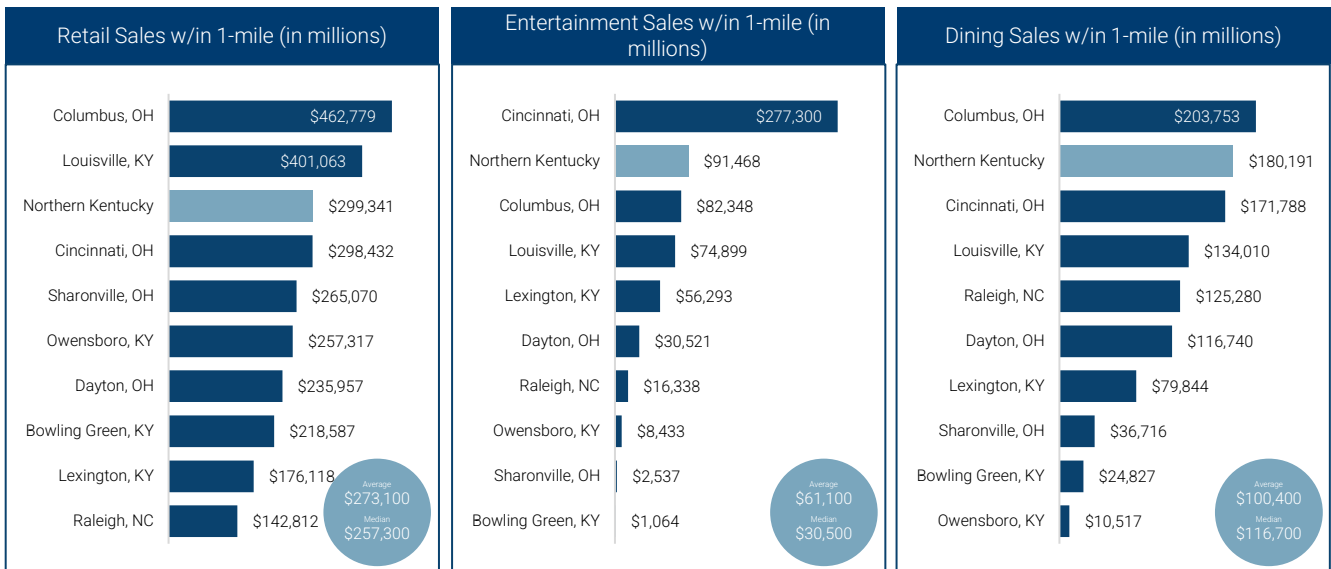
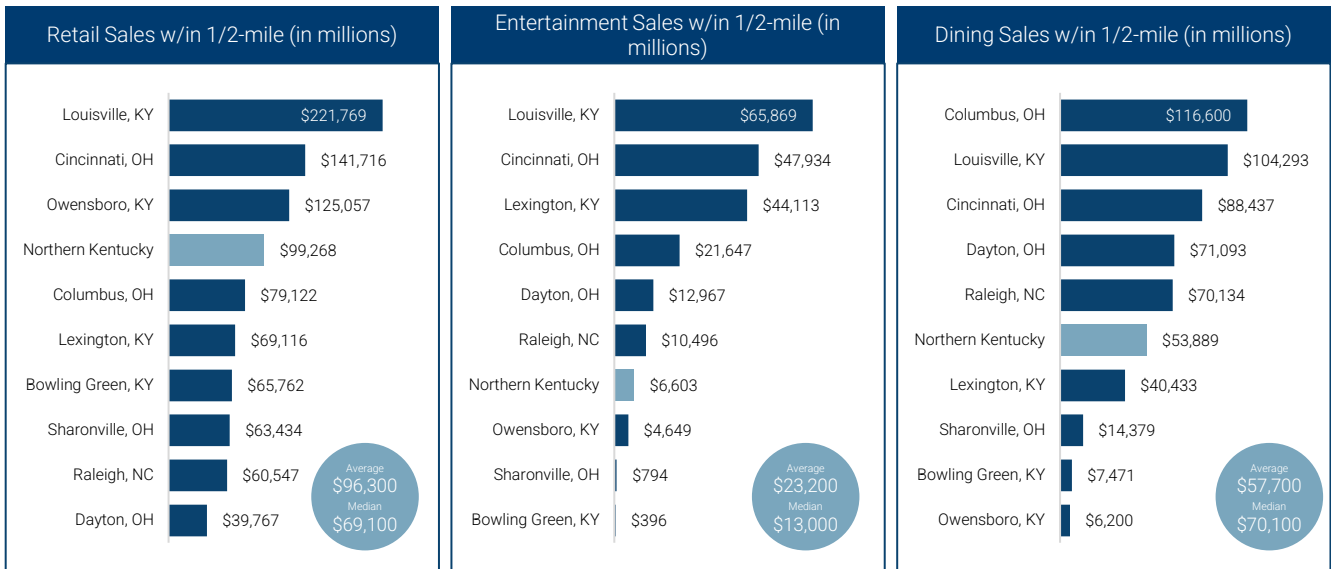
## LOCAL & REGIONAL CONDITIONS

### Regional Area Competitive Market Hospitality Sales Density

Convention facilities with vibrant surrounding districts often have a competitive advantage in generating event planner interest. The charts below provide analysis of the retail sales, entertainment sales and dining sales within ½-mile and 1-mile of regional competitive facilities.

The NKCC is among the bottom half of facilities in terms of ½-mile entertainment and dining, while it performs slightly above the average in terms of ½-mile retail sales. Within 1-mile of the NKCC, Northern Kentucky increases to second in terms of entertainment and dining sales, and third in retail sales. The 1-mile rankings can be somewhat attributed to sales in the Cincinnati market.

As previously noted, there are significant concentrations of restaurant and hospitality activity in areas such as Mainstrasse, the NKCC/Riverfront, Newport, and the Madison Avenue area. It will be important to create pedestrian and trolley connections from the NKCC to these areas. Additional support for restaurant and hospitality investment near the NKCC, likely on the IRS site as it develops, will also be important.



Note: Figures listed are divided by 1,000.  
Source: ESRI, 2023.



3

## COMPARABLE FACILITIES



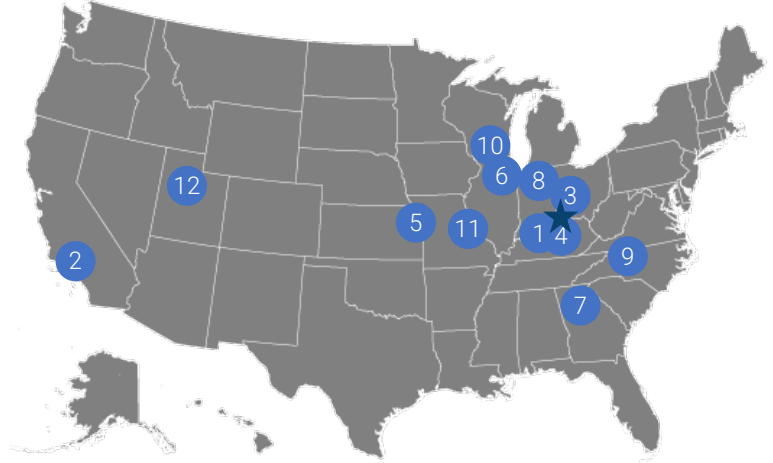
# 3

## COMPARABLE FACILITIES

### Overview

Certain inferences can be made by reviewing comparable convention and conference facilities operating in markets throughout the country of a similar size and/or geographic positioning to Northern Kentucky. These data help place a potential investment into the NKCC within a comparable context with respect to facility offerings, demographics and other related host market features.

The comparable convention centers reviewed were selected based on their event space offerings, hotel inventories, walkable surrounding environments, and market population characteristics. The exhibit below presents a summary of the 12 selected comparable convention facilities and markets analyzed. As shown, facilities reviewed range from the Kentucky International Convention Center (293,600 square feet of sellable space) to the Utah Valley Convention Center (46,500 square feet of sellable space). In all, the facilities reviewed offer an average of 62,400 square feet of exhibit space, 23,500 square feet of ballroom space, and 14,900 square feet of meeting space.



Summary of Key Characteristics of Selected Comparable Facilities

Facility Name	City, State	Exhibit Space (SF)	Meeting Space (SF)	Ballroom Space (SF)	Total Sellable Space (SF)	Largest Contiguous Space (SF)	Hotel Rms within 1/2-mile (number)	HQ Hotel Rooms (number)
1 Kentucky International Convention Center	Louisville, KY	199,100	54,200	40,300	293,600	199,100	5,859	1,621
2 Pasadena Convention Center	Pasadena, CA	70,200	21,000	24,800	116,000	70,200	1,529	311
3 Dayton Convention Center	Dayton, OH	68,400	18,400	14,200	101,000	68,400	5	0
4 Central Bank Center	Lexington, KY	66,000	16,200	23,500	105,700	66,000	1,327	735
5 Overland Park Convention Center	Overland Park, KS	58,500	14,100	25,000	97,600	58,500	1,194	412
6 Tinley Park Convention Center	Tinley Park, IL	58,100	5,300	18,700	82,100	58,100	853	202
7 Gas South Convention Center	Duluth, GA	50,000	12,800	21,600	84,400	50,000	658	0
8 Grand Wayne Convention Center	Fort Wayne, IN	48,500	11,500	16,000	76,000	48,500	753	620
Northern Kentucky Convention Center		46,200	12,900	17,500	76,600	46,200	1,011	321
9 Benton Convention Center	Winston-Salem, NC	46,000	3,400	37,800	87,200	46,000	1,069	465
10 Monona Terrace Community and Convention Center	Madison, WI	37,200	5,300	20,400	62,900	37,200	929	240
11 St. Charles Convention Center	St. Charles, MO	27,600	7,000	22,200	56,800	27,600	1,028	296
12 Utah Valley Convention Center	Provo, UT	19,600	10,000	16,900	46,500	19,600	462	462
Average		62,400	14,900	23,500	100,800	62,400	1,300	400
Median		54,100	12,200	21,900	85,800	54,100	1,000	400

Note: Sorted by Largest Contiguous Hall.  
Source: CSL research, interviews with facility management, facility websites, Google maps, 2022.



# 3

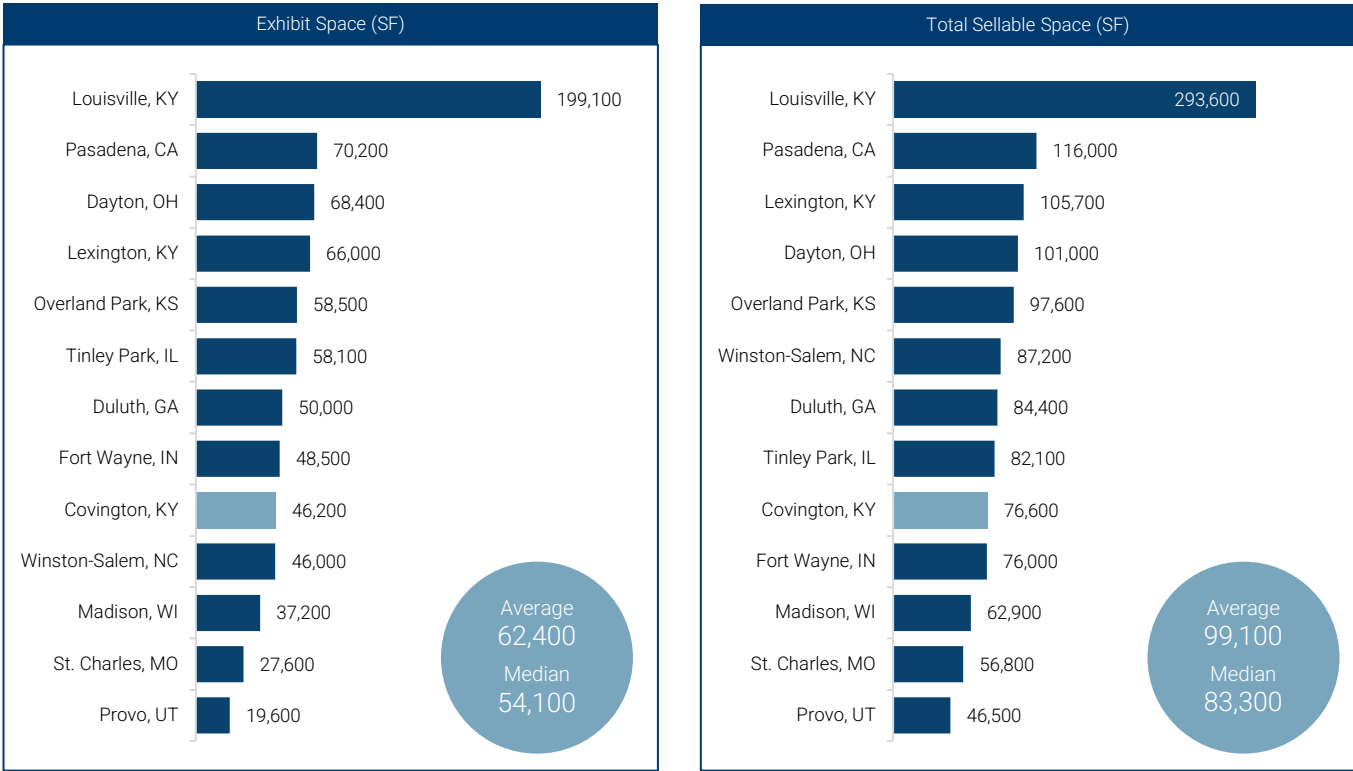
## COMPARABLE FACILITIES

### Convention Space Comparisons

To provide further context regarding the comparable facilities reviewed on the previous page, we have prepared the charts below to compare their sellable event spaces with those currently offered at the NKCC. As shown, the average facility within the comparison set has a total exhibit space offering of 62,400 square feet and offers 99,100 square feet of total sellable event space.

The NKCC's Event Hall ranks ninth (9<sup>th</sup>) out of 13 among comparable facilities in terms of exhibit space, and the facility also ranks ninth (9<sup>th</sup>) in terms of total sellable space offered. Though located in similar markets in terms of population size and corporate base, several listed facilities offer more exhibit space and more total sellable space. While the space rankings for the NKCC are somewhat low, we also note that the proximity of the Duke Energy Convention Center in Cincinnati impacts the demand for and needed sizing of the NKCC. Any significant addition of NKCC space should be considered a long-term initiative taking place after added hotel and hospitality density is developed proximate to the NKCC.

Comparison of Key Convention Space Offerings at Selected Comparable Facilities



Source: CSL research, interviews with facility management, facility websites, 2023.

# 3

## COMPARABLE FACILITIES

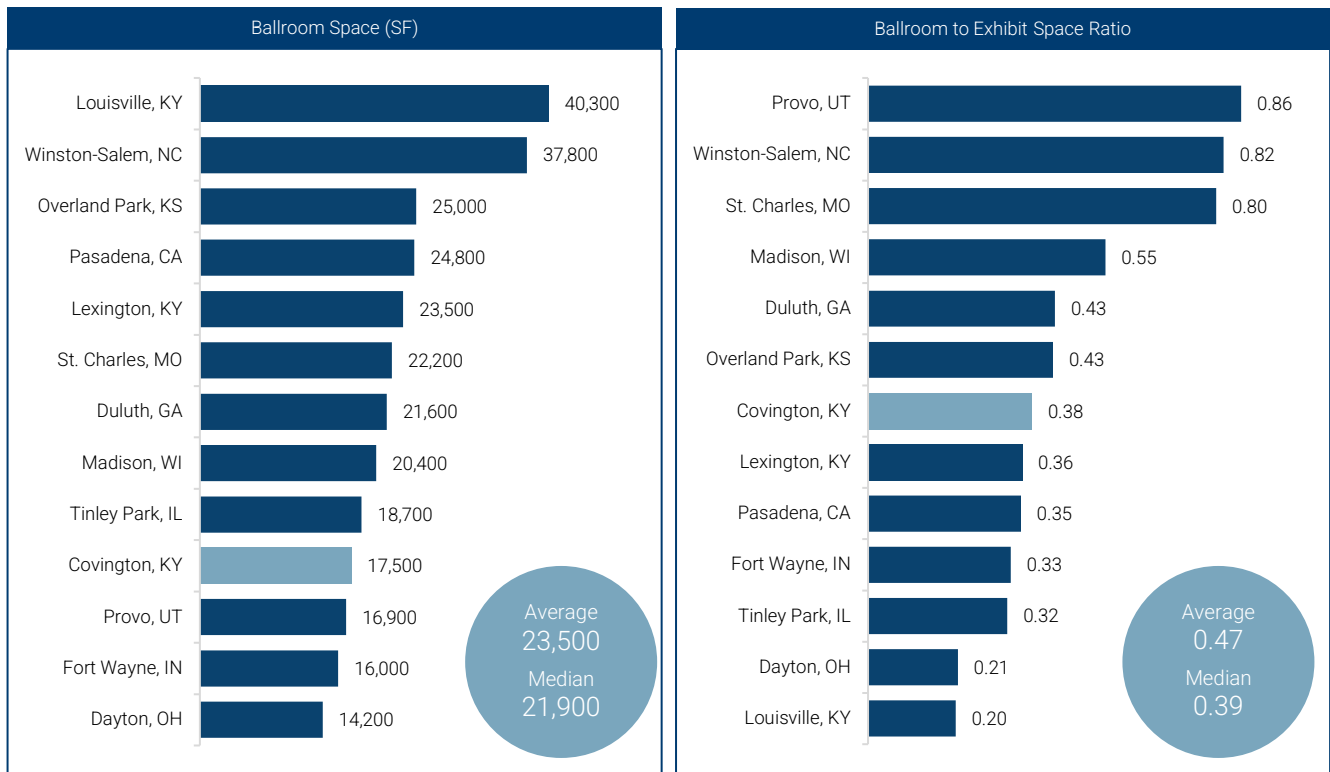
### Ballroom Space Comparisons

Ballroom space is an important venue component for meeting and event planners, catering to banquets, displays, general sessions, poster sessions, entertainment and other functions. CSL research suggests that regional and national event planners increasingly prefer large, multipurpose rooms with dynamic lighting, high-quality acoustic treatments and other elements to accommodate general sessions and food functions.

Further breakdown on the importance of ballroom space is detailed in the following Industry Trends chapter of this report. The charts below demonstrate the level of ballroom space offered at comparable facilities and the ratio of ballroom space relative to the exhibit space offerings at each of the reviewed facilities.

As shown, the NKCC ranks among the bottom (10<sup>th</sup>) of comparable convention centers in terms of ballroom space totals. However, when comparing the ratio of ballroom space to exhibit space, the NKCC ranks seventh, suggesting that the balance of space types at the NKCC is more in line with industry norms. Still, the Center ranks slightly below the median for this ratio, indicating occasional challenges for groups that require both significant exhibit and ballroom space.

Comparison of Key Convention Space Offerings at Selected Comparable Facilities



Source: CSL research, interviews with facility management, facility websites, 2023.

# 3

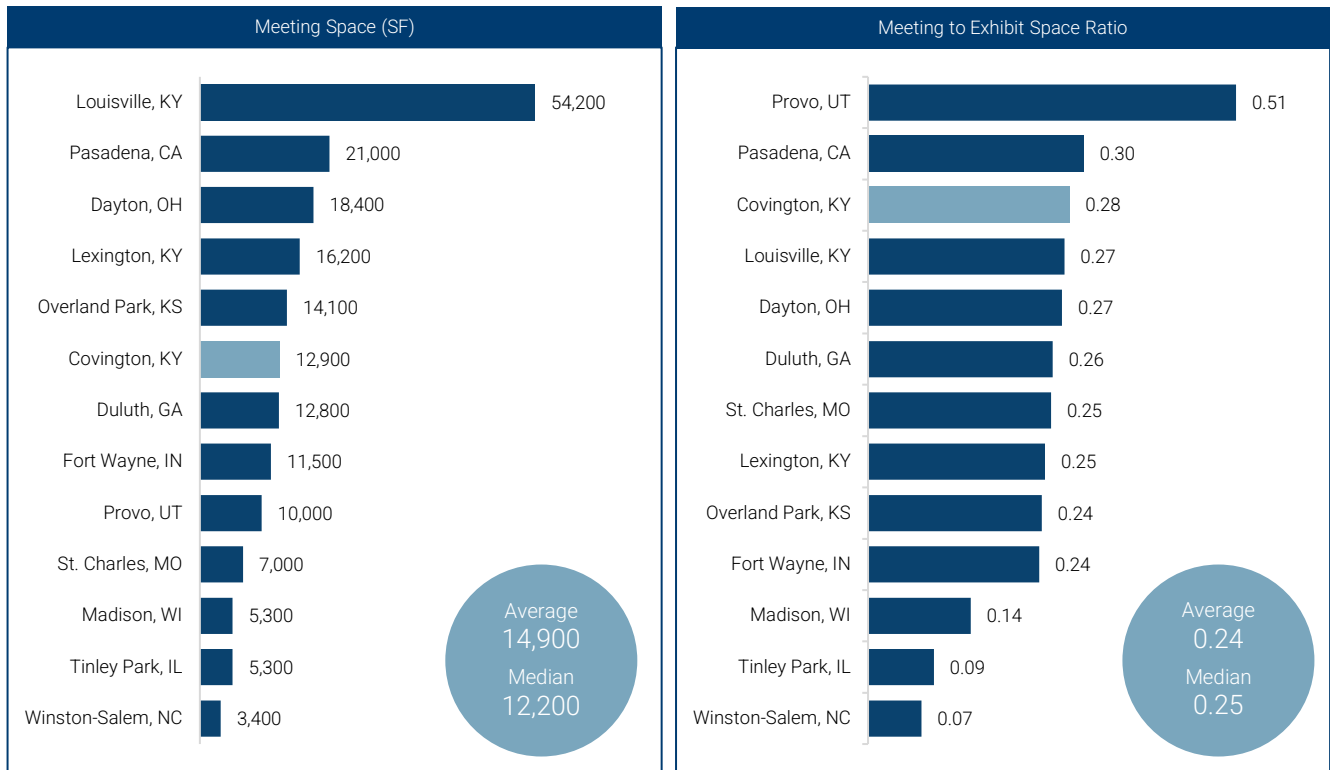
## COMPARABLE FACILITIES

### Meeting Space Comparisons

Sufficient modern meeting space is highly important in attracting and accommodating events in the convention, conference and meetings industry. Offering an adequate level of meeting space is necessary to attract potential events for a convention facility. Further breakdown on the importance of meeting space is detailed in the following Industry Trends chapter of this report. The exhibits below display the level of meeting space offered at comparable facilities and the ratio of meeting space inventories relative to the exhibit space offering at each of the reviewed facilities.

The NKCC offers a total of 12,900 square feet of meeting space, which ranks sixth among the 13 compared facilities. Additionally, the NKCC ranks third in terms of meeting space relative to total exhibit space offered. These data suggest that the NKCC is well positioned in terms of meeting space offered compared to its industry peers.

Comparison of Key Convention Space Offerings at Selected Comparable Facilities



Source: CSL research, interviews with facility management, facility websites, 2023.

# 3

## COMPARABLE FACILITIES

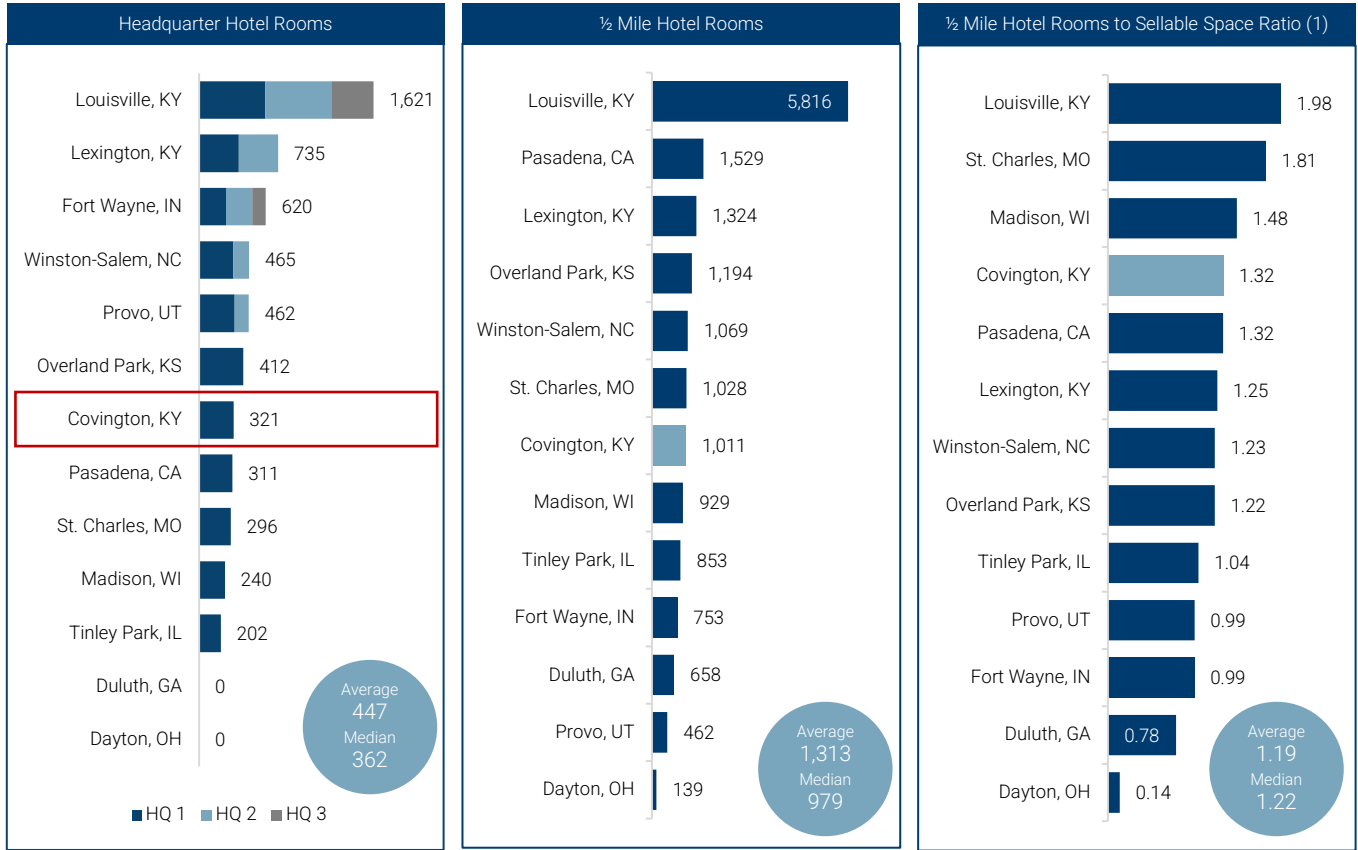
### Hotel Inventory Comparison

The supporting hotel inventory of a convention facility is instrumental in competing for state, regional and national conventions and tradeshows with significant non-local attendee bases. Headquarter and other supporting hotel inventory are often among the first data points considered by event planners when selecting a future host site. To evaluate the NKCC’s supporting hotel inventory for both its existing and potentially improved event space offerings, the charts below provide comparisons with hotel inventory of comparable convention products nationally.

As shown, the 321 rooms offered at the Marriott RiverCenter of Covington falls below the headquarter hotel room average and median of 447 and 362, respectively. The 1,011 rooms within ½-mile of the NKCC rank seventh, falling below the average range of 1,313 and slightly above the median of 979. The ratio of ½-mile hotel room inventory to total sellable space at the NKCC ranks fourth among comparable facilities.

The particular challenges for the NKCC lie in the previously referenced hotel room committability and the location of hotels within ½-mile of the NKCC, which are just short of the maximum ½-mile away. Few of the reviewed markets have the majority ½-mile hotel rooms further than 0.1 to 0.3 miles from these respective facilities, with many being directly adjacent to these convention centers.

Comparison of Key Hotel Metrics Related to Selected Comparable Facilities



Note: (1) Number is multiplied by 100 for readability  
 Source: CSL research, interviews with facility management, facility and CVB websites, Google Maps, 2022.



# 3

## COMPARABLE FACILITIES

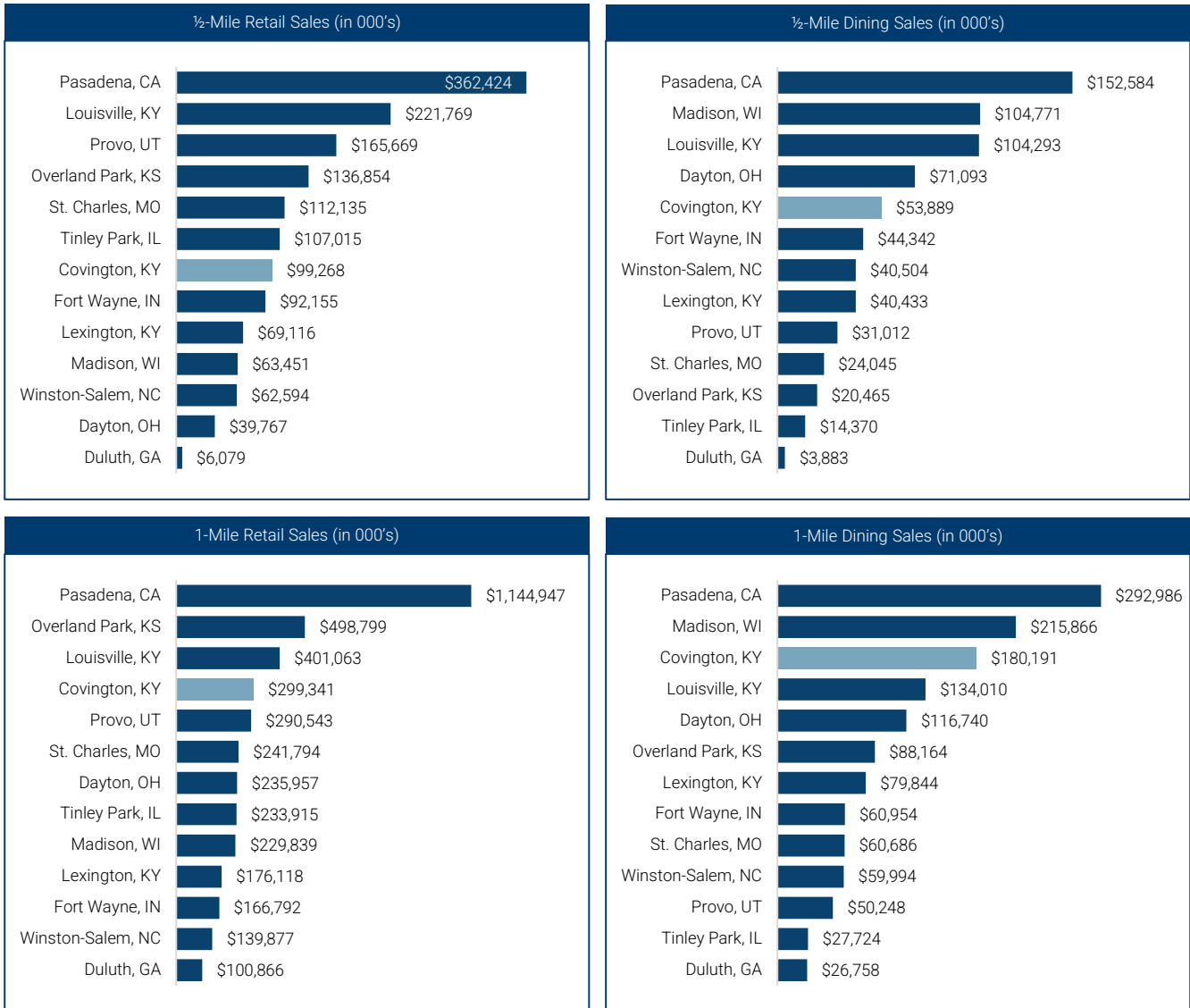
### Dining & Retail Environment Comparison

As previously noted, event planners increasingly consider the commercial vibrancy within walking distance of a host convention facility when selecting future host sites. The exhibits below summarize the dining and retail sales generated on an annual basis within ½- and 1-mile of each of the comparable convention facilities reviewed. As mentioned previously, ½-mile is typically considered “walkable” for most convention attendees, while 1-mile is often considered “walkable, yet inconvenient,” for most convention attendees; the latter encompasses the majority of downtown Covington and parts of southern Cincinnati.

Using GIS software, we can analyze the level of hospitality spending (food, beverage and retail) on a geographically targeted basis. As shown below, the environment within ½-mile of the NKCC site generates retail sales of \$99.3 million, positioning it at seventh among the comparison set, while its surrounding 1-mile capture ranks fourth among comparable facilities. Additionally, dining sales within ½-mile of the facility are ranked fifth among comparable facilities, while the 1-mile area capture significantly outperforms most of the set at a rank of third.

These data reflect disparity of commercial activity between the NKCC's immediate proximity and Covington's more developed restaurant/hospitality districts. In response, recommendations discussed later herein address both 1) the lack of amenities within close proximity of the NKCC, and 2) creating better pedestrian connections between the NKCC and the concentration of amenities located within 1-mile.

Comparison of Retail & Dining Spending Nearby Selected Comparable Facilities



Source: Esri, 2023.

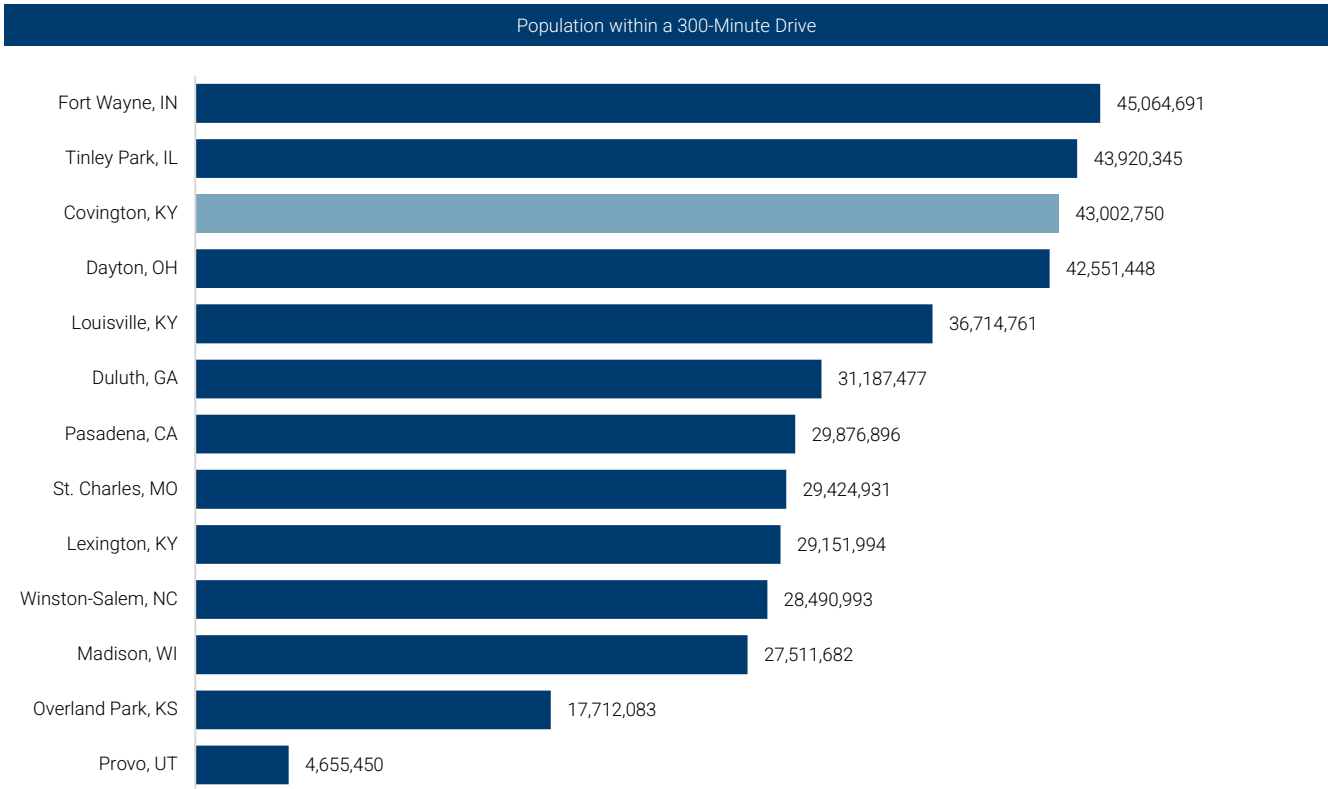
# 3

## COMPARABLE FACILITIES

### Surrounding Population Comparison

The population within reasonable driving distance of a convention center plays a role in determining the potential market for drive-in conventions and meetings. Centrally located convention centers often emphasize their accessibility to densely populated areas, an important factor when engaging with event planners nationwide. Typically, a driving radius of approximately 300 minutes is considered the upper limit for event attendees, as this accounts for the trade-offs between driving and flying to a destination. In this context, CSL has conducted an analysis of the population levels within a 300-minute radius of the NKCC and comparable convention centers.

The NKCC represents the third most favorable among the 13 analyzed facilities, regarding surrounding populations. This specific data point indicates a notable advantage for the NKCC due to its central location, particularly when evaluated against its counterparts on a national scale. Additionally, it highlights the NKCC's potential to tap into a larger market segment for events with regional focus. Notably, only the populations residing within 300-minute driving distance of Fort Wayne (IN) and Tinley Park (IL) surpass those of Covington. Notably, major event destinations within the state of Kentucky, such as Louisville and Lexington, yield lower 300-mile population figures compared to Covington.



Source: Esri, 2023.



4

# INDUSTRY TRENDS



# 4

## INDUSTRY TRENDS

### Introduction

The economy of any destination can be influenced by many factors outside the control of community leaders. Economic conditions, corporate relocations, changes in governmental or institutional presence and other factors will influence employment, income, tax revenues and other critical aspects of an economy.

In most communities, the visitor industry also plays an important role in local and regional economic health. Visitors to a market offer an opportunity to inject new dollars into the economy, with relatively limited use of public infrastructure. Visitor spending then generates net new tax revenue, reducing the tax burden on residents.

At the same time, the competition for visitor industry market share is fierce. Communities throughout the country continue to invest in assets and amenities that are designed in part to attract visitors. Much of this investment involves convention, sports and entertainment facilities.

The market success of convention facility products can be partially attributed to broader industry characteristics and trends. In order to assess the current and future strength of any market with regard to a potential expanded convention product, it is important to evaluate prominent and emerging trends from a national perspective.

Additionally, the “state-of-the-industry” in terms of the physical product aesthetics and functionality of convention facilities has continued to advance year-over-year in cities throughout the country. Event planners and users increasingly prefer, and oftentimes demand, the modern, spacious aesthetics and optimized, advanced functionality and efficiency of newer facility designs and programs. Beyond attracting higher numbers of groups, visitors and economic impact, modern exhibition facilities often offer significant advancements in operating efficiencies and enhanced revenue generation opportunities, as compared to previous generations of facilities.

We also note that broad industry changes, characterized by—sometimes significant—retraction and expansion in event demand and attendance and participation characteristics have taken place within the industry over the past few decades. While a robust rebrand is underway, the COVID-19 Pandemic has caused dramatic disruption in all sectors of the global economy, including severe impacts in the convention and tourism industries.

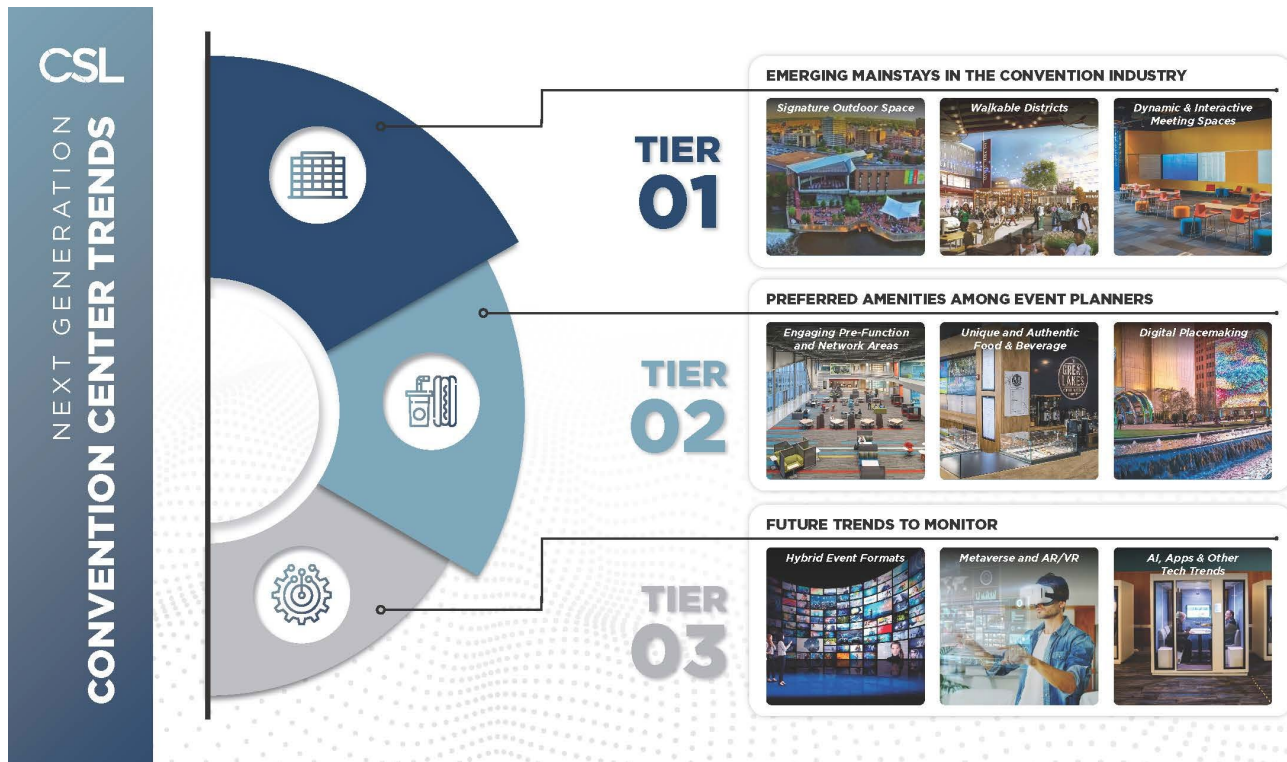




# 4 INDUSTRY TRENDS

As with any product in any industry, continual investment is required to respond to evolving customer and industry demands. Planning for future NKCC and surrounding hotel and hospitality investment will require a future-focused approach to market-supported design and technology investments in an evolving and highly competitive environment.

Even prior to the COVID-19 Pandemic, CSL's research had shown that the increasing Millennial and Gen-Z convention attendee base was creating new demands and expectations of event facility design and programming. The next generation of event attendees will require greater flexibility in how meetings are conducted, how information is delivered, and how technology is used. Even more so in recent years, greater emphasis is being placed on the ability of a destination to offer a unique, authentic and productive experience.



At the same time, the COVID-19 Pandemic has greatly accelerated the demand for specific convention facility elements, including broadcast and hybrid event capabilities, space for outdoor functions, and safe and walkable environments in desirable (but not overcrowded) urban locations. It is critical to consider how planner preferences and attendee behavior may be impacted in the short- and long-term as the event industry “returns to normal”.

## Pre- and Post-COVID Convention/Conference Center Trends

Event planners and attendees are increasingly emphasizing the following facility/destination attributes. The following pages summarize the emerging and future trends of various event industries (as outlined below), as well as examples of how facilities around the country have adapted to changing needs of event attendees:

- **Signature Outdoor Space** – planners increasingly use terraces, rooftops, patios, and pavilions for off-site events and general sessions.
- **Walkable Districts** – vibrant, safe and navigable districts around a facility are nearly as important as event space square footage.
- **Dynamic & Interactive Meeting Spaces** – larger meeting spaces with modular furniture help support creative breakout sessions.
- **Engaging Pre-Function and Network Areas** – events increasingly utilize lobbies and concourses for presentations and networking.
- **Unique and Authentic Food & Beverage** – static food courts are being replaced by locally owned pop-ups and stylish food halls.
- **Sustainability** – addressing the issue from numerous perspectives including waste diversion, locally sourced food, etc.
- **Digital Placemaking** – new LED technology is allowing for new, dynamic displays and signage that create a unique environment.
- **Hybrid Event Formats** – turnkey broadcast and production studios will help in-person events stream to broader virtual audiences.
- **Metaverse and AR/VR** – virtual, shared experiences are increasingly important to science, medical and tech organizations.
- **AI, apps, and other tech Trends** – app-activated breakout spaces and AI technology will improve the convention attendee experience.

# 4

## INDUSTRY TRENDS

### Facility Trends – Emerging Mainstays in the Convention Industry

Riverside Convention Center  
(Riverside, CA)



#### Signature Outdoor Space

Even prior to the Pandemic, event planners indicated an increasing demand for unique outdoor event space at their host sites. Popular conference/convention facilities throughout the country offer terraces, patios, lawns, and pavilions to events for networking event planners or general sessions. Outdoor event space provides attendees with the opportunity to connect with the culture and feeling of a destination in a unique event setting while creating an additional selling point and source of revenue for centers. Further detail regarding best practices in outdoor event space design and programming is presented on the following page. Opportunities to develop an outdoor space at the Center should be evaluated as part of future developments at the IRS site.

Planned Mixed-Use District  
(New Haven, CT)



#### Walkable Districts

As the competition to attract nationally rotating conferences has become increasingly intense, many facilities have begun to position themselves as “convention districts”. In this way, the value proposition for an event planner broadens beyond traditional event space and hotel criteria to include restaurant, retail, entertainment and transportation within walking distance of a convention facility.

Convention and conference facilities located within vibrant mixed-use districts cater to this emerging event planner demand, and those that integrate with their surrounding dining, retail and entertainment environments are positioned to succeed in the post-COVID convention industry. As Covington districts such as Mainstrasse and the adjacent IRS site continue to develop, efforts will need to be made to improve connection to these areas.

Cantilever Room at HGBCC  
(San Antonio, TX)



#### Dynamic & Interactive Meeting Spaces

Planners are increasingly using larger, more versatile spaces for breakout sessions. These rooms range anywhere between 3,000 and 10,000 square feet and feature portable and modular furniture to accommodate a variety of programs. The Cantilever Room at the Henry B. Gonzalez Convention Center in San Antonio (TX) is often cited by event planners as an exemplary multipurpose space. The room’s built-in A/V, digital signage, movable furniture, and dual-purpose window/whiteboard help create a flexible and open environment for workshops, brainstorm sessions, and strategy meetings.



# 4 INDUSTRY TRENDS

## Outdoor Event Space – Additional Concepts Applicable to an Improved NKCC

Growing event planner demand for usable outdoor event space at convention facilities highlights the importance of including these types of spaces at an improved NKCC. To better understand specific best practices regarding outdoor event space development, we identified a short list of convention facilities nationally with signature outdoor spaces that are frequently programmed and lauded by interviewed event planners. Details and key takeaways with transferability to an improved NKCC are provided for each of these facilities below.

Boise Centre (Boise ID)



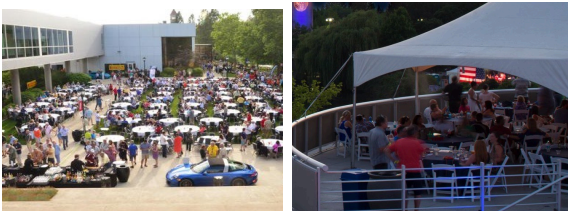
Boise Centre's outdoor event plaza is centrally located and is an extension of the urban grid, so the pedestrian flow is natural. It is also easily controlled for non-public events, and the plaza is central to the layout of the Centre.

Pasadena Convention Center (Pasadena, CA)



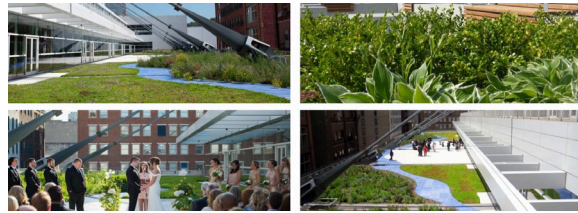
The Pasadena Convention Center's front plaza area, which is also a public plaza across the street from a popular commercial district, is periodically closed for events at the Center and for other community events or festivals. The Center has purchased tent equipment and portable seating to furnish the outdoor space and is planning to add additional electrical outlets and tent put-ins in the area to make it more "turnkey" for increased use.

Spokane Convention Center (Spokane, WA)



The SCC's plaza is adjacent to Centennial Trail, so public use is encouraged when not being utilized by the Center. Space is also easily controlled by the center for non-public events. The Center also features a 7,200 square foot rooftop patio and 9,200 riverside lawn space for weddings, food functions and other events.

DLL Convention Center (Pittsburgh, PA)



The DLLCC is known for its South Terrace Green Roof, a 20,000-square foot outdoor space located just off of the building's third floor. The space is used as an urban event patio, and features put-ins for tents and kiosks, electrical access, gardens and a walking path. This unique outdoor space has been increasingly used by event planners and the public and has helped the DLLCC compete for regional and national events with facilities in much larger markets.

Other unique and valuable design and/or marketing of outdoor event spaces at convention centers in larger destinations are briefly summarized below.

- **Long Beach Convention Center:** The Cove, a streetside plaza space covered by a second-story walkway, is a frequently programmed outdoor event space featuring lounge furniture, outdoor games, and a dedicated area for food trucks.
- **Anaheim Convention Center:** The Center's plaza frequently hosts up to 27 food trucks that cater to some of the facility's larger national conventions throughout the year. To support the "convention environment," the plaza is blocked off with temporary barriers, and seating/resting areas and shading are provided for dining event attendees.
- **Phoenix Convention Center:** 3<sup>rd</sup> Street, which separates the two halves of Phoenix Convention Center, is occasionally blocked off with bollards for large city-wide conventions. In this way, the street can be activated as a "block party" space for special programming.
- **Colorado Convention Center:** The upcoming expansion of the Colorado Convention Center will feature a rooftop terrace that directly connects to an 80,000-square foot multipurpose hall via operable roll-up doors.

Facets of each of the outdoor spaces above could be considered for potential patio, rooftop, plaza, parking or other such spaces at an improved NKCC.

# 4

## INDUSTRY TRENDS

### Facility Trends – Preferred Amenities Among Event Planners

Waukee Innovation Center  
(Waukee, IA)



#### Engaging Pre-Function and Network Areas

The Open Space Learning (OSL) concept challenges traditional lecture or seminar-based formats that tend to draw attendees off the main show floor during events and instead provides unique and creative learning environments that can be constructed in lobbies, pre-function areas, atriums, etc. Facilities such as the Renasant Convention Center in Memphis, the Vancouver Convention Centre, and the Grand Wayne Convention Center in Fort Wayne (IN) have invested in portable and versatile furniture to create environments for small meetings and lectures, podcasts, and informal networking events.

Huntington Center  
(Detroit, MI)



#### Unique and Authentic Food & Beverage

Recent trends in the food and beverage sector are more reflective of changing demographics and how conventions and meetings are being produced. The balance between standard sit-down banquets and more formal food options may be shifting towards the informal, and the ability of a center to offer more convenient “grab & go” or “pop-up” dining opportunities could become much more important in the future. Planners and attendees today also prefer a highly localized food and beverage product, often provided in lobby outlets, pop-ups and food trucks. It will be important to continue building on unique and authentic food concepts at the NKCC, such as The Local Bean located in the lobby.

Convention Center Sustainability  
(Industry-Wide)



#### Sustainability

A new climate, a new perspective on sustainability. Climatologists are increasingly referring to our current climate condition as the initiation of an entirely new epoch – the age of the Anthropocene. Laypeople sometimes refer to a new “abnormal” with respect to climate. Regardless of the scientific details, event planners, driven by demands from their industry, exhibitors, attendees and their own interests are focusing on how to minimize the carbon footprint of their event. Convention centers place increasing importance on assisting event planners with aggressive waste diversion programs. Their caterers are encouraged to source locally. Use of alternative energy and installation of green roofs and solar panels are a focus. This trend is not likely to recede.



# 4

## INDUSTRY TRENDS

### Facility Trends – Preferred Amenities Among Event Planners



#### Digital Placemaking

One of the more recent trends to be considered for future NKCC planning involves the concept of digital placemaking. Once an expensive novelty, LEDs are now highly affordable, which has unlocked new avenues for creativity. LED digital signage is flexible and can be contoured to walls and other spaces within a facility. Use cases include providing information to attendees in real-time, displaying local art, providing sponsors with a flexible platform for messaging, showing dynamic logos and company graphics, and enhancing presentations that may take place in pre-function areas. Manufacturers also offer interactive/touch-based options for such displays. Moreover, these digital signs can be remotely managed and updated, making it convenient for event organizers to adapt content in real-time.

Digital signage can enhance placemaking. High-resolution displays with vibrant colors capture attention and create a visually engaging environment. The San Diego Convention Center invested significantly in LED technology in 2019 and is now a leader in the field. Large displays spread throughout the building now deliver real-time event updates, social media content, wayfinding information, sponsorship messaging, and live streams of presentations occurring throughout the building.



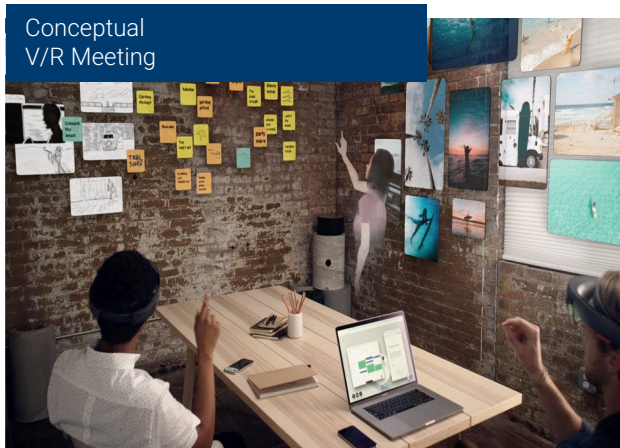
#### Hybrid Event Formats

Event planners interviewed by CSL in recent years suggest a significant interest in permanent turnkey production and broadcast facilities on-site at event venues to stream and produce content for events in real-time. This also opens the door to attending conventions via Virtual Reality platforms such as Metaverse.

Facilities are investing in technologies to accommodate virtual attendees. The Huntington Center in Detroit includes a 5,000-square foot broadcast studio that offers the technologies and services needed to create programming, live event webcasting, and large-scale program distribution, among other offerings. Centers in Baltimore and Houston are also being outfitted with enhanced broadcast/production capabilities. These technologies and their applications are still evolving, but many conference and convention industry leaders envision multipurpose “black box” rooms that will host completely immersive environments rendered as lifelike to its observers.

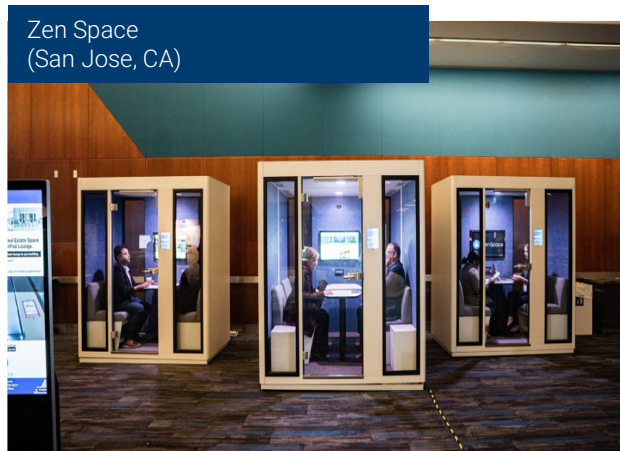
# 4 INDUSTRY TRENDS

## Facility Trends – Future Trends to Monitor



### Metaverse and AR/VR

Augmented reality technologies allow for “shared experiences” among attendees. By using headsets or mobile technologies, attendees can collectively access common information and create “group solutions” to tasks or challenges. With the release of Apple’s Vision Pro and more affordable Augmented Reality options on the horizon, significant growth in the use of these applications for meetings and conventions will likely take place.



### AI, Apps, and Other Tech Trends

AI is a powerful tool for any individual managing a large facility. When integrated with sensors and building technology, it can maximize building energy efficiency by reducing unneeded energy usage and identifying placemaking strategies based on tracked foot traffic flows. AI can also be used to track space utilization, identifying which spaces are being over and under utilized.

In addition, new event booking technologies have emerged that allow for app-based scheduling of breakout meeting spaces in venues. Private, tech-enabled Smart Pods outfitted with comfortable booth seating, tabletops, whiteboards, monitors, HDMI cables and phone charging stations that can be rented on demand are increasingly common at meeting facilities.

# 4

## INDUSTRY TRENDS

### Macro-Economic Trends

Many indicators, including employment, consumer purchases and wages, suggest that the national economy rebounded sharply from the downturn caused by the Pandemic. Current conditions suggest a plateau in the economy, potentially avoiding a recessionary period, while hiring and wage growth remains strong.

A large collection of data suggests that the health of the convention industry, like nearly all industries, has historically been linked to the strength and fluctuations of the overall U.S. economy. This “linkage” is a fundamental premise of any analysis of future convention industry performance. To address the question of future industry trends, it is important to consider how the future performance of the economy and the convention industry will respond in the post COVID period.

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 three key metrics of industry performance:

- Square Feet of Exhibit Space Sold
- Number of Exhibiting Companies
- Professional Attendance

The industry's performance within these three metrics was calculated from data provided by more than 13,000 industry conferences, conventions, and tradeshow that utilize more than 3,000 net square feet of exhibit space in off-site public and private event facilities. The CEIR Index Report displays and analyzes actual and projected event-specific data through 2022, though the COVID-19 Pandemic has significantly impacted these projections. As such, the analysis on the next page analyzes actual exhibition industry performance, with a focus on historical exhibition industry rebounds following substantial downturns in the U.S. economy.





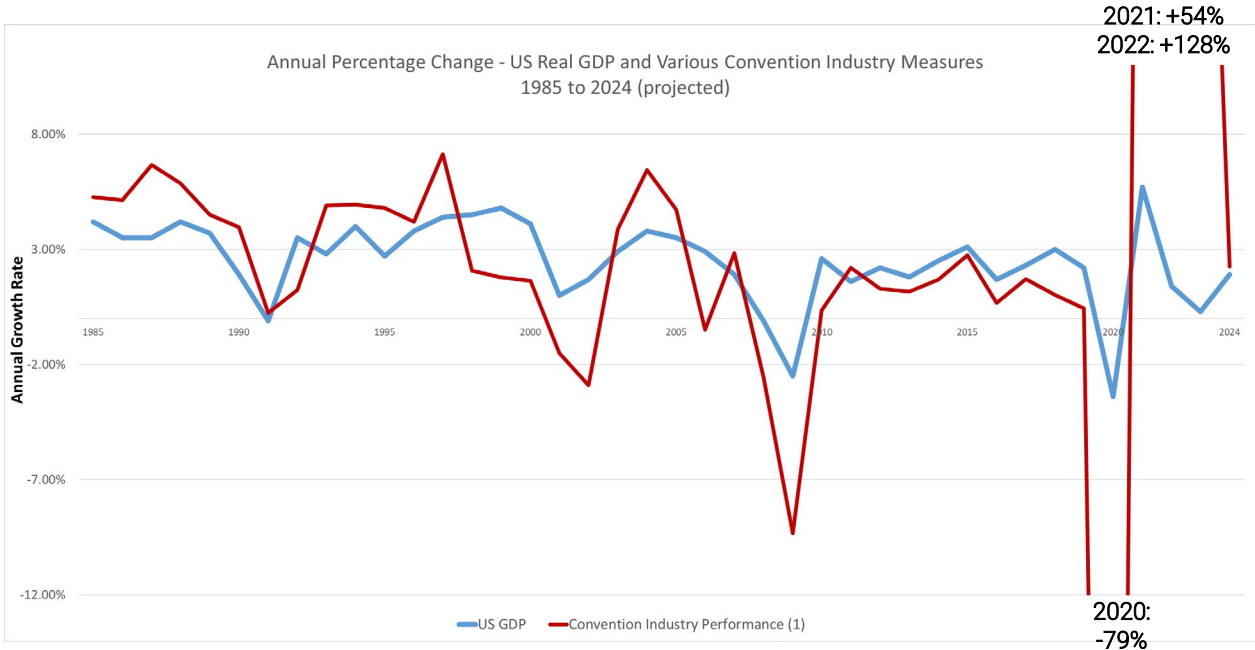
# 4

# INDUSTRY TRENDS

## Macro-Economic Trends

The U.S. economy appeared to be on solid footing prior to the COVID-19 outbreak. A historical perspective focusing on changes to GDP growth relative to the national convention industry may be useful in assessing the longer-term impact of the COVID-19 Pandemic. As outlined in the chart below, broad industry changes, characterized by retraction and expansion in exhibition, convention, conference, tradeshow and meeting demand have taken place during the past 37 years, with projections for 2023 to 2024.

Given the parallels between GDP changes and changes in various measures of the convention industry, we would expect future industry growth to continue to mirror the overall health of the economy. In recent pre-COVID years (2010 to 2019), a modest and steady growth pattern was seen with both real GDP and various convention industry metrics. With uncertainty as to the state of the economy over the next 24 months, trends in convention industry demand are also uncertain. However, over the longer term, and as economic growth is established, the magnitude of the convention industry is likely to match pace with overall economic growth.



Note: (1) Measures attendance, exhibit space and exhibitor performance.  
 Source: U.S. Bureau of Economic Analysis, Conference Board, St. Louis Fed, Center for Exhibition Industry Research, CSL research, 2022.

The Pandemic took a significant toll on the U.S. exhibition industry. As U.S. GDP decreased by over three percent in 2020, the exhibition industry’s total attendance, square footage, and revenues decreased by nearly 80 percent due to the restrictions for public assembly events during the COVID-19 Pandemic. Beginning in 2021, measures of industry performance increased by 50 to 60 percent from the 2020 lows. Data for 2022 show an approximate 128 percent growth in overall convention industry measures, followed by projected percentage growth in the mid 30’s in 2023, and a return to steady modes of growth of two to three percent beginning in 2024. These growth projections would see overall convention industry measures at approximately four to five percentage points above the pre-COVID levels recorded in 2019.

# 4

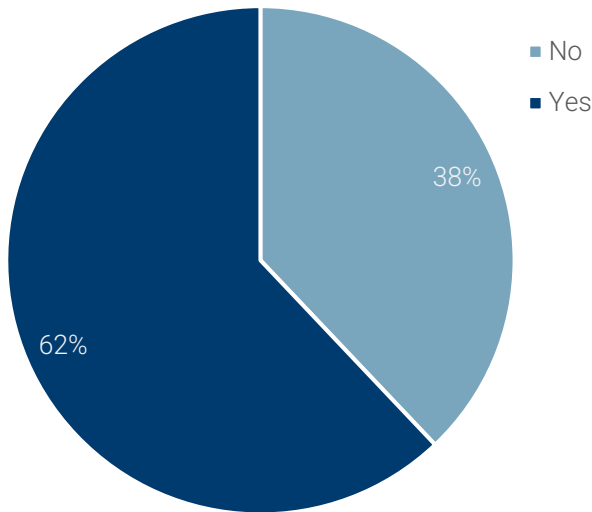
## INDUSTRY TRENDS

### Other Influencing Trends

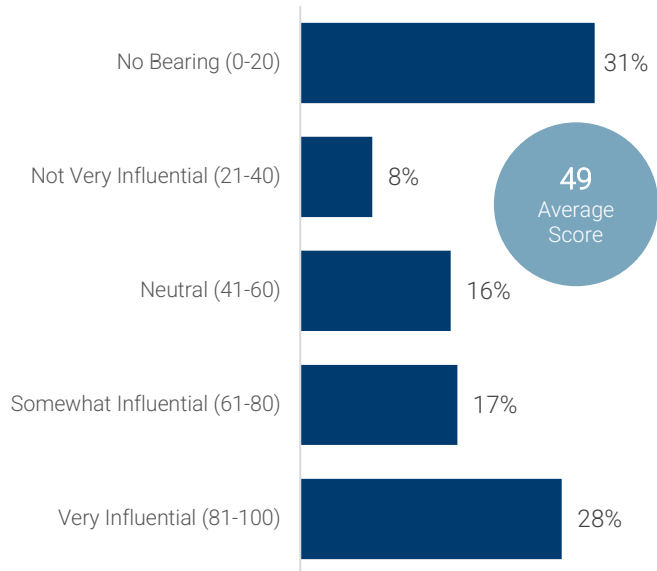
Due to significant Pandemic impacts and growing political turbulence since 2020, CSL recently distributed a questionnaire to event planners to gather insight into how the industry has changed in recent years and will continue to change moving forward. Several analyses with notable takeaways are presented below.

As shown in the top-left exhibit, CSL asked national meeting and event planners if their interest in small/mid-sized markets has increased due to the Pandemic. Of these respondents, 62 percent indicated that they are more interested in smaller and mid-sized destination markets than they were prior to the Pandemic. This aligns with a gradually growing notion within the convention industry that planners are looking for smaller, safer destinations with closer access to outdoor experiences to host their events. The NKCC in Covington offers these and other advantages, and the destination's convention industry has an opportunity to benefit as a result.

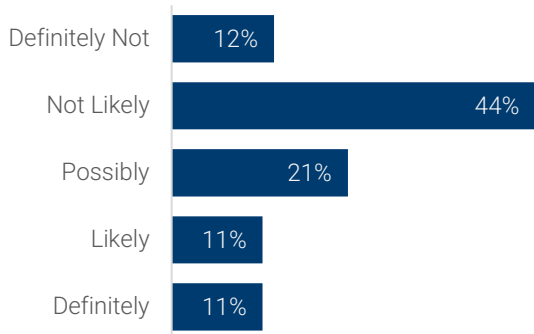
Has the Pandemic Increased Interest in Small/Mid-Size Markets?



How Influential Are Political Policies in Your Site Selection?



Do You Anticipate a Larger Online Presence in the Future?



Planners were asked whether they anticipate an increased online attendee base for their events. Fifty-six (56) percent expressed little expectation of increasing online audiences, with 44 percent indicating that it is “not likely” and 12 percent reporting that their online base will “definitely not” grow. 11 percent of planners felt that their online event attendee base was at least “likely” to increase; 11 percent felt it would “definitely” increase.

The combined 43 percent of planners that “possibly”, “likely” or “definitely” see a future increase in online event attendance may suggest modest convention center equipment and operational changes to facilitate more convenient capture of event content for online use.

Planners were also asked to indicate the level of influence that the political policies of a state or region may have on their site selection process. The average of the aggregate, a score of 49, suggests only moderate concern with a destination's political policies. However, it is important to note the polarization of the data. Scores ranging from 81 to 100 (very important) were given by 28 percent of event planners (the second highest percentage among the five intervals), while scores ranging from 0 to 20 (not influential at all) were given by 31 percent of planners (the highest).

Considering that nearly half of the NKCC's potential event marketplace places significant emphasis on an area's political climate, it will be important for NKCC and MeetNKY decisionmakers to develop strategies to best navigate this increasingly complex landscape.

Source: CSL Survey, 2022.





# 4

## INDUSTRY TRENDS

### 2023 Travel Trends – Group Travel

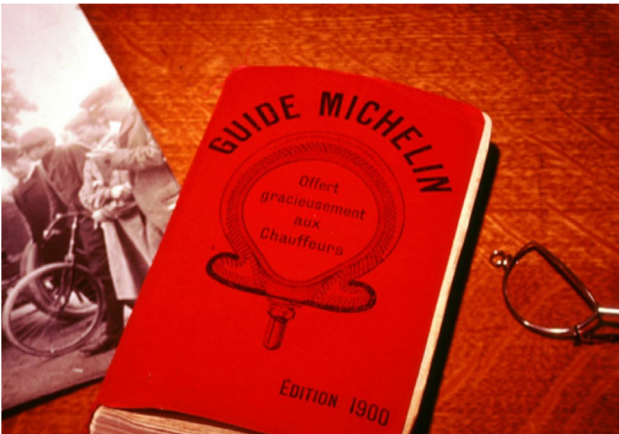


#### Bleisure Travel

With the rise in remote and hybrid work situations, bleisure travel was on the rise in 2023, with more corporate leaders and employees wanting to combine their professional and personal lives in their business trip itineraries. Chris Gasbarro, the owner, and VP of strategy for corporate events production company Ember and co-founder of Ember Escapes, said he expects the trend to continue in 2024, with leadership teams typically adding time to the front end of trips versus tacking on to the back end.

Further, meeting and convention planners are now serving a second role as ad-hoc travel agents. They now often plan cultural interactions, local dining, experiential travel, and teambuilding activities as part of their efforts to enhance the experience for their attendees. At the same time, attendees are looking at events as mini vacations, which means host destinations are effectively “auditioning” for repeat business at the leisure transient level.

Source: BizBash



#### Culinary is Critical

With the increased popularity of mobile apps such as Yelp and TripAdvisor, convention attendees are now able to quickly locate the best dining options a destination has to offer. As a result, event planners and attendees increasingly consider a market’s dining scene before visiting. Local economic development policies and resources that help support unique and authentic restaurants, distilleries, breweries and other outlets will be increasingly important in a competitive event and leisure industry. With a growing and sizable inventory of local and quality restaurants in the Covington destination, there is opportunity to continue leveraging and building on this brand.

Source: Destination Analysts



#### Diversity, Equity, Inclusion & Accessibility

We’ve seen an increased effort to improve DEIA initiatives within the event industry and this will continue to be a priority in 2023. Championing DEIA will also involve a concerted effort to host events that are more inclusive and accessible to all, reflecting the diversity of the industry served through a similar diversity in event planners, speakers/presenters, vendors and suppliers. This is multi-faceted and comes in many forms. For example, it could include selecting venues that are 100 percent accessible.

Source: Cvent; BeaconLive



# 4

## INDUSTRY TRENDS

### 2023 Travel Trends – Group Travel



#### Corporate Social Responsibility

We've seen an increased effort to integrate a code of social corporate responsibility into the production and participation in group meetings and conventions.

Travel organizers are increasingly incorporating Corporate Social Responsibility (CSR) activities into business events, particularly at meetings and conferences. Dedicating half a day to the host community can strengthen connection both among coworkers and with the host community. An activity of this nature, particularly if it is voluntary and serves the needs of the local area, can also help add a meaningful social contribution to the business and entertainment value of an event.

*Source: Northstar Meetings Group*



#### Sustainability

Sustainability concerns are increasingly front-page news, from devastating wildfires to more intense storms to empty water reservoirs. Meeting planners and attendees will continue to assess a venue and destination based in part to a commitment to sustainability. As demographic shifts continue with younger generations moving into decision-making roles, it will be increasingly importance to have a credible sustainability focus and plan.

*Case studies can be found at :  
<https://www.smartbuildingtech.com/energy-efficiency/article/21265518/how-convention-centers-can-become-more-sustainable>*



#### Leisure Markets

Leisure markets are pulling ahead when it comes to meeting and event RFPs, according to the May 2022 Cvent Source MICE Business Insights Snapshot (based on data from the Cvent Supplier Network). While the reasons for the preference for leisure over the usually dominant city centers aren't spelled out, the continuing rise of the previously noted bleisure trip – say, adding a few vacation days onto the front or back end of a conference – is likely fueling this trend, along with the continued focus on health and wellness. Northern Kentucky is well positioned to fill this need.

*Source: Meeting Mentor Magazine*

# 4

## INDUSTRY TRENDS

### 2023 Travel Trends – Group Travel



#### Rise of the Mid-Sized

Event planners increasingly consider more small and mid-size destinations due to their walkable downtowns and accessible public transit systems that make it easy for attendees to interact with the community. Some mid-size cities also specialize in certain areas or industries. This gives planners more access to expert speakers, startups, and other knowledge assets. Northern Kentucky is well positioned to fill this need.  
*Source: CSL International*



#### Wellness Culture

Driven by Millennials and Gen Z and influenced by the COVID-19 Pandemic, wellness is entering the workforce in big ways. The Global Wellness Institute projects a 21% annual growth rate for wellness tourism through 2025. According to their 2021 Global Wellness Trends report, the demand for events that foster healthy bodies and minds has grown exponentially. Event planners and virtual event planners have had to shift their job responsibilities.

6Connex recommends:  
Choose event venues near spas, thermal/mineral springs, and popular outdoor recreation sites to market the staycation value of your event. You can also incorporate some of these elements into the event, such as serving locally sourced food and beverages or partnering with a spa to offer relaxation treatments, massage stations, meditation sessions, and/or team-building activities.

Many conferences and events are also partnering with local fitness companies within their host destinations to offer active programming such as yoga, CrossFit, and other classes. Mindfulness areas and places to unplug are increasingly common, giving attendees a chance to escape from the stimulation at tech-driven events.  
*Source: 6Connex*



# 4 INDUSTRY TRENDS

## 2023 Travel Trends – Leisure Tourism



### Electric Roadtrips

Ever since Jack Kerouac wrote the cult American novel *On the Road*, road trips have held a unique allure. But because they have relied on gas-guzzling cars or RVs, they have also come with a carbon footprint. Today, the emergence of electric vehicles with extended ranges of 450 miles or more (allowing them to be driven for greater distances between charges) means they can finally be done with less impact on the environment. Of course, you need to plan your route carefully to make sure there are charging points available en route, but car rental companies are increasingly offering fleets of e-vehicles for hire.

Source: *CNTraveler*



### AI and Travel Decisions

With such notable levels of excitement, integration and adoption, ChatGPT (and other AI) appears poised to be transformative in many ways. In our latest survey, 6% of American travelers report having used ChatGPT for any reason—so far, 2% have used it specifically for travel inspiration or trip planning. But interest is emerging. Over 26% of American travelers overall (and 40% of Millennial-aged travelers) say they are “interested” or “very interested” in using ChatGPT for travel inspiration and/or trip planning going forward.

Source: *Destination Analysts*



### Transformative Experiences

The interest in traveling like a local isn't new. But the rise of conscious consumers seeking more meaningful travel experiences two years after the Pandemic is a movement that is slowly changing tourism. There's a desire to give back to local businesses, as well as to minimize one's footprint and immerse in the destination in respectful ways. This will only intensify in the coming years. Coupled with the pressure on the travel industry to prioritize climate action and to ensure tourism's benefits spread more equitably to host communities, we will see more 'ultra-localized' itineraries from destinations and tour operators. This means new ways to immerse in nature, but tied to Indigenous cultures, for example, who are the original custodians of land and heritage.

Source: *Roadbook*

Travelers want authentic experiences that give them a taste of local culture and let them explore hidden gems that friends back home don't know about. They also want to know that the decisions they make while traveling can have a positive impact on the destinations they visit and want the money that they spend on vacation to support the local community.

Source: *American Express*



# 4

## INDUSTRY TRENDS

### 2023 Travel Trends – Leisure Tourism



#### Immersive Food Experiences

The Hilton 2023 Trends Report revealed that nearly half of the travelers surveyed will be looking for more immersive and authentic cultural experiences next year – and one of the best ways to discover a new culture is by tasting their traditional fare or experiencing their drinking rituals.

People are taking advantage of the flourishing, native culinary options and agricultural products of a destination. Food & Wine thinks we will see more chef-led and assisted tours of farms, boats or facilities in which travelers will see the entire life cycle of their food sourcing and preparation.

Source: *Food & Wine*



#### Lesser-Known Locales

Travelers are ditching beaten paths for alternative, under-the-radar destinations. Whether it's due to a heightened awareness of the worrying effect overtourism is having on some of the world's most visited places, or to simply wanting to unearth a destination that feels fresh, new, and unique to the discoverer; either way, travelers in 2023 will be flocking to hidden gems. Think Lyon over Paris for food lovers and volcanic hikes in the Azores instead of Hawaii. According to Skift Research, 70 percent of millennials and Gen Zs report that they will be seeking travel experiences their family and friends haven't heard of.

Source: *AFAR*



#### Casual Outdoor Adventures and Urban Base

During the COVID Pandemic, urban tourism, air transportation, in-restaurant dining, indoor entertainment venues, and large-scale festivals and events were significantly curtailed or closed in order to accommodate “social distancing.”

Today, visitor levels in most markets have rebounded significantly post Pandemic. At the same time, interest in outdoor adventure assets remains very high. This includes rugged adventures and highly accessible experiences. Combining outdoor opportunities surrounding with a more urban home base (kind of a hub and spoke approach) can be particularly beneficial for a destination.

Source: *Adventure Travel Trade Association*



5

MARKET  
DEMAND



# 5

# MARKET DEMAND

## Interviews & Primary Market Research

The purpose of this chapter is to provide an analysis of market demand for an improved Northern Kentucky Convention Center and surrounding district. The data generated as part of this market analysis have been derived from the following:

- CSL experience gained from over 1,000 convention, conference, exhibition, hospitality and event facility projects throughout North America.
- Research and analysis of local market conditions including hotel inventory, walkability, commercial development, hospitality assets, attractions and other components of a successful convention and visitor destination.
- Review of the existing Northern Kentucky Convention Center operations and event space offering.
- Analysis of competitive and comparable facilities and host destinations.
- Email survey of 68 state, regional, and national event planners, representing over 100 annually recurring conventions, tradeshows, and other events.
- Telephone and email surveys with current and past users of the Northern Kentucky Convention Center.
- Email survey of representatives of lost/turned away business of the NKCC.
- Telephone surveys with meeting planners from Meeting Professionals International representing nearly 20 annual events.
- Telephone surveys with regional associations surrounding the NKCC.



The focus of the remainder of this chapter is on key findings, venue needs and preferences, and issues and opportunities for current and potential NKCC event markets.

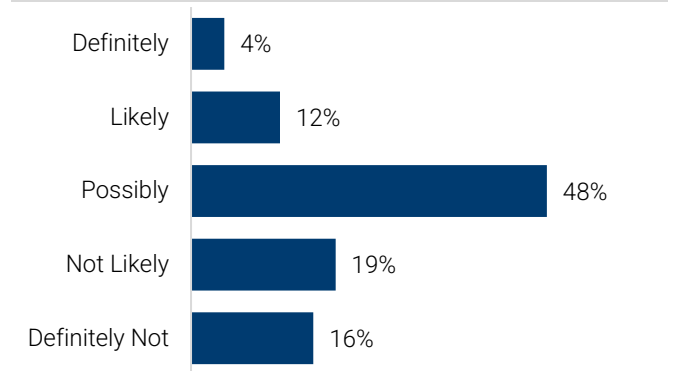
### 1 Rotating Convention Planners

As detailed previously, CSL conducted an electronic survey of 68 rotating convention, conference and tradeshow planners. The data presented herein reflect the results from this outreach, with a focus on event planner feedback regarding interest in Northern Kentucky and an improved NKCC and surrounding district, as well as their event space and hotel needs.

We begin with an overview of event planner interest in the NKCC and the Northern Kentucky destination. When asked to indicate the likelihood that they would rotate one or more events to an improved NKCC and surrounding district in the future, 64 percent of respondents reported that they would at least “possibly” use the facility. This group includes the 12 percent that noted that they would “likely” use it, and the four percent that would “definitely” use it. This score is somewhat low compared to similar destinations in which CSL has posed this question in recent studies. Further analysis on planner reasoning and preferences will be presented throughout this section of the report.

The approximate 35 percent of surveyed planners who would “not likely” or “definitely not” use an improved NKCC were asked to describe their reasons for disinterest. These include location issues, lack of client and attendee interest in destination, travel accessibility by car or air, perceived safety and political policies, issues with quantity or quality of hotel inventory, and a perception of a lack of amenities or things to do outside of events.

#### Likelihood of Using an Improved Northern Convention Center



#### Top Reasons for Disinterest

- Location of Covington (50%)
- Client/Attendee Interest (29%)
- Transportation/Travel Accessibility (25%)
- Safety/Politics of Destination (23%)
- Hotel Inventory (Quantity/Quality) (16%)
- Perceived Lack of Amenities (11%)

Source: CSL Survey, 2023.

# 5

# MARKET DEMAND

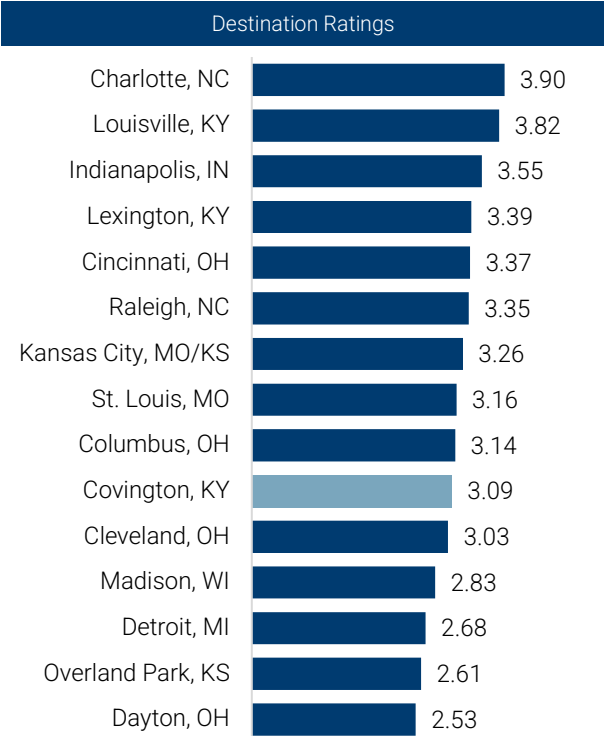
We note that our survey process relies on planner interest in responding, and planners with an interest and/or familiarity with the destination are more likely to participate. At the same time, we use a similar process for other projects, allowing for a useful comparison among studies.

Surveyed planners rated Northern Kentucky as somewhat low relative to other destinations considered for this analysis. Results are shown in the exhibit to the right, with "1" representing the weakest rating and "5" representing the strongest rating.

Markets that outperformed Covington, in terms of planner perceptions, include Charlotte, Louisville, Indianapolis, Lexington, and Cincinnati. Each of these markets share a similar geographic positioning to Covington yet yielded higher perceptions among event planners. CSL notes that Covington has a much smaller population base and lower name recognition compared to the other markets reviewed. However, Covington's place within the greater Cincinnati metropolitan area puts it on a competitive level with respect to air access and entertainment base.

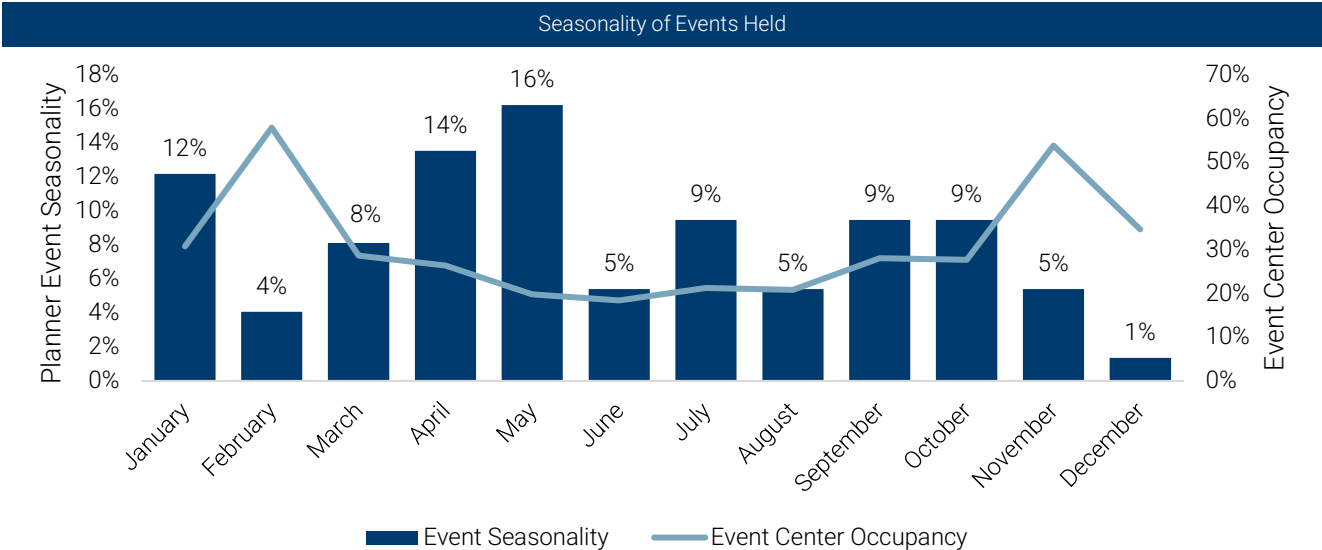
We also note that a score above three out of five generally means that a destination does not have a distressed reputation. However, Covington's score does indicate moderate to high importance for a focused strategy to improve awareness and perception of Northern Kentucky as an event and visitor destination.

It will be important to consider focused strategies to improve the perception of Northern Kentucky; this will be further outlined in the Sales and Marketing Analysis section of this report.



Respondents were asked to outline the month(s) that their events take place throughout the year. These figures provide a reference to peak event seasonality for interviewed event planners. We note a traditional demand distribution that generally peaks in the spring and fall months. April and May combine for 30 percent of annual event demand, while September and October combine for 18 percent of annual demand. Lower seasonal demand in summer months can provide opportunities to host state and regional association events with fewer hotel room requirements, as room availability is limited at this time of year.

This seasonality highlights opportunity for the NKCC to fill low periods of Center occupancy in the months of January, April, May, July, September, and October. We note that low periods of NKCC exhibit occupancy correspond with higher demand periods in April, May and other summer and fall months. However, low hotel room availability limits the ability to attract more events during much of this period.



Note: Event Center Occupancy excludes FY 21 and FY 22, due to COVID impacted data.  
Source: CSL Survey, 2023.

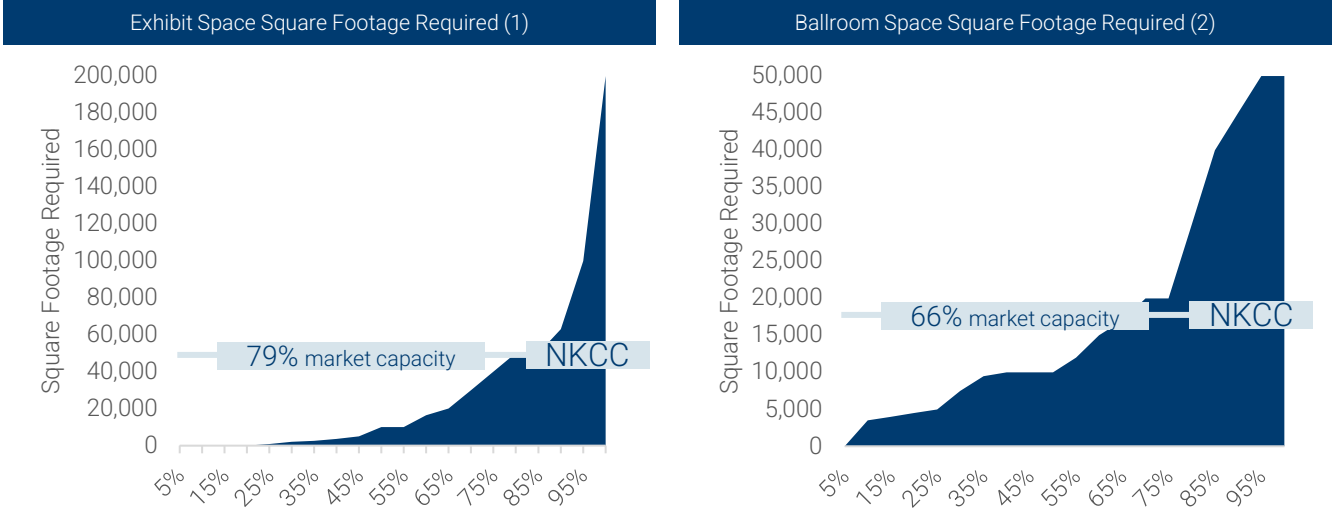


# 5

# MARKET DEMAND

Market capture analyses of exhibit and ballroom event space needs are summarized below. This measures the share of the national/regional event market that can be accommodated with existing NKCC space levels. Starting with the chart in the top-left, the NKCC's Event Hall of 46,200 square feet accommodates 79 percent of interviewed planners' exhibit space needs. The NKCC's ballroom of 17,500 square feet captures the space needs of approximately 66 percent of interviewed planners.

Considering these data, the NKCC's exhibit space offering is likely well positioned to accommodate the needs of event planners who would consider it as a potential event destination. The somewhat lower ballroom space market capture would suggest that occasional use of Event Hall space for large general session and food functions could be necessary.



Note: (1) Outlier exhibit space requirements above 300,000 square feet were removed from this analysis.  
 (2) Outlier ballroom space requirements above 60,000 square feet were removed from this analysis.  
 Source: CSL Survey, 2023.

# 5

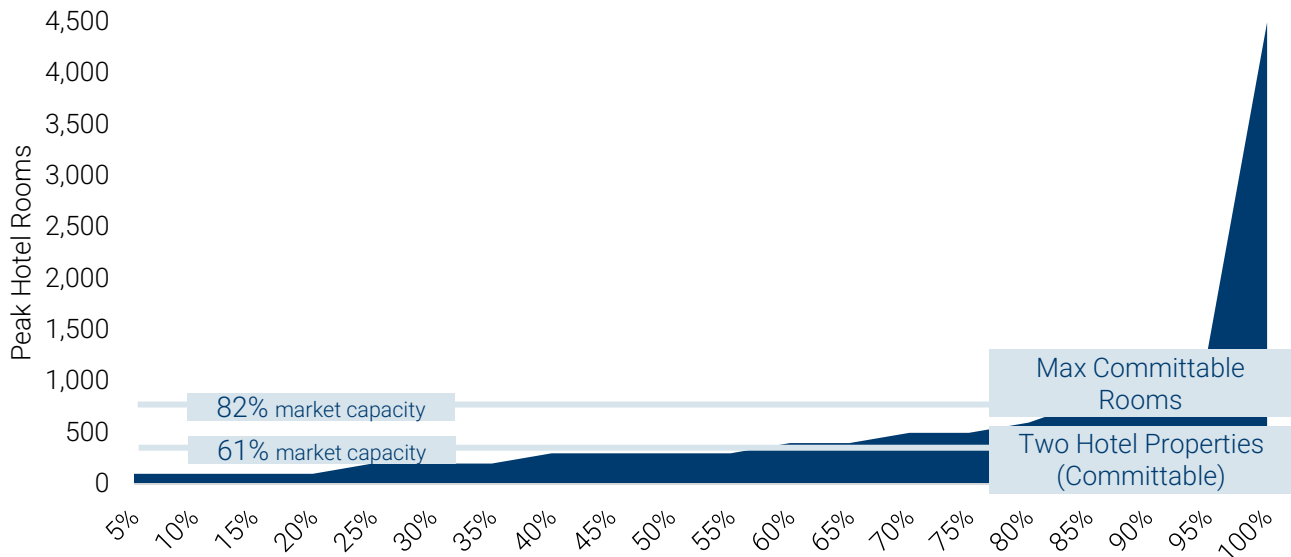
## MARKET DEMAND

Positive respondents were also asked to indicate the peak hotel inventory required to accommodate their events, the maximum number of hotel properties they are willing to use, and the number of rooms they prefer to have housed within a headquarter hotel package. Their feedback is summarized in the charts below.

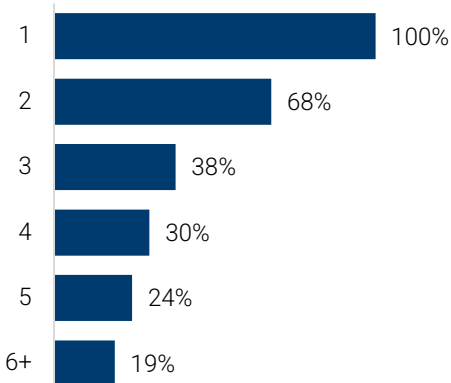
Planner demand suggests median and average requirements of approximately 300 and 505 hotel rooms on peak to accommodate non-local convention and tradeshow activity. According to MeetNKY sales personnel, the maximum Covington committable room inventory (depending on season and day of week) can accommodate 82 percent of market demand when utilizing seven hotel properties. However, it is important to consider typical event planner preferences for condensed room blocks within fewer hotel properties and closer proximity to host facilities. When excluding properties apart from the two most proximate NKCC hotels, the hotel package only accommodates 61 percent of identified demand. Solely considering the Marriott RiverCenter's committable rooms, this number decreases to 31 percent of demand. Considering only headquarter hotel needs, the Marriott can accommodate approximately 49 percent of the potential event market.

If given the choice, all planners would prefer using only one hotel property to house their attendees, and only 30 percent are willing to use four or more properties. Given this preference for condensed room block packages, it is important to consider the near- and long-term need for additional headquarter and other hotel inventory near the NKCC.

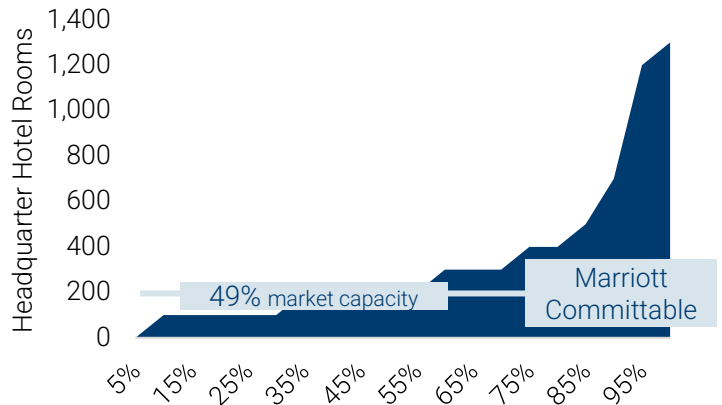
Total Peak Night Hotel Rooms



Maximum Number of Hotel Properties



Headquarter Hotel Rooms Required/Preferred



. Source: CSL Survey, 2023.

# 5

# MARKET DEMAND

## 2 Lost and Current/Past NKCC Events

To guide market-supported NKCC and surrounding area improvements, it is critical to consider feedback from past, recurring, lost and turned away customers. As such, online surveys and telephone interviews were conducted with 26 planners of current and past NKCC conventions and six planners of lost or turned away events. This section presents feedback given by each of these groups regarding strengths to leverage and improvements that could be included as part of a NKCC investment effort. We begin with a listing of those events that were represented as part of this outreach effort.

**Current & Past Surveyed Groups Include:**

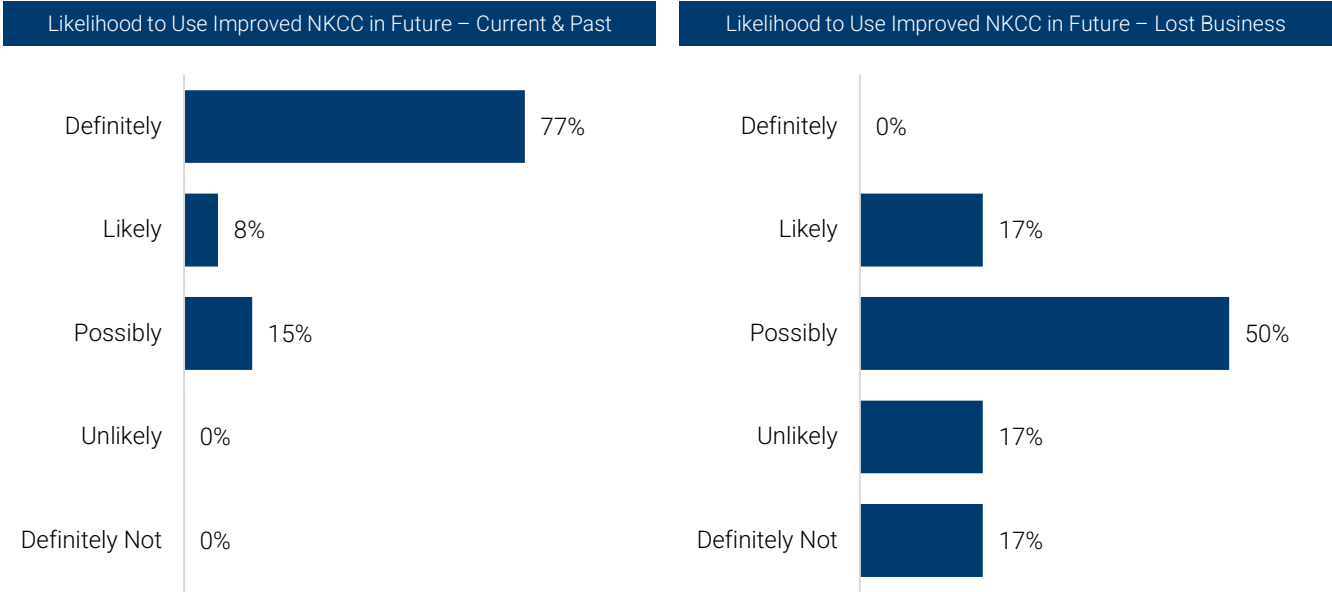
- ACRES USA
- Allied Construction Industries
- Antenna Measurement Techniques Association
- Arthritis Foundation
- Big Brothers Big Sisters of Greater Cincinnati
- Christian Community Health Fellowship
- Christian Community Development Association
- Christian Medical & Dental Associations
- Cincinnati Montessori Society
- Dwell Community Church
- Junior Achievement
- Kentucky Bar Association
- Kentucky Jailers Association
- Kentucky League of Cities
- Kona Ice Corporate
- Laurel Grocery Company
- Marriott RiverCenter

- National Association of Campus Card Users
- National Chimney Sweep Guild Association
- National Wellness Institute
- Notre Dame Academy
- Ohio State Council Knight of Columbus
- Procter and Gamble
- SparkUp - TriHealth
- The Institute of Navigation
- United Methodist General Conference

**Lost Business Surveyed Groups Include:**

- ConferenceDirect
- HelmsBriscoe (x3)
- HPN Global
- The Cat Fanciers Association

Interviewed planners were asked to indicate the likelihood that they would use an improved Northern Kentucky Convention Center, if it were able to meet their various event needs. Of those interviewed that have used or currently use the NKCC, there were no negative responses below "possibly." Of current and past users, 77 percent indicate that they will "definitely" use an improved NKCC in the future.



Among lost and turned away business, likelihood to use an improved NKCC was considerably lower with approximately 34 percent indicating a negative response. Notably, approximately two-thirds indicated that they would at least possibly utilize an improved NKCC in the future. This suggests that strategic investments into the NKCC and surrounding area will improve its capability to compete in the convention destination marketplace.

Note: The righthand chart does not add up to 100 percent due to rounding of percentages.  
Source: CSL Survey, 2023.

# 5 MARKET DEMAND

The following strengths of the NKCC and Northern Kentucky destination were mainly cited by current and past users of the Center, with some input from lost business respondents. These strengths indicate the most common themes among survey respondents, while highlighting unique comments and perspectives.

## Strengths of the Northern Kentucky Convention Center



### NKCC and MeetNKY Staff and Services

Most interviewed planners stated that NKCC and MeetNKY staff were professional, accommodating, responsive and skilled. These planners cited a feeling of importance as clients, fostered through both NKCC and MeetNKY teams. Planners mentioned that MeetNKY was helpful and informative during planning stages, while Center staff were flexible and supportive during events.

- “Their team. Positive and can-do attitudes. Flexibility of partnership. Friendliness of all onsite staff. Cleanliness of facility. Accessibility of space. Knowledge and above and beyond support during planning phase with the CVB as well as onsite with the Center.”
- “They are wonderful to work with. A big strength is their employees, such a helpful, thoughtful group.”
- “Excellent staff, love the partnership between the CVB/hotels/NKYCC.”

76% of respondents listed the NKCC and MeetNKY staff as a leading strength of the NKCC.



### Northern Kentucky Location and Size

Many surveyed event planners referenced the Northern Kentucky location and size of the destination as a leading driver of their interest in the market as a host destination for their events. These planners cited the NKCC as having a significant advantage of being in a mid-sized market while still offering a range of amenities within the nearby metropolitan Cincinnati. These planners also indicated that the location was highly accessible.

- “The location makes it easy to get to whether by car or plane.”
- “Covington has an easy package for those of us who have small organizations and cannot afford the Tier 1 cities.”

54% of respondents shared the location to be a major benefit to the Center as an event destination.

### Center Spaces, Layout, and Amenities



Respondents commonly highlighted the spaces, layout, and amenities of the Center as a strength of Northern Kentucky as an event destination. They often lauded the flexibility, varying spaces, cleanliness and amenity offerings of the NKCC.

- “Nice size for smaller convention groups, unique learning center, flexible space, high ceilings, carpeted event center.”
- “The layout of the building allows for good flow at our event.”

46% of respondents noted the spaces, layout, and amenities of the Center to be a key strength of the NKCC.

### Other Northern Kentucky Convention Center and Area Strengths



Other commonly referenced strengths of the NKCC and surrounding area include the walkability of the destination and the amenities of Northern Kentucky and Cincinnati.

- “Walkability of the surrounding area, proximity to activities (sports, Freedom Center, aquarium, etc.).”
- “Walkability to local restaurants and even Cincinnati was a real plus.”
- “Bold, updated, easy to work with, great location.”

Source: CSL Survey, 2023.



# 5 MARKET DEMAND

The following challenges of and opportunities for the NKCC and Northern Kentucky destination were collected among both current and past users of the Center and lost and turned away business of the Center. These challenges and opportunities highlight recurring comments among survey respondents, while also noting unique comments and perspectives.

## Challenges Of and Opportunities For the Northern Kentucky Convention Center



### Client and Attendee Perceptions of Destination

Multiple event planners cited a challenge in selecting Northern Kentucky as an event destination, due to a lack of awareness and uncertain perception of the destination. These respondents indicated that many of their attendees and clients did/do not know about the various amenities, beauty, and quality of the Northern Kentucky location as an event destination.

- “Destination appeal is lacking, clients barely know about it, and then having to sell attendees on it when they have never heard of it, is too much a challenge.”
- “I don't think it's recognized as an event destination.”

17% of respondents referenced awareness and perception as an area for improvement in Northern Kentucky.



### Outdated Facility Appearance and Features

Several planners felt that the NKCC facility could benefit from improvements to the look and feel of the Center. Most planners were satisfied with the overall appearance of the Center but felt that it could use improvements in specific areas. These areas include art installations inside and outside of the Center, natural lighting, pre-function spaces and furniture layouts. Planners referenced a desire for adding a modern feel and aesthetic to the facility and improving the appearance of the inside and outside of the building.

- “The facility is somewhat dated. The acoustics in the Event Halls are challenging. Makes it very hard for attendees to understand what presenters are saying.”
- “The facility could use some updating.”
- “Would love to have space that had some natural light, atrium type of common area.”

17% of respondents commented on the appearance and features of the NKCC as a challenge point.



### Hotel Inventory and Quality

A frequently listed challenge among respondents were related to the quality and quantity of hotels surrounding the NKCC and in downtown Covington. A large level of lost business indicated the main reason for selecting another market was a lack of available hotel rooms. Limitations of available room blocks in immediate proximity to the Center was a challenge point for multiple surveyed planners. Similarly, several respondents indicated that the Embassy Suites hotel has become somewhat outdated.

- “The largest drawback to the Center is not having a single hotel attached to the Center with enough rooms for large groups. We put a group in each of the Marriott and the Embassy Suites across the street and usually have a third overflow hotel ready to take rooms. This makes it hard to balance all the blocks properly.”
- “Any convention center needs to have a 600-800 hotel connected to it. Especially in that part of the US during the winter months.”

13% of respondents indicated a need for improved hotel offerings, services and inventory.

Source: CSL Survey, 2023.

# 5 MARKET DEMAND



## Parking Accessibility

A high level of attendance to the NKCC is comprised of drive-in visitors. Several surveyed planners indicated a challenge for their attendees in finding affordable and convenient parking. Large events in Cincinnati can drive high parking rates for attendees. These parking rates can decrease attendee likelihood to stay additional nights in hotels and spend higher amounts in Covington per day.

- “Parking is always a big issue for our attendees.”
- “Better/less expensive parking. I also understand this isn't contracted through NKCC.”
- “Affordable parking would be our main reason for not using the NKCC in the future.”

10% of respondents saw the accessibility and affordability of parking as a challenge of the NKCC.



## Space and Size Limitations

Several interviewed planners cited challenges presented by the sellable space at the NKCC. As events/groups grow, they are unable to continue business at the Center. Additionally, space limitations in exhibit, ballroom, and/or meeting space can prohibit groups from utilizing the NKCC, that would otherwise fit well within the Northern Kentucky destination.

- “Unless the NKCC adds on, I anticipate being too big to have our annual convention there by 2026.”
- “We need a larger exhibit hall and more breakout space.”
- “Larger expo space and some larger meeting space for breakout sessions is a need for our group.”

10% of respondents cited a desire for increased space offerings at the NKCC.



## Additional Opportunities and Suggestions for the NKCC and Northern Kentucky

In their responses, several planners provided additional comments and suggestions that they felt would improve the quality of events and the experience at the NKCC. These suggestions relate to a variety of categories including transportation accessibility, marketing materials and content, the surrounding district, and facility contracts, among others.

- “Add covered pick-up/drop-off areas. Add lanes for bus drop off and pick up.”
- “We would like to have brochures on surrounding businesses to hand out.”
- “More restaurants/things to do in the immediate blocks surrounding the Center.”
- “More clarity in marketing around Cincy Region proximity. Some folks get confused when they see the address.”
- “I would consider allowing for bidding of food and drinks.”
- “If costs continue to increase at the NKCC, we won't be able to rebook.”
- “It is a very important aspect to have accessible amenities to conference attendees regarding restaurants, nightlife, and shopping.”

Source: CSL Survey, 2023.

### 3 Meeting Professionals International Events

CSL also conducted telephone surveys with meeting and event planners who are registered with the Kentucky Bluegrass Regional Chapter of Meeting Professionals International. These planners each represent a range of events, event types, and clients in and around the Kentucky region. In total, six interviewed planners represent slightly under 20 annual events. This section details key comments, strengths, challenges, opportunities, and needs/preferences highlighted by interviewed event planners.

#### Strengths of the NKCC:

Several commonalities regarding strengths of the NKCC were identified by corporate planners who were familiar with the facility and destination. The most referenced was the **location** of Northern Kentucky. Interviewed planners felt that the location was well centralized and accessible. In addition to this, corporate planners indicated their clients felt that the **amenities** in Northern Kentucky and Cincinnati made the destination stand out as a potential host location. Multiple planners also highlighted the **size of the destination** as a key strength for the NKCC. These planners felt that a mid-size market, like Covington, that is in proximity to a larger metropolitan area, is greatly desired by their clientele.

“Covington is a more intimate and personal event experience compared to Cincinnati venues.”

#### Challenges/Issues of the NKCC:

The most referenced challenge, cited by corporate meeting planners, was client and attendee **awareness** of the Northern Kentucky destination. Corporate planners felt that Northern Kentucky has a lot to offer as an event destination, but it was a major challenge to convince clients to book in an unfamiliar destination. In addition, issues with **hotel quantity and quality** were limiting factors for event planners. Planners indicated a strong preference for sizable room blocks in the fewest number of hotels possible. These corporate planners also felt that the NKCC is slightly **disconnected** from Covington’s amenities. Corporate planners cited a growing need for attendees to have activities and amenities in immediate proximity or conveniently connected to the event venue.

“Covington needs more awareness because not enough people know about it. People don’t realize the restaurant scene and affordability.”

“Location doesn’t serve all Kentucky clients but does support regional groups out of the Cincinnati area.”

#### Opportunities For the NKCC:

Identified opportunities from interviewed planners include incorporating natural light, outdoor spaces, grab-and-go food options, improved connectivity, leveraging Covington’s mid-sized brand, and improving wayfinding/signage.

“Most clients want as much natural light as possible throughout the facility. Being close to restaurants and entertainment is ideal.”

#### Needs & Preferences of Interviewed Planners:

Interviewed planners cited existing and growing needs and preferences for:

- Proximate hotels with varying quantity, quality, and price points.
- Flexible event spaces and inviting pre-function spaces.
- Up-to-date technologies such as digital signage or broadcasting.
- Unique food variety such as food trucks or pop-up opportunities.
- Walkable and immediately proximate amenities and attractions.
- Connectivity by walking and public transportation.
- Natural lighting, unique art installations, and aesthetic facility features.

Of interviewed planners in the Kentucky region, 75 percent indicated that they would at least ‘possibly’ use the NKCC in the future, if it was improved to meet the needs of their events. Additionally, the requirements of these planners fall closely in line with previously mentioned industry trends for the association meeting and events industry. Careful consideration should be made into addressing referenced opportunities, when considering potential improvements to the NKCC.

Source: CSL Survey, 2023.



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# BUILDING & DISTRICT RECOMMENDATIONS



### NKCC Recommendations

Overall, market analysis findings suggest that investment in improving the Northern Kentucky Convention Center and the surrounding district would help address challenges of booking high impact events in the market. Based on the in-depth research and insights presented, we have developed a list of initiatives that should be considered by NKCC management and other stakeholders to enhance the overall Northern Kentucky convention industry product. The recommendations presented herein are segmented into the following four areas of focus.

1. Trend-Forward Upgrades to Existing Center
2. An Initial Investment to Utilize Portions of the IRS Site – Outdoor Amenities
3. Invest in Connectivity – Wayfinding/Signage/Public Art/Trolley
4. Future Headquarter Hotel Development & NKCC Expansion

Recommendations concerning each of these topics are presented below and on the following pages. These recommendations are designed to elevate Northern Kentucky within the highly competitive convention industry by improving the event and destination experience for the attendee, planner and exhibitor.

Many of the recommendations presented herein cannot be implemented by a single entity or agency. In fact, participation from a variety of public and private sector entities may be necessary to realize the potential of Northern Kentucky within the convention industry economy.



#### 1. Trend-Forward Upgrades to Existing Center

Trend-forward upgrades at the NKCC are a relatively low to mid range capital investment with a near-term ability to implement. These upgrades entail improvements to components of the Center including new open space learning and networking areas within the lobby/pre-function spaces, digital signage/art installations, continued investment in unique local food and beverage spaces, and potential investment in an artistically designed overhead structure across Madison and Rivercenter Boulevard to significantly improve the entrance experience.



#### 2. An Initial Investment to Utilize Portions of the IRS Site – Outdoor Amenities

There is a near-term opportunity for utilizing the site identified for future NKCC investment to the south as event-capable outdoor space. This addresses continuing trends in the industry that focus on adding outdoor event components. This space would be accessible and/or connected through the existing NKCC pre-function space.



#### 3. Invest in Connectivity – Wayfinding/Signage/Public Art/Trolley

As event planners and attendees increasingly consider walkability and safety within an event destination, it will become more and more critical to invest in and advocate for a highly connected convention district and surrounding Northern Kentucky destination. This connectivity can be accomplished through a range of changes including improved wayfinding and signage to guide attendees, strategically placed public art installations, increased trolley/shuttle connections, and pedestrian lighting and activations, among other improvements. Recommendations within this category represent both near-term and long-term investment opportunities for the NKCC and Northern Kentucky destination.



#### 4. Future Headquarter Hotel Development & NKCC Expansion

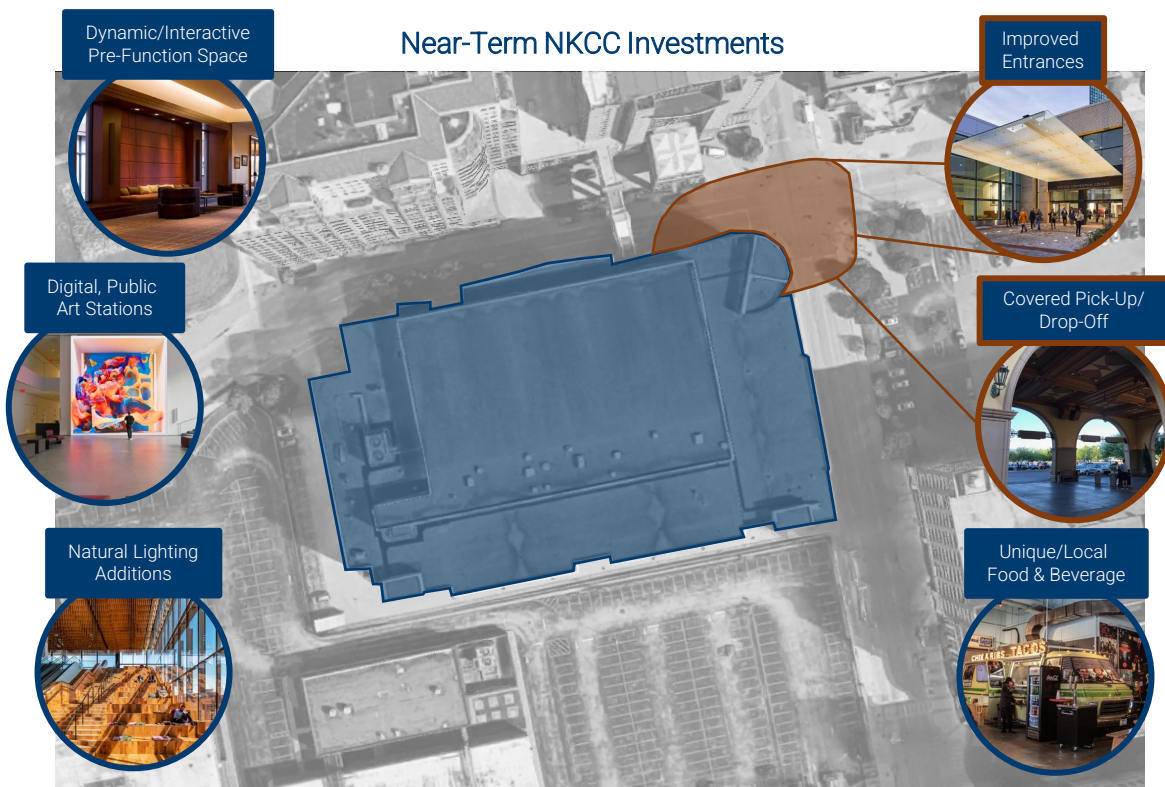
To ensure long-term success and growth for the NKCC, it will be important to continue the development of supporting headquarter hotel and NKCC event space. Current space allocation within the IRS site allows for future investment in these areas. Continued focus on a large footprint adjacent to the Center to accommodate a headquarter hotel and future NKCC expansion opportunities, as demand warrants, will be important to maintaining and enhancing future non-local event market capture.

# 6 PROGRAM & RECOMMENDATIONS

## 1 Trend-Forward Upgrades to Existing Center

Interior and on-site exterior upgrades represent key near-term opportunities to both modernize and increase the appeal of the NKCC.

- **Improved Entrances:** Entry into the NKCC at the Rivercenter Boulevard and Madison Avenue corner can be challenging due to limited space availability and the elevation change. Consideration should be given to a large-scale, artist designed covering structure that could span both Madison Avenue and Rivercenter Boulevard, creating a large, covered outdoor entry experience. A project of this type would significantly improve the marquee nature of the entry experience, address weather concerns when entering the building, and could represent a dramatic public art piece helping to anchor the convention district. A project of this type will require public and private participation in terms of coordinating land/building owners and project funding. On occasion, street closures at Rivercenter Boulevard could create a valuable outdoor festival environment for both local and non-local events.
- **Dynamic/Interactive Pre-Function Areas:** As previously noted within the Industry Trends chapter, event planners are increasingly using pre-function areas such as lobbies and atriums to host formal and informal event programming and attendee networking. Today's attendees increasingly enjoy non-traditional meeting formats that encourage freedom of thought and creativity. Working with Steelcase or other furniture suppliers, efforts should be made to add furnished spaces to the pre-function areas that can host small and mid-sized gatherings. Portable desk chairs, lounge seating, charging stations, webcams, and Bluetooth-enabled and wall-mounted monitors could help support a dynamic and programmable pre-function environment.
- **Local Food & Beverage:** Building on recent investment in the new NKCC Local Bean coffee shop, a small space (approximately 500 to 1,000 square feet) could be allotted within the lobby to accommodate a kiosk structure for permanent or rotating food and beverage vendors from the local area. Local breweries, distilleries and food vendors could serve from the space during major conventions, providing attendees with unique and authentic Northern Kentucky cuisine. Revenues could be shared with the vendor, who would benefit from marketing to a highly diverse and nationwide attendee base.
- **Digital Public Art Station (and other art installations):** The Northern Kentucky destination offers a ranging inventory of public art installations, murals, historic architecture, and other artistic elements. Additionally, there is a notable inventory of local artists and artisans throughout the destination. Opportunity exists to further embed these local features within the NKCC while also modernizing the building for today's and tomorrow's convention attendee. For example, LED and digital-based installations could be added throughout pre-function and other areas of the building. Analog installations such as locally-developed murals and sculptures could additionally support this highlighting of Northern Kentucky's artistic potential. These could potentially be developed into partnerships with various local technology businesses and artists.



# 6 PROGRAM & RECOMMENDATIONS

- **Digital Signage:** Large, highly visible LED screens should be added to highly trafficked pre-function areas. Digital signage provides three important benefits: 1) information and wayfinding to attendees, 2) sponsorship opportunities that increase building revenue, and 3) easily adjustable information distribution within the venue.
- **Natural Lighting Implementation:** While a somewhat higher expense and project timeline than previously listed upgrades, implementation of natural lighting elements into pre-function and event spaces can significantly improve visitor experiences at the NKCC. This type of investment aligns closely with modern trends in the events industry. The NKCC should explore the opportunity to enhance natural lighting elements in the Center to retain a modern look and appeal.
- **Convention Center Marquee:** Many stakeholders suggested that the NKCC's activity should be better advertised to the local community. A large digital LED installation, potentially at the façade of the facility and/or tied into a new covered entry structure, could serve as both an informational resource that showcases the major events that are in-destination, as well as a placemaking enhancement at night.

## 2 Initial Investment to Utilize Portions of the IRS Site – Outdoor Amenities

The opportunity to expand the NKCC in the future is critical to the long-term success potential of the Center. As the IRS site is planned and developed, the NKCC should ensure its claim to a portion of this land. If these sites are claimed and dedicated to the NKCC, a portion of these sites could be utilized for NKCC activity in the near-term, with relatively low investment. If this space is claimed by the NKCC, immediate consideration of activating outdoor event space should be conducted.

- **Land Opportunity to South and West of the NKCC:** CSL notes that significant planning efforts have already been conducted for the now-empty IRS site, and relevant considerations have been made regarding the long-term progression of the NKCC product. However, we recommend a continued push and advocacy from relevant decision-makers and operators of the NKCC to ensure the NKCC does not become an afterthought of any form. CSL recommends advocacy for using the land south of the NKCC for near-term outdoor space and long-term expansion space, as well as using the land west of the NKCC for HQ hotel development.
- **Outdoor Event Space:** Working with the City, IRS site space south of the NKCC should be reconfigured to be optimized for outdoor event use. Entrances/exits should be added to the south end of the existing Event Hall. Natural elements should be transplanted to the periphery of the area to maximize contiguous space for event activity. Tent footings, in-ground electrical and water could be added to support outdoor vendors. Dynamic lighting, including public art installations, should be added to the space to support evening activity. Shaded areas should also be provided on the periphery of the area.

### Outdoor NKCC Investment Opportunities



Source: Covington Economic Development, 2023.



# 6

# PROGRAM & RECOMMENDATIONS

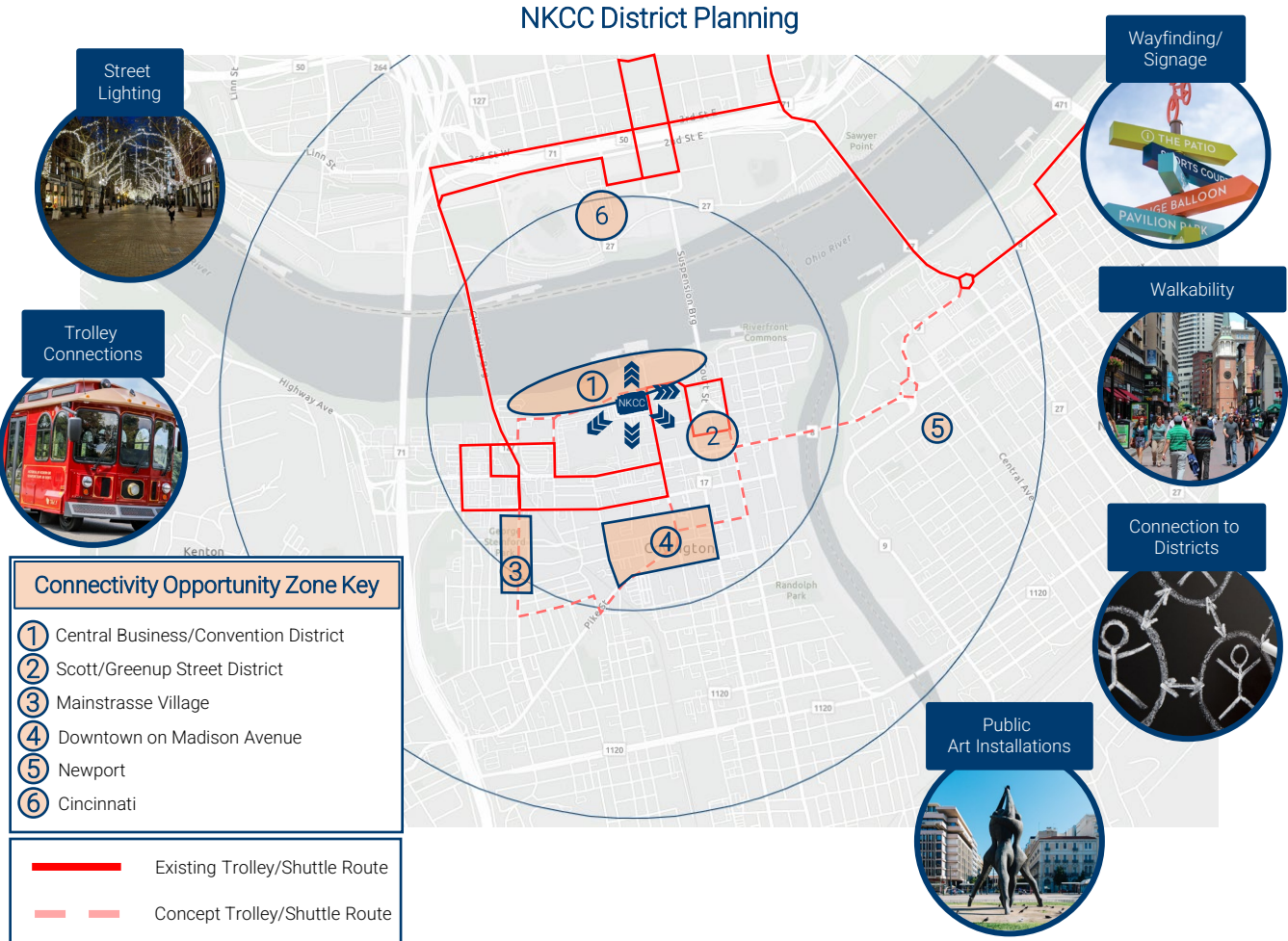
**Indoor/Outdoor Social Area:** The area on the south side of the facility should be re-imagined as an indoor/outdoor event patio for major conventions. The Long Beach Convention Center’s “The Cove” is a covered outdoor area featuring lounge seating, lounge games and bar stations. These types of amenities could be added to the south side of the NKCC, and shading, lighting and public art stations could help add vibrancy to the outdoor sidewalk area. Further, NKCC leadership should work with convention planners to combine the existing Event Hall and the future south entry points for networking into cocktail hour and social gathering space. The south side could also be further enhanced with LED lighting to support the added activity at night, and, working with local artists, murals could be added to the outer wall of the NKCC.

**Food Truck Pull-Ups:** In addition to referenced outdoor event spaces above, opportunity exists to create pull-up areas featuring full hook-ups for several food trucks near the NKCC. These pull-ups could enhance the offered amenities at the NKCC, improve visitor experiences, highlight local food vendors, and increase the quality of community-oriented events at the NKCC.

## 3 Invest in Connectivity

The downtown Covington destination is a unique and appealing visitor industry asset that could be further leveraged as a competitive advantage over peer convention facilities. As previously presented, Covington’s strongest visitor assets (attractions, hotels, restaurants, etc.) are located a sometimes-challenging walking distance from the NKCC and are somewhat lacking within the NKCC’s immediate proximity. Guiding convention attendees to/from the NKCC to amenity concentrations in Covington should continue to be a priority for the City, NKCC and MeetNKY management. Opportunity exists to strengthen the pedestrian experience between the NKCC and Covington assets through wayfinding and signage, public art installations, increased trolley/shuttle connections, pedestrian lighting, small performance programming and other elements. The image below presents the important existing hospitality districts in downtown Covington, clearly reflects the separation of these districts from the NKCC and presents the existing and potential conceptual trolley routes that could help connect these districts to the NKCC.

Specific recommendations highlighted below are further described on the following page.



Source: South Bank Shuttle, 2023.



- **Themed Wayfinding:** Pedestrian navigability would be enhanced with the development of Convention District-based wayfinding signage. The example pictured within the graphic on the previous page reflects elements of simple directional cues that reference the direction of key points of interest. In addition, strategically placed digital, interactive kiosks could be added at highly visible points along surrounding corridors. These could be located near new public art elements and placed in settings that make the kiosks easily visible to the pedestrian. These new wayfinding structures should feature Convention District branding, décor or other elements unique to the destination, as well as information regarding the NKCC and attractions in the immediate area.
- **Monumental Public Art:** One or more large-scale installations could be a defining component of the NKCC's main and side entrances. An installation could be located across the street from the NKCC or at the Center entrance, potentially incorporating a new covered area extending across Madison Avenue and Rivercenter Boulevard, as previously discussed. One or more installations could also be located along the north, west and south ends of the NKCC, serving as directional landmarks to amenity concentrations. As illustrated on the previous page, monumental installations could be large, moving sculptures; multi-story murals with historical or cultural significance; or tech-forward projection lighting onto building surfaces. For example, these installations could allow hotel concierge staff to direct the visitor to a landmark piece of art where the more specific directional signage would be located.
- **Increased Trolley/Shuttle Connections:** CSL notes that the existing South Bank Shuttle is a key connector for Covington, Cincinnati, Newport, and Bellevue that is commonly utilized by tourist and convention attendees. However, this shuttle is limited in its ability to effectively connect NKCC attendees to critical concentrations of amenities and attractions within the Northern Kentucky destination. CSL recommends a significant push for, investment in, and advocacy towards an enhanced trolley system that is dedicated to connecting visitors to key Covington and Northern Kentucky districts. Recommended touchpoints for this trolley include the NKCC, the Central Business/Convention District, Scott/Greenup Street District, Mainstrasse Village, Downtown on Madison Avenue, Newport and Cincinnati, as highlighted on the previous page.
- **Nighttime Installations:** A trail of interactive and eye-catching installations could be developed to guide convention visitors from the NKCC to various amenity concentrations throughout the destination. This trail would greatly enhance the walkability and perceived safety of the Northern Kentucky destination. These could be permanent or temporary public art pieces. Light-up installations could also address any lighting and safety concerns. Minneapolis's Nicollet Mall, for example, features the adjacent "nighttime beacons" along the avenue to both provide lighting for pedestrians and a unique ambiance. Further, LED signage within/on the installations may also provide an opportunity to display information regarding events at the NKCC for passersby.
- **Pedestrian Lighting:** Stakeholders commented on the lack of lighting along surrounding sidewalks of the NKCC. Additional pedestrian-focused lighting along the surrounding walkways would help address this issue. New lighting could also provide a unique opportunity to serve as a public art and placemaking asset. LED technology could include a vast array of color options, fluctuating lighting patterns and other attraction elements along the connections between Covington and the NKCC.

# 6 PROGRAM & RECOMMENDATIONS

## 4 Future Headquarter Hotel Development & NKCC Expansion

As previously noted, it will be important to continue the development of supporting headquarter hotel and NKCC event space. Current space allocation within the IRS site allows for future investment in these areas. Continued focus on a large footprint adjacent to the center to accommodate a headquarter hotel and future NKCC expansion opportunities, as demand warrants, will be important to maintaining and enhancing future non-local event market capture.

The image below presents a highly conceptual site plan for future NKCC and headquarter hotel investment.

NKCC District Planning



Taken together, new headquarter hotel and added NKCC space represent an opportunity to improve the Northern Kentucky convention product and could have transformational impacts on the destination's trajectory in the convention industry. To provide useful principles for guiding these developments in the best interest of the convention and visitor industries, we have prepared the following recommendations for hotel, downtown and other hospitality projects going forward. The illustration below highlights key areas of interest.

- **Room Count:** Ideally, a new headquarter hotel would provide approximately 300 committable rooms. Assuming a 70 percent committability factor, this would require a total room count of approximately 430 rooms. The actual financial feasibility of a project of this size may require slight reductions to these totals, as well as a component of public support.
- **Scale and Style:** Today's convention visitor is increasingly selective on where they stay, and elements such as service and aesthetic are materially impactful on their decision. To best support the convention industry, a future headquarter hotel should be full-service, offering trend-forward dining, modern and spacious pre-function areas, and unique and tasteful interior décor.

With respect to NKCC space expansion, the area south of the existing Center has been identified as a potential location. Efforts to retain this availability should be continued. We also note that space expansion would take place in part on the area recommended for new outdoor space. As a result, the outdoor components would have to be relocated to an adjacent parcel. The Future Phase parcel south of Third Street should be considered for this type of green space, which would benefit area residents as well as event planners.

Source: Covington Economic Development, 2023.



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## ECONOMIC & FINANCIAL IMPACTS



### Overview & Key Assumptions

This chapter presents an analysis of estimated utilization and costs/benefits associated with investment in NKCC and downtown destination investment, focusing on “incremental” costs/benefits relative to the existing convention product. Working with MeetNKY and NKCC sales staff, key assumptions were developed to generate estimates related to an improved NKCC. Key assumptions used in the analysis and projection of operating performance associated with an improved NKCC include, but are not limited to the following conditions:

1. This analysis is designed to assist project representatives in assessing the potential utilization, financial and economic impacts associated with an improved NKCC and cannot be considered a presentation of expected future results. The assumptions disclosed herein are not all-inclusive but are those deemed to be significant. Because events and circumstances frequently do not occur as expected, there usually will be differences between estimated and actual results and these differences may be material.
2. It is assumed that an improved NKCC will be aggressively marketed consistent with the current management structure, providing competitive rental rates and focusing on attracting hotel room night-generating business such as conventions, conferences and tradeshows. It is assumed that there are no significant or material changes in the supply or quality of existing competitive venues in the local and regional marketplace, nor are there any significant or material changes to local and national event industry trends beyond those referenced in this report.
3. The projections developed herein relate to opening and annual operations in a post-COVID-19 environment (first full year of operations is currently undetermined). Should the recovery from the Pandemic be slower than broadly expected, disruption by new virus variants or economic conditions and commerce have not substantially recovered in the near-term, the performance projections outlined herein will need to be revised.
4. Stabilization of operations is assumed to occur by the fifth full year of operations. At which time, annual event levels, attendance and operating performance are projected at consistent year-over-year levels. All figures are presented in terms of constant 2023 dollars.
5. For exhibits herein, comparisons to existing NKCC operations are displayed. The “existing NKCC” represents the average of data from the years 2014 to 2023, excluding 2021.
6. The analysis herein presents NKCC usage and attendance levels, associated economic and fiscal/tax impacts, and high-level financial operations analyses for three potential future scenarios. These are described below:
  1. **Do Nothing:** The NKCC product continues to operate as is over the next five years; lack of investment leads to deterioration of market share, as planners of rotating conventions select convention facilities and destinations with more updated amenities, walkable districts, and greater hotel room support.
  2. **Near-Term Investments:** Previously discussed improvements and advancements are made to the NKCC convention product, including the various interior improvements, entry experience improvements and new outdoor event space.
  3. **Long-Term Investments:** Transformational projects previously discussed are completed that greatly enhance the desirability of the NKCC convention product and enable the facility to host larger, more economically impactful conventions. These projects include the development of a new headquarter hotel near the NKCC, and market-supported expansion of event space.

The remainder of this section presents analysis and takeaways regarding the various economic, fiscal and financial operating impacts associated with each of these three scenarios.



### Events and Attendance

As noted in the following table, NKCC event data are presented for banquet, civic, consumer show, conventions (small and large), meeting, public/consumer, sports and other event types. A comparative analysis has been prepared that summarizes the incremental gains and losses in event activity associated with each of the three previously identified scenarios relative to “baseline” NKCC event levels.

EVENT LEVEL ESTIMATES	NKCC FY 2014-2023 (excl. 2021) Avg.	Do Nothing			Near-Term Investments			Long-Term Investments		
		Stabilized Year	Incremental	% Growth	Stabilized Year	Incremental	% Growth	Stabilized Year	Incremental	% Growth
<b>NUMBER OF EVENTS</b>										
Banquet	15	10	(5)	-32%	17	2	16%	18	3	23%
Civic Event	10	9	(1)	-8%	11	1	13%	12	2	23%
Small Conference/Convention	14	9	(5)	-35%	14	0	2%	17	3	23%
Large Conference/Convention	28	23	(5)	-18%	31	3	10%	36	8	28%
Meeting	22	20	(2)	-9%	30	8	36%	34	12	55%
Non-Event	2	2	0	6%	6	0	218%	2	0	6%
Other	4	8	4	95%	8	4	95%	8	4	95%
Public/Consumer Show	2	3	1	23%	3	1	23%	4	2	64%
Sporting Event	7	8	1	16%	10	3	45%	12	5	74%
CTI	23	34	11	47%	34	11	47%	34	11	47%
<b>Total</b>	<b>127</b>	<b>126</b>	<b>(1)</b>	<b>-1%</b>	<b>130</b>	<b>33</b>	<b>3%</b>	<b>143</b>	<b>39</b>	<b>13%</b>

**Small Conventions:** Convention/conference events with less than 300 attendees.

**Large Conventions:** Convention/conference events with more than 300 attendees.

Under a Do Nothing scenario, the NKCC is estimated to host five less small and five less large conference/convention events. Event loss is also estimated for banquets, civic events and meetings. Event categories with more of a local audience such as public/consumer, CTI and other events could see growth as they fill open dates created by other event loss.

Near-Term Investments are estimated to result in gains or no growth across all event categories, representing a total of 33 new events. Under the Long-Term Investment scenario growth in small and large conference/conventions is more robust, benefiting from new headquarter hotel inventory and event space. Total event increases approximate 39 on a stabilized basis.

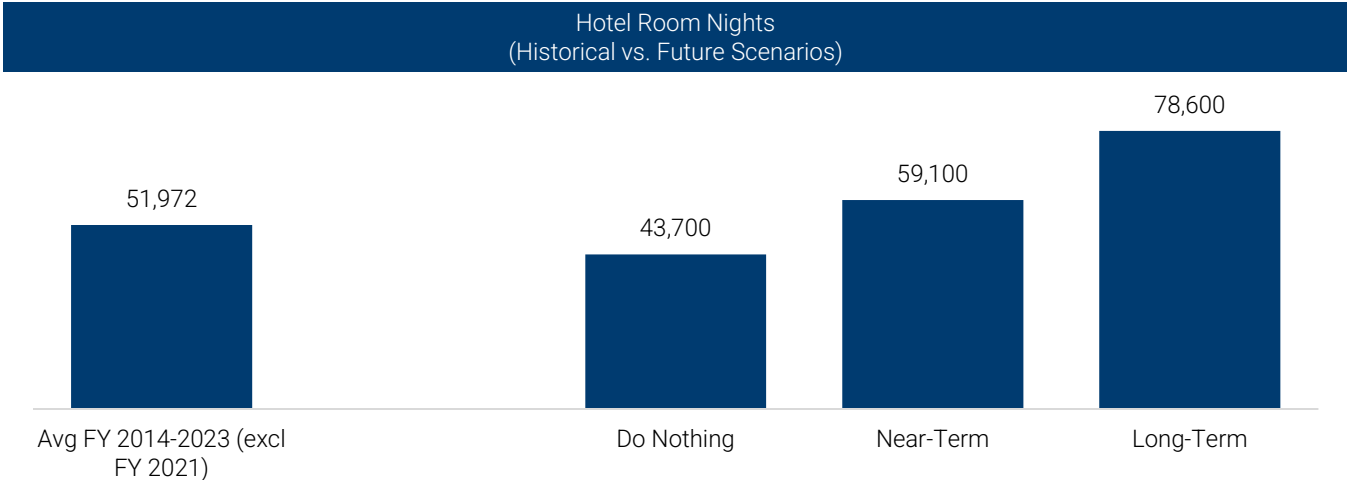
# 7

# ECONOMIC AND FINANCIAL IMPACTS

## Room Night Generation

The bar chart below presents estimated hotel room night generation associated with historical NKCC event activity and the three investment scenarios. Near-improvements are estimated to lead to an approximate 14 percent increase in room nights relative to the pre-Pandemic baseline, representing 7,100 additional hotel room nights per year. In the Near-Term scenario, room night growth over the Do Nothing scenario approximate 15,400 higher. The Long-Term initiatives are estimated to lead to a more considerable jump of approximately 26,600 room nights per year relative to historic averages. We note that the room night totals under this scenario reflect a long-term horizon and will have to be further analyzed when such an expansion scenario becomes a realistic prospect.

Long-Term initiatives lead to an increase of 34,900 room nights per year relative to a Do Nothing scenario, highlighting the need to continually invest in the NKCC and destination convention product.



**Note:** Room count calculations above include hotel room nights tracked by NKCC as well as an estimated ~20 percent of attendees who book outside the room block. Therefore, though 30,000 room nights were tracked in 2023, it is assumed that a total of 36,000 room nights were generated.

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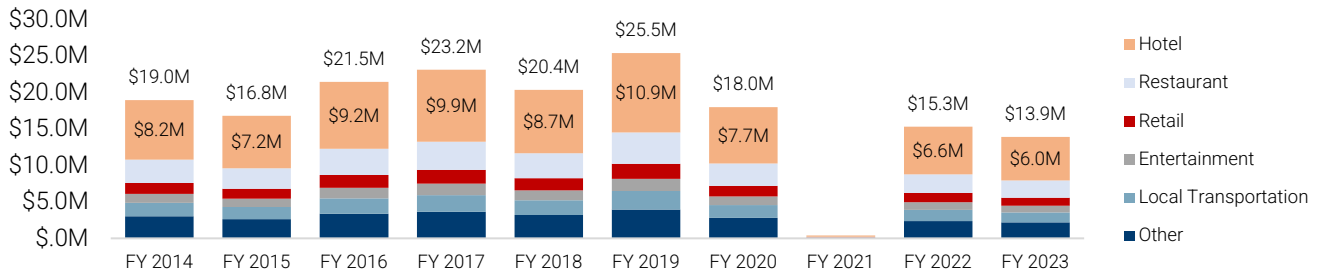
# ECONOMIC AND FINANCIAL IMPACTS

## Direct Spending and Total Economic Output

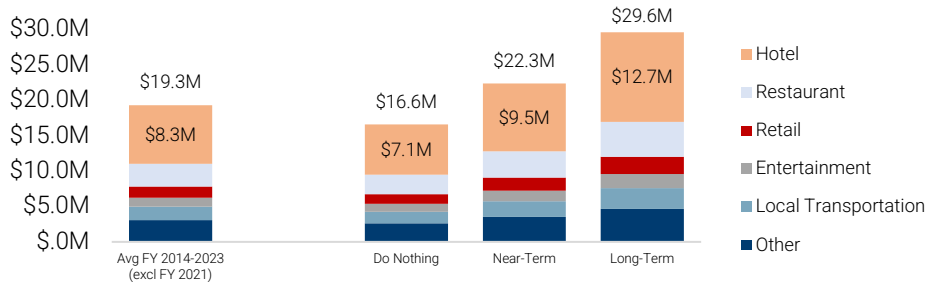
CSL has developed models that incorporate NKCC event, attendance, attendee origin and other data to measure the amount of direct delegate spending that could be created on a net new basis. As noted in the exhibits below, events at the NKCC generated between \$16.8 million and \$25.5 million annually in direct spending between fiscal years 2014 and 2020, averaging \$19.3 million. Post-COVID years of 2022 and 2023 have shown a rebound but not yet to pre-COVID averages.

NKCC investment under the Near-Term scenario would lead to modest increases to annual direct spending over the previous years' average. Long-Term headquarter hotel and NKCC investment leads to more significant increase in direct spending, reaching \$29.6 million annually. Under the Do Nothing scenario, direct spending drops to \$16.6 million.

Annual Direct Attendee Spending by Industry (Historical)

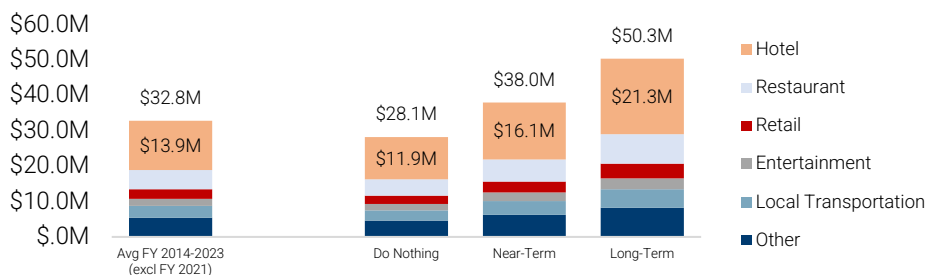


Annual Direct Attendee Spending by Industry (Future Scenarios)



The net new direct spending generated by events held at the NKCC will circulate throughout the local economy, creating indirect and induced spending. Combined, the direct, indirect and induced spending is termed total economic output. The total economic output generated by NKCC events averaged \$32.8 million during the 2014 to 2023 period (excluding 2021). Modeling suggests that this impact could increase by 16 percent with Near-Term improvements. Without these investments, output is estimated to drop by 17 percent to \$28.1 million annually. Under the Long-Term investment scenario, an increase to \$50.3 million in total economic output is estimated.

Annual Economic Output by Industry (Future Scenarios)



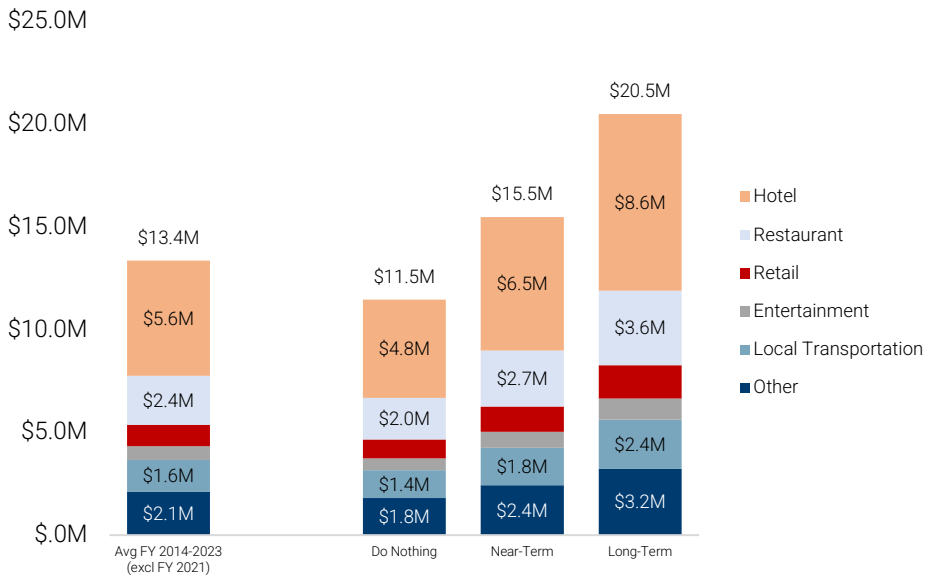
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# ECONOMIC AND FINANCIAL IMPACTS

## Wages and Job Creation

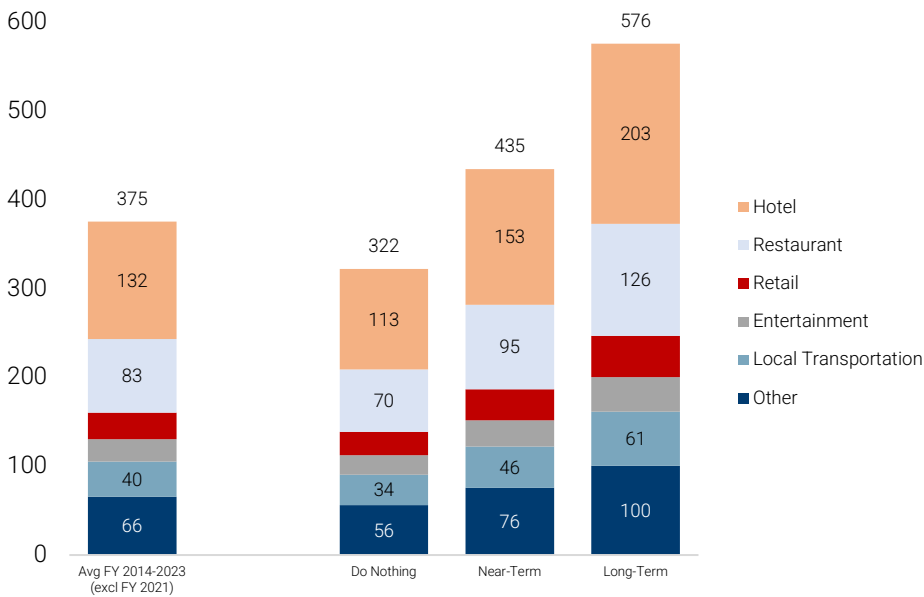
The total output generated by NKCC events includes a component of employee earnings. These earning impacts take place throughout the economy, certainly in the hospitality sector, but also within other sectors. NKCC earnings averaged \$13.4 million during the historical period analyzed. With Near-Term investments, NKCC-generated earnings could increase by 16 percent to \$15.5 million. A loss of approximately \$1.9 million in annual earnings is estimated under a Do-Nothing scenario. With the Long-Term scenario investment, earnings are estimated to increase by \$7.1 million.

**Annual Wages/Earnings Impacts (Historical vs. Future Scenarios)**



The economic impact generated by NKCC events also includes a very important employment effect. Jobs are generated within the hospitality sector, creating important opportunities for entry level staff, invaluable training opportunities, and high-wage jobs in various management positions. Employment impacts also flow through the economy in many other sectors as earnings are spent locally. NKCC event activity supported an average of 375 jobs per year during historical period analyzed. With Near-Term Investments, this is estimated to increase to 435 annually. With the Long-Term Investments, an increase to over 575 is estimated. Under a Do Nothing scenario, NKCC events would support an estimated 322 jobs, a drop of approximately 14 percent.

**Annual Full-Time Equivalent Jobs Supported by Industry (Historical vs. Future Scenarios)**





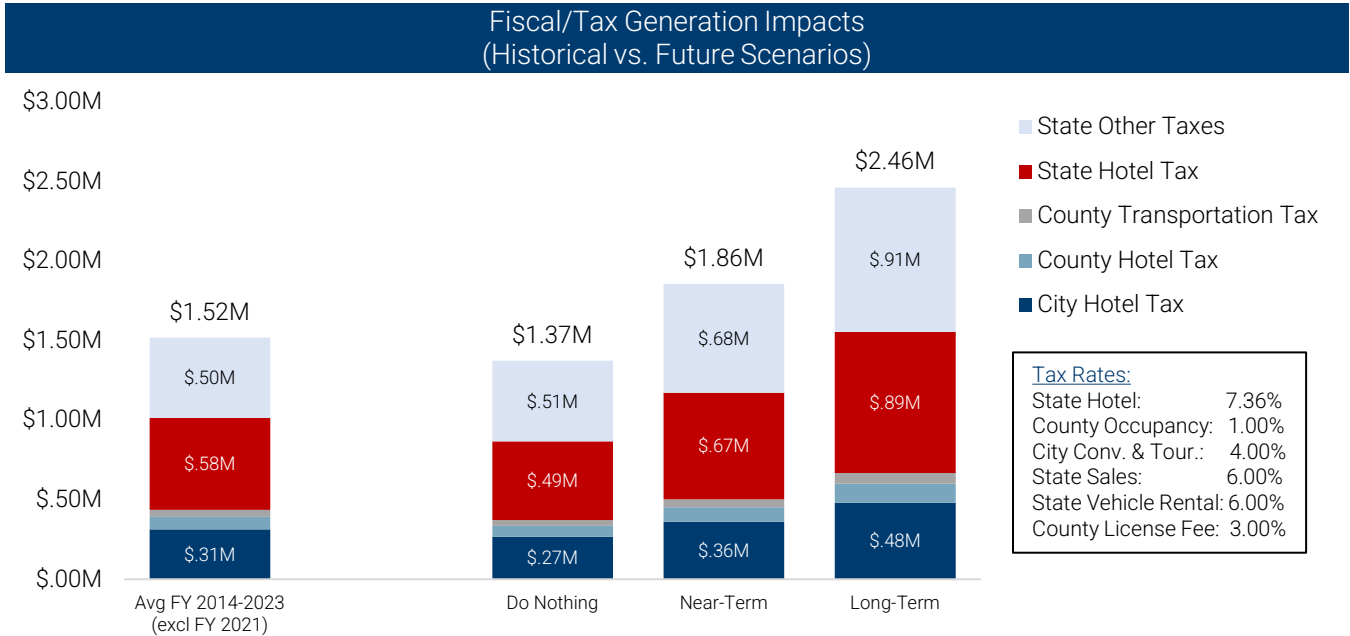
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# ECONOMIC AND FINANCIAL IMPACTS

## Fiscal Impacts and Hospitality Industry Profit

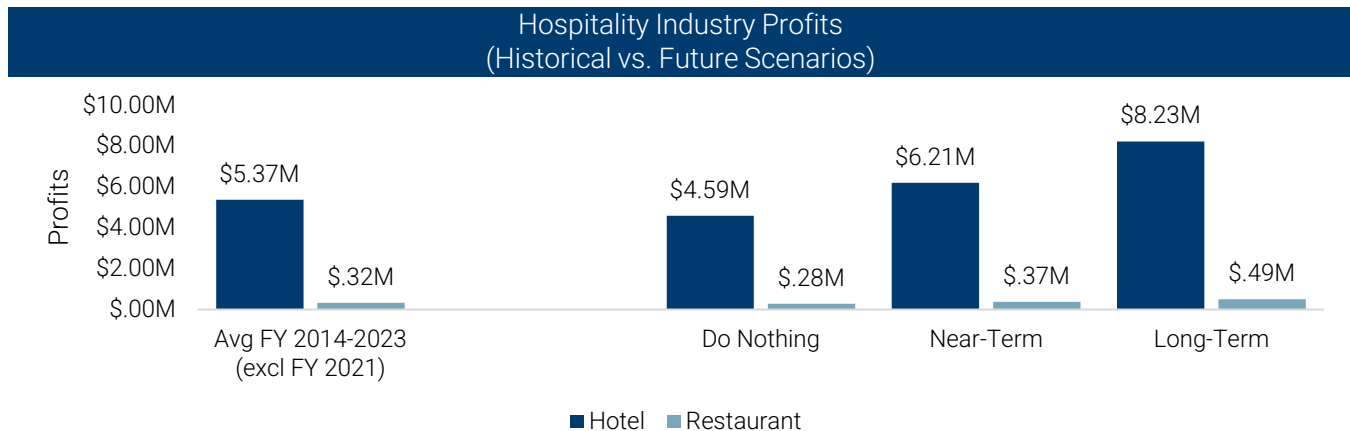
Direct spending, total output and earnings will all help to support the generation of new tax revenues to various public sector entities. The exhibit below presents estimates of tax revenues associated with historical NKCC event activity and the three investment scenarios. The NKCC event activity has generated an estimated average of \$1.52 million in annual tax revenues between 2014 and 2023, excluding 2021. With Near-Term Investments, estimated tax collections associated with NKCC event activity could average \$1.86 million annually

Lack of investment could lead to \$150,000 less in estimated tax revenue per year relative to the historical average. Significant Long-Term initiatives are estimated to lead to an increase to \$2.46 million per year in annual tax revenue, including \$480,000 in hotel tax revenue for the City.



The spending generated by NKCC event attendees, exhibitors and planners that is new to the Northern Kentucky market also generates profit within various hospitality industry sectors. As these sectors often contribute significantly to the funding, operation and marketing of convention centers, we have generated estimates of the current and potential future hotel and restaurant industry profit garnered by the NKCC. Profit estimates for the hotel sector focus only on the rooms department, assuming a 65 percent margin on room sales. A 10 percent margin is assumed on restaurant sales.

As noted in the exhibit below, the combined hotel and restaurant sector approximated an average of nearly \$5.7 million in estimated profit due to NKCC event activity during the historical period studied. This consists of \$5.37 million in hotel profit and \$320,000 in restaurant profit. Combined profit is estimated to fall by \$820,000 per year under a Do Nothing scenario. Near-Term NKCC improvements could increase combined hotel and restaurant profits to approximately \$6.6 million per year, an increase of \$1.7 million over Do Nothing estimates. Transformative Long-Term investments could increase estimated profits to \$8.7 million annually, representing a \$3.0 million annual increase relative to the study period average, and an increase of \$3.9 million over the Do Nothing estimates.



### Financial Operations Analysis

We have prepared a review of NKCC financial operations, focusing on net operating revenue and loss. These data are then compared to similar venues on a square footage of sellable space basis. The results of this comparison are used to identify areas where NKCC financial operations may align with or outperform the benchmark of comparable projects. Recommendations are then made with respect to adjusting targets for future NKCC financial operating performance, with consideration given to the three investment scenarios.

Below is a summary of NKCC financial operations. It is important to note these data are presented for the NKCC on a fiscal year basis.

NKCC Financial Operations Summary (FY 2019, FY 2022, and FY 2023)			
	FY 2019	FY 2022	FY 2023
<b>Operating Revenues</b>			
Facility rent	1,867,513	2,309,464	2,567,219
Discounts	(965,684)	(1,522,405)	(1,676,535)
Contract revenues	940,479	654,207	801,208
Miscellaneous revenues	279,733	207,310	260,088
<b>Total Operating Revenues</b>	<b>2,122,040</b>	<b>1,648,576</b>	<b>1,951,980</b>
<b>Operating Expenses</b>			
Salaries and benefits	1,893,626	1,995,113	2,161,519
Contract labor	448,240	473,235	499,403
Utilities	349,847	383,104	412,692
Repair & maintenance	117,235	135,043	88,745
General & administrative	40,089	22,371	18,129
Equipment	33,096	4,322	3,138
Supplies	65,554	64,011	68,761
Insurance	44,799	100,597	130,088
Incentives	14,880	15,172	11,882
Advertising / promotion	48,059	15,237	29,295
Other	21,761	10,197	13,516
<b>Total Operating Expenses</b>	<b>3,077,187</b>	<b>3,218,403</b>	<b>3,437,170</b>
<b>Net Operating Deficit (no room tax)</b>	<b>(955,147)</b>	<b>(1,569,827)</b>	<b>(1,485,190)</b>
Room tax revenue	1,904,936	2,069,852	2,300,842
<b>Net Operating Surplus (with room tax)</b>	<b>949,789</b>	<b>500,025</b>	<b>815,652</b>

As shown, the facility's net operating performance, before considering room tax allocations, has shown an increased deficit post-COVID. This is largely attributed to revenue decreases, increased subsidies used to attract events post-COVID, and increased insurance and labor costs. With the room tax allocation, the NKCC operates with a surplus of between \$500,000 and \$950,000 over the three years analyzed.

Considering typical convention facility standards, operating at an annual deficit of less than \$1.0 million typically indicates a well-operated venue. It is not uncommon for similarly sized convention facilities to operate at a significant loss of more than \$1.0 million, thus requiring substantial tax-backed subsidies to operate.

NKCC's financial operating performance is presented within a comparative context as part of the exhibit on the following page.

## Financial Operations Analysis

We have collected financial operating data from 8 convention centers that are comparable in size to the existing and potentially expanded NKCC. In terms of financial performance, convention facilities operate with an average loss of approximately \$713,600, with average revenues of \$4.4 million and expenses at \$5.1 million. The NKCC's FY 2019 pre-COVID performance shows a slightly larger than average deficit driven primarily by lower-than-average revenue. In fact, NKCC operating expense per-square-foot is lower than average, with significantly below average revenue per-square-foot.

## Financial Operations Comparative Analysis

Facility	Sellable Event Space (Square ft.)	Operating Revenue	Operating Expense	Net Operating Income/(Loss)	Rev. per SF of Tot. Sel. Space	Exp. per SF of Tot. Sel. Space
Facility A	141,600	\$5,317,557	\$5,050,498	\$267,059	\$37.55	\$35.67
Facility B	140,500	\$5,263,435	\$6,041,343	(\$777,908)	\$37.46	\$43.00
Facility C	127,500	\$3,148,181	\$4,523,282	(\$1,375,101)	\$24.69	\$35.48
Facility D	115,000	\$4,989,038	\$6,924,191	(\$1,935,153)	\$43.38	\$60.21
Facility E	114,300	\$7,109,000	\$6,455,000	\$654,000	\$62.20	\$56.47
Facility F	97,600	\$6,778,369	\$5,988,330	\$790,039	\$69.45	\$61.36
Facility G	78,600	\$1,476,381	\$3,906,232	(\$2,429,851)	\$18.78	\$49.70
Facility H	63,800	\$1,497,885	\$2,394,778	(\$896,893)	\$23.48	\$37.54
<b>Average</b>	<b>109,900</b>	<b>\$4,447,500</b>	<b>\$5,160,500</b>	<b>(\$713,000)</b>	<b>\$39.62</b>	<b>\$47.43</b>
<b>Median</b>	<b>114,700</b>	<b>\$5,126,200</b>	<b>\$5,519,400</b>	<b>(\$837,400)</b>	<b>\$37.51</b>	<b>\$46.35</b>
<b>NKCC FY 19 (no room tax)</b>	<b>76,600</b>	<b>\$2,122,040</b>	<b>\$3,077,187</b>	<b>(\$955,147)</b>	<b>\$27.70</b>	<b>\$40.17</b>
<b>NKCC FY 19 (w/ room tax)</b>	<b>76,600</b>	<b>\$4,026,976</b>	<b>\$3,077,187</b>	<b>\$949,789</b>	<b>\$52.57</b>	<b>\$40.17</b>

Previously recommended future NKCC and destination improvements might increase the building's overhead expenses for staffing, utilities, supplies, etc. However, previously discussed trend-forward upgrades, expanded event space, and added hotel room inventory will enable the NKCC to attract a greater number of events and attendees on an annual basis. Many previously recommended investments will provide a more diverse revenue portfolio that will result in greater net operating performance. For example, added local/authentic food & beverage within the NKCC's pre-function areas could spur greater spending by attendees and/or generate tenant revenue, while a new outdoor event space could generate net new facility rental revenue.

We estimate that the NKCC will be able to maintain and potentially improve upon its FY 2019 performance with implementation of these improvements. Under a Do Nothing Scenario, it is likely that event levels will deteriorate, which will likely reduce the facility's bottom-line performance.



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## SALES & MARKETING ANALYSIS



The focus on attracting high-impact conventions and tradeshow to a destination certainly depends on the appeal of the venue, hotels and surrounding amenities. In addition, the approach and resources, with respect to the event sales and marketing process, is very important.

The prevailing convention center sales and marketing model is based on the concept that event planners select a comprehensive "destination package" encompassing venues, hotels, attractions, transportation and other components. Destination Marketing Organizations (DMO's) are well-suited to represent these elements in an event bid situation, while center staff play a pivotal role as venue experts.

It is also common in the industry for the DMO to focus on attracting high-impact conventions and tradeshow that book several years in advance, while the center sales team focuses on shorter term bookings, often catering more to a local audience. Our review of current conditions, with respect to NKCC sales and marketing, considers these industry conditions, helping to focus broad recommendations that are designed to enhance processes and resources.

The NKCC's sales structure follows a traditional industry pattern, where MeetNKY handles all sales leads beyond a 12-month booking window. They also collaborate with NKCC staff to prequalify events within the 12-month window. Within this window, NKCC staff are largely responsible for event sales efforts. MeetNKY is responsible for marketing the NKCC and the broader Covington/Northern Kentucky Destination.

While local event venues outside the NKCC are limited, MeetNKY plays a pivotal role in supporting group sales across the entire Northern Kentucky region, including hotels, sports venues and the NKCC. Their support encompasses lead generation, room block assembly, participation in industry trade shows and maintaining industry relationships.

## Current Condition Observations

### Sales Team and Pricing

The NKCC currently maintains a sales team comprising two dedicated sales positions; a Director of Sales and a Sales Manager. While the possibility of post-COVID hires exists, Center staff do not emphasize this as an immediate imperative.

To attract high-impact events which generate significant room nights, NKCC management considers a variety of criteria for offering rental rate discounts, including the following:

- Potential for multi-year contracts
- Need periods, or periods during the year that are traditionally not booked
- Room night generation
- Food, beverage and other revenue for the Center

MeetNKY currently maintains a sales team comprising two dedicated sales positions; a Director of Convention Sales focused on national association and corporate business and a Convention Sales Executive focused on state associations, sports events, and social, military, education, religious and fraternal business. Prior to COVID, MeetNKY operated with a larger sales team including sales support personnel to assist with proposal preparation, communications and other functions.

Currently, MeetNKY sales staff are incentivized on a variety of factors including lead generation, with strict guidelines to help focus on quality leads versus simply generating large numbers of unlikely lead candidates. Revised incentive structures are being considered that would include a formula for room night generation.

### Booking Approach

As previously noted, NKCC and MeetNKY sales staff operate under a 12-month booking window approach, which is very common in the industry.

We also note that a high level of communication between the sales team at the NKCC and MeetNKY allows for the flexibility to place a large non-local event on the books within a 12-month window and, on occasion, a large local event on the books outside the 12-month window during low demand periods. For example, the sales teams will work together to accommodate large local events such as the Diocese of Covington and the Northern Kentucky Chamber of Commerce in a manner that does not preclude booking desirable, non-local events.

This robust communication effort also extends to the sales team at the Marriott and Embassy Suites, helping to coordinate bookings that require both NKCC space and adjacent hotel rooms.

We note that several industry stakeholders have suggested pursuing a greater emphasis on booking local banquet, wedding and other functions. NKCC management makes careful assessment of the fixed and variable costs to accommodate these types of events, including the approximately \$3,500 daily cost to open the venue for utilities, security and event staff on days no other event activity is taking place. These costs associated with a large event venue can make it difficult to justify booking smaller banquet-type events that do not generate a positive net operating income.

We also note that there can be challenges to booking large, non-local events that require significant hotel room blocks, particularly with respect to the lack of committable room inventory adjacent to or very near the NKCC.

### Group Sales and Marketing

The marketing efforts targeting the convention industry have focused on website updates, preparing promotional materials, and targeted advertising to Meeting Planners International. In June of 2023, a new group media initiative (Media One) kicked off, inclusive of extensive market research and database analysis, an audit of existing marketing efforts, landing page optimization, digital/social media strategies (such as Google paid search, LinkedIn, Facebook, and retargeting), lead forensics email marketing, market activations, and a local champion program. In-market launch and FAM trips will start in October of this year, with strategic marketing initiative rollout continuing through 2025.

MeetNKY's 2023 sales budget is approximately \$1.2 million, with typical annual spending on destination marketing of between \$2.0 million and \$2.5 million. In addition, MeetNKY allocates approximately \$300,000 annually to incentivizing high-impact events to book the NKCC. This fund is often employed to facilitate rental rate subsidies for economically impactful groups and is a common practice in the industry.

MeetNKY and NKCC sales leadership and staff have a very close working relationship, with informal communication taking place on nearly a daily basis. The NKCC staff will also work closely with Marriott staff to accommodate event space needs for hotel-booked near-term business. MeetNKY also has a close relationship with the destination marketing organization for Cincinnati (Visit Cincy), seeking to keep event business in the region.

### NKCC Sales and Marketing Opportunities

The current sales and marketing approach, with respect to booking the NKCC, follows a generally common model with bifurcated booking responsibilities between a Center and a destination marketing organization (MeetNKY) based on booking windows. Events with high non-local attendance tend to book 12 months and out and are a focus of MeetNKY, while more local events tend to book within 12 months and are a focus of the Center.

This approach relies on a high level of professional communication between organizations to work at its most effective level. The sales and management team at both the NKCC and MeetNKY benefit from a high level of coordination and regular communication, helping to secure dates and appropriate pricing for both non-local and local events. In our view, this level of coordination is greater than is typical in markets throughout the country.

Consideration could be given to formalizing the meeting and coordination process (potentially on a monthly basis), inviting sales staff from the Marriott and potentially other hotels to participate in regular meetings focused on current leads, need periods, NKCC revenue and room night opportunities, and pricing/discounting.

As investment is made in the NKCC and the downtown Covington hospitality product, and as competitive destinations continue to invest in their convention industry product, it will likely be important to increase MeetNKY sales and support staff to pre-COVID levels. This can take place over a period of several years and will help to increase NKCC bookings and occupancy levels. Certainly, under a long-term investment scenario that envisions a new headquarter hotel, added NKCC space, and a highly walkable hospitality-oriented downtown, sales staff additions will be critical.

The two-person sales team at MeetNKY attends numerous event industry tradeshow annually. With limited coverage capabilities for MeetNKY staff, having NKCC sales staff attend these events should be pursued. The NKCC staff can provide the benefit of a very detailed knowledge of facility systems, capacities and other factors that are of interest to the event planner.

Consideration should be given to adopting a formal NKCC rental rate sheet, with varying rates depending on event type. A comparative rate analysis could be conducted to help with any warranted adjustments to NKCC rates. Local events with limited room night activity should be charged at a higher rate compared to events with high room night levels. Along with stated rates, a discounting process that involves several components should be considered:

- An understood discount to rental rates generally equal to a percentage of the food and beverage revenue generated for the NKCC.
- An Event Sheet developed by both NKCC and MeetNKY staff for every potential discount request.
- The Event Sheet can encompass factors currently used by management to assess discounts including anticipated Center revenue, whether the event is in a traditionally slow period, potential for repeat Center use, potential to lead to other future event bookings, and synergy with overall community economic development goals.
- MeetNKY can assist in providing this information for each discount request, with NKCC staff adding potential event revenue data. Creating this joint process can enhance transparency and collaboration between sales teams.

It is generally understood that events with high room night generation are beneficial for the community. There is also an understanding that it is very important to generate NKCC event revenue to support overall operations. As part of the regular sales staff meetings, the above-mentioned Event Sheet should facilitate discussion that can lead to a greater consensus among all sales staff as to the importance of the event revenue/room night balance.