



Von Braun Center Expansion Proposal



June 2017


HUNTSVILLE DOWNTOWN DEVELOPMENT STRATEGY UPDATE

Huntsville, Alabama

An aerial, artistic rendering of a city street grid. A semi-transparent rectangular box covers the upper and middle portions of the image, serving as a background for the title and list. The city below shows various buildings, green spaces, and streets. Labels like 'Holmes', 'Monroe St', and 'Clinton Ave' are visible on the map.

Von Braun Center's Impact

- ▶ 800,000 people attending events in our facility
- ▶ \$72 million in economic impact for the city of Huntsville
- ▶ \$30 million of current economic impact is generated from conventions, conferences, and group meetings

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- ▶ CSL's "Huntsville Convention Product Analysis"
 - ▶ VBC as an important asset to the community
 - ▶ Inside and outside the "box" investment
 - ▶ Measurable unmet market demand
 - ▶ Convention business is presently constrained

	Existing VBC	Improved VBC	Net Change (Sq. Ft.)
	(sq. ft.)	(sq. ft.)	(methods)
Exhibit Space	100,000 (South Hall)	100,000	0
Ballroom Space	23,000 (North Hall)	35,000	+12,000 net (new ballroom is developed)
Break-out Meeting Space	15,000 (various)	29,000	+14,000 net (adding)
Other Space	25,000 (East Hall)	48,000	+23,000 net (North Hall now multi-use)
Total Sellable Space	163,000	212,000	+49,000 net
Downtown Hotel Rooms	545 (3 Properties)	1,000+	455+ (multiple new hotels proposed or planned)
Visitor Amenities	Limited	Growing	Strategic initiatives deployed to facilities

Economic Benefits

- ▶ 100 additional event days
- ▶ 65,000 increase in attendance
- ▶ \$10 million in increased direct spending
- ▶ \$1 million in additional sales tax revenue
- ▶ \$4 million in additional lodging tax revenue
- ▶ \$14 million in annual economic impact

Other Benefits

- ▶ Positive effects on downtown commerce and activity
- ▶ Increased quality of life for residents
- ▶ New visitors to Huntsville
- ▶ Spin-off development
- ▶ Destination branding and marketing
- ▶ Anchor for revitalization
- ▶ Reduction in lost local impact
- ▶ Community image and reputation



Music Hall

Food & Beverage Venue



What will it cost?

\$35 million - Convention Center Expansion

\$7 million - Music Hall and

Food & Beverage Venue

\$42 Million – Total Project Cost



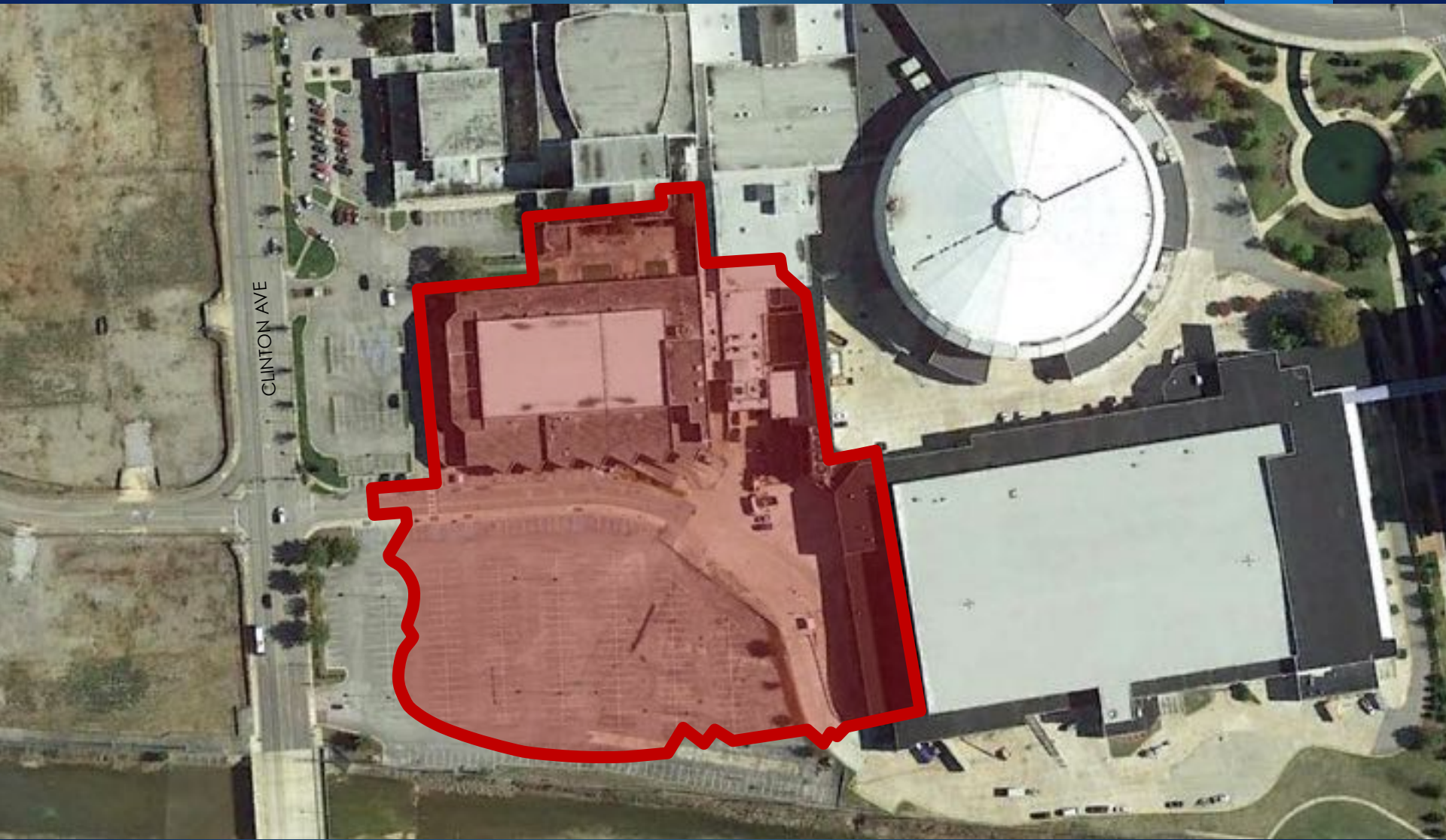
MATHENY
GOLDMON

ARCHITECTURE + INTERIORS



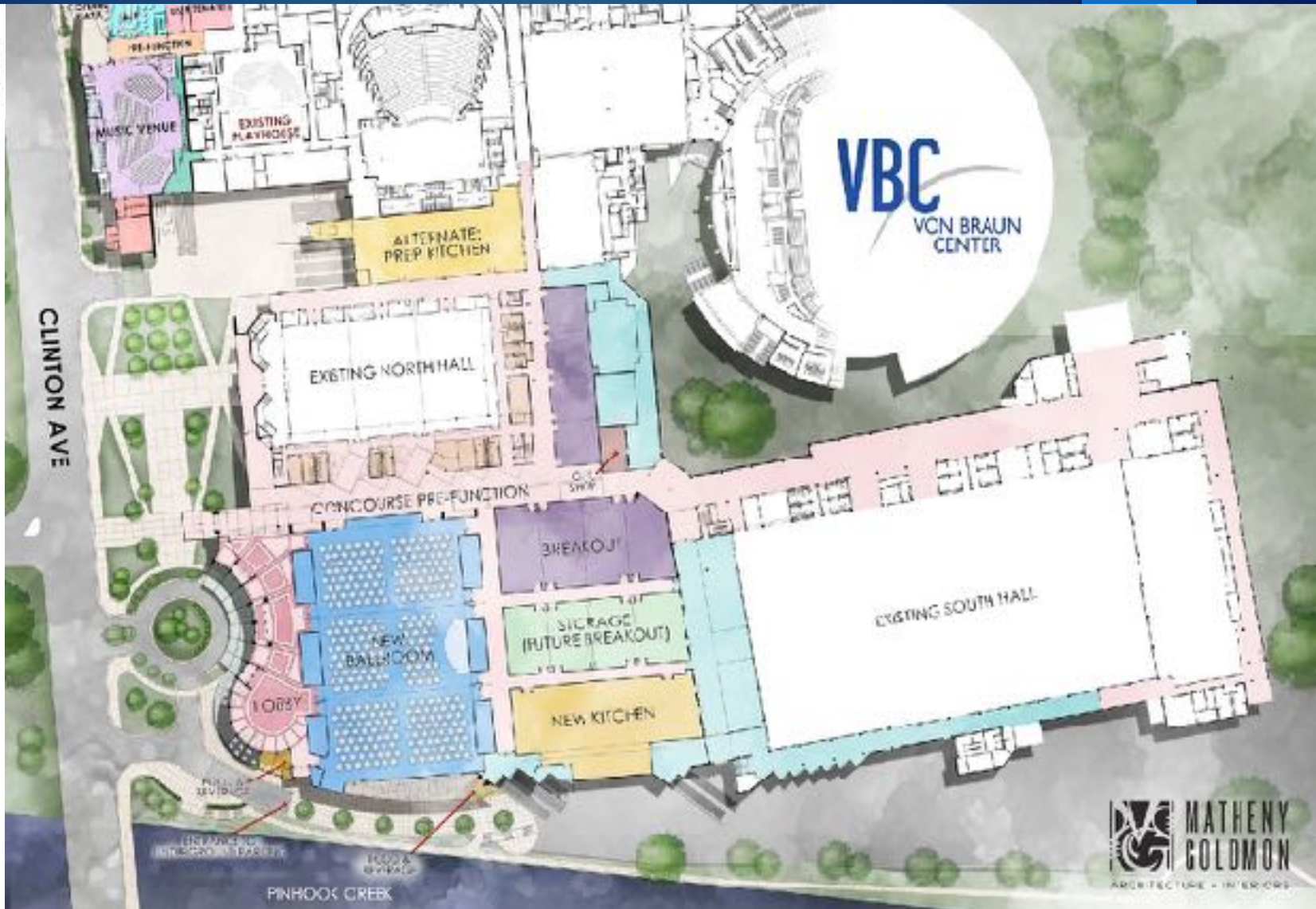
MONROE STREET

CLINTON AVE



CLINTON AVE

VBC BALLROOM EXPANSION















MONROE STREET

CLINTON AVE

VBC
MUSIC VENUE
ADDITION

**MATHENY
GOLDMAN**
ARCHITECTURE + INTERIORS



VBC
VON BRAUN
CENTER











MATHENY
GOLDMON

ARCHITECTURE + INTERIORS

Huntsville Continues to Grow

According to recent census data and demographic predictions, **Huntsville is projected to be the largest city in the state of Alabama by 2025.**



An aerial photograph of a city skyline. In the foreground, a large, modern convention center with a white, curved roof is visible. To the right, a multi-lane highway with a bridge spans a small body of water. The background shows a city with various buildings, including a prominent tall, dark skyscraper, and distant hills under a clear blue sky.

he VBC is a major contributor to convention and visitor growth

The trend of meetings demands more - and larger - breakout rooms than currently available at the Von Braun Center. Facilities in competing cities are better suited to accommodate this trend.

The need for additional space is **growing**

Local growth in **biotechnology**, the **FBI**, defense, and various **aerospace** and **manufacturing** corporations will increase the demand for meeting space.

Huntsville currently hosts several desirable groups that other cities compete for, like the ones listed. These groups may move elsewhere if Huntsville doesn't expand.

- ▶ AUSA Global Force
- ▶ National Children's Advocacy Center
- ▶ Army Aviation Association of America
- ▶ Exposure Youth Group
- ▶ Space & Missile Defense Symposium



Additional space is needed to attract new business:

- ▶ Pioneer Network
- ▶ National Chimney Sweeps
- ▶ American Society of Home Inspectors
- ▶ National Baptist Convention
- ▶ North Alabama International Trade Association
- ▶ FEMA
- ▶ American Baptist Association
- ▶ Student Youth Travel Association
- ▶ DREAM Annual Meeting
- ▶ U.S. Army Reserve

And many more

Hotel business is on the rise

The Smith Travel Research (STR) Report and City of Huntsville tax receipts show increasing demand for rooms at higher rates – especially in downtown Huntsville.

► Occupancy

Madison County

64.5

Huntsville

64.9

Downtown

75.0

► Average Rate

Madison County

\$84.59

Huntsville

\$88.20

Downtown

\$113.63

► RevPAR

Madison County

\$54.55

Huntsville

\$57.28

Downtown

\$85.28

(Source: Smith Travel Research)

A nighttime aerial photograph of a city. In the foreground, a large, modern, multi-story building with a curved roof and many windows is illuminated. Behind it, other city buildings and a highway with light trails are visible. In the background, a range of hills is silhouetted against the dark sky, with city lights scattered across the slopes. The overall scene is a vibrant urban nightscape.

How can we continue to
compete for business?

Expand the Von Braun Center through
a lodging tax and surcharge increase,
paid by ***out of town visitors.***

How does Huntsville stack up?

Current Huntsville hotel lodging tax is 13% and a \$1 surcharge

Other competing cities in the state collect much more:

Birmingham – 19%

Mobile – 14%

Montgomery – 14% + \$2.25 room fee

Knoxville and Chattanooga – 17.25%

Even smaller cities have higher lodging tax:

Andalusia – 16%, Bessemer – 17%, Lanett – 16%, Leeds – 17%, Shorter – 17%



The Solution

Adding 2% to the lodging tax and an additional \$1 surcharge would still keep us comparable to competing cities while raising the funds required for expansion.



The Benefits

An expanded and renovated Von Braun Center will retain current business, as well as attract new conferences.

All facets of the hospitality industry will benefit, including:

- ▶ Hotels
- ▶ Restaurants
- ▶ Airport
- ▶ Attractions and museums
- ▶ Retail
- ▶ Support service providers (taxis, motorcoach, etc.)

Renovated facilities garner media attention and serve as a strong selling point for the community.

THANK
YOU