Visitor-Oriented Development Study Results and Next Steps

Joint Meeting:

Destination Development Committee:

Chair Pam Brown; Vice Chair Gail Jackson

Convention Center Committee:

Chair Ted Olson

May 19, 2006

Marriott Las Colinas

You don't build it for yourself.
You know what the people want
and you build it for them."

– Walt Disney

Background Review

- 1999 – Convention Center feasibility study recommends facility and location
  - Facility Program – Phase I:
    - 100,000 sq. ft. exhibit space
    - 20,000 sq. ft. ballroom
    - 47,000 sq. ft. breakout space
    - 450-room headquarters hotel
  - 39.5 acre site in Las Colinas purchased
    - Site to accommodate eventual doubling of exhibit and meeting space
    - Site design would also allow second tower of hotel rooms

Background Review

- 2003 – Program put on hold due to continued depression of hotel tax revenues
- 2004 – Hotel industry begins recovery
- 2005 – ICVB Board adopts new strategic plan
  - Complete re-evaluation and feasibility study of original program
    - How does it look in today’s marketplace?
  - Two levels of additional studies:
    - Meeting facility needs (beyond original program)
      - Are there other/different needs?
    - Other visitor-oriented development
    - What is missing from the landscape that Irving can/wants to deliver?
  - No pre-determined outcome, “no limiting beliefs”
- May 2006 – studies completed

"Moving the Needle"

- Limited need/desire for mid-week business
  - Limited ability to move mid-week needle
- Irving facilities meet *most* business travel needs
  - Weak in *non-necessary* but critical amenities, i.e., restaurants, entertainment
  - Difficult to maximize visitor expenditures due to lack of amenities
- High need for weekend business year-round
  - Other need times: July, August, holiday weeks
  - Weekend travel primarily "discretionary"
- Irving product weakest for discretionary traveler
  - Entertainment and shopping alternatives
    - Irving "central" to much of what DFW offers, but product very broadly distributed and much of it is "tired"

Setting the Stage

- What does Irving have that we "own?"
  - Location? We're not alone in this claim.
  - Waterfronts and water access?
  - Built for business travel? Therefore built for "Grown Ups"?
    - Irving's existing leisure base is adults traveling w/o children
    - High number of locals in Irving hotels for weekend getaways
- What might be logical niches to create?
  - Weekend destination for grownups?
- What will keep generating a broad spectrum of revenues for the City of Irving?
  - Sales tax
  - Property tax
  - Hotel tax
  - Restaurant (prepared food) tax
  - Alcoholic beverage tax

Increasing Visitor Values

- Diversifying Irving's visitor product can generate new revenues
  - Diversified product provides "leg to stand on" through corporate cycle
  - Improved and expanded products can protect market share
  - Strategic product improvements can create a "new Irving"
    - As important for local perceptions (Irving and DFW), as for outsiders
- Diversifying the destination experience improves the corporate travel experience
  - Business travel cited as 2nd leading source influencing exec perceptions of a region's business climate (Development Counsellors International 2005 Survey)

Opportunities for Maximizing Return

- "The Creative Class now comprises more than 30% of the entire workforce…the choices these people make already have had a huge economic impact, and in the future they will determine how the workplace is organized, what companies will prosper or go bankrupt, and even which cities will thrive or wither…The key to success lies in developing a world-class *people* climate…"

Source: *The Rise of the Creative Class*, *Richard Florida (2002).*

Who is this "creative class?"

- "Super-Creative" – including scientists, engineers, professors, novelists, designers, architects, editors, think-tank researchers, analysts
- "Creative Professionals" – Problem solvers in knowledge-intensive industries, including – physicians, lawyers, researchers, EMTs, radiologists

Source: *The Rise of the Creative Class,* *Richard Florida (2002).*

The Creative Class and The Power of Place

- People are the motor force behind regional growth – "human capital"
- Clustering of human capital more important to economic growth than clustering of companies
  - "You attract these people and you attract the industries that employ them and the investors who put money into the companies." (Ross DeVol, Milken Institute)
- Las Vegas and Orlando booming residential markets
  - Build a place people want to visit, and you'll build a place they want to be.

Source: *The Rise of the Creative Class,* *Richard Florida (2002).*

The Creative Class and The Power of Place

- Moving away from traditional corporate communities to Creative Centers
  - High concentrations of creative class people
  - High concentrations of creative economic outcomes
  - Overall regional vitality, such as increases in employment and population
  - Attracted to high quality amenities and experiences, welcoming communities
    - Not attracted to urban malls, theme park districts, freeways and stadiums
  - "Place" and community more critical than ever before
    - Starbucks or "Third Place" factor

Sources: *The Rise of the Creative Class*, *Richard Florida (2002)*; *Creating Walkable Places*, *Urban Land Institute (2006).*

Some Thoughts about Waterfronts

- Waterfront redevelopments are long-term endeavors with the potential to produce long-term value. Endangering this for short-term riches rarely produces the most desirable results.
- Underused or obsolete urban waterfronts come alive when they become desirable places to live, not just to visit.

Source: *Remaking the Urban Waterfront*, *Urban Land Institute (2004).*

Some Thoughts about Waterfronts

- The public increasingly desires and expects access to the water's edge. This usually requires overcoming historic barriers…while persuading new investors that there is merit in maintaining that valuable edge within the public domain.
- The success and appeal of waterfront development is intrinsically tied to the interrelationship between landside and adjacent waterside uses – and to the environmental quality of both the water and the shore.

Source: *Remaking the Urban Waterfront*, *Urban Land Institute (2004).*

The Value of the Waterfront

- Distinctive environments, typically found at waterfronts, provide significant advantages for a city's competitiveness ... (ULI)
- "The waterfront isn't just something unto itself, it's connected to everything else." (Jane Jacobs)

Next Steps – Meeting Facility

- Recommend for board's approval on May 22:
  - Comprehensive analysis on "Multi-Purpose" Facility
    - Stand-alone and/or i/c/w Entertainment Complex
    - Expansion strategy (if appropriate)
  - Specific demand as it relates to competitive supply and other uses
  - Preliminary strategy development
  - Conceptual planning/design, costing
  - In-depth sports market assessment for facility
  - Facility Compatibility Assessment/Operations Review

  - Total estimated: $150,000-$175,000 (multiple vendors)
  - Time estimated: 10-12 weeks
  - Funds available in CVB Building Fund

Next Steps – Other Concepts

- Entertainment Complex
  - Allow current project to continue preliminary diligence
- Site 00/Retail District
  - Has requested financial support from COI for parking structure
- Presidential Library – keep working/waiting
  - Make most of decision regardless of outcome
- Share Urban Park concept with Bond Committee?