



REPORT ON PROPOSED JOINT DEVELOPMENT OF A STADIUM-CONVENTION CENTER

Chargers Stadium-Convention Center

SAN DIEGO, CALIFORNIA

SUBMITTED TO:

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August 9, 2016

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Re: Chargers Stadium-Convention Center
San Diego, California

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Dear Mr. Hughes:

Attached you will find our Report on the Proposed Joint Development of a Chargers Stadium-Convention Center ("Stadium-Convention Center"). As you requested, we have evaluated the impact of the proposed venue on San Diego's ability to attract convention center business.

The Chargers propose a \$1.8 billion investment over half of which, \$1.15 billion, would come from public sources. Our review of the Chargers' proposal assessed whether that proposed level of public investment in a Stadium-Convention Center would advance San Diego's position in the convention industry.

Our approach to this study involved gathering event planner opinions on the project, comparisons with similar convention center and stadium developments, and thorough analysis of all available data on convention business in San Diego.

We found several conclusions and lingering concerns with the proposal.

- The Chargers Stadium-Convention Center has been positioned as an expansion to the existing SDCC, but the distance between the San Diego Convention Center ("SDCC") and the proposed "expansion" is too great to be used jointly. Event organizers who plan conventions that are too large to fit into the existing SDCC will not use the existing facility in combination with the Stadium-Convention Center.
- Event organizers who plan conventions that would fit into the proposed Stadium-Convention Center would prefer to use the existing SDCC due to its superior location and proximity to supporting hotel supply. Event planners also expressed concern that use of the proposed football field as exhibition space would be unacceptable to their exhibitors.
- Analysis of the floor area requirements of existing spaces revealed that conditioned exhibit space in the Stadium-Convention Center would only meet the needs for 30% of San Diego's convention events. In effect, the

Stadium-Convention Center space would have 160,000 square feet of conditioned space connected to the 100,000 square feet of unconditioned stadium space (the football field area). This unconditioned space would only be useful an additional 5% of the time.

- The Charger's proposal, to which the NFL has verbally agreed, preserves dates during football seasons into the future for the purpose of booking conventions. However, this proposal is not feasible. Conventions that generate a significant number of room nights in San Diego require an average of nine continuous days of building occupancy. Most of the event blocks offered in the NFL's proposed schedule are less than nine days. We estimate that the proposed schedule would meet the needs for continuous blocks of event days during only 43% of the football season days.
- The proposed Stadium-Convention Center would primarily compete with the SDCC and the expanded Marriott Marquis San Diego Marina for short-term business and reduce the occupancy of the SDCC.
- The lack of a headquarters hotel, adjacent hotels, and the potential for hotel development surrounding the site of the proposed development presents challenges to event planners.
- Because of its small size, limited availability during football season, and event planner dissatisfaction with the plan, we estimate that the Stadium-Convention Center would attract approximately 69,000 net new room nights per year.
- The new room nights would generate \$2.3 million per year in lodging tax revenue. This compares to the proposed \$67 million annual expenditure, which includes the public investment for construction and operating costs. This revenue does not justify the combined investment and annual operating expenses of the Stadium-Convention Center.
- Moreover, under the current proposal, the financing plan eliminates the existing 2% Tourism Marketing District ("TMD") assessment and replaces it with a guaranteed 1% and non-guaranteed additional 1% after the previous year's expenses and operating costs have been satisfied. This puts funding at risk and could hinder the ability to market and promote the city and convention center(s).

The scope of our review focused on the impact of the proposed Stadium-Convention Center on convention activity in San Diego. We recognize other issues related to the development, not addressed in our report, that require further study.


- Overall site capacity is questionable. It is unclear whether the concept plan provides for adequate pedestrian, vehicular access, parking availability, and building loading capacity. The Chargers have discussed the potential for

1,200 parking spaces that would replace San Diego Padres tailgate parking. This could be a cause for concern when large conventions or tradeshow at either convention facility coincide with each other or with Padres home games.

- The Chargers proposal suggests that a government entity, such as a joint powers authority, may be formed to own and operate the facility. However, conflicts of interest between representatives of the lodging industry or the Chargers could hinder the formation of this entity. This legal complication could prevent the project's progress.
- As of this writing, a budget for the total amount of capital expense required to complete the project has not been specified.

Because of its destination appeal, San Diego ranks as one of the top convention cities in the US. Clearly, expansion of the SDCC is necessary to maintain San Diego's strong presence in the industry. The Chargers' proposal would not accomplish this objective.

Sincerely,
HVS Convention, Sports & Entertainment
Facilities Consulting

A handwritten signature in black ink that reads "Thomas Hazinski".

Thomas A Hazinski
Managing Director

A handwritten signature in black ink that reads "Jorge Cotte".

Jorge Cotte
Associate

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1. Summary of Findings

Nature of the Assignment

The San Diego Tourism Marketing District Corporation (“SDTMDC”) in San Diego, California engaged HVS Convention, Sports & Entertainment Facilities Consulting (“HVS”) to review the Chargers Stadium-Convention Center plan (the “Development Plan”). The San Diego Chargers (“Chargers”) have proposed the joint development of a National Football League (“NFL”) stadium for their team and an attached convention center. HVS was asked to assess the impact that this development would have on the ability of San Diego to attract conventions, tradeshow, and other events that generate lodging demand.

Methodology

HVS performed the following tasks:

1. Assessed the impact of the Development Plan on convention center demand in San Diego.
2. Measured the incremental room nights and the impact on the transient occupancy tax.
3. Reviewed publicly available documents that describe the Development Plan.
4. Assessed the proposed site and its connectivity to the San Diego Convention Center (“SDCC”).
5. Reviewed and analyzed sales and marketing data provided by the San Diego Tourism Authority.
6. Reviewed and analyzed the historical demand and attendance data at the SDCC.
7. Compiled data on the joint use of three convention centers and stadiums in other cities.
8. Reviewed and summarized the results of event planner surveys that addressed the expansion options currently under consideration in San Diego.
9. Interviewed event planners regarding the current Chargers proposal and Development Plan.
10. Gathered information on the performance of the non-contiguous convention center expansion of the Moscone Center in San Francisco and the proposed non-contiguous expansion of the Washington State Convention Center in Seattle.

HVS collected and analyzed all information contained in this report. HVS sought out reliable sources and deemed information obtained from third parties to be accurate.

Key Findings

The Chargers proposed a mixed-use project with a stadium that would have a permanent seating capacity of up to 65,000 seats and a convention center component with 320,000 square feet of gross indoor rentable floor area. While it is described as an expansion of the SDCC, the proposed Stadium-Convention Center would be 0.7 miles or a 14-minute walk from the SDCC.

We reviewed prior event planner survey results and interviewed event planners regarding the Stadium-Convention Center Development Plan. We found the following:

- Event planners voiced objections to a 4.0% increase in lodging tax rates because it would increase the cost of bringing their events to San Diego. HVS research shows that San Diego would move from having the 108th to the 16th highest tax rate among the 150 largest US cities.
- Event planners expressed concerns about the appropriateness of the football field for use as exhibit space due to the 200-foot ceiling which prevent rigging, the fact that the stadium would not be conditioned space, and surrounding the exhibit floor with thousands of empty seats may be inappropriate.
- Based on interviews with event planners and studies of historical developments of sports domes near convention centers, joint use is not likely, even when the facilities share an operator.
- The proposed site lacks a supply of proximate hotel rooms and the available land for development of hotels large enough to support the convention events.
- Event planners prefer contiguous expansion. They will not split their large events between two venues because it will inconvenience and distract delegates, result in unequal treatment of exhibitors, and increase event operating costs. Event planners also expressed concerned that a second venue will give rise to competing simultaneous events.
- Event planners are skeptical about the NFL's ability to reserve dates for convention events during football season and are worried about conflicts with football activities during the season even for events that occur at the SDCC.

Analysis of comparable venues and competitive cities revealed that:

- Although San Diego is the eighth largest city in the US, it ranks 20th with respect to the amount of available exhibit space in its primary convention facility.
- We found only two examples of non-contiguous convention center expansions in San Francisco and Seattle. In both cases, this approach to expansion resulted from a lack of capacity to create a contiguous expansion.
- The joint use of football stadiums and convention centers has been tried and largely failed in three cities - St. Louis, Indianapolis, and Atlanta. The Indianapolis RCA Dome has been demolished and replaced with exhibition space. The George Dome in Atlanta is slated for demolition after a replacement stadium is built.

The Chargers proposed a nine-season schedule that indicates the dates that would be available for convention bookings. But, the NFL has only made a verbal commitment to reserve dates far into the future. In the absence of written commitment that includes the necessary guarantees, event planners remain skeptical that the commitment to the proposed calendar could or would be fulfilled. Using this schedule and the proposed building program, we analyzed the number and type of events that could be accommodated by the new venue.

- The proposed schedule provided by the Chargers will only make the venue available for long-term convention events during 43% of the days of football season. In addition, days made available may not meet the required weekday patterns of event planners.
- Event planners expressed concern that congestion and activity from football games would conflict with convention events even at the existing SDCC and limit the ability to recover lost business.
- We analyzed lost business and found that approximately 35% of potential SDCC events would fit into a venue with 130,000 square feet of exhibition space and a 100,000 square foot unconditioned field.

Analysis of lost short- and long-term bookings, historical event size, consideration of meeting planner preferences, and review of the proposed NFL calendar allowed us to estimate the impact of the proposed Stadium and Convention Center on event demand. The uncertainty around future bookings and the reluctance of many event planners to use a stadium floor as exhibit space will limit the ability to book the

space to its maximum potential. The net room night impact could range up to 69,000 room nights per year.

This net room night impact estimate includes the room nights generated from the building's use as a convention center and the potential lost room nights caused by stadium activities and the failure to contiguously expand the SDCC. Failure to implement a contiguous expansion will result in the loss of existing events and lost opportunities for new larger events. Moreover, concerns around stadium-related congestion, parking, and hotel capacity may cause other existing or potential users to move to other cities.

This analysis is predicated on a best case scenario that the NFL will adhere to its commitment to preserve scheduled dates. If this does not occur, the Stadium-Convention Center would be inaccessible for the booking of long-term convention events for the entire football season.

Description of the Chargers Development Plan

In a document dated March 30, 2016, referred to as the Initiative, the Chargers presented their Development Plan. This plan includes a description of the proposed site, a high-level description of the capacities of the proposed Stadium-Convention Center, an approach to financing, and a proposal for managing the development and operations of the venues.

HVS requested and received additional information from the Chargers regarding their Development Plan. We have incorporated that information into the following description of the project. The Chargers disclosed only the broad outlines of the project and did not provide a site plan, a detailed concept plan, a project budget, an estimate of operating finance, or a detailed plan of finance.

The site for the proposed Stadium-Convention Center is located in downtown San Diego, bounded by K Street on the North, Imperial Avenue on the South, 16th Street on the East and 12th Avenue on the West. The Chargers seek designation of this site as a planned district that would allow for the simultaneous development of convention center and stadium land uses as well as restaurants, bars, cultural uses, athletic training and medical treatment facilities, retail stores, and other ancillary land uses. The Initiative does not specify the number and type of ancillary land uses.

**FIGURE 1
PROPOSED SITE**



Sources: Google Maps and HVS

The stadium portion of the development would have a permanent seating capacity of up to 65,000 seats, with expansion capability to 75,000 seats. The stadium would include typical NFL stadium amenities including club seats, loge seats, luxury suites, and other premium seat amenities.

The convention center component of the Development Plan is referred to as an expansion of the SDCC and would include 260,000 square feet of gross rentable exhibition space, a 65,000 square foot ballroom and 80,000 of indoor meeting space. This project also includes 100,000 square feet on the upper level that would be comprised of 15,000 square feet of “cabana” meeting rooms and an 85,000 square foot roof-top garden. The figure below summarizes the net floor areas of the exhibit, ballroom, and meeting spaces of the proposed convention space.

**FIGURE 2
PROPOSED BUILDING PROGRAM**

Bulding Area	Exhibit Hall	Ballroom	Meeting	Total
Grade Level	130,000	-	-	130,000
Connection	30,000	-	-	30,000
Football Field	100,000	-	-	100,000
Upper level(s)	-	65,000	80,000	145,000
Rooftop	-	-	15,000	15,000
Total	260,000	65,000	95,000	420,000

Source: San Diego Chargers

The stadium would be integrated with the convention facility to allow for the joint use of the stadium and convention center. An 85,000 square foot rooftop garden, would not be enclosed. Experience with the open air space at the SDCC Sail Area indicates that this space would not be acceptable as meeting space to event planners for their convention events. The recent history of the existing SDCC, with Sail Area, indicates that even well-kept non-conditioned space is unacceptable as meeting and exhibit space for the vast majority of events. Consequently, we have not included it in our function space tabulation. The following figure shows a rendering of the proposed buildings.

**FIGURE 3
IMAGE OF THE PROPOSED STADIUM-CONVENTION CENTER**

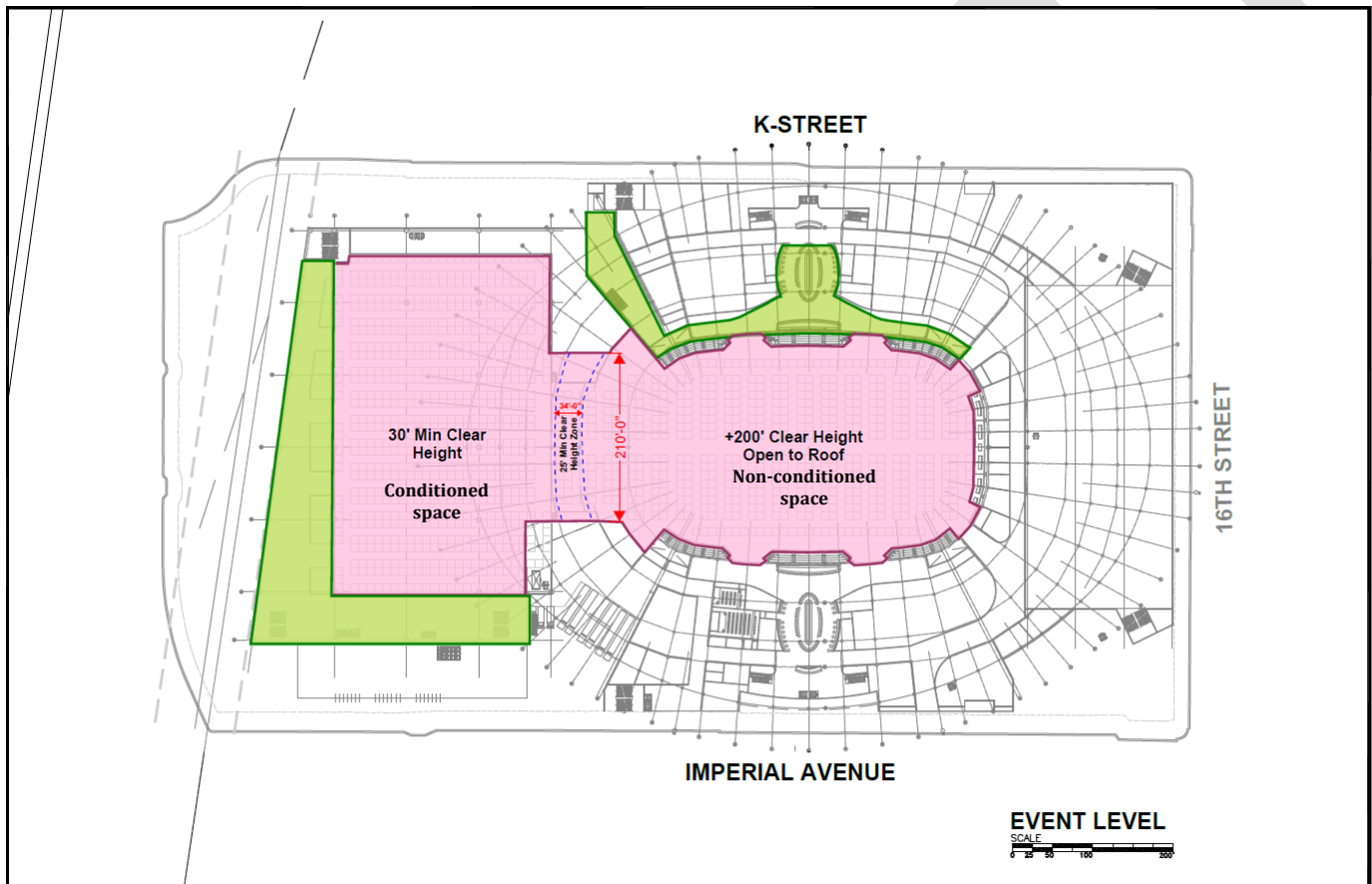


Source: San Diego Chargers

The smaller volume depicted in the foreground is the convention center and the larger volume in the background is the stadium. This rendering is one of several publicly available pictures, and while it may represent the relationship between the two buildings, it may not resemble the actual appearance of the proposed venue.

The following figure shows a floor plan of the first level of the proposed venue that was provided to HVS by the Chargers. The Chargers did not provide floor plans of other building levels.

FIGURE 4
FLOOR PLAN OF PROPOSED STADIUM-CONVENTION CENTER



Source: San Diego Chargers

An exhibit hall of approximately 130,000 square feet (on the left of the image) would have minimum ceiling height clearance of 30 feet. The meeting and banquet space (not shown in this floor plan) would be on a second and third level above the exhibit hall. A 30,000 square foot area with minimum ceiling heights of 25 feet would

provide a transition between the exhibit hall and the stadium. The exhibit hall and the stadium floor would be on the same level. In comparison, the existing San Diego Convention Center has ceiling heights that range from 27 feet in Halls A through E to 36 feet in Halls F through H.

The stadium floor would offer approximately 100,000 square feet of exhibition space and be open to the 200-foot ceiling of a retractable stadium roof. While this roof would protect the facilities from rain and other precipitation, it would not completely insulate the stadium to the outdoors. The roof would serve as “an umbrella” and allow outdoor airflow to cool the building. The football field would have artificial turf to allow for conversion to a hard surface flat floor exhibit space. The stadium floor would have standard exhibit hall utilities (power, communications, etc.) in the floor and on 30-foot centers. This arrangement for the field mirrors the original Sail Area, which also was not completely enclosed or conditioned. The SDTA and SDCC found that event planners would not rent it as exhibit space, due to the uncertainty of exposure to the elements. The Sail underwent a \$10 million upgrade that retrofitted and conditioned the space but meeting planners still view it as secondary space.

The Initiative does not provide information on parking capacity except to say that shared parking would be limited to encourage the use of public transit. Land use intensity would be restricted to a floor area ratio (“FAR”) of 4.0, but the density calculation excludes the gross floor area of the stadium, parking areas, mechanical penthouses and other significant elements of the project. The Initiative does not provide an estimate of FAR without excluded land uses.

The San Diego Union-Tribune has reported that the Chargers intend to place 1,200 spots beneath the building to replace existing the San Diego Padres tailgate park. If events at the proposed Stadium-Convention Center overlap with Major League Baseball games or the largest events at the existing SDCC, parking could become a major concern.

A detailed concept plan and subsequent schematic design are to be determined through a negotiation process between the City and the Chargers.

The Initiative proposes funding sources to “enable the development of a joint use facility whereby the stadium may be used for various convention events, civic events, sporting events, and entertainment events (including professional football) to promote tourism in San Diego....” The Chargers have indicated a general costs estimate of \$1.8 billion as follows:

- \$650 million for stadium construction, infrastructure and land acquisition from private sources,

- \$350 million for Stadium-Convention Center integration from public sources,
- \$600 million for construction of the convention center expansion and infrastructure costs, and
- \$200 million in land costs.

The private and public sector stadium contributions are subject to adjustments based on a construction cost index. In addition to these Stadium-Convention Center development costs, funding would be needed for: 1) financing costs, 2) marketing and sales expenses, 3) operational subsidies, and 4) capital and operating reserves. Consequently, the total cost of the development is not known at this time.

The Initiative proposes to fund all costs with revenue generated from a 6.0% lodging tax. This 6.0% includes the current 2.0% Tourism Marketing Assessment and a 4.0% lodging tax rate increase that would commence on January 1, 2017. Five-sixths of all of the revenues collected through the 6.0% lodging tax would be deposited in a Convention Center Expansion and Stadium Fund and one-sixth of all revenues into a newly created San Diego Tourism Marketing Fund. Currently, Tourism Marketing receives revenues from a 2.0% Tourism Marketing Assessment. Under the Chargers' plan, tourism marketing would receive revenues generated by a 1.0% lodging tax plus an additional 1% of the lodging tax revenue may be available after the payment of debt service, convention center operating expenses and other reserve requirements. While the intent is to continue to fund tourism marketing efforts at current levels, half of that funding would be at risk and depend on whether future lodging tax revenues meet projections.

Eight percent of total lodging tax collections generated by the 6.0% tax rate would be dedicated to funding a reserve for payment of operating and maintenance costs of the Stadium-Convention Center. This reserve would build up to a maximum \$25 million dollars and be used in any year when there are not sufficient funds in the Convention Center Expansion and Stadium Fund to pay for debt service or operating deficits.

The lodging tax would also fund ongoing operating deficits including: 1) \$10.0 million for operations and maintenance of the Convention Center Expansion, 2) \$2.0 million for capital improvements and repairs to the Convention Center Expansion, 3) \$ 15.0 million for operations and maintenance of the Stadium, and 4) \$2.0 million for capital improvements and Stadium repairs.

The Chargers have not provided an estimate of the total amount of revenue that the 6.0% lodging tax would generate.

Ownership and Management

The Chargers propose that a governmental authority would finance, develop, construct, and operate the stadium-convention center or assist the City in doing so. The governmental entity could be 1) a new joint powers authority entered into by the City under California state law, 2) an existing joint powers authority to which the City is a member, or 3) any other public entity or not-for-profit corporation formed by the City. The City could establish a City commission or advisory board to oversee the construction of the project.

The Chargers would become a permanent tenant of the stadium and control its operation before and during NFL game days. In exchange for the \$350 million public funding of the stadium, the Chargers would agree not to relocate for 30 years.

San Diego Convention Center

Chargers described their proposal as an expansion of the San Diego Convention Center ("SDCC"). The SDCC is the premiere facility for conventions and trade shows in San Diego. Operated by the San Diego Convention Center Corporation, the venue attracts national and international associations and corporate events. The SDCC opened in 1989 and underwent an expansion that roughly doubled its size in 2001. The SDCC includes:

- 525,701 square feet of contiguous exhibit halls on the ground level,
- two ballrooms totaling 81,661 square feet,
- 122,400 square feet of meeting space on the mezzanine and upper levels, and
- A 90,000 square foot area under the Sails Pavilion.

In Fiscal Year 2015, the SDTA booked events that generated over one million room nights. In the calendar year 2015, the building achieved a 68 percent occupancy. It is home to several nationally and internationally renowned events including San Diego Comic-Con International, the American College of Cardiology Scientific Session, the National Safety Council Expo, Cisco Live!, and the Esri User Conference.

The SDCC is located in the Marina district of the city. It is adjacent to the Gaslamp Quarter district, a historic San Diego neighborhood that features some of the most notable restaurants and cultural attractions in the area. It is also near the Core district, the primary business center of the city. Hotel supply is abundant in these areas, especially from the three major hotels adjacent to the Convention Center. The Manchester Grand Hyatt, Marriott Marquis San Diego Marina, and the Hilton San Diego Bayfront combine for over 4,000 rooms.

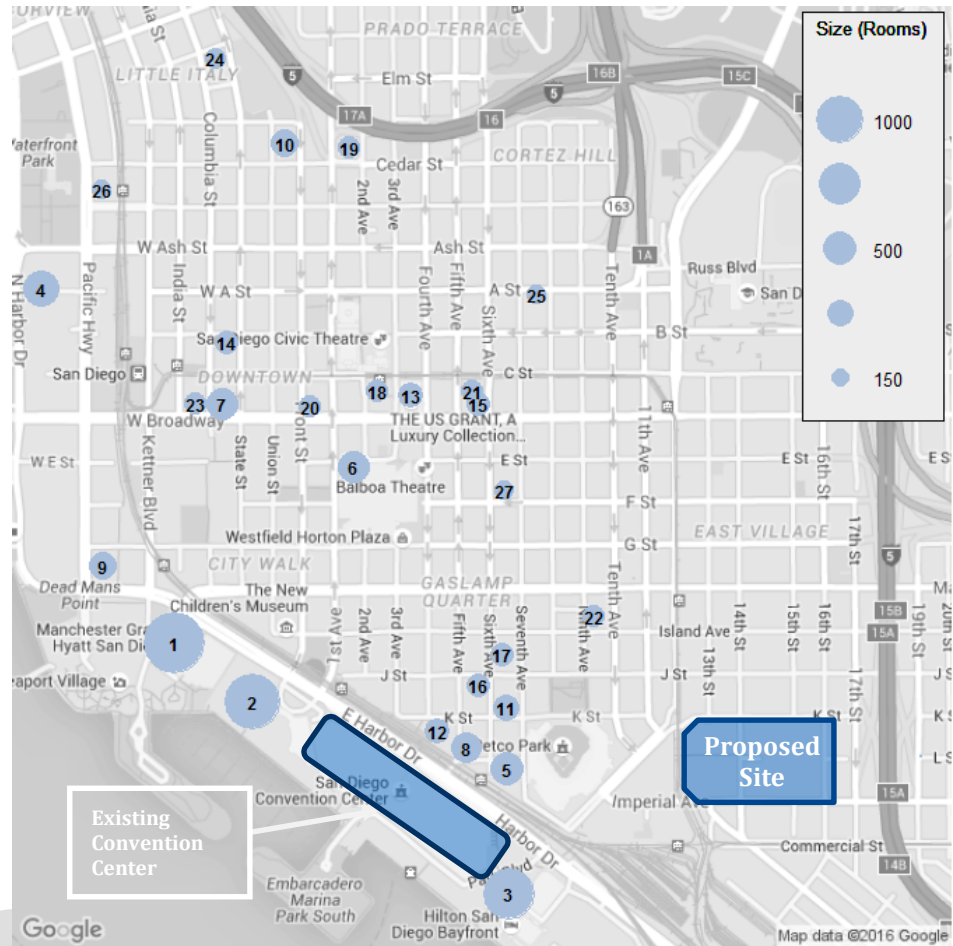
Hotel Proximity

To attract out-of-town groups, an adequate supply of nearby hotel rooms must support the lodging needs of delegates, exhibitors, and other attendees. Event planners consider proximity and connectivity as critical factors when evaluating the overall hotel packages available in competing communities. Other important factors include hotel brands, service level, building age, competency of management, ease of access, and available meeting and banquet spaces in the hotels.

The figure below shows the proximity and scale of hotel rooms to the existing SDCC as well as the lack of existing hotels near the proposed Stadium-Convention Center.

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**FIGURE 5
MAP OF HOTELS PROXIMITY**



- | | |
|---|---|
| 1 Grand Hyatt Manchester San Diego | 15 Courtyard San Diego Downtown |
| 2 Marriott San Diego Marquis & Marina | 16 Residence Inn San Diego Downtown Gaslamp Quarter |
| 3 Hilton San Diego Bayfront | 17 Kimpton Hotel Solamar |
| 4 Wyndham San Diego Bayside | 18 Westgate Hotel |
| 5 Omni San Diego Hotel | 19 Four Points by Sheraton San Diego Downtown |
| 6 Westin San Diego Gaslamp Quarter | 20 The Sofia Hotel |
| 7 Westin San Diego | 21 Kimpton Hotel Palomar San Diego |
| 8 Hard Rock Hotel San Diego | 22 Hotel Indigo San Diego Gaslamp Quarter |
| 9 Embassy Suites San Diego Bay Downtown | 23 500 West Hotel |
| 10 Doubletree San Diego Downtown | 24 Porto Vista Hotel |
| 11 Marriott San Diego Gaslamp Quarter | 25 The Declan Suites San Diego |
| 12 Hilton San Diego Gaslamp Quarter | 26 Hampton Inn San Diego Downtown |
| 13 Luxury Collection The US Grant San Diego | 27 Andaz San Diego |
| 14 Renaissance San Diego Downtown Hotel | |

The three large properties adjacent to the SDCC and the hotels in the Gaslamp Quarter would be less accessible to the site of the proposed Stadium-Convention Center. Event planners seek a seamless and convenient connection to hotels and do not want to incur transportation costs for attendees during their events. Since all of San Diego's competitors have adjacent headquarters hotel, and simultaneous use of hotels and convention centers is common, the lack of hotel proximity presents a challenge for the proposed Stadium-Convention Center. While the SDTA has strong relationships with overflow hotels, these are typically in the Gaslamp Quarter and elsewhere downtown, several blocks from the proposed development. The existing headquarters hotel and many of the overflow hotels are booked with conventions in the existing SDCC through 2025 and beyond already.

Furthermore, historical patterns of hotel development indicate that new hotel development is less feasible on the sites surrounding the Chargers' proposed development. The lack of available land also precludes the development of hotels of sufficient size that could support convention events. A new football stadium, which would occupy most of the site, does not support the ancillary development of hotels. In general, football stadiums do not drive significant year-round lodging demand because they only support ten home games per year, and most of the attendance at those games and other events at the stadium would be local and not require hotel accommodations.

While future hotel developments are possible adjacent to the proposed site, the current SDCC has a superior supply of adjacent hotel rooms. The development of a headquarters hotel adjacent to the Stadium-Convention Center could partially mitigate this disadvantage. A proposal by JMI Realty to develop a 1,500 room property adjacent the proposed site has been discussed publicly, but the feasibility of such a development and the schedule for its implementation are unknown at this time. The site for the proposed hotel would also be equally proximate to the SDCC.

As seen in the development of the M&T Bank Stadium in Baltimore, football stadiums alone do not induce sufficient lodging demand to support adjacent hotel development. Recent hotel development in Baltimore has not occurred near the stadium. Similarly, potential development sites near the proposed Stadium-Convention Center in San Diego, are less desirable than sites in the Gaslamp Quarter or on the waterfront.

Event Planner Surveys and Interviews

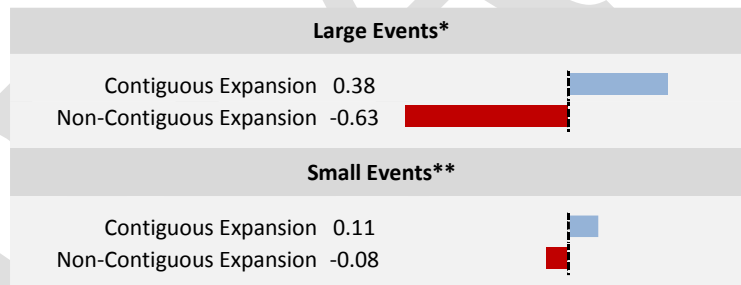
In fall of 2015, the consulting firm Convention, Sports & Leisure International ("CSL") conducted a telephone survey of 125 event planners, which included planners for association and corporate events. HVS reviewed the CSL survey methodology and conclusions. We found that the survey was well designed and properly executed. CSL conducted its survey before the Chargers' proposal became public. At the time of this survey, two SDCC expansion scenarios were under

consideration: 1) a contiguous expansion and 2) development of a new facility on a separate campus.

CSL asked two groups of event planners about their interest in booking events in San Diego based on their level of exhibit space requirements. “Large event” planners require over 525,000 square feet of exhibition space, meaning they would require more space to use San Diego effectively, and “small event” planners require less than 225,000 square feet, meaning they could conceivably fit their entire event within a non-contiguous expansion. Event planners were asked if they would “definitely yes, likely, possibly, not likely, or definitely not” book events in the venue. Using these results, we calculated a net promoter score, which is the percentage of definitely yes and likely responses minus the percentage of not likely or definitely not responses. For example, if all large event planners respond with positive interest (and none answer negatively), the score would be a 1.0, the maximum. Conversely, if all responders answer negatively, the score would be -1.0, and an even split between positive and negative responders would garner a score of zero.

The following figure summarizes the responses to contiguous and non-contiguous expansion scenarios based on planners’ event size.

FIGURE 6
NET PROMOTER SCORE



*For events that required more than 525,000 square feet of exhibit space (N = 8).

**For events that required less than 225,000 square feet of exhibit space (N = 92).

Source: CSL August 2015 Event Planner Survey & HVS

Planners of both large and small events prefer a contiguous expansion, and large event planners do so overwhelmingly. With a net promoter score of minus 0.63, planners that require more than 525,000 square feet of exhibit space have little interest in booking events in a non-contiguous venue. While a score of minus 0.08 is less decisive, it shows that even planners with smaller events, ones that could fit into the Stadium-Convention Center, have substantially negative attitudes towards a non-contiguous expansion.

Event Planner Interviews

The SDTA provided HVS with a list of event planners who organize major conventions and tradeshow and have or are considering holding their events in the SDCC. To assess event planner views of the current Chargers' plan, we interviewed eleven planners who represent national associations based in Chicago and Washington D.C. These event planners manage large events, most of which need all of or more than the available space in the SDCC. Their events can be summarized as follows:

- Half of the events occur in fall, and primarily in October. The rest occur in February, June, or December.
- The average booking window is ten years, though some are longer.
- Of those planners interviewed, all events need at least nine continuous days of building occupancy.
- The event attendance ranges from 10,000 to 25,000 per event with an average of 20,000. Events average 8,000 peak room nights and over 30,000 average total room nights over the course of the events.
- While roughly half the events fit into the existing SDCC exhibition facilities (requiring 615,000 gross square feet of exhibition space or less), the rest require more space and others that currently fit expect to grow such that they will exceed the capacity of the SDCC.
- In order of frequency, events organized by planners that we interviewed occur in New Orleans, San Diego, Chicago, Orlando, Atlanta, Anaheim, San Francisco, and Boston.

During the interviews, we provided event planners with the description of the Chargers' proposal as presented in this report. We then asked event planners whether their event could use the proposed Stadium-Convention Center space.

- Event planners were uniformly negative about the possibility of using the proposed Stadium-Convention Center with or without simultaneous use of the SDCC. One planner said, "the objective is to keep people on or near the show floor; this runs counter to that goal." Many planners agreed with that sentiment, citing the distance between exhibition spaces would be detrimental to their exhibitors, attendees, and planners.
- One said there is "nothing compelling about this that would even work for small groups."

- Several event planners also pointed out that the Stadium-Convention Center would keep them from returning to San Diego. One cited his loss of exhibit revenue due to the size restrictions of the existing facility, but said “attendees will not walk over to use the new space” and “it would make future years in San Diego impossible for us.” Another planner suggested that the stadium would prevent them from hosting events in the area during the NFL football season, even if they were not using the Stadium-Convention Center.
- Others pointed out the difficulty of event logistics. Using two venues with a three to six city-block separation would require relegating certain parts of the show to a smaller location and keeping others in “the main area.” One suggested that it would “be difficult to create compelling experiences in both locations” and that this could create “friction” and confusion for both exhibitors and attendees. Use of both venues would also require an expansion of services, and double some costs since they would need registration, security, freight services, and other services in both spaces.
- Four planners responded that they would consider using the proposed venue for general sessions or breakout space. They suggested the exhibit space was “not ideal” or “not useful.” Another event planner said, although “more space, in general, makes San Diego a better option... the preference is always to be under one roof.”
- The most positive planner indicated that their event does not fit in the current SDCC, but they would consider splitting up their meetings to use the Stadium-Convention Center. Yet, this planner mentioned that they had not done that before and was concerned that dividing their event would affect the culture of their event and networking opportunities. Her preference was for contiguous expansion.
- One event planner who anticipated needing more space would prefer to expand into hotel space adjacent to the SDCC rather than into the proposed Stadium-Convention Center.
- Planners expressed issues with congestion and planning around NFL games and other high-traffic events at the Stadium-Convention Center. Some who have held or would consider holding their event at the existing SDCC remarked that the construction of a nearby stadium could complicate their event or dissuade their returning to San Diego.

All event planners were familiar with prior proposals for contiguous expansion of the SDCC and we asked them how the Chargers' plans compare to previous contiguous expansion scenarios.

- All the event planners that we interviewed would prefer a contiguous expansion. Some were more emphatic than others, stating that there was “no comparison” between the two proposals.
- For half the planners we interviewed, bringing their event to San Diego depends on contiguous expansion. One planner said that without expansion the SDCC would not be large enough, but they would make it work because of the “quality of San Diego as a destination.” Others offered that they have been considering the city and would “love to go to San Diego” but only under the assumption that they would expand contiguous exhibition space.
- Event planners also suggested that the construction of such a facility could hinder their ability to return to San Diego. They expressed concern that during events held at the SDCC, traffic during football season could overwhelm downtown San Diego.
- One event planner expressed concern that a separate facility could “spawn competing shows” during their event at the SDCC. Competitive simultaneous events would reduce the profitability of shows at the SDCC and may force event planners to choose an alternative location without multiple convention centers.
- Lastly, one planner stated that higher hotel taxes would cause them to remove San Diego from consideration for up to 40 annual hotel-based events. This event planner's willingness to pay the additional lodging tax was contingent on its use for convention center rather than stadium development. Raising lodging taxes 4.0% as proposed by the Chargers would place San Diego among the highest lodging tax rates in the US.

NFL Scheduling Practices

The development of a Stadium-Convention Center that depends on the stadium floor for a significant portion of the available exhibit space runs into unique scheduling issues during the National Football League season. The planning horizons of sports events, concerts, family shows and other assembly events range from three to six months. For example, the National Football League (NFL) announced its 2016/17 game schedule on April 14, 2016, approximately four-and-a-half months before the first exhibition game of the season. The NFL preseason begins in early August, and the potential for post-season home games ends in mid-January. Facility managers typically book concerts, family shows, and other entertainment events three months or less in advance of the event.

In contrast, scheduling convention events that generate city-wide room nights involves a multi-year planning process. Booking typically occurs a minimum three and as many as ten years in advance of the event date. The tentative commitment on the part of the facility management effectively gives the event planner a first right of refusal for the specified dates. To secure the event dates, the meeting planner will finalize a commitment to the scheduled dates by entering into a contract that involves financial penalties for cancellation.

Current scheduling practices limit the NFL's ability to hold certain dates for home games for a decade. In the interest of parity and consistency, the NFL subjects the scheduling of all teams to various requirements. The league is made up of 32 teams, split into two conferences and then into four divisions (for eight total divisions). Those most pertinent to this proposed development, according to NFL Operations, are summarized in the following procedures:

- Each team must play all three teams in its division twice per season at home and on the road (six games per season). Each team must also play all teams in other divisions in its conference once every three-year period (four games per season). Each team also plays every team from the other conference once every four-year period (four games per season). For each team, the NFL schedules an equal number of home and road games.
- In each season, each must also play two teams from its conference that it otherwise would not play, based on prior season rank within their division (two games per season). For example, a team that places third in its division will play another team in their conference that also placed third. One of these games is at home, and the other is on the road. This means each season's schedule is partially based on previous season performance, which requires scheduling flexibility.
- During the latter part of the season, the NFL adjusts its schedule to allow for "marquee matchups" on popular dates and times (e.g. premier Sunday time slots).
- The NFL attempts to limit discrepancies in rest times between games, whether for bye weeks, where a team does not play or short weeks, where a team plays on a weeknight and then soon after. Similarly, the league attempts to limit excessive streaks of home or road games.

The NFL has scheduled around certain non-football events on a yearly basis. In a profile on NFL schedule-making in 2014, Sports Illustrated included some examples. The NFL allowed restrictions on weeknight games for the 49ers – the City of Santa Clara wanted time to adjust to traffic from their new stadium. When the Minnesota

The NFL Schedule Proposal

Vikings temporarily played at the University of Minnesota while their stadium was under construction, the Vikings barred home games on week nights or college football days. Other typical issues such as major sports teams that share a home team's stadium, or hosting major sports events such as rugby matches, city marathons, NASCAR races, and PGA tournaments are all things with which NFL scheduling must contend.

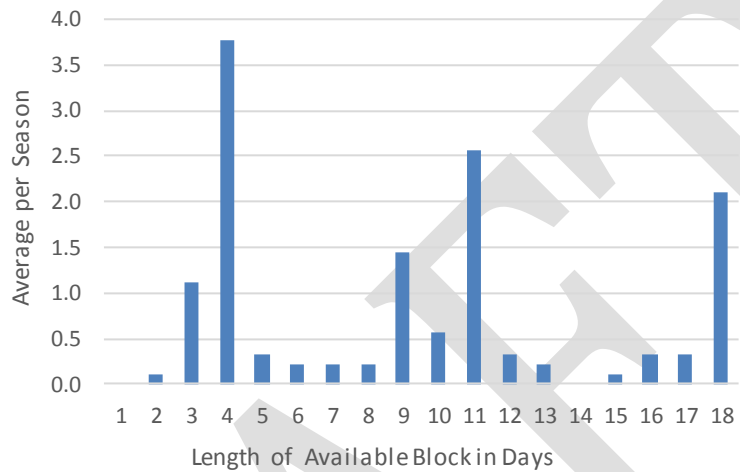
Based on conversations with hoteliers and representatives from the San Diego Chargers, HVS understands that the NFL has committed verbally to preserving specific dates up to 10 years in advance for convention booking. The Chargers provided HVS with a proposed ten-year schedule for home games (covering nine complete football seasons). The schedule specifies the dates during which the venue would be available for non-football events.

Our analysis is contingent on the assumption that the NFL would commit officially to preserve significant dates for convention bookings. As of the writing of this report, written or contractual commitment from the NFL has not been given. Moreover, due to the unprecedented nature of a such an agreement, meeting planners are skeptical that dates would be preserved. Fears that the NFL will infringe on bookings, though they may be unfounded, may prevent some event planners from booking the facility.

While the NFL has fixed some game dates in other cities and made other scheduling concessions, a ten-year commitment to entire seasons schedule for a specific team would be unprecedented. In interviews, event planners have expressed skepticism that the league, however well intentioned, would be able to follow through with its verbal commitment to San Diego. Despite no track record of making a ten-year commitment to schedule conventions during football season, for the purposes of this analysis, we assume the NFL will live up to the dates indicated in its draft calendar.

The sample schedule of home games provided by the Chargers spans from 2022/23 through 2031/32 seasons. HVS analyzed this calendar and identified the number of continuous days that would be available for convention events. Based on analysis of historical SDCC bookings, we assume that conventions require an average of a nine-day block for an event, including move-in and move-out days. The following figure shows the average number of times the Stadium-Convention Center would be available for convention bookings during each football season by the number of continuous days in each period.

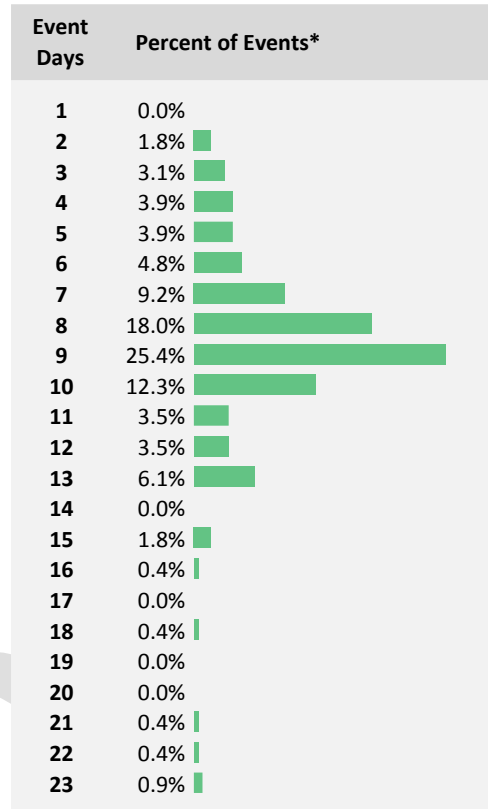
FIGURE 7
AVERAGE NUMBER OF AVAILABLE BLOCKS
PER SEASON BY LENGTH OF BLOCKS
(2022 – 2031)



The estimated number of available blocks of days that would be available for convention events in any given year is based on the average of the nine seasons in the Chargers’ proposed schedule. The length of many of the available blocks is fewer than the average event length of SDCC events, which is between eight and nine days.

The figure below shows the distribution by event length (in days) of historical SDCC events that occurred during football season in 2009 through 2015.

FIGURE 8
FREQUENCY DISTRIBUTION OF EVENTS BY LENGTH
DURING FOOTBALL SEASON



*Based on 228 actual long-term bookings during football season from 2009 through 2015.

Sources: SDCC and HVS

Approximately 73% of SDCC events require a continuous block of eight days or more. The average event length during football season is 8.8 days including moving days and twenty-five percent of SDCC events last for nine days. The Chargers' schedule most frequently offers blocks of four days, but events that fit into four-day blocks only make up 9% of demand. Using this event length distribution, we estimated the number of days that the Stadium-Convention Center would be available for long-term bookings during football season. See the figure below.

**FIGURE 9
POTENTIAL FOR BOOKING LONG-TERM EVENTS
IN THE STADIUM AND CONVENTION CENTER**

Event Length (Days)	Available Blocks ¹	Number of Days in Available Blocks ²	Percent of Available Days in Season ³	Distribution of Event Demand ⁴	Maximum Booking Potential ⁵
2	61	123	67%	1.8%	1.2%
3	39	117	64%	3.1%	2.0%
4	27	109	60%	3.9%	2.3%
5	18	92	50%	3.9%	2.0%
6	14	85	47%	4.8%	2.2%
7	11	79	43%	9.2%	4.0%
8	11	88	48%	18.0%	8.6%
9	10	91	50%	25.4%	12.6%
10	7	66	36%	12.3%	4.4%
11	6	66	36%	3.5%	1.3%
12	3	41	23%	3.5%	0.8%
13	3	40	22%	6.1%	1.4%
14	3	40	22%	0.0%	0.0%
15	3	43	24%	1.8%	0.4%
16	3	44	24%	0.4%	0.1%
17	2	42	23%	0.0%	0.0%
18	2	38	21%	0.4%	0.1%
Total Maximum Booking Potential					43.4%

¹Average number of times a block of days of each length are available during the football season.
²Available blocks times the number of days in the block.
³Available days divided by 183, the average number of total days in football season.
⁴Percent of demand for each event length during football season. See Figure 18.
⁵Percent of days available times the percent of event demand.

Our analysis of the Chargers proposed nine-year calendar allows us to calculate the average number of times a convention event of a given length could be booked during any given football season. For example, nine-day events could fit into the available blocks ten times per year. This availability covers approximately 90 days (10 times 9) or 50% of the 183 days of the football season. Consequently, when an event planner seeks to secure dates for a nine-day event during football season, half of the days during the season will not be available.

Based on the historical distribution of event demand shown in Figure 18, we understand that approximately 25 percent of events require a nine-day block. Given

50% availability, half of these nine-day events (12.6% of total demand) could be accommodated in the schedule. We refer to this as the maximum booking potential.

We calculated maximum booking potential for each event size. The venue would be available more frequently for shorter events, but demand for long-term bookings includes few short events. For example, the venue would be available for 64 percent of days during the season for three-day events, but only 3.1% of events need three days. So the maximum booking potential for three-day events is 2.0% of the total available days in the season (64% times 3.1%).

The sum of maximum booking potentials for each event size is the total maximum booking potential. The Stadium-Convention Center would be available for long-term bookings for approximately 43% of the days during football season. Our analysis does not consider other limitations of the proposed schedule such as whether the available days of the week match a pattern that the event planner desires. For example, an event planner with an eight-day event may fall into two weekends. Furthermore, during the holiday periods and December, there may be no demand to hold events during available days. Consequently, the practical availability of the venue may be less than the maximum booking potential that we have calculated.

Existing SDCC Event Demand

The San Diego Tourism Authority (“SDTA”) provided HVS with a list of long-term convention bookings for events that occurred since 2012 and will occur through 2034. For the most part, long-term convention booking means events that are booked at least 18 months in advance of the event. The SDTA has responsibility for long-term bookings. This data included event names, event dates, estimated attendance, peak and total room nights, and the gross square feet of rented exhibition space.

The SDCC has responsibility for short-term bookings (within 18 months) of the event. SDCC staff provided event data that includes event names, event dates, estimated attendance, and peak and total room nights.

The following figure presents available event data for the calendar years 2012 through 2015.

FIGURE 10
BOOKED EVENTS (2012 – 2015)

	2012	2013	2014	2015
Number of Events				
Small (< 225,000 sf)	31	24	27	26
Medium (225,000< & <525,000 sf)	22	21	21	17
Large (525,000 sf <)	2	5	3	5
Short-term Bookings	na	73	110	130
Total Events	55	123	161	178*
Room Nights				
Small (< 225,000 sf)	218,297	145,368	215,944	208,409
Medium (225,000< & <525,000 sf)	373,011	300,667	311,667	237,679
Large (525,000 sf <)	90,759	189,680	95,992	203,938
Short-term Bookings	na	21,184	42,055	37,454
Total Blocked Room Nights	682,067	635,715	623,603	650,026
Room Nights Per Event				
Small (< 225,000 sf)	7,042	6,057	7,998	8,016
Medium (225,000< & <525,000 sf)	16,955	14,317	14,841	13,981
Large (525,000 sf <)	45,380	37,936	31,997	40,788
Short-term bookings	na	290	382	288

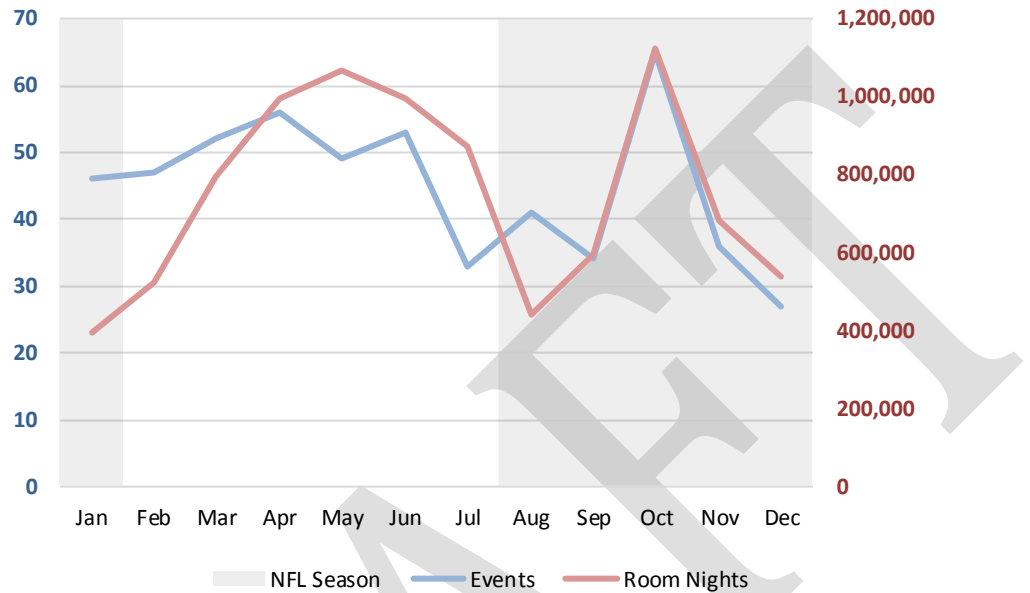
*One event in 2015 is not counted due to missing gross square feet information.

Sources: SDTA, SDCC, and HVS

Short-term bookings by the SDCC have grown in recent years, while long-term bookings appear to be stagnating. While large events make up a small percentage of total events, due to their ability to generate more room nights, they comprised one-third of the total room nights generated in 2015.

The following figure shows the seasonality of long-term conventions at the SDCC, both for events and total room nights.

FIGURE 11
LONG-TERM SEASONALITY AND ROOM NIGHTS (2012 – 2034)



Sources: SDTA, SDCC, and HVS

As in the US meeting and convention market as a whole, long-term bookings are highest in the spring and fall and peak in October.

The following figure shows the exhibition hall gross square feet requirements for long-term advanced bookings. Based on preliminary plans for the Stadium-Convention Center that specify a 130,000 square foot exhibit hall and 260,000 total square feet of exhibition space (including the field and the connector), we have summarized the number of long-term bookings by the exhibit capacities of the existing SDCC and the proposed Stadium-Convention Center.

FIGURE 12
EXISTING SDCC GROSS SQUARE FEET REQUIREMENTS FOR LONG TERM BUSINESS

Exhibit Size (thousands)	Number of events	% of total
0 to 160	156	29%
160 to 260	114	21%
260 to 525	219	40%
526 to 615	52	10%

Sources: SDTA, SDCC, and HVS

Of all events booked by the SDTA in this period, 19 percent of events fall under 130,000 square feet, the size of the exhibit hall in proposed Stadium-Convention Center space. While a total of 50 percent of events require 260,000 square feet or less, the Stadium-Convention Center could only serve these events if an unconditioned stadium floor is adequate for exhibit displays.

Fifty percent of events that require between 260,000 and 615,000 square feet of exhibition space would only fit into the SDCC. Some event planners expect their shows to grow and anticipate needing more exhibit space. Interviews with event planners (discussed earlier in this report) revealed that non-contiguous exhibit space is unacceptable.

Long Term Lost Business

The SDTA provided HVS with a summary of conventions lost between 2013 and 2016. Lost business includes events that tentatively reserved dates at the SDCC but ultimately decided not to come to the venue. The list contains events that would have occurred from 2013 through 2032 and includes almost 700 events and over 8 million room nights. Some events tentatively reserved dates in multiple years with the understanding that they would rotate to San Diego in one of those years. Consequently, there is a small amount of double counting in the lost business data. The following figure shows a summary of the number of lost events and room nights for this period analyzed.

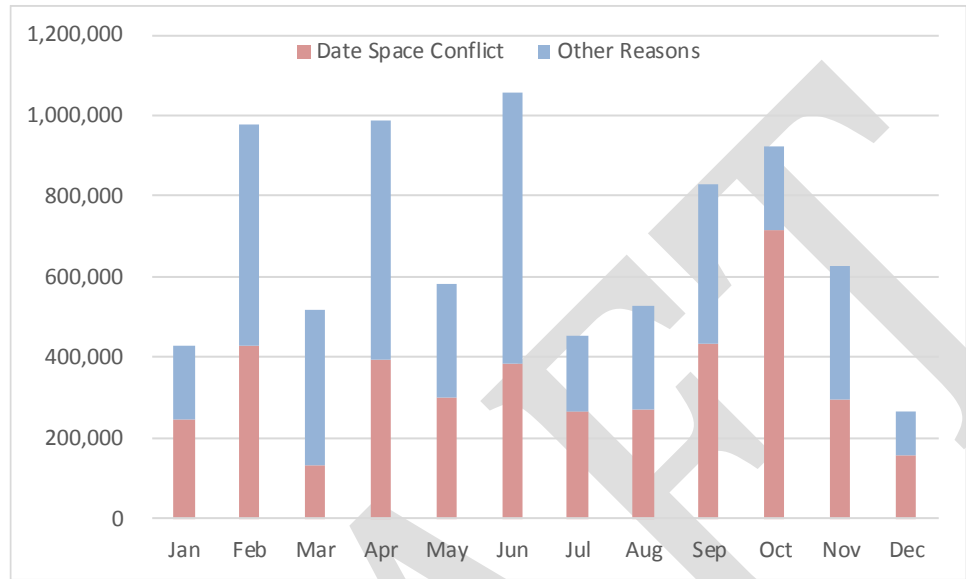
**FIGURE 13
LOST BUSINESS**

Event Year	Events	Room nights
2016	70	554,999
2017	80	548,430
2018	87	784,333
2019	112	1,222,528
2020	74	940,001
2021	49	651,011
2022	41	652,376
2023	32	498,390
2024	24	429,056
2025	11	259,105
2026	14	310,560
2027	12	318,815
2028	10	196,979
2029	3	133,089
2030	1	19,380
2031	1	22,770
2032	1	15,800

Source: SDTA

HVS analyzed the seasonality of the lost events and separately categorized events lost due to lack of available dates or space. See the figure below.

FIGURE 14
LOST BUSINESS SEASONALITY



While the overall trend mirrors current bookings, October is the month in which date and space conflicts dominate lost business. Approximately 50% of total room nights are lost due to date and space conflicts, while in October date and space conflicts account for 75% of lost room nights.

**Estimated Recovery of
Lost Business**

HVS quantified the potential for the proposed Stadium-Convention Center to recover lost long-term business. The figure below summarizes our analysis.

**FIGURE 15
RECOVERABLE LONG-TERM BUSINESS
BY THE PROPOSED STADIUM-CONVENTION CENTER**

Month	A	B	C	D	E	F
	# Lost Due to Space & Date	Lost events that fit into Stadium-CC (50%)	Events that would not use Stadium floor (15%)	Total Recoverable Room nights	Maximim Booking Potential	Recoverable lost long-term business
Jan	27,455	13,728	(4,036)	9,692	43%	4,167
Feb	36,134	18,067	(5,312)	12,755	100%	12,755
Mar	6,645	3,323	(977)	2,346	100%	2,346
Apr	30,182	15,091	(4,437)	10,654	100%	10,654
May	29,810	14,905	(4,382)	10,523	100%	10,523
Jun	26,795	13,398	(3,939)	9,459	100%	9,459
Jul	29,799	14,899	(4,380)	10,519	100%	10,519
Aug	26,847	13,423	(3,947)	9,477	43%	4,075
Sep	44,347	22,173	(6,519)	15,654	43%	6,731
Oct	107,908	53,954	(15,863)	38,092	43%	16,379
Nov	26,735	13,368	(3,930)	9,438	43%	4,058
Dec	17,265	8,632	(2,538)	6,094	43%	2,621
Total	409,922	204,961	(60,259)	144,702		94,288

A - Based on lost long-term business from 2016 through 2019.

B - Based on lost busines analysis by exhibit hall requirements shown in Figure 22.

C - Based on historical bookings, an additional 21% of events would require the stadium floor for exhibits and 30% of those would use non-conditioned space.

D - Total recoverable room nights with no NFL schedule restricitions (D) = B + C

E - Maximum booking potential is the percentage of days available based on our event length analysis. See Figure 18.

F - Recoverable lost business (F) = D x E

We based our estimate of the amount of recoverable lost long-term business on the following variables.

- From 2016 through 2019, the years in which data on lost business is nearly complete, the SDCC lost an annual average of 48 events and 410,000 room nights due to the lack of available space and dates.
- Based on the analysis of the exhibit hall requirements, 30% of lost long-term business (123,000 room nights) could be accommodated by the 130,000 square feet of exhibition space in the proposed Stadium-Convention Center.

- Up to 21% of additional lost long-term business would require more than 130,000 square feet but less than 260,000 square feet of exhibit space. Based on the historical performance of the Sail Area, prior to its renovation that enclosed and conditioned the space, this unconditioned space would be useful to planners 30% of the time it was needed (approximately 25,000 additional room nights).
- As demonstrated in our analysis of the proposed Chargers' schedule, access to the venue will be limited to 43% of the available days during football season.

Short-Term Bookings

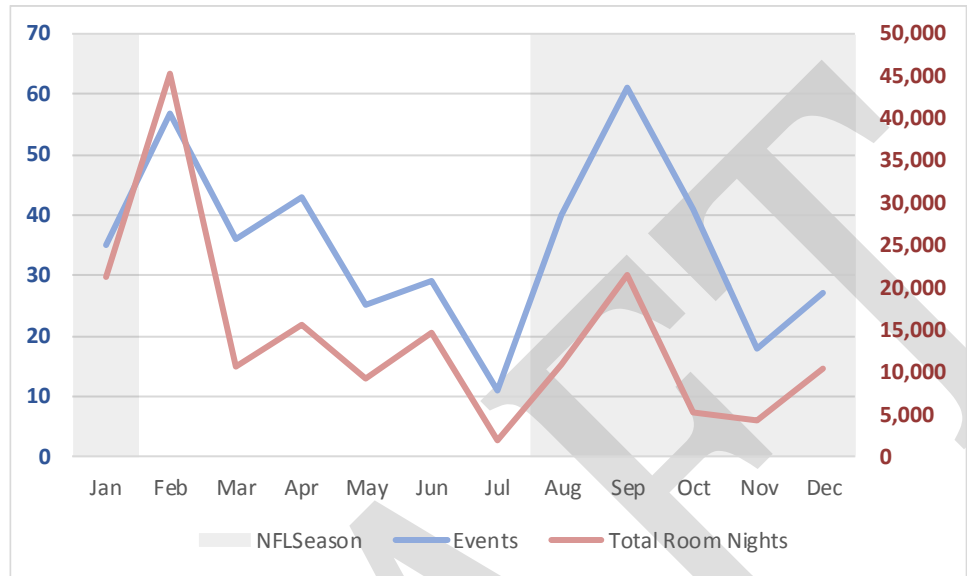
Short-term bookings generate many events but relatively few room nights. The following figures show a summary of the short-term events and room nights in this period and the seasonality of the events and room nights.

FIGURE 16
SDCC SHORT TERM BOOKINGS

Event Year	Events	Total Room Nights
2013	73	21,184
2014	110	42,055
2015	130	37,454
2016	68	28,671

Source: SDCC

FIGURE 17
SDCC SHORT TERM SEASONALITY



Sources: SDCC and HVS

Short-term bookings provide in-fill business and follow the seasonal pattern of long-term bookings. The summer is the lowest season, short term events peak in February and September, with February generating by far the most room nights.

SDCC also provided HVS with the data on lost short-term business during this same period. The following figure shows the number of lost events and corresponding room nights.

FIGURE 18
SHORT TERM LOST BUSINESS EVENTS

Event Year	Events	Total Room Nights
2013	145	74,954
2014	237	226,451
2015	314	350,400
2016	288	315,311
2017	105	206,406
2018	25	47,855
2019	5	9,564
2020	3	9,678

Sources: SDCC and HVS

The SDCC also categorized the reasons for lost short-term bookings. We summarized them in the following figure.

FIGURE 19
REASONS FOR SHORT TERM LOST BUSINESS (FY 2013-2016)

Lost Reason	Events	Total Room Nights
Lack of available dates or space	470	519,367
Rates (convention center and hotels)	257	296,635
Hotel room availability	142	81,620
First Option Group Confirmed	87	39,485
Option Forced	70	105,733
Center Turned Down	50	55,061
Competitive Show/Similar Dates	25	56,390
Event cancelled/ postponed	23	29,931
Prefer single property or downsized	18	28,706
Geographical/Rotation	7	19,004
Other	8	8,775

Between calendar years 2014 and 2016, when complete data is available, the SDCC lost an average of 297,000 room nights in short-term business. Lack of available dates and space in the SDCC is the most significant reason for lost short-term business and accounts for approximately 42% of total lost business. An estimated 124,000 room nights of short-term business are lost per year due to lack of available dates and space.

While HVS is treating this short term lost business as available for recovery by a potential expansion of the SDCC, the addition of new function space to the Marriott Marquis San Diego Marina will absorb some of this business. The recently expanded Marriott space now contains two 35,000 square foot ballrooms, two 15,000 square foot ballrooms, exhibit space that can accommodate over 137 booths, 56 meetings rooms, and substantial pre-function space. With this amount of space, the hotel will be attractive to planners who usually prefer keeping events under one roof as much as possible. This could affect even small business that moves to the Stadium-Convention Center and the SDCC.

Potential Impact on the Stadium-Convention Center on Room Night Production

We estimate an annual amount of recoverable lost room nights of approximately 220,000 including long- and short-term business. Even in the best of circumstances, not all of this business can be recovered.

- Some events included in the lost business data tentatively held dates in multiple years. If they had decided to come to San Diego, the event would have occurred in only one of those years.

- Some tentative bookings overlap and on those dates only one of the events could be recovered.
- We have isolated the primary reasons for lost business, but an event may be lost for multiple reasons. If space and dates become available, business may still be lost for secondary reasons.
- As previously discussed, our analysis of recoverable business does not consider whether the pattern of available days during football season meets event planner needs. Finding the necessary pattern in a schedule with black out days may be difficult in many circumstances.
- As revealed by interviews with event planners (discussed previously in this report), many are reluctant to use an NFL stadium floor as exhibition space. Consequently, the Stadium-Convention Center could not capture all of the events that fit within it. The CSL survey results reflect that even when events require no more than 225,000 square feet of exhibit space, only 27% of survey respondents said that they would “likely” or “definitely” have an interest in using the facilities. Event planners have expressed skepticism that the facility could satisfy their event’s needs.

For the reasons articulated above, we assume that no more than 50% of recoverable lost business could be booked.

Earlier studies and our interviews with event planners confirm that in the absence of contiguous expansion, some large events will outgrow the SDCC. The venue has booked some events under the condition that it will undergo a contiguous expansion. The proposed Stadium-Convention Center would foreclose the option of contiguous expansion of the SDCC and we concur with the CSL projection that approximately two large events would be lost per year without contiguous expansion. Analysis of historical events indicates two large events would generate approximately 80,000 room nights. While this lost business could be replaced with smaller events, they would not generate as many room nights. For the purposes of our analysis, we assume a net loss of 40,000 room nights due to the lack of contiguous expansion.

The following figure shows the range of lost business that could be realistically recovered and lost with the construction of the proposed Stadium-Convention Center.

FIGURE 20
POTENTIAL IMPACT OF THE STADIUM-CONVENTION CENTER

	Annual Recoverable Room Nights	Recovery Rate ³	Estimate of Recovered Room Nights
Long-Term Business	94,000	50%	47,000
Short-Term Business ¹	124,000	100%	62,000
Net Loss from Large Events ²	-	N/A	(40,000)
Total	218,000		69,000

¹Average of lost business due to the lack of space and dates for the calendar years 2014 through 2016 .

²We assume the loss of 80,000 room nights from two large events would be partially offset by smaller replacement business that generates 40,000 room nights per year.

³We assume a generous 50% recovery rate for recoverable long-term lost business.

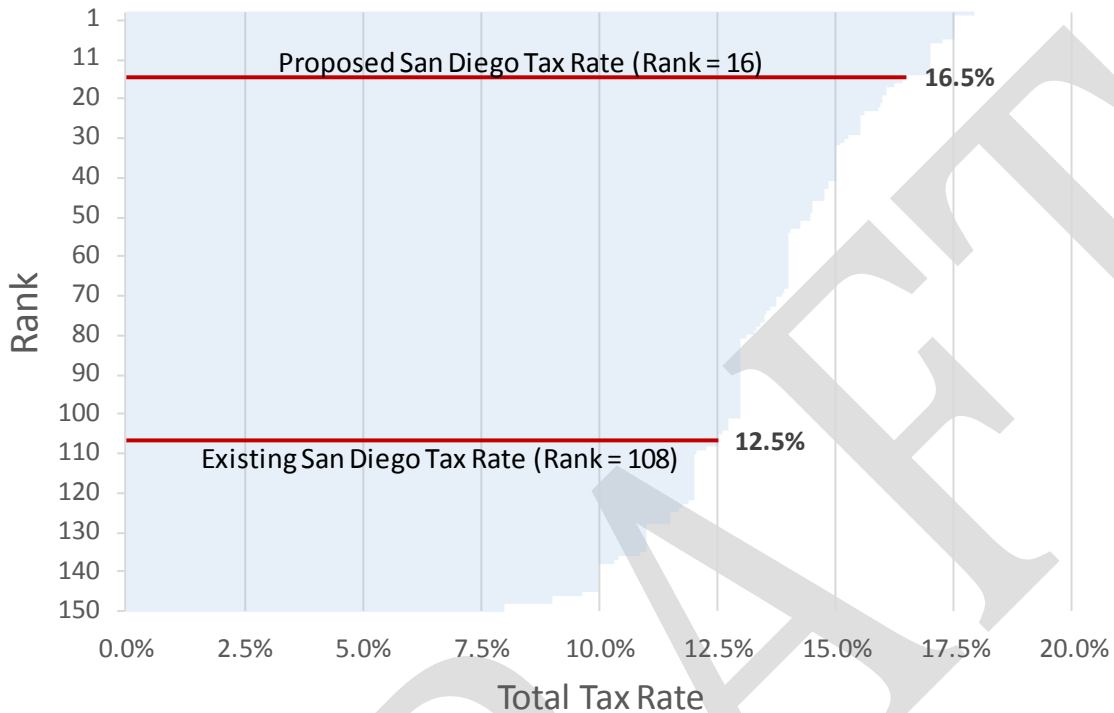
Depending on the rate of recovery of lost business (50%) the net impact of the proposed Stadium-Convention Center could range up to 69,000 room nights per year.

The proposed Stadium-Convention Center would make more convention center space available during peak periods and allow for more simultaneous events. However, the new venue, at times, would compete with the SDCC for smaller events and most likely reduce the level of small events in the SDCC during non-peak seasons. Also, the newly expanded Marriott Marquis San Diego Marina will also be a competitor for these events as it will rival the proposed Stadium-Convention Center in space and offer superior proximity to the waterfront as well as hotel rooms. Based on our understanding of event planner preferences, we conclude that it is optimistic to estimate that the Stadium-Convention Center could capture the majority of lost events.

Lodging Tax Rate Impact

The proposal by the Chargers to fund the Stadium-Convention Center would result in raising the Transient Occupancy Tax by a net 4.0 points, which represents a 32% increase in the total lodging tax and Tourism Marketing Assessment in the City of San Diego. Our analysis of lodging tax rates in the US ranks San Diego’s current tax and assessment rate of 12.5% as the 108th highest among the 150 largest cities. The proposed rate increase would vault the city to the 16th highest tax rate in the US, with a total rate of 16.5%. See the figure below.

**FIGURE 21
TAX RATE IMPACT**



Source: HVS 2016 Lodging Tax Study

The transient occupancy tax rate increase could have adverse effects on the City’s ability to attract smaller meetings or association events that may be price sensitive. Some event planners have expressed that this rate increase might motivate them to move events out of San Diego.

This would also affect groups that do not make use of the convention center. Many price sensitive groups that host events in the Mission Valley District and other neighborhoods, north of the SDCC, could be affected the lodging tax increase.

There also concerns that a reallocation of lodging tax and assessment would reduce the guaranteed funding for tourism and marketing by half. This could hamper the City’s ability to sell the new space in conjunction with existing space, especially since new space requires extra efforts to build awareness among event planners.

Lodging Tax Impacts

HVS projected the impact of events in the Stadium-Convention center on lodging tax and assessment collections. The SDCC provided HVS with an average daily hotel rate for events that have booked at the existing SDCC that fit the profile for the Stadium-

3Convention Center events within the past twelve months. Using this rate of \$223.00, we calculated the incremental impact of the facilities as shown in the following figure.

FIGURE 22
ANNUAL INCREMENTAL LODGING TAX AND ASSESSMENT IMPACT

Recoverable Room Nights ¹	Total Room Revenue ²	Taxable Room Revenue ³	Annual Tax Impact ⁴	Present Value ⁵
69,000	\$15,409,000	\$13,868,000	\$2,288,000	\$47,103,000

¹See Figure 29.

²Uses an average daily rate of \$210, provided to HVS by the SDCC.

³We assume 10% of rooms revenue would be exempt from lodging taxes.

⁴Based on a 16.5% lodging tax rate in the Chargers' proposal.

⁵Present value is calculated assuming a 30 year life span for the project and 5.0% discount rate, as is typical for public projects.

Based on the recoverable room night analysis, we estimate that the incremental impact on tax collections of the Stadium-Convention Center would be up to \$2.3 million annually. We also calculated the present value of this incremental revenue, the current worth of the expected revenue stream, over 30 years with a discount rate of 5.0%. The present value of the lodging taxes generated by the Stadium-Convention Center could range up to \$47.1 million. This compares to the \$1.150 million public contribution to the project as outlined in the Chargers' proposal.

2. Conclusions

Other Development and Financing Issues

The scope of this review focused on the impact of the proposed Stadium-Convention Center on convention activity in San Diego. Many other issues related to the development that we have not addressed in our report could also affect the ability to successfully implement the project and its ability to attract convention business including the following.

- Whether the concept plan provides for adequate pedestrian, vehicular access, parking availability, and building loading capacity. Overall site capacity is questionable.
- As of this writing, a budget for the total amount of capital expense required to complete the project has not been specified.
- The financing plan needs to provide adequate amounts of dedicated lodging tax and assessment revenues to support the project costs, ongoing capital maintenance, operating subsidies, and marketing and sales effort.
- Under the current proposal, the financing plan eliminates the existing 2% Tourism Marketing District assessment and replaces it with a guaranteed 1% and potential additional 1% after the previous year's expenses and operating costs have been satisfied. This could cut the TMD fund in half and hinder the ability to market and promote the city and convention center(s).
- The ownership arrangements and operating agreement between the Chargers and the building owners have not been determined, but they are critical to coordination of the marketing, sales and operating efforts.
- The Chargers proposal suggests that a government entity, such as a joint powers authority, may be formed to own and operate the facility. However, the lodging industry or representatives from the Chargers may not be available to form part of this entity (with the city) due to conflicts of interest in the orientation of the facility operations. This legal complication could introduce further obstacles that prevent the project's progress.
- The Stadium-Convention Center would reduce the level of operations at the SDCC by moving smaller events to the new venue. The financial impact on the SDCC needs to be evaluated.

- A contiguous expansion of the SDCC will be necessary to maintain San Diego's prominent position in the convention center industry. The financing plan for the proposed Stadium-Convention Center needs to demonstrate the ability to fund a contiguous expansion of the SDCC.
- While the Chargers have discussed the potential for 1,200 parking spaces under the exhibit hall or elsewhere, there will be a dearth of parking for large convention and tradeshow events. The construction of this Stadium-Convention center will remove the existing San Diego Padres tailgate parking, and this could cause conflicts when Padres home games coincide with convention center events.

Conclusions

Our review of the Chargers' proposal assessed the impact of the Stadium-Convention Center on the ability of San Diego to increase its presence in the convention industry and generate incremental revenue and transient occupancy tax. We conclude the following.

- The estimate of potential positive impact on convention activity in San Diego is limited (69,000 room nights per year).
- The proposed Stadium-Convention Center will not adequately address San Diego's need for larger amounts of function space.
- Event planners who plan large events do not believe that the proposed Stadium-Convention Center will meet their needs.
- The football season schedule proposed by the Chargers would severely limit the ability to book long-term events that generate significant room nights.
- The proposed Stadium-Convention Center would primarily compete with the SDCC for short-term business and reduce the occupancy of the SDCC.
- The lack of headquarters hotel, adjacent hotels, and the potential for hotel development surrounding the site of the proposed development presents challenges to event planners.
- The expansion of the Marriott Marquis San Diego Marina has introduced a new competitor into the market for large meetings and small convention events.

Based on the concerns summarized here, the limited impact of the proposal on convention activity, and the negative externalities which will accompany the

proposed development, we have determined that it cannot justify a \$1.15 billion public investment.

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3. Statement of Assumptions and Limiting Conditions

1. This report is to be used in whole and not in part.
2. No responsibility is assumed for matters of a legal nature.
3. All information, financial operating statements, estimates, and opinions obtained from parties not employed by HVS are assumed to be true and correct. We can assume no liability resulting from misinformation.
5. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per-diem fees and travel costs are paid prior to the appearance.
7. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
8. We take no responsibility for any events or circumstances that take place subsequent to the date of our report.
9. We do not warrant that our estimates will be attained, but they have been developed on the basis of information obtained during the course of our market research and are intended to reflect reasonable expectations.
12. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.
13. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client, and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
14. Although this analysis employs various mathematical calculations, the final estimates are subjective and may be influenced by our experience and other factors not specifically set forth in this report.

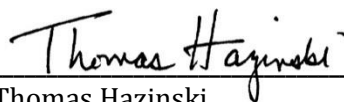
15. This report was prepared by HVS Convention, Sports & Entertainment Facilities Consulting. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of this organization, as employees, rather than as individuals.

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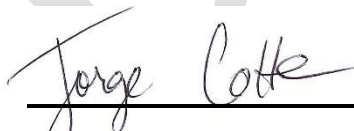
4. Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

1. the statements of fact presented in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. we have no present or prospective financial or personal interest with respect to the parties involved;
4. HVS is not a municipal advisor and is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financial product or issuance of municipal securities;
5. we have no bias with respect to the subject of this report or to the parties involved with this assignment;
6. our engagement in this assignment was not contingent upon developing or reporting predetermined results;
7. our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined result that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this document.



Thomas Hazinski
Managing Director



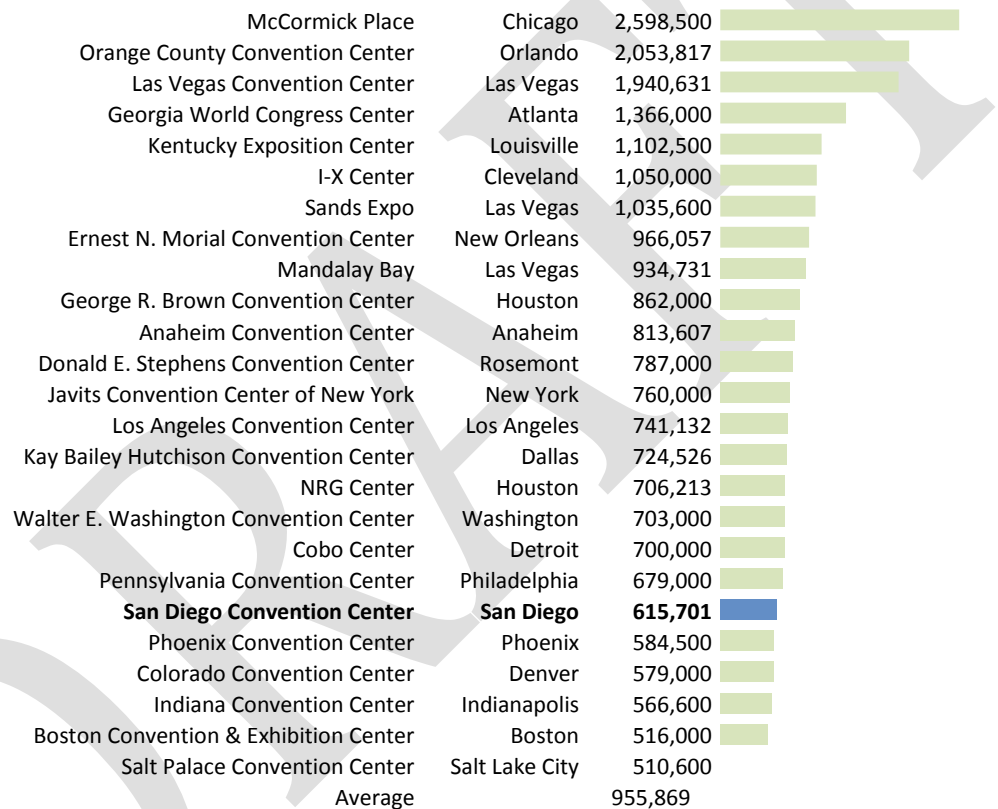
Jorge Cotte
Associate

Addendum A – Comparable Projects

Competitive Convention Centers

The following figure shows the amounts of exhibition space in the 25 largest convention centers in the US.

FIGURE A-1
US CONVENTION CENTERS RANKED BY AMOUNT OF EXHIBIT SPACE



Sources: Respective Venues

Despite San Diego's reputation as a top-tier convention destination, the SDCC ranks 20th among US convention centers with respect to the amount available exhibition space.

Comparable Stadium/Convention Center Venues

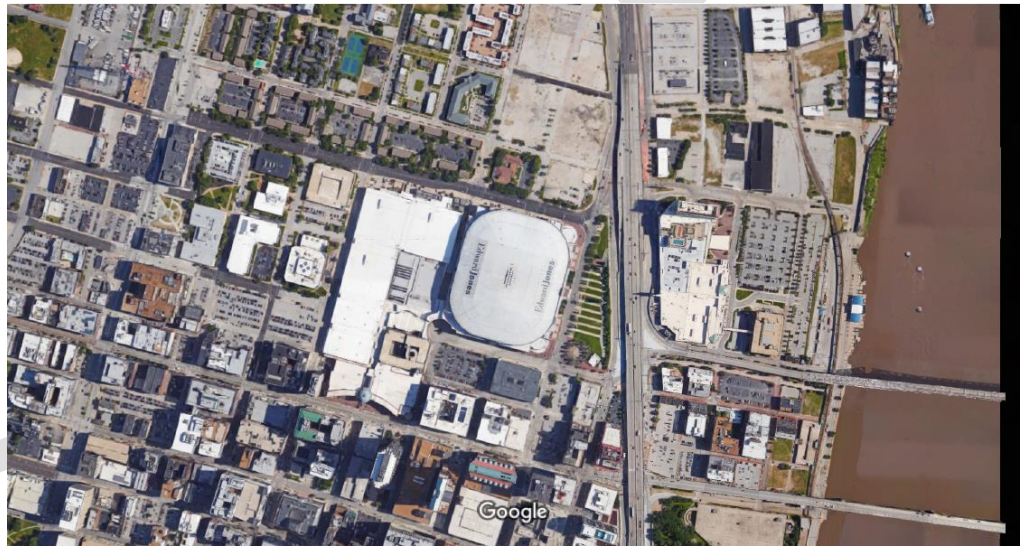
Adjacent or combined football Stadium-Convention Center developments rarely occur in the US. We can find no examples of fully integrated convention centers and stadiums that are directly comparable to the proposed venue in San Diego. In the

US, only three convention centers had adjacent or connected football stadiums. One has been demolished, and two remain. Of the two remaining, one is likely to be demolished soon. These venues provide an indication of the potential for joint use of convention centers and stadiums to support convention events. Following is a discussion of these three venues.

The Dome at America's Center – St. Louis

The Dome at America's Center in St. Louis, formerly the Edward Jones Dome, is connected to the Cervantes Convention Center. Together, the facilities make up the America's Center. Located in downtown St. Louis, the domed stadium is marketed jointly with the convention center as part of the America's Center by the St. Louis Convention and Visitors Commission. The facility was home to the St. Louis Rams of the National Football League until January 2016 and hosts a variety of other entertainment and exhibit events.

FIGURE A-2
THE DOME AT AMERICA'S CENTER



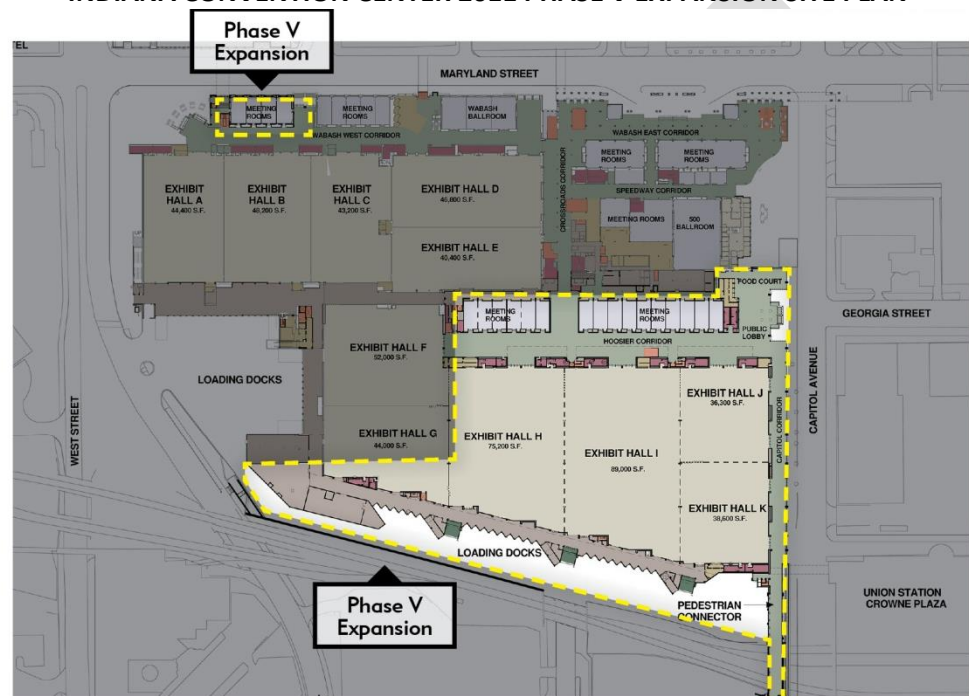
Source: Google Maps

The Edward Jones Dome seats 66,963 in its football configuration. The stadium's main floor measures 145,000 square feet when telescoping seating is fully retracted. An annex connects the stadium floor to the convention center's 340,000 square feet of exhibit space and provides an additional 17,000 square feet of space for a total of 162,000 square feet. The Edward Jones Dome has 27 meeting rooms on the main floor level with a total area of 30,783 square feet.

**RCA Dome –
Indianapolis**

The RCA Dome, built in Indianapolis in 1984, was demolished in 2008. The site now holds a substantial convention center expansion that nearly doubled the Indianapolis Convention Center. It added over 200,000 square feet of exhibit space and 60,000 square feet in meeting space.

**FIGURE A-3
INDIANA CONVENTION CENTER 2011 PHASE V EXPANSION SITE PLAN**



Source: RATIO Architects

While in operation, a public facility authority owned and jointly operated the Indiana Convention Center & RCA Dome. The facilities were integrated and internally connected. The RCA Dome was home to the Indianapolis Colts of the National Football League until they moved to the Lucas Oil Stadium in 2008. The Dome also hosted a variety of amateur sports and other events.

The dome's football seating capacity was 57,890 for football games, and its floor offered 95,000 square feet of connected exhibit space on the same level. The dome also had 16 meeting rooms that offered a total of 23,086 square feet of meeting space. However, this space was not contiguous to the convention center's 303,851 square feet of exhibit hall space.

HVS obtained a list of non-sports events held at the RCA Dome in 2003. The following figure shows events held at the dome only and events held jointly in the Dome and convention center.

**FIGURE A-4
RCA DOME NON-SPORTS EVENTS (2003)**

Type	Events	Attendance
Standalone Dome Events		
Assembly	1	3,297
Band Competition	4	41,970
Consumer Show	1	5,835
Meeting	1	50
Events using Dome and Convention Center		
Assembly	1	N/A
Band Competition	3	N/A
Consumer Show	1	N/A
Convention	1	N/A
Tradeshow	3	N/A

Source: Indiana Convention Center

The seven events that used only the Dome accounted for 51,152 attendees. Overall, band competitions accounted for seven of the 16 total non-sports events in 2003. Nine of the 16 events utilized space in both the dome and the convention center. Four of these nine events were assemblies or band competitions that were primarily held in the dome but used some additional meeting or exhibit space in the convention center. The convention and three tradeshow that were held in both facilities used the stadium floor as auxiliary exhibit space. Use of the RCA Dome as a plenary session space was infrequent, with the two assemblies and the Indiana Black Expo as the only events that were likely to have benefited from such space.

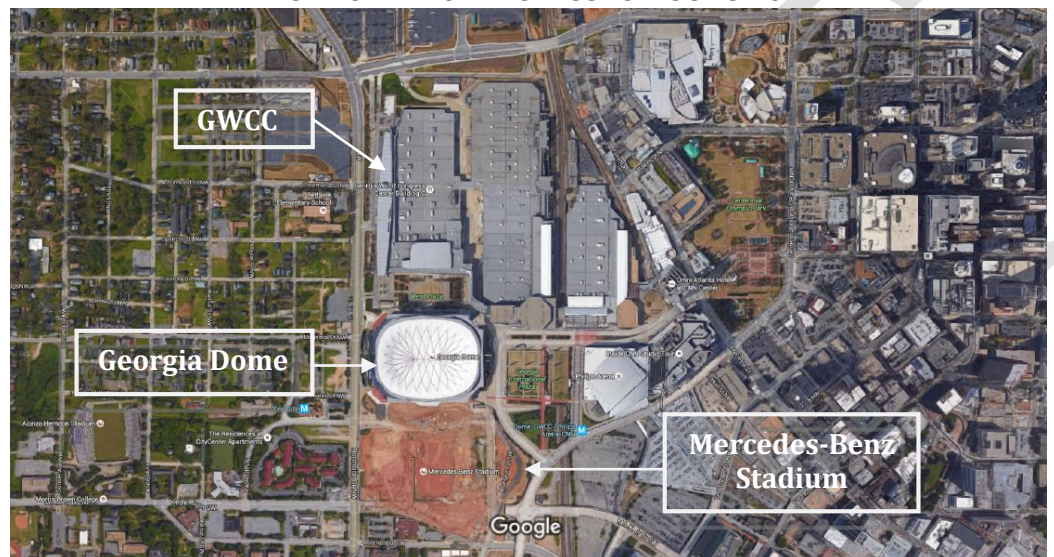
The lack of frequent use of the RCA Dome propelled the authority that owned and managed both the Indiana Convention Center & RCA Dome to commission a feasibility study in 2004 that recommended contiguous expansion of the Convention Center. Plans to demolish the RCA Dome to accommodate the expansion soon followed.

**Georgia Dome –
Atlanta**

The Georgia Dome, located in downtown Atlanta, is adjacent to and operated jointly by the Georgia World Congress Center Authority. The Dome will be demolished and replaced by the Mercedes-Benz Stadium as the home of the Atlanta Falcons of the National Football League starting in 2017. The dome seats 71,250 for football games and its floor provides 102,000 square feet of exhibit space connected to the 1.4 million square feet of exhibit hall space in the Georgia World Congress Center. There are two club lounges and five meeting rooms that provide approximately 16,500

square feet of meeting space within the stadium. The Mercedes-Benz Stadium, under construction less than 100 feet from the dome, will also be operated in conjunction with the Georgia World Congress Center.

**FIGURE A-5
MERCEDES-BENZ STADIUM CONSTRUCTION SITE**



The Georgia Dome has been home to the Atlanta Falcons of the National Football League, Georgia State University, and hosts a variety of other events such as an annual SEC Football Championship and major high school football events. The dome also hosted some non-sports events, such as graduation ceremonies, tradeshow, or fairs, which may use space in the connected convention center. The most common concurrent use of the two facilities is for sports events. The Atlanta Falcons utilized portions of the exhibit halls in the convention center for tailgate parties, sponsor events, and dinners on game days.

HVS obtained data on the non-sports events that occurred in the dome in 2015. This is summarized in the following figure.

**FIGURE A-6
GEORGIA DOME NON-SPORTS EVENTS (2015)**

Type	Event	Attendance
Concerts	4	172,046
Graduations	17	86,476
Meetings	36	120,909

Source: GWCCA Annual Report

Implications Comparable Stadium Convention Center Analysis

According to the Georgia World Congress Center Authority, the dome had over 1,467,840 attendees in 2015, with over 90 percent corresponding to spectator events. This is in contrast to the Congress Center, which hosts almost exclusively conventions, trade shows, consumer shows, and meetings. Information from previous studies indicates that joint use of the two facilities is rare and may have been less than ten events annually.

The three examples cited here indicate that stadiums offer little potential for joint use with a convention center. A stadium land use conflicts with convention center activity in many ways. Football stadiums sit empty for most of the time and do not generate daily visitation that supports the neighborhood amenities important to convention center uses such as hotels, restaurants, and retail and entertainment establishments. Stadium parking and roadway access requirements shape neighborhood development toward a less pedestrian-friendly environment. Convention center and stadium schedules often conflict. Convention centers need long booking windows, which may be in excess of ten years for larger events. Football schedules are set approximately one year in advance of the season. Finally, the large local attendance generated by football games and concerts crowds out convention center attendees. In the few instances where it has been attempted, joint development of convention centers and stadiums has failed to support significant convention activity.

Non-Contiguous Convention Center Expansions

The Chargers propose a non-contiguous expansion of the SDCC. Convention center expansions in Seattle and San Francisco offer the only available examples of non-contiguous expansions in the US. In both cases, the lack of available land for contiguous expansion drove the approach to expansion. Following is a description of these expansions.

Moscone Center – San Francisco

Built in 1981, the Moscone Center is located in South of Market, San Francisco. The venue currently includes:

- the original building, Moscone South, which contains 260,560 square feet of exhibit space,
- a primarily underground structure known as Moscone North, which was added in 1992 and contains 181,400 square feet of exhibit space,
- and an above ground building that is adjacent but not connected, known as Moscone West, that was added in 2003 and contains 99,916 square feet of dedicated exhibit space and 199,432 square feet of flexible space on the upper floors.

SMG, a third-party manager, operates Moscone Center. The center benefits from proximity to a large base of hotel rooms, transportation options, as well as the myriad entertainment and cultural offerings of San Francisco.

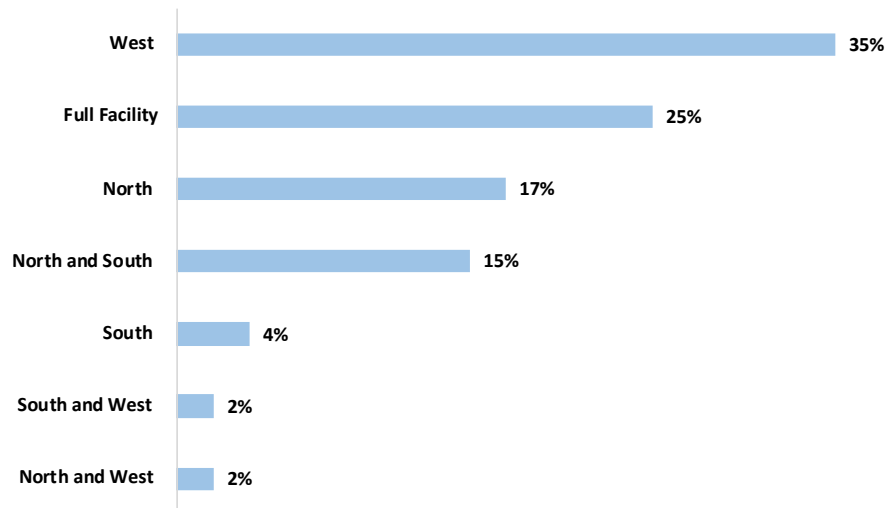
**FIGURE A-7
MOSCONE CENTER**



The North and South buildings underwent renovations in 2012 and are currently under expansion in a project scheduled for completion in 2018. Current plans involve underground work to improve the connection between the two buildings with pedestrian bridges and an expansion of contiguous exhibition space, as well as the addition of ballroom and meeting space.

Although only a crosswalk away, Moscone West provides some insight into the potential of unconnected convention facilities. HVS looked at the distribution of exhibition space use in Moscone events booked for 2015 and 2016 in the following figure.

**FIGURE A-8
DISTRIBUTION OF MOSCONE CENTER BOOKINGS**



Source: Moscone Center

Moscone West facility is used more frequently as a stand-alone venue (35% of events) than in conjunction with the entire venue. One-quarter of events use the full facility. Unlike the proposed convention center and stadium in San Diego, Moscone West is immediately adjacent to the rest of Moscone Center.

**Washington State
Convention Center –
Seattle**

The Washington State Convention Center (“WSCC”) located in downtown Seattle opened in 1988 and is the city’s primary convention venue. The Washington State Convention Center Public Facilities District owns and operates the WSCC. It has undergone multiple expansions, including the 2010 development of a 71,000 square foot facility known as The Conference Center, which can operate alone or in conjunction with the whole facility. The WSCC currently consists of 205,700 square feet of exhibition space and 138,979 square feet of ballroom and meeting space.

The WSCC has begun the process of building an addition that would more than double the size of the existing facility, with over 250,000 square feet of exhibition space and 190,000 square feet of ballroom and meeting space. The addition should allow the facility to accommodate a variety of new events which demand more function space and make the venue a more significant presence in the national conventions and tradeshow market.

**FIGURE A-9
AERIAL VIEW OF WSCC AND PROPOSED ADDITION**



According to an HVS study, the addition will operate at a similar capacity and event distribution to the WSCC. The existing WSCC will remain the primary venue for smaller and local meetings or banquets, and the addition would likely host the largest events, but both could likely hold a similar amount of conventions and shows. We project that the two venues will be used in conjunction a dozen times a year, a small percentage of the total events. Unlike, the proposed Stadium-Convention Center in San Diego, the WSCC addition will be separated from the existing venue by one city block and has more function space than the existing building.



Addendum B

The following materials highlight the experience and expertise of HVS.

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+1 (312) 3710566 (Mobile)

Consulting Experience

Thomas Hazinski has an advanced degree in Public Policy from the University of Chicago and over 20 years of practical experience in the public sector and the consulting business. Tom is nationally recognized by rating agencies, bond insurers, and investors on Wall Street, as well as by clients throughout the world for his expertise in convention, sports, entertainment, and hospitality projects.

Education

Master of Arts - Graduate School of Public Policy at University of Chicago in 1990.

He also completed four years in the post-graduate degree program, including doctoral course-work, before leaving to pursue active management.

Bachelor of Arts - University of Wisconsin, Madison

Teaching and Lecture Assignments

Lectured at DePaul University (Chicago) in the Masters of Public Services Program, teaching a course entitled "Financial and Economic Foundations of Public Service."

Articles

[2015 HVS Lodging Tax Report - USA](#)

In this 4th annual Lodging Tax Study, HVS explores lodging tax trends in the USA. This updated version provides lodging tax rates/collections in all 50 US states and 150 US cities, and estimates the impact of Airbnb on lodging tax...

Oct 13, 2015 By Thomas A Hazinski, Alex Moon and Madeleine Rees

[2014 HVS Lodging Tax Report - USA](#)

In this third annual Lodging Tax Study, HVS Convention, Sports & Entertainment explores trends in the imposition of lodging taxes in the USA. This updated version provides lodging tax rates/collections in all 50 US states and across 150 US...

Sep 29, 2014 By Thomas A Hazinski, Daniel Wonk and Alex Moon

[HVS 2014 Auto Rental Tax Study](#)

The 2014 Auto Rental Tax Study is an examination of the effective tax rates on motor vehicle rentals at the top 100 largest airports as measured by enplanements. The study ranks the tax rates and breaks down its analysis among several vehicle types.

Jul 24, 2014 By Thomas A Hazinski and Daniel Wonk

[Fact or Folly: A Review of Convention Center Follies](#)

This article responds to Heywood Sanders' book Convention Center Follies. It argues for a more moderate picture of the state of supply and demand in the convention industry, and it critiques Sanders' narrative of convention center...

Jul 24, 2014 By Thomas A Hazinski and John Hazinski

[The 2013 HVS U.S. Lodging Tax Study](#)

The 2013 HVS U.S. Lodging Tax Study explores the trends in the imposition of lodging taxes in the United States. This updated version expands the study to provide lodging tax rates/collections in all 50 states and the 150 largest US cities.

Apr 7, 2014 By Thomas A Hazinski

[What Lodging Taxes tell us about the Great Recession](#)

HVS Convention, Sports and Entertainment analyzed lodging tax revenue across the country to assess the health of the lodging industry. Changes in taxable room revenue show the rate of recovery from the Great Recession.

Oct 15, 2013 By Thomas A Hazinski and Matthew O'Keefe

[HVS Reviews Sascha Reichstein's Book Be my Guest](#)

This review of Sascha Reichstein's Be my Guest, examines Hilton's dual role as an international American symbol and a local institution. Reichstein's book uses photographic images and employee interviews to contrast two international Hilton hotels.

Jul 17, 2012 By Thomas A Hazinski and John Hazinski

[PowerPoint Presentation: New Supply Slows to a Trickle: Analysis of the Convention Center Pipeline](#)

Analyzes historical convention center supply trends and provides a forecast of future of projects. Presented to the International Economic Development Council in June 2010 by Tom Hazinski, HVS Convention, Sports & Entertainment Facilities...

Dec 2, 2010 By Thomas A Hazinski

[How Convention Centers Influence Hotel Markets](#)

HVS recommends using regression models to measure the impacts of convention centers on their surrounding hotel markets.

Jan 29, 2010 By Thomas A Hazinski

[What Part of No Don't You Understand? How to Track and Assess Lost Group Business](#)

Group sales managers in hotels, convention and conference center, and CVB's need to understand the reasons for lost business. This article presents a comprehensive approach to lost business analysis that helps increase group sales.

Sep 15, 2008 By Thomas A Hazinski

[What Is An Event?](#)

Rebuilding the Tower of Babel

May 16, 2007 By Thomas A Hazinski

[Qualified Management Contracts: Public-Sector/Private-Sector Partnering to Achieve Common Objectives](#)

Recently public and private sectors have partnered in development of convention hotel properties; publicly owned and privately managed. This article highlights unique features of qualified management agreements and compares them to typical...

Jan 24, 2006 By Mark C. Lynn and Thomas A Hazinski

[Is the Sky Falling on the Convention Center Industry](#)

In a critique of the Brookings Institution Research Brief on Convention Centers as Economic Development Strategy, the authors challenge the validity of the its findings and present an alternative view of the status of the convention center industry....

May 4, 2005 By Thomas A Hazinski and Hans Detlefsen

[Public Involvement in Hotel Financing](#)

The author discusses trends in the public support of hospitality projects, which is becoming increasing common as municipalities seek to improve their competitive position in the convention and conference center business.

Nov 2, 2004 By Thomas A Hazinski

[Assessing the Economic Impact of Investment in Public Facilities](#)

Looking only at new spending and income are not sufficient to determine public sector investment in hotel and tourism projects, and a broader definition and measurement of the economic impact of these projects is necessary.

May 3, 2004 By Thomas A Hazinski

[Room Tax Study - Arena Bond Refunding](#)

Projection of future revenues from the room tax collection of five municipalities near Green Bay, Wisconsin. The Room Taxes may be pledged to support debt service on a proposed dedicated tax revenue bond issue. The proceeds from the Bonds will...

May 10, 2002 By Thomas A Hazinski

[Tax-Exempt Hotel Financing](#)

Because of the limited availability of conventional financing for full-service convention center headquarters hotels, many governments are turning to the tax-exempt bond market to finance their projects.

Feb 1, 2002 By Thomas A Hazinski

[Midwest Airlines Center Expansion Feasibility Study](#)

HVS performed a feasibility study of a proposed expansion of the Midwest Airlines Center (formerly known as the Midwest Express Center) and estimated the economic impact of the proposed expansion.

Jan 17, 2002 By Thomas A Hazinski and Paul D Sajovec

[Feasibility Study of Expansion of Headquarters Hotel Capacity](#)

The Franklin County Convention Facilities Authority retained HVS International to analyze the feasibility of developing additional full-service convention hotel capacity in downtown Columbus, in the immediate vicinity of the Greater Columbus...

Dec 21, 2001 By Thomas A Hazinski and Paul D Sajovec

[Measuring Economic Impact](#)

In a presentation at the 2001 Annual Conference of the Government Officer's Association, Tom Hazinski, Managing Director of HVS Convention, Sports & Entertainment Facilities Consulting describes and critically examines the theory and practice of...

Jun 1, 2001 By Thomas A Hazinski

[Canadian Lodging Outlook June 2001](#)

HVS Convention, Sports & Entertainment Facilities Consulting

Jun 1, 2001 By Thomas A Hazinski

Clients

Akron/Summit Convention and Visitors Bureau
Albany Convention Center Authority
Albuquerque AZ, City of
Albuquerque Convention & Visitors Bureau
Alexandria MN, City of
Alerus Commission
Allen, Texas Economic Development
Alpena FL, City of
Alsip IL, City of
Amarillo TX, City of
Amari Hotels
American Racing and Entertainment
American Securities Capital Partners
Anchorage Convention & Visitors Bureau
Apopka FL, City of

Archdiocese of Detroit
Argosy Gaming
Aurora CO, City of
Austin TX, City of
Ayala Family (Philippines)
Baltimore Development Corporation
Bangor MA, City of
Beaver Creek, CO Resort Company
Bethlehem PA Redevelopment Authority
Big Springs TX, City of
Billings, MT Chamber of Commerce/CVB
Boone County, IN
Boston Chamber of Commerce
Boston MA, City of
Brookings SD, City of



Broward County, FL
Brown County WI Professional Football Stadium District
Buffalo Convention Center Corporation
Cairo International Convention & Exhibition Centre
Caesar's Entertainment Corporation
Cedar Rapid IA, City of
Centennial Authority of North Carolina
Charlotte NC, City of
Chicago IL, City of
Chickasaw Nation
Chilliwack Economic Development Partners
Cicero IL, Town of
City of Albuquerque
Cobb-Marietta Coliseum and Exhibit Hall Authority
Coleman Research Group, Inc.
Compass Facilities Management
Concord Pacific Developments
Cobb-Marietta Coliseum & Exhibit Hall Authority
Copenhagen Capacity
Coralville IA, City of
Corpus Christi Business Alliance
COSI Science and Industry Museum, Columbus OH
Council Bluffs IA, City of
Dallas Convention and Visitors Bureau
Dallas TX, City of
Davenport IA, City of
DeKoven Center, Racine, Wisconsin
Detroit Metro Convention and Visitors Bureau
Dev-Con International LLC
Durango Business Improvement District
Ernest N. Morial Convention Center, New Orleans
Evanston IL, City of
Fargo, City of
Faulkner USA
Fedinco Ltd.
First Southwest Company
Fort Collins CO, City of
Fort Worth TX, City of
Franklin County (OH) Convention Facilities Authority
Franklin L. Haney Company
Fredericksburg Convention and Visitors Bureau
Fredericksburg TX, City of
Freeman Coliseum TX
Galveston TX, City of
General Growth Properties
Geneva Palexpo
Gilbert AZ, City of
Grand Heritage Hotel Group
Glens Falls Development, LLC
Greater Buffalo Convention and Visitors Bureau
Greater Jamaica Development Corporation (Queens, NY)
Green Bay/Brown County Professional Football Stadium District
Greenville SC, City and County of
Hagerstown/Washington County MD CVB
Harlingen, TX City of
Hawaii Tourism Authority
HCW Development (Branson, Missouri)
Herschend Family Entertainment Corp.
Holland MI, City of
Host Hotel & Resorts
Huntsville AL, City of
Illinois State University
Independent School District No. 270 (Hopkins, Minnesota)
Intericap Institutional Investors
JBG Associates, LLC
KPG Real Estate Development
Lacey Development
Lake Area Improvement Corporation, Madison SD
Lake County (IN) Convention and Visitors Bureau
Lake Julalaska Conference and Retreat Center
Lancaster County Convention Center Authority
Las Vegas Convention and Visitors Authority
Las Vegas Sands Corporation
Lawton Fort Sill Chamber of Commerce
Lee's Summit MO, City of
Long Center for the Performing Arts
Loudoun County, Virginia
Loveland, CO, City of
Macon GA, City of
Madison Square Garden
Mammoth Lakes CA, Town of
Manchester NH, City of
Mashantucket Pequot Tribal Nation
Massachusetts, Commonwealth of
Massachusetts Convention Center Authority
Mecklenburg County, North Carolina
Memphis, TN City of
Metro Jackson Convention and Visitors Bureau (Mississippi)
Metropolitan Airports Commission, Minneapolis
Metropolitan Pier and Exhibition Authority, Chicago
Miller Capital Advisory Inc.
Miller-Valentine Group
Milwaukee, WI, City of
Mission, TX, City of
Moline IL, City of
Monroe County, IN Convention Center Building Corporation
Monterey County Convention and Visitors Bureau
Monterey Conference Center
Montgomery County, Tennessee



Muskingum County OH Convention Facilities Authority
Naperville IL, City of
Nashville TN, City of
National Music Foundation
Neal & Leroy, LLC
Nebraska Furniture Mart
Newnan GA Convention Center Authority
Newton Oldacre McDonald, LLC
Normal IL, Town of
Oakland CA, City of
Oakland Redevelopment Agency
O'Hare International Airport
Omaha NE, City of
Omaha Royals Baseball Club LLP
Oregon Convention Center
Oregon State Fair
Overland Park Development Corporation
Overland Park KS, City of
Owensboro KY, City of
Palm Beach County, FL
Peoria IL, City of
Philadelphia Hotel Association
Phoenix Convention Center
Pier 94 (New York City)
Piper Jaffray
Pittsburgh History & Landmarks Foundation
Plano TX, City of
Plenary Group Pty Ltd
Plunkett & Clooney
Port Sanilac Downtown Development Authority
Portland Development Commission
Property Council of Australia and Tourism Transport Forum
Puerto Rico Convention Center District
Puerto Rico Tourism Company
Queens NY Chamber of Commerce
Qwest Center Omaha
Raleigh NC, City of
Rhode Island Convention Center Authority
Richmond VA, City of
Rio Nuevo Multipurpose Facilities District
Robert W. Baird & Co.
Roberto Clemente Foundation
S. B. Friedman & Company
Saint Louis County, MO
Salem VA, City of
Salt Lake City Redevelopment Agency
San Antonio Convention & Visitors Bureau
San Antonio TX, City of
Santa Fe NM, City of

Schaumburg IL, Village of
Senate Hospitality Group
Shaner Hotel Group
SheerSports
Sonnenblick-Del Rio Jamaica Ltd.
South Lake Tahoe Redevelopment Authority
Southeast Wisconsin Professional Baseball Park District
Starwood Development
State of Arizona
Suffolk VA, City of
Taj Hotel Group
Tallahassee FL, City of
Tern Landing Development
The Citadel
The Resort Group
Tinley Park IL, Village of
Tri-Star Investments
Tucson AZ, City of
UBS Municipal Securities Group
Union County, Ohio Chamber of Commerce
University of Chicago
Urban Council of Albuquerque, Inc.
Urban Renewal Authority of Colorado Springs
Vail CO, Town of
Virgin Islands Public Finance Authority
Virginia Beach Convention & Visitors Bureau
Virginia Beach VA, City of
Visalia Convention Center
Washington DC Convention & Sports Authority
Washington State Convention Center
Wausau WI, City of
WEDGE Real Estate Holdings
West Allis WI, City of
White Oak Resorts
Wichita KS, City of
Wild Horse Pass Development Authority
Wisconsin Center District
Wonderful Copenhagen