

Frequently Asked Questions About the Proposed Convention Center/Hotel for Downtown Rockford, Illinois

Q: Why does Rockford need a convention center/hotel?

A: It will significantly improve the economic health of our community. According to the study, a convention center/hotel will add \$36.6 million annually to our local economy. It will create new jobs at a time when our unemployment is *15.5 percent, the highest in Illinois*; 450 construction jobs per year for two years and 296 full-time jobs created by the convention center/hotel.

In addition, there is a nationwide demand for meeting and conference space that is not being met. This trend will continue as the economy rebounds and business travel increases, more people pursue training/education and communities ramp up efforts to attract more commerce.

Rockford is at a competitive disadvantage in this market and as such is losing these types of meetings and conferences to competing regions, as well as the economic impact these meetings and visitors bring, because it lacks facilities that are large enough to hosts them. Visitors generate more than \$300 million in economic impact each year for the Rockford area, and according to the study, a convention center/hotel would increase that by more than 10 percent.

Q: Why downtown?

A: The City of Rockford and the Rockford Area Convention & Visitors Bureau requested that this analysis focus on downtown. This study shows that a downtown convention center/hotel could create enough demand to provide overflow to the hotels in the I-90 corridor while supporting the ongoing renewal of downtown.

The timing is right. Developing a convention center and hotel would be part of the overall effort to redevelop Rockford's downtown core and would serve as a catalyst for new private investment in downtown. Additionally, convention delegates indicate a clear preference for attending events in downtown areas where they can spend their free time and money at restaurants/bars and shops.

There is a good momentum now with several downtown projects (expansion of Burpee Museum and Discovery Center, new Federal Courthouse, renovation of MetroCentre and more), growth in retail and restaurants (Bamboo, Kuma's, Restoration Café, etc.) and other recent efforts (Coronado Theatre, Webbs Norman Center, reopening of Main Street) and this could add energy and assurance to the overall success of downtown redevelopment. Downtown is re-emerging as an economic and quality of life center. A sustained investment like a convention center/hotel will be a resource for the residents of this community.

Lastly, communities with distinct downtown personalities are more appealing to residents, visitors and employers.

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Q: What will this cost?

A: According to the study, a 58,500 square foot convention center and a 200-room hotel would cost approximately \$55 million; \$30 - \$35 million for the convention center and \$22 million for the hotel. The convention center could be expanded at a later date in Phase 2.

Q: How will it be financed?

A: There are a number of financing models that other communities have followed. Examples cited in the study include different types of bond financing, user fees, meals taxes and hotel taxes, tax increment financing and others.

Q: Would public money be used to build or operate a convention center?

A: In most communities, convention centers are built and operated with a combination of public and private funds, and that is likely the way it will happen here. Local facilities such as SportsCore Two, Carlson Ice Arena and the MetroCenter were built in this way and continue to operate with some public subsidy, along with revenue from users of the facilities. The community benefits from the jobs and economic activity created and the private investment generated as a result of the ongoing successful and efficient operation of the facility.

Q: What have convention centers done for other communities?

A: As part of this analysis, seven other convention centers/cities were examined. In all cases, according to the study, each community is satisfied with the cost/benefit relationship with these facilities. It is the judgment of C.H. Johnson Consulting that such a venue in downtown Rockford would fare as well. While these types of publicly supported facilities generally require some operating allowance, that is greatly outweighed by the economic impact they have on their communities.

Included in the analysis were:

- Schaumburg Convention Center and Renaissance Hotel, Schaumburg, Illinois
- Bayfront Convention Center and Sheraton Hotel, Erie, Pennsylvania
- St. Charles Convention Center and Embassy Suites Hotel, St. Charles, Missouri
- Grand Wayne Convention Center and Hilton Hotel, Fort Wayne, Indiana
- Three Rivers Convention Center and Hilton Garden Inn, Kennewick, Washington (southeast Washington)
- South San Francisco Conference Center, South San Francisco, California
- Peoria Civic Center, Peoria, Illinois

For example, the Peoria Civic Center includes an arena, theater, exhibit hall and meeting space. It recently underwent a \$55 million expansion and upgrade to meet the growing demand for the facility. Downtown Peoria is enjoying an urban renewal for a number of reasons, including the PCC expansion.

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Q: Who supports this project?

A: A wide variety of public, private and labor leaders and organizations have already voiced their support, as the project is being introduced. As discussion continues, more support is expected.

Q: What happens next?

A: Community focus meetings will be held so people have an opportunity to learn more and provide input. A task force of community and business leaders will make site visits to comparable convention center/hotels to examine how they are benefiting those communities, how they operate, were funded, etc. With the proper planning and resources, this proposed project can grow jobs, create positive economic impact and become a valuable asset to our community.

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A complete copy of the report is available at gorockford.com.