
Peoria Civic Center Masterplan Analysis



Submitted to:
Peoria Civic Center

August 2002

Submitted by:
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I. REPORT LETTER

C.H. JOHNSON CONSULTING, INC.

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August 21, 2002

Debbie Ritschel
General Manager
Peoria Civic Center
201 S.W. Jefferson
Peoria, IL 61602

Dear Ms. Ritschel:

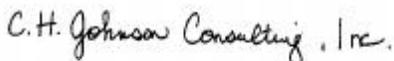
Pursuant to our contract with the Peoria Civic Center Authority (Authority), C.H. Johnson Consulting, Inc. (Johnson Consulting) in conjunction with Conventional Wisdom Corp. prepared a feasibility study and master plan study for the Peoria Civic Center (PCC). The plan includes a market analysis, historical demand and financial operating review, facilities master plan, demand and operating projections, and strategic expansion recommendations. The attached report explains the methods used to conduct this evaluation and discusses the results.

Operating estimates and costs analysis presented in this study are based on trends, assumptions, and current market factors, which usually result in differences between the projected results and actual performance. As events and circumstances often do not occur as expected, those differences may be material. Capital and construction costs presented herein are initial estimates about a hypothetical project, based on prevailing cost. Actual costs will vary based on decisions made by the Authority, changes in market conditions, materials costs, or other factors.

Johnson Consulting has no responsibility to update this report for events and circumstances that occur after the date of this report. The findings presented herein reflect analysis of primary and secondary sources of information. Johnson Consulting and Conventional Wisdom Corp. utilized sources deemed to be reliable but cannot guarantee their accuracy.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely yours,



C.H. Johnson Consulting, Inc.

Attachment

II. INTRODUCTION AND EXECUTIVE SUMMARY

INTRODUCTION

The Peoria Civic Center Authority (Authority) is responsible for the operation of a multi-venue entertainment, exhibition, and sports complex in downtown Peoria, Illinois. Completed in 1982 at an original cost of \$64 million, the Philip Johnson-designed Peoria Civic Center (PCC) complex features an arena, convention center, and performing arts theater linked by an enclosed common area. Since 1990, the PCC has been managed by SMG under a multi-year contract with the Authority.

The Authority engaged C.H. Johnson Consulting, Inc. (Johnson Consulting) and Conventional Wisdom Corp. to review the condition and performance of the facilities, evaluate the contribution that the PCC can make to the ongoing redevelopment of downtown Peoria, and prepare a masterplan that allows the PCC to enhance its position as a resource for central Illinois. As part of the engagement, the Authority asked the Consulting Team to address four questions:

- Can the PCC compete with other regional facilities, in terms of size and quality?
- What expansions and upgrades or replacements are needed to each of the components?
- Are there other associated changes needed in the surrounding area to make the project a better community asset?
- Are there operational and marketing relationship enhancements that should be considered?

As part of the analysis, the Consulting Team undertook the following work:

- A market analysis to review the PCC's ability to meet the demand for public, private, and civic use,
- An evaluation of the physical condition of the PCC's existing facilities, and recommendations regarding a capital improvements plan,
- A review of opportunities to enhance the operation and financial performance of the PCC,
- An assessment of PCC performance and market position in relation to comparable and competitive markets,
- A review of strategies to more effectively integrate the PCC into downtown Peoria through the development of a long-range masterplan,
- An analysis of complementary developments (e.g. hotel rooms) and requisite investments that may be required to maximize the contributions of

the PCC to the local economy and extend the revitalization of downtown Peoria, and

- An exploration of strategies for leveraging the presence of the PCC to stimulate additional economic and event activity in downtown Peoria.

Johnson Consulting is a real estate and economic development consulting firm with extensive experience in the development of public assembly districts that are supported by convention centers, arenas, hotels, and other multipurpose facilities. Johnson Consulting was the lead firm for this engagement, and performed the market study, conducted the economic analysis, and provided strategic advisory services in regard to the development of the masterplan.

Conventional Wisdom Corp, with technical support from theater specialist Ray Shepardson and the Atlanta-based architectural firm Rosser International on arena redevelopment, conducted the facility program review, provided strategic direction and consultation, and prepared the masterplan diagrams, cost estimates, and suggestions for development priorities.

This section of the report contains this introduction and methodology overview as well as an executive summary; the balance of the report contains the following sections:

- **Section 3** presents key market observations. This section also contains information on economic and demographic trends, the local hotel market, and market developments. The information in this section is an essential component in understanding the framework that supports the PCC, and provides the strategic foundation for the masterplan.
- **Section 4** reviews the physical program for the PCC, reviews the current operating environment and characteristics, identifies facility improvement opportunities, and analyzes potential changes in business orientation designed to improve the market reach and penetration of the PCC.
- **Section 5** reviews facility offerings in competitive Illinois markets and provides an overview of facility development strategies in comparable Midwestern and national markets.
- **Section 6** presents concepts regarding the enhancement of the PCC, development of a complex masterplan, reviews related development opportunities and requirements, including an appropriate hotel growth scenario, and presents cost analyses.
- **Section 7** measures the demand, operating, and economic impacts associated with implementation of the masterplan and facility improvements program outlined in Section 6.

METHODOLOGY

In order to complete its assessment and recommendations concerning the PCC, Johnson Consulting, Conventional Wisdom Corp., Ray Shepardson, and Rosser International performed the following work:

Market and Opportunity Analysis

- Analyzed economic and demographic characteristics of the metropolitan area, such as population, employment, and corporate presence,
- Interviewed selected public officials, civic leaders, and private stakeholders regarding strategy and vision for Peoria, with a particular focus on the downtown area,
- Reviewed previous studies regarding facility development in Peoria County,
- Reviewed documentation regarding recent and proposed downtown development efforts and interviewed local planning and economic development officials,
- Toured focused development areas in Peoria such as the Riverfront, as well as surrounding communities,
- Evaluated market opportunities for additional facility amenities, features, and programming strategies,
- Reviewed the operations of the PCC, documentation such as lease agreements, and observed of management practices,
- Surveyed the business community regarding interest in luxury or premium seating opportunities,
- Surveyed meeting planners regarding interest in additional exhibit and meeting space and perceptions of the Peoria marketplace,
- Benchmarked Peoria and the PCC in relation to comparable facilities and markets,
- Summarized key market characteristics and observations, and
- Reviewed financing and operating scenarios.

Facility Analysis

- Toured the respective facilities and met with key personnel responsible for their operation, management, and maintenance,

- Evaluated the current physical condition, noting any critical deficiencies of the facilities,
- Interviewed management of comparable facilities,
- Summarized the facility, demand, and financial characteristics of relevant comparable facilities,
- Reviewed development strategies in comparable markets,
- Interviewed event promoters concerning the performance and programming of the PCC and explored opportunities to enhance the programming options for the PCC,
- Interviewed management and operations staff of the primary facility tenants and discussed their operations, performance, and lease agreements, and
- Developed conceptual facility improvement plans and prepared initial cost analysis.

EXECUTIVE SUMMARY

For more than two decades, the Peoria Civic Center (PCC) has been an important resource for a multi-county region in central Illinois, providing a venue for more than 500 cultural, entertainment, and sporting events each year. In so doing, the PCC has played a critical role in the civic life of the city, and has made an important contribution to the regional economy.

Nonetheless, the PCC is now 20 years old and in the years that have elapsed since the center was constructed, convention center, arena, and theater design have evolved considerably, as have the demands of the industries that use them. Newer facilities are more versatile, efficient, and incorporate revenue-producing features that enhance the quality of programming that a facility can attract. In addition, downtown Peoria has made incremental progress toward revitalization, but the area remains in need of additional investment to ensure that it continues to evolve, and the redevelopment of the PCC provides such an opportunity.

Based on a comprehensive analysis that evaluated local market conditions, regional facility quality and sizing, industry trends, and long-term community and economic development objectives, the Consulting Team has developed recommendations with regard to the redevelopment of the PCC. The execution of this plan would reposition the PCC as a more prominent resource within central Illinois, and allow Peoria to attract national conventions, trade shows, and higher quality touring concerts, sporting events, and theater productions. In addition, it would allow the PCC to make a greater contribution to the revitalization of downtown Peoria by creating an environment that will attract additional visitors and economic activity to

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the region, and by setting the stage for improved interaction between existing assets at a level that encourages visitors to spend more time in downtown Peoria, thus providing critical support for local businesses.

Table 2-1 summarizes the recommended building for program for the enhanced PCC.

Table 2-1

Peoria Civic Center Expansion Program					
	Existing	Phase I		Phase II	
		Incremental	Total	Incremental	Total
Convention Center (SF)					
Exhibition Hall	63,668	41,300	105,000	40,000	145,000
Ballroom(s)	0	15,000	15,000	0	15,000
Meeting Rooms	17,453	10,000	27,500	10,000	37,500
Total	81,121	66,300	147,500	50,000	197,500
Arena					
Seating Capacity					
Basketball	12,066	-	12,066		
Hockey	9,000	-	9,000		
Luxury Suites	0	12	12		
Premium Seats	0	500	500		
Food Court (# of Booths)	0	6	6		
Theater					
Seating Capacity	2,194	-	2,194		
Corporate Lounge	0	1	1		

Source: Johnson Consulting, Conventional Wisdom

As shown in the table, it is recommended that the first phase of the expanded convention center will have 105,000 square feet of exhibit space, a minimum ballroom offering 15,000 square feet, and 10,000 square feet of additional meeting space, for a total of 147,500 square feet of function space. Phase II would increase the size of the exhibit hall to 145,000 square feet, with a total of 37,500 square feet of meeting rooms. For the arena, it is recommended that at least 12 luxury suites with 16 seats each be added, 500 club seats, and a food court configured out of the existing box office area. For the theater, it is recommended to add one corporate lounge. Based on the masterplan framework outlined in this section, the overall preliminary capital cost range is approximately \$55 million for Phase I, while Phase II is expected to cost \$18.7 million.

Based on their redevelopment, the facilities and related public performance space will greatly improve the PCC's capacity to host events and accommodate patrons.

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These improvements will translate to more events in downtown Peoria, which will attract more attendees. Table 2-2 summarizes the incremental demand contributions for each PCC facility, based on execution of the masterplan.

Table 2-2

Peoria Civic Center Summary of Demand Contribution from Improvements					
	Year and Contribution	Convention Center	Arena	Theater	Total*
Number of Events	FY 2000-01	201	95	57	356
	After Improvements**	267	103	67	437
	<i>Contribution</i>	66	8	10	81
	<i>% Contr.</i>	33%	8%	18%	23%
Number of Event Days	FY 2000-01	300	112	98	515
	After Improvements	392	123	117	632
	<i>Contribution</i>	92	11	19	117
	<i>% Contr.</i>	31%	10%	19%	23%
Attendance	FY 2000-01	214,540	516,848	118,497	849,913
	After Improvements	302,000	616,500	153,000	1,071,500
	<i>Contribution</i>	87,460	99,652	34,503	221,600
	<i>% Contr.</i>	41%	19%	29%	26%

**Including adjustments*
***Refers to a stabilized year of operation after improvements to the PCC are completed.*
 Source: Johnson Consulting

As indicated in the table, in its stabilized year of operation after improvements are completed, the PCC is projected to host 81 additional events, increasing the total to 437 events per year. Based on the expanded facility capacity and the additional events, the PCC facilities are projected to increase attendance by 26 percent, representing an additional 221,600 visitors to downtown Peoria. The additional event activity is projected to contribute approximately \$2.6 million of incremental operating income to the PCC, or an increase of 64 percent over the estimated income level without improvements. After indirect expenses, net operating income is expected to increase by \$1.3 million.

The additional 221,600 attendees are projected to generate a total of \$19.0 million annually in direct spending based on items such as ticket sales, meals, lodging, transportation, and other items. The spending is projected to generate a total of \$1.4 million of general sales tax revenue annually. In addition, spending on lodging (from approximately 46,500 room nights) is expected to generate approximately \$188,000 in hotel occupancy tax, spending on food and beverage is expected to generate approximately \$102,000 in restaurant tax, and spending on admission

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tickets is expected to generate approximately \$36,000 in amusement tax, annually. Based on execution of all two phases of the masterplan, one-time construction activity is projected to produce approximately \$4.4 million and \$1.5 million in sales tax revenue from Phase I and Phase II, respectively.

III. MARKET SITUATION REVIEW

MARKET SITUATION REVIEW

In order to evaluate the need for improved facilities in Peoria, Johnson Consulting undertook a comprehensive review of market conditions and characteristics in Peoria and Central Illinois. The objective of this analysis is to identify structural factors that affect the market's competitive situation and indicate the level of support that exists for various redevelopment scenarios for the Peoria Civic Center, including the addition of specific building features or expansion of particular venues.

While characteristics such as population, employment, and income are not strict predictors of performance for convention, entertainment, or performing arts facilities, they provide insight into the capacity of a market to support facilities or activities. Moreover, the size and role of a marketplace, history of investment in public facilities and revitalization efforts, the appetite for redevelopment among civic leaders, as well as competing and complementary development efforts all affect the scale or quality of facilities developed to serve a community, and its extend its role as a center for regional commerce. The key observations from our market review and analysis are described below.

Community Development Patterns

In contrast to many communities with similar economic and demographic characteristics, the metropolitan Peoria area is home to an array of cultural, educational, historical, natural, and recreational assets. From the marinas along the Illinois River to the educational resources provided by Bradley University medical institutions, Illinois Central and the University of Illinois College of Medicine to the venues of the PCC, the metro area has a number of institutions and attractions that play a supporting role in the local economy and in enriching quality of life in Peoria. Most importantly, these assets have contributed to Peoria's identity as a regional center for economic, entertainment, and cultural life in Central Illinois.

For many years, however, the metro area and the region as a whole have struggled under the weight of a stagnant population base and an economic transformation as the industrial, manufacturing, and agricultural interests that have served to define the region for nearly a century have retooled their focus and narrowed their local operations in an effort to remain competitive on a global scale. Compounding the challenges ushered in by this transformation, during this same period other communities in Illinois – and throughout the Midwest - began to experience more dynamic population growth or successfully asserted themselves through public investment in public facilities, tourist promotion, or employment growth.

Whereas markets such as Galena, the Quad Cities, and St. Charles where once only secondary competitors to population centers such as Peoria, due to key real estate investments, changes in urban growth patterns, or redevelopment of historic structures, they have become more prominent players in the competition for regional tourist, meeting, and convention activity. Traditional competitors such as the Quad Cities, Springfield, and Rockford have invested in new hotels, arenas/convention centers, or the redevelopment of historic theaters, layering an additional dynamic into the regional competition for touring shows, sports franchises, statewide association meetings, and regional conventions.

While the impact of these developments cannot be understated, these changes have also had the very positive impact of pushing Peoria to re-examine its fundamental strengths. While this has been a subtle and, at times, slow process the emerging outcome has been a collective rediscovery of the community's extensive assets, and the realization that if these assets can be made to work in concert, Peoria has a solid foundation that can be used to position the community for the future. As an outgrowth of this process, the Peoria metro area is currently undergoing a sea of change as a number of major initiatives, planning studies, and redevelopment efforts move forward under the direction of an energized network of civic, corporate, and educational leaders. In total, there are some 16 major projects that have been recently completed, are set to move forward, or are currently being evaluated. The text below highlights a handful of the major projects and demonstrates the range of community development efforts taking place.

- *Peoria Regional Bio-Collaborative* – Central Illinois is home to a high concentration of research and engineering talent due to the presence of enterprises such as Caterpillar, the University Illinois (U of I) College of Medicine, the USDA National Center for Ag Utilization Research, Bradley University, and ADM, among others. Individually, each of these enterprises is engaged in cutting edge research in areas of science such as biomedicine, robotics, and agri-products, registering hundreds of patents annually. Recently, a committee was established to develop a framework for a regional bioscience strategy that could leverage the concentration of talents in the area to support economic growth. Among the objectives of the committee are efforts to facilitate collaboration and explore strategies for technology 'transfer' through the identification of commercial applications for research findings. Participants include OSF St. Francis Hospital, Methodist Medical Center, Bradley University, Illinois Central College, the U of I College of Medicine, Caterpillar, ADM, Cargill, Dow, Baxter, Schering-Plough, Maxygen, and BASF.
- *Comprehensive Community Plan* - It has been more than a quarter century since the City of Peoria undertook a comprehensive community and downtown planning effort. In June 2002, the City engaged a renowned town

planning firm to conduct a series of community "charettes," and produce recommendations on a masterplan that will be used to guide future development in an area encompassing all or part of the warehouse district, the riverfront, downtown, the UIC medical district and along Main Street toward Bradley University. As part of this effort, factors such as transportation, traffic circulation within the central business district, and density are being examined.

- *Riverfront Redevelopment* - In 1994, the City of Peoria embarked upon a community initiative to promote development of its downtown riverfront area. A Riverfront Development Plan and Implementation Strategy was approved by the City Council at that time and since, millions of dollars in public and private investment have transformed the area into an appealing entertainment, recreation, dining, and specialty shopping destination. Equally important, this transformation has fostered a renewed interest in downtown Peoria and established a benchmark for future development.
- *Sears Block Redevelopment* - stretching between Water Street and Washington Street, this 6.4-acre site is not only an underutilized property, it creates a physical barrier that isolates the energy of the redeveloped riverfront from downtown Peoria. Through redevelopment, the City of Peoria has the opportunity to re-establish the interface between these commercial areas, improve circulation through downtown, and set the stage for future development. Accordingly, various alternatives for redevelopment are under consideration.
- *Residential Development* - The revitalization of the riverfront and the renewed appeal of urban living has fostered an emerging market for residential development in and around downtown Peoria. To date, one loft-housing complex has been created through the redevelopment of an old warehouse, and more projects are in the planning stages. In addition, under the direction of the Peoria Housing Authority more than \$30 million is being invested in the redevelopment of the 'First District' neighborhood, located just south of downtown. The centerpiece of this effort is the \$16.2 million redevelopment of the Warner Homes under a HUD HOPE VI grant.
- *O'Brien Field* - In May 2002, O'Brien Field, the new \$16 million home of the Peoria Braves baseball franchise, the single A affiliate of the St. Louis Cardinal, was completed. Located just south of the central business district (CBD), this 7,500-seat stadium is not only a state-of-the-art ballpark, it represents the critical redevelopment of an area that had long been underutilized and isolated from downtown. While the facility was privately financed, the City of Peoria provided \$3.2 million for infrastructure improvements around the facility. The O'Brien automotive group purchased the naming rights in a 13-year commitment at a cost of \$150,000 a year.

- *The Riverplex* - is a 115,000 square foot multipurpose recreation and wellness center located along the riverfront. Developed through a public/private partnership comprised of the Bielfeldt Foundation, OSF Saint Francis Medical Center, the Peoria Park District and the City of Peoria, the \$20 million project features an indoor/outdoor aquatic center, a clinical rehabilitation area, indoor soccer field, basketball courts and a playground.
- *Interstate-74 Realignment* - The Illinois Department of Transportation, with extensive resource support from local and federal governments is set to realign transportation access to downtown Peoria by rerouting I-74 to so that it no longer bypasses the city. These improvements will direct millions of vehicles per year into the area and set the stage for development of adjacent land to meet the needs of the increased travel population.

As the breadth of the projects listed above indicate, Peoria, as a community, has adopted a pro-active, multi-dimensional approach to repositioning the area for growth and development. These developments have established momentum, but outside of the riverfront, a critical mass of development energy remains elusive.

Demographic and Economic Overview

The City of Peoria is part of the Peoria-Pekin Metropolitan Statistical Area (MSA), which is comprised of Peoria County (population 183,400), Tazewell County (population 128,500), and Woodford County (population 35,500). With a population of 119,200, the City of Peoria is the largest city in the metro area, and the fifth largest city in the state of Illinois. Situated in Central Illinois, Peoria has long history as a regional population and commercial center. Interstate 74 and 55 place Peoria within a three-hour drive of Chicago (170 miles northeast, metro area population 9.2 million) and St. Louis (170 miles south, metro area population 2.6 million). Based on this location, Peoria is an important transit corridor for movement between these markets, but its relative distance from each also makes Peoria the center of its own market and a regional hub for select activities such as retail, medical, education, entertainment, and media. Among the findings of our analysis:

- Over the last decade, the city and the metro area experienced only a modest growth in population, with little or no positive migration into the metro area. Table 3-1 displays the 10-year population trends for the city, region, state, and nation.

Table 3-1

Historical Population (in Thousands)					
	1990		2000		Annual Growth Rate
	In 000's	% of Peoria MSA	In 000's	% of Peoria MSA	
City of Peoria	113.5	33%	119.2	34%	0.5%
Peoria County	182.8	54%	183.4	53%	0.0%
Tazewell County	123.7	36%	128.5	37%	0.4%
Woodford County	32.7	10%	35.5	10%	0.8%
Peoria MSA	339.2	100%	347.4	100%	0.2%
Chicago MSA	8,239.8	na	9,157.5	na	1.1%
Illinois	11,435.8	na	12,419.3	na	0.8%
US	248,825.7	na	281,421.9	na	1.2%

Source: US Census Bureau

- With a population of approximately 347,400, the three counties that comprise the Peoria MSA are home to three percent of Illinois' total population. However, as the table shows, the MSA area lags behind both the state and nation in the rate of growth, but it is still slightly growing. Inasmuch as population change is one indicator of economic vitality, the essentially stagnant growth rate in the Peoria MSA indicates that the region must be more aggressive in keeping existing residents, attracting new residents and in drawing in economic activity from its market area.
- Facilities such as the PCC are regional resources, and accordingly have an extended market base that draws users from outside a venue's home market. Drawing on facility user data and experience in other markets, Johnson Consulting has defined the primary and tertiary market areas for the Peoria Civic Center. However, given the multi-venue nature of the civic center and the varying uses by venue, this data is only a representation of the true market. For example, the convention center routinely attracts visitors from throughout the nation and Midwest. In contrast, the majority of the demand for the arena and theater are drawn from counties that lie in an approximately 50 miles radius of Peoria. Table 3-2 shows the counties and population within 50 miles of Peoria.

Table 3-2

Counties and Population within 50 Miles from Peoria			
County	Part of County Within 50-Mile Radius	Total County Population	Pop. In 50 Mile Radius
Henry	30%	51,020	15,306
Bureau	45%	35,503	15,976
La Salle	20%	111,509	22,302
Putnam	100%	6,086	6,086
Stark	100%	6,332	6,332
Knox	90%	55,836	50,252
Marshall	100%	13,180	13,180
Livingston	25%	39,678	9,920
Warren	20%	18,735	3,747
Peoria	100%	183,433	183,433
Woodford	100%	35,469	35,469
Tazewell	100%	128,485	128,485
Fulton	90%	38,250	34,425
McDonough	10%	32,913	3,291
McLean	65%	150,433	97,781
Mason	90%	16,038	14,434
Menard	55%	12,486	6,867
Logan	70%	31,183	21,828
De Witt	40%	16,798	6,719
Total			675,835

Source: US Census Bureau

- As the table indicates, there are approximately 676,000 people within 50-miles of Peoria, providing a substantial base of support, and target market, for the more than 500 sporting, entertainment, consumer show, convention, and special events that occur annually at the PCC.
- Within the defined market area, Bloomington-Normal is the only metropolitan area that offers competing venues, albeit at a different quality and events scale. However, metro areas that lies just beyond the defined market area, such as Champaign-Urbana to the southeast, the Quad Cities to the northwest, and Springfield to the south represent competition for consumer interest and spending for particular event types. None, however, offers a concentration of quality venues that compares to Peoria, nor do they offer a demonstrated history of support for sports, entertainment, and theater activity.

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- While the Chicago metro area is not a direct competitor with Peoria on many levels, the entertainment and theater offerings in the city, and the rapidly developing retail and hospitality sectors in the southern suburbs do represent a competitive threat to Peoria in two respects. First, Peoria competes with the greater 'Chicagoland' market for the attention, and economic activity, of residents within both its primary and tertiary markets. Second, Peoria is also a source market for Chicago, as Peoria residents travel to Chicagoland to shop, to see concerts, shows, and sporting events that are not available in Peoria. This activity is particularly troubling because it translates directly to lost economic activity as the related spending is also leaving the area. Recapturing the economic activity that is leaving the market is one of the most significant challenges facing Peoria.
- Compared with the state of Illinois, Peoria has higher percentage of workers in manufacturing (16 percent for Peoria versus 13.5 percent the state as a whole); a higher percentage in retail (18 percent for Peoria versus 16 percent for the state as a whole), and; and a lower percentage in services (32 percent for Peoria versus 33 percent for the state). Table 3-3 and Table 3-4 list the Peoria area's major employers, segregated by non-manufacturing and manufacturing.

Table 3-3

Peoria MSA Major Employers (Non-Manufacturing)	
Name (by Size)	Industry/Products
With 1,000 to 5,000 Employees	
Bradley University	Education
Illinois Central College	Education
Methodist Medical Center	Health Care
OSF Saint Francis Medical Center	Health Care
Par-A-Dice Casino	Casino
With 500 to 1,000 Employees	
Affina	Customer Relationship Management
CEFCU	Financial Services
City of Peoria	Government
Pekin Hospital	Health Care
Pekin Insurance	Insurance
Proctor Community Hospital	Health Care
US Post Office	Postal
USPS Remote Encoding Center	Shipping
With 250 to 500 Employees	
Advanced Technology Services	Document Imaging and Management Systems
Afni	Insurance Solutions Group
Ameritech	Telecommunication
Butler Technical Group	Telecommunications and Technology Services
Children's Home Association of Illinois	Association
Choice Point Direct	Identification and Credential Verification Services
Famous-Barr Company	Department Store
Federal Correction Institution	Correction Institution
G&D Transportation, Inc.	Tranportation - Full-load and LTL Trucking
Hopedale Medical Complex	Health Care
JC Penney Company	Retail
Lutheran Social Services	Social Services
Multi-Ad Services, Inc.	Advertising
National Center for Ag. Utilization Research	Research
Pekin School District 303	Education
Peoria Association of Retarded Citizens	Association
Peoria School District 150	Education
RLI Corporation	Insurance
Sharon Health Care Facilities	Health Care
Univ. of Ill. College of Medicine at Peoria	Education
Zeller, George A. Mental Health Center	Health Care
<i>Source: The Economic Development Council for Central Illinois</i>	

Table 3-4

Peoria MSA Major Employers (Manufacturing)	
Name (by Size)	Industry/Products
With Over 15,000 Employees	
Caterpillar, Inc.	Heavy Equipment and Engine
With 1,000 to 1,500 Employees	
Keystone Steel and Wire Co.	Steel and Wire
With 500 to 1,000 Employees	
Komatsu Mining Systems	Mining Equipment
Morton Metalcraft Company	Metal Component and Assemblies
With 250 to 500 Employees	
AES CILCO	Electricity and Natural Gas Utility
American Buildings Company	Metal Building Construction Systems
Bemis Company	Flexible Packaging Products
CNH-Goodfield (Formerly DMI, Inc.)	Dairy Products
Fleming Packaging	Labeling and Packaging
Goldschmidt Chemical Corporation	Chemical Adhesives, Labeling
Interstate Brands	Baked Goods
LR Nelson Corporation	Lawn Sprinklers, Irrigation and Landscape Products
Morton Buildings, Inc.	Construction for Farm, Equestrian, and Livestock Facilities
RA Cullinan & Son, Inc.	General Construction
ROHN Industries, Inc.	Towers, Poles, Cabinets, Shelters, and Antenna Mounts
Williams Ethanol Services	Fuel Productions

Source: The Economic Development Council for Central Illinois

- Peoria is home to the headquarters for Caterpillar, Inc., the world’s largest manufacturer of heavy equipment. Despite reductions in local operations in recent years, the firm is committed to stay in Peoria and remains the area largest private employer with just over 15,000 employees. The presence of Caterpillar largely defines the why the Peoria’s employment base has a greater percentage of workers in manufacturing that the rest of the state. However, the presence of Caterpillar also provides a level of engineering, managerial, and financial talent that is highly atypical for a metro area such as Peoria. Other large employers include Bradley University, OSF St. Francis Medical Center, and Methodist Medical Center, all of which underscores the role of Peoria’s education, health care and medical community not just in the local economy, but also as a resource that can be leveraged to push for evolution in the regional economy.
- From 1970 through 1999, non-farm income the in Peoria MSA grew by 5.1 percent per year. This is noticeably lower than the U.S. growth rate of 7.7 for the same period. Peoria’s per capita income of \$27,300 is also below the national average of \$28,500. While the income levels are relative to the cost of living in Central Illinois, the fact that they trail the national average

underscores the continued economic transition of the area, as it remains entrenched with mature industries, slow growth sectors, or low-wage service jobs.

- Between 1990 and 2001, Peoria’s unemployment rate averaged 5.2 percent, compared to the national average of 5.5 percent. From 1970 through 1999, non-farm employment in the Peoria MSA grew just 0.8 percent per year, well below the 2.2 percent national average. This suggests that bold steps need to be taken to foster the development of additional employment opportunities in the region, or the risk of population declines will become more imminent.

Colleges and Universities

Higher education plays an important role in the civic, cultural, and economic life of the Peoria area. Not only do the five colleges and universities and seven technical schools in the area provide a stable diet of students, they also provide a significant employment base, attract talent and resources to the area, and support a range of sports, arts, and other events. Table 3-5 lists the educational institutions in the area.

Table 3-5

Educational Institutions in Peoria Area	
	Location
Colleges and Universities	
Bradley University	Peoria
Eureka College	Eureka
Illinois Central College	Peoria
Midstate College	Peoria
Robert Morris College	Peoria
Technical Schools	
University of Illinois College of Medicine at Peoria	Peoria
College of Nursing Methodist Medical Center	Peoria
Illinois Welding School	Bartonville
College of Nursing St. Francis Medical Center	Peoria
University of Illinois College of Nursing at Peoria	Peoria
Devry Institute of Technology	Peoria
Career Logics Institute of Hair Design	Pekin
Total Enrollment	
<i>Source: Economic Development Council for Central Illinois</i>	

- As the table indicates, Bradley University, with 6,000 students, and Illinois Central College, with 4,000 full-time and 9,000 part-time students are the two largest schools in the metro area. Institutions such as the University of Illinois College of Medicine at Peoria play an economic, employment, and support role in the community that defies their student population.
- In combination, these colleges and universities also represent an important demand base for events at the PCC and provide a vital source of programming for the PCC. For instance, Bradley University's NCAA Division I men's basketball program is a primary tenant in the Peoria Civic Center, and its student and faculty participate in organization's such as the Civic Chorale and Symphony, which are also tenants of the PCC. While the University of Illinois College of Medicine, which located proximate to the PCC, uses the PCC's convention center for meetings and other events.
- While these activities signal an existing relationship with the PCC, the colleges and universities in the area also represent assets should be further leveraged in the city's efforts to redevelop its urban core as they have a mutual interest in the ongoing improvement of the community as a place to live and work and as an employment market for their students and alumni. This mutual interest can, and should be used, to establish additional programming ties, resource partnerships, or even facility co-development strategies.

Transportation

Peoria lies along I-74, which provides a direct connection to Indianapolis to the east, and via I-55 to Chicago and St. Louis, and via I-80 to the Quad Cities and Chicago. To the west, the metro area is served by I-474, which serves as an area circulator or 'beltway.' The presence of I-74 has made Peoria a key market for transportation and distribution activities, and each year, several million vehicles pass through the MSA along this artery, providing additional contributions to the local economy through lodging, gas purchases, and restaurants.

While the presence of I-74 and, to a lesser extent I-474, provide a strategic advantage in terms of access and traffic volume their presence has had significant impact on the development patterns in the metro area:

- The fact that the I-74 historically has not provided ready access to downtown Peoria has restricted traffic flow into the area, subsequently contributing the movement of commercial and retail operations to areas that are more readily accessible to emerging population centers. Moreover, while I-474 has facilitated growth at the county-level, it has also contributed to the decentralization of the area by drawing development further west.

- In a pattern that has been repeated in communities throughout the country, the exchanges associated with I-74 and I-474 on the outskirts of the city have emerged as commercial clusters offering hotels, and retail and dining establishments were developed to serve the transient population moving through the region. While these businesses generate tax revenue, they provide a limited contribution to long-term community development and contribute to the fragmentation of development energy.
- For Peoria, this development pattern, along with changes in retailing strategies and factors such as less restrictive zoning and available land, contributed in the gradual transfer of retail and commercial activity from the central business district to areas such as East Peoria, which enjoys ready access to the current configuration of I-74 and Sheridan Village, which is more accessible than downtown to residents living north and west of the city.

The realignment of I-74 will do a great deal to deliver additional energy and visitors to the downtown area, making possible more concentrated economic activity and higher density development. However, for the redevelopment of downtown to be lasting and sustainable, the City and the County must develop additional strategies (e.g. zoning, participatory financing, etc) for drawing development back into the urban core.

Located approximately eight miles from downtown, the Greater Peoria Regional Airport serves as the primary air service access point to Peoria area. The airport provides 30 daily connections to five major hub airports via American Eagle, Delta, Northwest AirlinK, and United Express. The airport also provides air cargo services via Airborne, DHL, Emery, Federal Express, and UPS.

The low volume of air service into Peoria does not represent a significant barrier to the development of the PCC as a location for national convention and tradeshow activity, but it does inhibit the ability to attract a higher volume of national shows.

Peoria Cultural, Historical, and Recreational Assets and Facilities

Peoria has a diverse base of historical, natural, and tourist attractions. However, their disparate locations offer limited opportunities for resource sharing and collaborative events, which are strategies that have been used effectively in many communities to draw new or non-traditional users and subsequently increase attendance and revenues. However, the Consulting Team does acknowledge that a study is currently underway to evaluate the feasibility of developing a shared museum facility or campus. A representative sample of attractions in the area includes:

- *African American Museum Hall of Fame* - founded in 1987 as a nonprofit educational institution, the Hall focuses on the collection, study, and exhibition of works that illustrate and celebrate African-American life and culture.
- *Illinois American Historical Water Museum* - Located in a an architecturally unique building, this one-of-a-kind museum showcases the technological advancement of water treatments through an extensive collection of photographs and equipment used in the treatment and purification of drinking water.
- *Lakeview Museum of Arts and Science* - the largest museum in downstate Illinois, the Lakeview Museum of Arts and Science features an impressive collection of exhibition and is also home to the Children's Discovery Center, Planetarium, Illinois Folk Art Gallery, and the Illinois River Decoy and Jacquard Coverlet exhibit.
- *Glen Oak Zoo* - with more than 100 species of animals, including several endangered species, the zoo offers an array of tours, educational programming, and special events. An expansion of the zoo is currently under evaluation.
- *Forest Park Nature Center* - this 500-acre Illinois Nature Preserve features an extensive network of hiking trails, a national history museum, a bird watching room, and a nature store.
- *Wheels O'Time Museum* - Located north of downtown Peoria, this museum displays of vintage and classic autos, gas engines, fire engines, airplanes, tractors, musical instruments, juke boxes, toys, dolls, and an animated miniature circus.

Peoria is also home to numerous dance, music, and theater groups, and has several facilities to host performances and an array of annual festivals. The collection of performing arts groups and facilities is quite diverse and cosmopolitan for a market of this size. Among them:

- *Miller Midwest Jazz Heritage Festival* - held each summer in Peoria's Riverfront Festival Park, this festival features two days of live jazz, jazz swing bluegrass, rock and other genres, local food, and a fireworks display.
- *Corn Stock Theater* - presents musicals, comedies, and dramas in five shows during the summer. Corn Stock presents live theater-in-the-round, under a tent in Bradley Park, as well as indoor winter performances from October through March.

- *Peoria Symphony Orchestra* - founded in 1897, the PSO is a professional orchestra that stages several performances annually. The PSO is a primary tenant of the PCC's theater.
- *Opera Illinois* - produces three full-staged operas each year. The chorus and orchestra are composed of area artists, who are complemented by principals, directors, sets, and costumes from the world's major opera houses. Opera Illinois is one of the primary tenants of the PCC's theater.
- *Peoria Ballet* - offers a season of dance performances and provides dance education in ballet, modern jazz, and tap dance. The Peoria Ballet is one of the primary tenants of the PCC's theater.
- *Peoria Civic Chorale* - is a volunteer chorale group that performs chorale ensembles about five times a year. The Civic Chorale is one of the primary tenants of the PCC's theater.
- *Illinois Ballet* - founded in the fall of 1999, the Illinois Ballet also offers an a growing calendar of annual and holiday performances. The Illinois Ballet is one of the primary tenants of the PCC's theater.
- *Peoria Players Theater* - is a community theater that presents theatrical productions six times a year.
- *Peoria Art Guild* - is the oldest community arts center in the state of Illinois. Founded in 1878, The Guild exhibits works by local, regional, national, and international artists.

In addition to Peoria Civic Center, Peoria is home to several public and private facilities that serve as venues for performing arts, concert, sporting, and concert activities. Among them:

- *Apollo Fine Arts and Entertainment Center* - with seating for 160, a film screen, theatrical lighting, solid acoustics and good site lines, the Apollo is an active local venue that hosts numerous meetings, parties, fund raisers, concerts, and films. The facility also features an on-going slide-presentation of "Discover Peoria."
- *The Madison Theater* -with a capacity of approximately 1,700, the Madison Theater is an ornate, architecturally significant facility that serves primarily as venue for concerts, touring shows, and, on occasion, films. Currently, this privately owned facility is in extensive need of interior and exterior renovation. Nonetheless, the facility, which is located just blocks from the PCC, has a strong potential as renovated historic theater and the community should develop a strategy to preserve its existence.
- *Performing Arts Center, Illinois Central College* - located on the campus of ICC in downtown Peoria, the PAC has a seating capacity of approximately 500

and serves as a venue for dance and theater productions, concerts, lectures, and other college activities and special events.

- *Robertson Memorial Field House* – located on the campus of Bradley University, this facility has a seating capacity of 6,900 and serves as a game and practice facility for Bradley’s women’s basketball team, the practice facility for the men’s basketball team, and a recreation center for Bradley students. In addition to sports activities, the facility has also been used as a special events center.
- *Exposition Gardens* – is the home of the annual Heart of Illinois Fair held each July and several antiques, crafts, and artisan’s fairs. The gardens are to home to several venues, including a 700-seat opera hall and a 14,000 square foot expo hall.
- *Northwoods Auditorium* – with a seating capacity of approximately 1,200, this auditorium is part of Northwoods Community Church. While this facility is used as a rehearsal venue for groups such as the Civic Chorale, its acoustics and calendar obligations make it an impractical venue for concert series or other uses.

Peoria Hotels and Visitor Support Infrastructure

The Peoria metro area has 39 hotel properties, which provide a total market inventory of 3,689-rooms. Sixty percent the inventory can be accounted for in the 19 properties located in the city of Peoria. With six properties and 793-rooms, East Peoria has the second highest concentration of rooms in the area. However, in the case of both Peoria and East Peoria, the room inventory is of varying quality and the vast majority of the properties consist of independently operated properties or mid-scale chains that cater to budget conscious business travelers or transient traffic. While the market has experienced a slight increase in inventory growth in recent years, the bulk of the development has come in the form of additional limited service properties that offer little in way full-service amenities, such as banquet or meeting space, leaving a void in the market for these needs, while simultaneously limiting occupancy and daily rate growth for the entire market. Table 3-6 shows room night potential and performance data for the Peoria area, by market subset.

Table 3-6

Peoria Area Lodging Statistics 2001			
	Downtown Peoria	City of Peoria	Peoria Metro Area
Available Room Nights	364,847	781,712	1,161,457
Occupied Room Nights	210,808	482,451	732,314
Occupancy Rate	57.8%	61.7%	63.1%
Average Daily Rate	\$73.66	\$67.28	\$63.87

Source: Peoria Area Convention and Visitors Bureau, Johnson Consulting

As the table shows, at an aggregate level the Peoria metro area achieved an occupancy rate of approximately 63 percent, with an average daily rate (ADR) of nearly \$64 in 2001. However, the occupancy rate declines to 62 percent in the city and just 58 percent in the downtown area, with an inverse relationship for ADR. This indicates stronger overall performance in suburban markets and implies that the downtown hotels are charging higher rates due to more full revenue properties and more transient commercial demand. In addition, it also indicates the performance of downtown hotels would improve dramatically if an additional demand generator(s), such as more conventions and more entertainment and sporting events were induced into the market.

Despite the available occupancy in downtown hotels, Peoria is actually poorly positioned from an inventory standpoint to handle the needs of additional demand generators for three reasons; product quality, proximity of room inventory, and available room block. To effectively service a convention center and add value to the convention sales effort a hotel property must typically must be located within ten-blocks (or reasonable walking distance) of a center, the property must be willing to commit approximately 60 percent of its room inventory to the convention center room block, and the hotel must offer a quality room product.

For the Peoria Civic Center, there are four hotel properties that have the potential to meet these criteria - the 288-room Hotel Pere Marquette, the 327-room Holiday Inn City Center, the 110-room Mark Twain, and the 108-room Staybridge Suites. At this time, however, the Staybridge chooses not to participate in the convention center room block, which removes it from consideration in the convention center package. The remaining three properties have a total inventory of 725 rooms, but none is located proximate the convention center. At two blocks, the Pere Marquette is the closest property, however, the property needs improvements in its quality. Given that Peoria is a cold-weather market, any distance beyond two blocks adds infinitely to the challenge of selling the center during winter months.

Under the assumption that 60 percent of the 725-room inventory in the three hotels is available, downtown Peoria can only offer a room block of 435 rooms. Even if the room block commitment is increased to 70 percent, only 507 rooms are available in the nearby properties. The lack of available rooms and their distance of many of the rooms from the PCC, means that many meeting planners and tradeshow promoters bypass Peoria as potential destination for their events, which translates directly into lost economic activity in the market.

The Peoria Area Convention and Visitors Bureau (PACVB) tracks lost business and expresses the lost opportunity by the potential number of room nights associated with an event. An event is considered "lost" if the PACVB has pursued a marketing lead and the meeting planner or event promoter has seriously considered holding the event in the PCC, but was unable to do so either because of a limited inventory of hotel rooms, the size of the convention center was too small or the desired dates were not available, or another market offered a more attractive package. Table 3-7 shows the lost business in Peoria Area.

Table 3-7

Lost Room Nights in Peoria, 2001			
	Actual	Lost Room Nights	Potential
Available Room Nights	1,161,457	-	1,161,457
Occupied Room Nights	732,314	94,277	826,591
Occupancy Rate	63.1%	-	71.2%
Average Daily Rate	\$63.87	-	\$64.26*

**Assumes business is accommodated in city hotels/motels.
Source: Peoria Area Convention and Visitors Bureau, Johnson Consulting*

As the table shows, in 2001 Peoria 'lost' an estimated 94,277 room nights. These room nights could potentially increase the metro-wide occupancy from 63 percent to 71 percent. Moreover, with each piece of lost business, there are additional foregone impacts for Peoria – lost revenue at the PCC, lost spending in local shops and restaurants, fewer car rentals, lost tax revenue for the City, County, and State.

As indicated earlier, much of the of the hotel inventory in the Peoria area is limited service, which means the facilities do not offer meeting or banquet space. However, the market does have a handful of hotels that offer such amenities. Table 3-8 shows the size of ballrooms and the volume of meeting rooms in Peoria hotels.

Table 3-8

Hotel Ballrooms and Meeting Rooms in Peoria			
	Largest Ballroom (SF)	# of Rooms	Total Meeting Rooms (SF)
Holiday Inn Peoria City Centre	12,300	7-10	19,937
Hotel Pere Marquette	7,500	9-13	18,354
Mark Twain Hotel	6,221	7	17,609
Holiday Inn Brandywine	7,332	2-7	9,448
Jumer Hotel-Castle Lodge	2,646	4-6	5,307
AmeriSuites - Peoria West Lake	896	1-2	896
			71,551

Source: mpoint.com, Johnson Consulting

As table shows, outside of the PCC, Peoria has only 71,500 square feet of available meeting space, with approximately 80 percent of that space located in three downtown hotels. Currently, the largest ballroom in the market is just over 12,000 square feet. The limited amount of meeting space, and the small ballrooms, indicates that Peoria’s hotels are heavily dependent on their room counts to generate their cash flow as they have only limited means by which to generate business activity or food and beverage sales. This further underscores that an additional demand generator in the market would provide critical support for the hotel community.

In addition, a 12,000 square foot ballroom can only accommodate a banquet for approximately 700 people. This means that organizations that have a need for larger banquet space are either leaving the market for their events or holding them in exhibit halls of the PCC, thereby depriving the center the ability to host more lucrative conventions or tradeshow on that day.

Marketing Resources and Civic Promotion

The primary marketing and promotions body for Central Illinois is the Peoria Area Convention and Visitors Bureau. Funded through a combination of hotel occupancy tax revenues, membership dues, and grant support from the State of Illinois, the PACVB has an annual budget of approximately \$1.3 million and services a six county area that includes all or part of Peoria, Tazewell, Woodford, Bureau, Marshall, and Stark counties.

The PACVB promotes the area through direct marketing efforts, the promotion of Peoria as a tourist, leisure, and recreational destination, convention, sporting event, and special events sales. Under contract to the Authority, the PACVB markets the Peoria Civic Center as convention and meetings destination for dates 18 months and

out. Currently, the PACVB has three full-time stage engaged in convention sales and marketing.

According to interviews with meeting planners and a review of performance data, the PACVB has been an effective agent in selling the PCC and the Peoria market in general. However, the limited size of the PCC's exhibit halls and meeting space, an insufficient supply of banquet space, the aging of the PCC and the lack of appropriate hotel inventory has made it increasingly difficult to sell Peoria as a destination.

Implications for the Peoria Civic Center

Peoria has recently demonstrated an ability to make strategic investments and is home to several institutions and amenities that provide a positive foundation for economic development, cultural and entertainment programming, and facility development. However, while the number of major initiative underway and the development along the Riverfront provided strong commentary as to the level of interest in the long-term downtown and community redevelopment, increased energy, continued investment, and careful planning are required to increase the appeal of Peoria as a destination, and as a center for commercial activity.

The resolve with which the citizens and the network of civic leaders have moved forward with these efforts indicates that the community, notwithstanding fiscal constraints, has strong appetite to pursue change and is working to position itself to pursue redevelopment at an accelerated pace. Nonetheless, there several critical challenges facing the community:

- Despite progress such as Riverfront development and opening of O'Brien Field, downtown Peoria has still not achieved the critical mass of development that clearly and resolutely establishes the vitality of the area. To succeed on a long-term basis, downtown Peoria must continue to evolve, and investment in facilities such as the Peoria Civic Center will ensure that area continues to attract new visitors, and their related economic activity.
- While projects such as O'Brien Field and the Riverfront the have contributed to the ongoing, incremental progress, if downtown area is to decisively turn the corner, more large-scale steps must be taken and the energy must be moved from the fringes of the central business district to the city's traditional urban core. The redevelopment of the Sear's Block represents one such opportunity to accomplish this task, but the eventual project strategy should resolutely ensure that a physical connection is established between the riverfront and central business district. If this connection is not established, downtown Peoria will remain at risk and the riverfront will evolve as an isolated success.

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- Peoria's hotels are heavily dependent on room occupancy to generate cash flow and the market does not have the capacity to host a banquet of more than 700 people without using the exhibit halls of the PCC. The use of the exhibit halls for this purpose has a tremendous opportunity cost as the facility is not able to host more lucrative events.

IV. PEORIA CIVIC CENTER OPERATING PROFILE

PEORIA CIVIC CENTER OPERATING PROFILE

The Peoria Civic Center (PCC) is a self-contained events campus featuring three distinct venues linked together by an enclosed concourse. The campus occupies approximately 20-acres in downtown Peoria and is framed by Jefferson, Kumpf, Monroe, and Fulton Streets. Together, these facilities play an unsurpassed role in the civic life of Peoria. In addition to serving as a venue for the many civic, entertainment, and sporting needs of the region, activities at the PCC draw more than 850,000 visitors into the downtown area annually, providing a substantial contribution to the regional economy and an important support mechanism for the many small, independent businesses in the area.

While the facilities that comprise the PCC complex remain prosperous, due in large part to effective management and a strongly supportive marketplace, it is increasingly difficult for each of the venues to achieve a standard, and level, of performance that meets market capacity or expectation. It also increasingly difficult for the PCC to increase revenues based on the absence of key facility features that are now commonplace in venues such as these. In the 20-years that have elapsed since the PCC was first developed the technical capacity, management and marketing techniques, and financial demands of the industries that utilize these facilities have changed extensively.

During this period, entertainment events such as concerts and touring ice shows have become highly stylized, technical events. Sports uses such as minor league baseball and hockey have evolved from basic games to entertainment events. And, new generations of theatergoers have come to expect elaborate stage productions that utilize advanced computer images, lighting, and sound technologies. In order to remain competitive facilities, in terms of size and quality, it is imperative the PCC pursue a facility modernization and capital improvements plan. The highest priority is the convention center, followed by the arena and theater.

While the venues that comprise the PCC are a clear focal point in downtown Peoria, their potential impact on the civic and economic landscape is not maximized, primarily because many patrons drive to the facilities, park, attend events, and then return home without filtering through downtown. While this pattern has started to change with the revitalization of the riverfront, additional impetus is required. As part of the master planning effort, making the facilities more inviting and engaging is an important priority as is providing them with a broader framework for enhancing their event capacity, and financial performance.

The balance of this section provides an operating profile of the PCC. The profile includes a review of the governance and management structure, historical demand

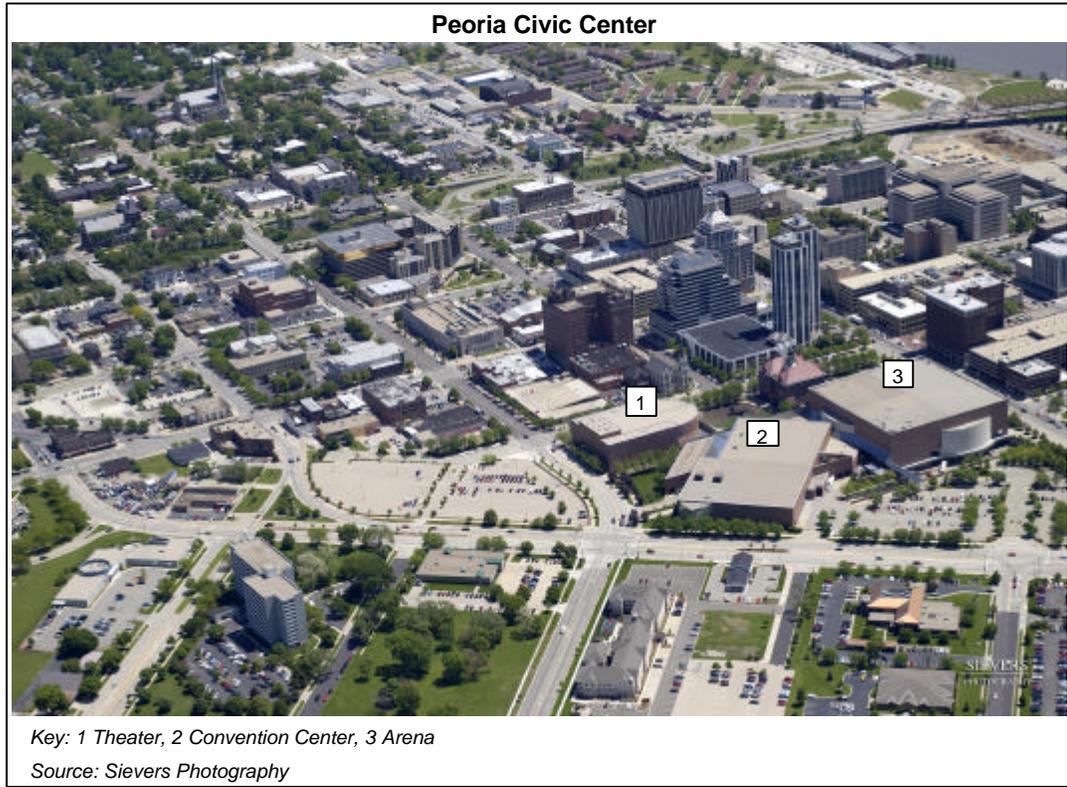
and performance, current physical limitations, and considerations for improving the convention center, arena, and theater.

Site Overview

Designed by noted architects Phillip Johnson and John Burgee, the construction on the PCC was initiated in 1979 and the complex opened in 1982. The original development cost was approximately \$64 million. The PCC's largest venue is the convention center, which features a total of 81,100 square feet of events space, including 63,700 square feet of contiguous exhibit space, 17,400 square feet of meeting in 16 rooms, and a business center. The convention center's configuration includes a \$10 million expansion completed 1993 that added 30,000 square feet of exhibit space. The arena has a total capacity of 12,066 and features approximately 9,500 permanent seats and a 27,400 square foot arena floor. The theater features 2,194 total seats, 1,468 of which are at orchestra level and the balance in a two-tiered balcony. In addition, the theater features a dramatic three-story lobby that can be used as a pre-function and special events space and small rehearsal hall.

The immediate campus also contains a small courtyard and two surface parking lots along Monroe Street that can accommodate 468 and 348 vehicles, respectively. Figure 4-1 displays an aerial photo the PCC.

Figure 4-1



The PCC campus is set amid the City's central business district (CBD) and is within blocks of the riverfront, major transportation arteries, lodging facilities, and, as of 2002, O'Brien Field. However, as the photo shows, with the exception of the courtyard entrance the PCC, the complex is a relatively stark facility that contrasts markedly both in scale and manner with the buildings that surround it. In addition, as the complex is designed to feed users into the common concourse, the back of each of venue sits almost flush to the bordering streets depriving each venue of the opportunity to have an easily accessible, and welcoming, 'front door.' The impact of this design is that the PCC does not meaningfully contribute to the flow of traffic and people into either the CBD or the riverfront, thereby causing a sense of isolation for visitors.

The absence of strong physical or visual connection to the CBD and the riverfront also diminishes the economic interaction between the PCC and these areas by failing to facilitate movement. As redevelopment moves forward, the creation of physical, architectural, and pedestrian-oriented connections between these centers for activity, as well as the area around O'Brien Field, should be a high priority. Among the principle objectives of the PCC is to draw users into downtown Peoria. For 20 years it has effectively done that, however, now it must extend its role by

supporting the movement of visitors between centers for commercial activity. If this happens, the downtown area will begin to function, and develop, as a cohesive whole rather than a serious of attractions, isolated from one another.

Governance and Management

The PCC is owned and operated by Peoria Convention Center Authority (Authority). The Authority sets policy for the PCC and oversees facility management under the leadership of a ten-person Board of Directors. The Board is comprised of seven voting members, each appointed to staggered terms by the Mayor of the Peoria, and three non-voting members, including ex-officio positions of the Peoria Area Convention and Visitors Bureau and the City of Peoria.

Day-to-day operations of the PCC have been managed under contract to the Authority since September of 1990 by SMG, a Philadelphia-based private facilities management firm. Under this relationship, operates the PCC for a flat rate annual fee plus additional payments to SMG for achieving various performance targets. Volume Services America holds the food and beverage contract for the PCC.

The original development costs for the PCC were approximately \$64 million, which was funded through a combination of public sources, including \$20 million from the Civic Center Act, and revenue bonds backed by the HRA tax. In addition, private contributions of \$1.5 million funded equipment purchases. The PCC's annual operations are supported primarily through facility revenues, with additional contributions from the HRA tax on occupied hotel rooms, restaurants, and amusement activity in Peoria County.

Historical Performance and Operating Patterns

Since assuming management control for the facility, SMG has been an effective steward for the PCC, reversing several years of significant operating losses and establishing an operating environment that is professional in nature and consistent in its application of Authority-directed policies. Moreover, facility management has effectively demonstrated their ability to offer a range of events that is appealing to a broad cross section of the Central Illinois marketplace. Table 4-1 shows the event demand and attendance at the PCC in Fiscal Year (FY) 99-00 and FY 00-01.

Table 4-1

Peoria Civic Center Historical Event Demand and Attendance						
	FY 99-00			FY 00-01		
	# of Events	# of Event Days	# of Attendees	# of Events	# of Event Days	# of Attendees
Conventions/ Trade Shows	76	136	198,787	72	156	178,960
Sporting Events	87	97	461,773	82	92	422,448
Performances	39	76	95,682	41	82	98,651
Concerts	26	27	79,692	21	21	57,349
Family Entertainment Events	8	36	79,539	8	22	68,622
Banquets	85	124	24,814	128	137	23,855
Other/ Adjustments	17	19	360	4	5	28
Total	338	515	940,647	356	515	849,913

Source: Peoria Civic Center Authority

As shown in the table, in FY 2000-01, the PCC hosted 356 events, which attracted approximately 850,000 attendees. While these figures illustrate the critical role and importance of the PCC in bringing visitors to downtown Peoria, the FY 00-01 figures represent a decline in event activity and attendance from the prior year. The greatest decline came in the concert market, which had a net reduction of five shows. In addition, both the number of events and attendance in the convention center declined. Conversely, banquet activity increased substantially, indicating the strength and growth potential in that market.

Table 4-2 shows the operating proforma of the PCC in FY 99-00 and FY 00-01.

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Table 4-2

Peoria Civic Center Operating Proforma (In \$000's)		
	FY 99-00 FY 00-01	
Event Income		
Direct Event Income		
Rental and Services Income	\$1,898	\$2,147
Ancillary Income		
Food and Beverage	\$869	\$805
Novelty	121	73
Parking	368	339
Subtotal	\$1,357	\$1,218
Subtotal Event Income	\$3,256	\$3,365
Other Income		
Advertising	\$378	\$397
Ticket Incentives	83	69
Concession Reimbursements	177	174
Nonevent Parking	23	26
Miscellaneous	100	39
Subtotal Other Income	\$762	\$704
Total Operating Income	\$4,018	\$4,069
Indirect Expenses		
Executive	\$303	\$267
Finance	284	294
Box Office	159	177
Marketing	298	279
Facility Overhead	1,110	1,284
Operations	1,454	1,307
Event Services	0	250
Total Indirect Expenses	\$3,608	\$3,857
Net Operating Income	\$409	\$212

Source: Peoria Civic Center Authority

As shown in the above table, event income increased from \$3.26 million to \$3.36 million from FY 99-00 to FY 00-01, and non-event income decreased from \$762,000 to \$704,000, resulting in leveling operating income (revenues) of \$4 million. However, indirect expenses increased by \$250,000. As a result, net operating income decreased from \$409,000 to \$212,000. The relatively stability of these figures demonstrates the strength of the PCC's operating controls and management's ability to maintain the efficiency of the center's operations and the fact that the overall complex makes a profit, with a performing arts center in the complex and

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many revenue generating features missing from the arena and convention center is admirable..

However, this stability also indicates the PCC is restricted in its ability to grow revenues as a result of the functional limitations of the venues. For instance, the event calendar offers only limited capacity to add additional events and thereby increases in tickets sales or rental revenues. The lack of concourse width in the arena makes it very difficult to add additional points of food and beverage and retail sales that could lead to higher concession or merchandise revenues. The absence of a large ballroom means the center cannot penetrate the convention market or grow its banquet business, which restricts food and beverage growth. The size of the convention center eliminates the ability of the PCC to host simultaneous events in the exhibit halls, thereby curtailing the prospect of event services increases. The absence of luxury suites or premium seating has myriad revenue impacts, including missed rental income and food and beverage sales. Short of selling naming rights, pursuing more aggressive sponsorships income, or an increase in standard rental rates (which is not recommended), the PCC has few options for enhancing revenues.

Table 4-3 shows the demand, attendance, and income on a per facility basis for FY 00-01.

Table 4-3

Peoria Civic Center Summary of Event Demand and Attendance FY 00-01						
	# of Events	# of Event Days	Attendance		Event Income	
			#	% of Total	(\$000's)	% of Total
Convention Center	201	300	214,540	25%	\$1,311	39%
Arena	95	112	516,848	61%	1,361	40%
Theatre	57	98	118,497	14%	608	18%
Outside/ Adjustment	4	5	28	0%	85	3%
Total	357	515	849,913		\$3,365	

Source: Peoria Civic Center Authority

As the table indicates, for FY 00-01, the arena generated 40 percent of total event income, the convention center 39 percent, and the theater 18 percent. In terms of attendance, the arena captured 61 percent of the attendees, the convention center 25 percent, and the theater 14 percent. The business activity attributable to the convention center would typically be higher. For Peoria, however, this performance is directly attributable to the lack of an appropriately sized ballroom, growth of repeating consumer and tradeshow events, and the challenge of attracting less

price-sensitive events to a market that can only offer a limited downtown hotel inventory.

The Consulting's Team's review of management and performance also produced the following observations:

- Compared to many other multi-facility civic centers complexes around the country, which incur annual operating deficits in excess of \$500,000, the PCC is performing well. This is partly due to the facility's strong roster of revenue producing events, which the management attributes to the market's unique ability to draw talent, patrons, and events from central Illinois and larger area. Nonetheless, given its market potential, the PCC could perform at higher level if it had a full array of modern revenue producing features available.
- The complex is an efficient operation in its use of resources and deployment of personnel. The PCC combines effective management and economies of scale, which are achieved through the integrated facilities' operating structure. Turnover in senior operating positions is relatively low, offering excellent field experience that keeps events running on time and cost effectively.
- The executive management of the civic center has been active in the industry for a long time and is particularly knowledgeable of the local market. This level of experience, coupled with the event and promoter relationships offered by SMG, ensures that the PCC will remain a strong force in the local market.
- The economics of large, multiple venue facilities such as the PCC require revenue from every possible source to achieve positive cash flow and funding for expansion. More modern facilities are able to draw on revenue from luxury suites, expanded concessions, event services fees, a larger volume of food service through banquets and pre-function events, to accomplish this task. Due to the age of the facility, the PCC is not able to draw on these sources which limits management's ability to grow revenues.
- Owing in part these limitations, rental rates and other usage fees are relatively high in comparison to other facilities as SMG strives to fulfill its objective to operate the PCC without a deficit. However, if more revenue producing features were built into the PCC, SMG would have more flexibility in developing rental rates.
- Based on improvement in regional facility offerings, it is increasingly difficult for the PCC to market its venues against better facilities with more modern amenities. To date, this has not had a substantive impact on operations, but it starting to show in the event calendar as touring shows

will appear in more than one theater or arena in the regional marketplace in short period of time.

- While the management of the PCC has been progressive in forging and maintaining relationships, particularly with promoters, they have not been as effective in its use of technology to develop a stronger following in the regional market. While the PCC is now developing an e-mail distribution list and tie-ins with Ticketmaster SMG-wide, more innovative use of database technology, capturing of user preferences based on ticket buying patterns, and other strategies could be used to enhance market penetration. Staff is also making strides in technology offerings in its convention center booth packages by offering Internet hookups. Upon expansion, these offerings will become increasingly important.

Operating Profile – By Facility

The convention center, arena, and theater have different characteristics in terms of event type, sizes, and revenue generating potential. They also serve distinct market segments and have their own tenant or client base. In order to explore the service delivery capacity in the facility and evaluate functional and physical limitations, the Consulting Team reviewed operations on facility-by-facility basis, interviewed tenants of the respective venues, and surveyed users.

Table 4-4 shows the event demand and operation of the convention center.

Table 4-4

Peoria Civic Center - Convention Center Demand and Attendance in FY 00-01			
	# of Events	# of Event Days	# of Attendees
Conventions/ Trade Shows	67	148	160,840
Sporting Events	7	13	18,687
Family Entertainment Events	1	4	11,528
Banquets	126	135	23,485
Total	201	300	214,540

Source: Peoria Civic Center Authority

In FY 00-01, the convention center held 201 events, which included 67 conventions or trade shows, seven sporting events, one family entertainment event, and 126 banquets. These events generated approximately 215,000 attendees. Analysis of the center’s operation also revealed the following:

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- A review of the historical event calendar for the center indicates that PCC has done an exceptional job of maintaining its client roster, and the calendar represents a many repeat events. This loyalty to the facility is based on service quality and staff responsiveness.
- However, the loyalty displayed by the PCC toward certain events also negatively impacts date availability. In particular, the PCC has five consumer shows that are grandfathered into the convention center. These five shows, which generate strong attendance, but less economic impact are provided with long-term date protections. This loyalty is appropriate, however, the dates that are provided to select consumers shows also coincide with prime convention center demand periods in February and April. The issue is twofold. First, there is demand for more space during these periods, so expansion of exhibit and ballroom space would be helpful. Secondly, going forward, the PCC should continue to work with these shows, but should continue working with the CVB and the show promoters to find dates that allow the center to enhance its contribution to the local economy.
- Interviews with various stakeholders indicate that more than a dozen shows are nearing capacity in the facility. As such, many of the PCC's largest shows are forced to uses the non-climate controlled concourses for exhibit space. This diminishes the appeal of the facility, and reduces revenue potential for promoters who are forced price booths based on traffic. As these shows outgrow the PCC, they could leave Peoria in favor of competitive markets in the Midwest that have larger facilities. As this occurs, the PCC will likely be forced to replace these shows with smaller, less lucrative events.
- The Peoria Area Convention and Visitor's Bureau tracks "lost" convention and meeting business. These are groups that that looked at the city, but ultimately decided to stage their events in another market because the PCC was either too small, the hotel room inventory in downtown Peoria was insufficient or not of the quality preferred by meeting planners, or other factors. Examples of recent lost business include the Illinois Drill Team Association (11,000 delegates, 3,400 room nights), Professional Independent Insurance Agents of Illinois (2,000 delegates, 1,100 room nights), and Illinois Skills USA-VICA (1,500 delegates, 1,250 room nights). Many other event promoters or meeting planners did not even look at Peoria because of the lack of desired spaces or hotel rooms or both.

To assess meeting planners' interests in and perception of Peoria as a potential city to hold events, Johnson Consulting conducted survey to meeting planners in Illinois that could potentially plan and event in Peoria. The PACVB provided a list of planners and Johnson Consulting developed an appropriate sample based on this

and distributed the survey via e-mail and fax. In addition, five respondents were selected for follow-up phone interviews. Among the findings of the survey:

- Approximately 86 percent of respondents have held an event in Peoria. Those who have not cited a lack of available dates, and insufficient facilities are their primary reasons.
- When asked to rate Peoria with respect to a selected peer markets, the respondents rate Peoria favorably. On a scale between "1.0" for "much less attractive" to "5.0" for "much more attractive," Peoria is rated:
 - More attractive (3.9) than Quad Cities, Illinois-Iowa,
 - Equally attractive (2.9) as Springfield, Illinois,
 - More attractive (3.7) than St. Charles, Illinois,
 - More attractive (3.9) than Rockford, Illinois,
 - Equally attractive (3.0) to West Suburban Chicago, and
 - Slightly more attractive (3.4) than South Suburban Chicago.
- When asked their interest in holding an event at the PCC if the exhibit hall were expanded to 90,000 to 100,000 square feet, approximately 83 percent expressed an interest in holding events in Peoria.
- When asked their interest in holding an event at the PCC if a 10,000 to 15,000 square foot ballroom were part of the complex, approximately 67 percent of respondents expressed interest in using such an offering.
- When asked for suggestions to the PCC improvements, responses included:
 - Need more meeting room space and more versatility in that space.
 - Add large meeting rooms on the lower level.
 - Add more flat floor (exhibit space) area.
 - Heat the concourses
 - Staging areas and load-in areas are not large enough. Large exhibits must be given somewhere to stage prior to set-up.
 - Backing down the loading ramp is too time consuming
- When asked for suggestions with regard to improvements that could be introduced into downtown Peoria that would make the city a more attractive market, a common response was the need of a hotel to be connected to the convention center large enough to hold a group our size.

Carver Arena

Carver Arena has a total capacity of 12,066. The facility’s primary use a venue for sporting events such as basketball (11,433 seats), hockey (9,919 seats), and arena football (9,931 seats). It also hosts concerts, entertainment events, and family shows. The arena’s 27,400 square foot floor area can also accommodate conventions, trade shows, consumer shows, and other events.

Carver Arena has three primary tenants, the Peoria Pirates of af2, the East Coast Hockey League’s Peoria Rivermen, and the Bradley University Braves men’s basketball team. In combination, these tenants account for more than two-thirds of the arena’s event calendar. In addition, the arena (in conjunction with the convention center) hosts the Illinois High School Association (IHSA) Boy’s State Basketball two weekends each March. Table 4-5 shows the demand and operation of the PCC arena.

Table 4-5

Peoria Civi Center - Arena Demand and Attendance in FY 00-01			
	# of Events	# of Event Days	# of Attendees
Conventions/ Trade Shows	2	4	12,470
Sporting Events	74	78	403,361
Concerts	12	12	43,923
Family Entertainment Events	7	18	57,094
Total	95	112	516,848

Source: Peoria Civic Center Authority

In FY 00-01, the PCC arena hosted 95 events, 74 of which were sporting events, which include 15 BU Braves basketball games, 43 season and playoff hockey games for the Peoria Rivermen, and eight regular season Peoria Pirates af2 games. Other events include 12 concerts (43,900 attendees), seven family or entertainment events such as Disney On Ice and the World’s Toughest Rodeo (57,100 attendees), and two Bradley University commencement ceremonies (categorized as conventions/trade shows, 12,500 attendees).

The three primary tenants as well as the IHSA all have use of the facility under long-term (five year) contracts. For other events, the facility uses the published rate calendar that appears in the Table 4-6.

Table 4-6

Peoria Civic Center - Arena Rental Rates	
Rate per Day	
Rent	
Ticketed Events	
Full-House Set Up	\$3,500, or 12.5% of gross ticket sales after taxes, whichever is greater
Each Additional Event on Same Day	\$2,000, or 12.5% of gross ticket sales after taxes, whichever is greater
Half-House Set Up	\$2,500, or 10% of gross ticket sales after taxes, whichever is greater
Non-Ticketed Events	
Commercial Events	\$8,950/8 hour day (includes janitorial services, house sound system, energy and seating) \$4,325 per rehearsal move-in/move-out day plus applicable energy fees
Conventions	\$7,160/8-hour day (includes janitorial services, house sound system, energy and seating) \$3,460 per rehearsal move-in/move-out day plus applicable energy fees
Facility Fees	
Performance	
Full-House	\$2,750/performance, includes janitorial services, house sound system, energy and seating
Half-House	\$1,800/performance, includes stage setup, janitorial services, house sound system, energy
Rehearsal/Move-In/Move-Out	\$350/hour for any hours over 8
<i>Source: Peoria Civic Center</i>	

The published rates for Carver Arena reflect the operating model of the facility, which is to deliver the highest quality programming possible while respecting the need operate the facility at or above a break event point. While these rates present certain challenges for civic uses or not for profit groups, the rate structure, in combination with the market draw of the PCC, makes the arena an attractive venue to event promoters. As a result, Peoria is able to attract quality events with greater frequency that many comparative markets.

As part of its analysis for the arena, Johnson Consulting interviewed each of facility's primary tenants, examined their historical performance versus that of

comparable franchises or universities, and reviewed their respective contracts with the PCC. In addition, our team interviewed several event promoters that have staged in Carver area or are active in the midwestern marketplace. Based on these activities, we made the following observations:

- PCC staff and management are widely viewed as responsive and professional. Promoters report they actively work to solve problems and tenants indicate they are treated with consistency.
- Much of Peoria's enduring appeal is the professionalism of the staff and the ability to execute events efficiently. While other markets now offer comparable or higher quality facilities, promoters are comfortable in Peoria and know that it has demonstrated record of performance. However, as other facilities that offer additional revenue generating capacity or provide larger marketing budgets for cooperative local promotion, it becomes increasingly attractive to do business in those markets.
- Peoria benefits from its geographic location and demonstrated track record. In combination, these factors make it an attractive location for shows that are in transit among markets such as Indianapolis, Chicago, and St. Louis. This allows Peoria to attract events that might otherwise bypass the market, but it also means that Peoria is often location for weeknight performances of touring shows. However, this also makes it easier to manage the event calendar as the primary tenants prefer weekend dates.
- Promoters, as well as two of the primary tenants, report that Peoria is a price-sensitive market. As such, ticket prices, concessions, and other related costs must remain in check with the appetite of the market. This makes it very difficult to increase revenues, and underscores the appeal to these groups for additional concession or premium seating options.
- Peoria is an extremely supportive market for sports. The Rivermen and Pirates have two of the strongest attendance records in their respective leagues, and the Bradley Braves are also draw well in comparison to many of their league competitors. Moreover, specialty sports such as World's Toughest Rodeo and professional wrestling also have an excellent record of performance in Peoria.
- Research provided by the Rivermen indicates that they draw equitably among men (51%) and women (49%) have a season ticket fan base that draws customers from a radius of approximately 40 miles.
- The PCC does not effectively track data on ticket sales. This data could be used provide a more thorough understanding of consumer patterns in the local market, allowing for more effective use of marketing resources. It could also be used by SMG to enhance sponsorship revenue based on targeting potential.

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- The lease agreements the PCC has with its primary tenants are slightly less favorable to the franchises than in other markets, particularly as it relates to advertising opportunities. As the arena adds more features and services in these areas, franchises may be more aggressive in looking for more revenue sharing opportunities.
- Exclusive sponsorship relationships such as beverage pouring rights or facility naming rights and are becoming a more prevalent in the industry. While the PCC has minor relationships, it has not effectively maximized its presence or taken advantage of its profile in the market. Going forward, this is an important area to pursue additional revenue support.

The PCC Theater

The PCC Theater is a two-tiered facility with 2,194-seats, configured continental-style to maximize seating capacity. The Theater hosts an annual Broadway series that features prominent touring shows such as Cabaret, a YouTheater Series offers affordable children and family performances for shows such as Christmas Carol as well as regular touring shows, opera, and dance. The theater is the performance home of the Peoria Symphony Orchestra, Peoria Ballet, Opera Illinois, the Peoria Area Civic Chorale, and, starting in 2002, the Illinois Ballet. Each of these organizations sponsors their annual performance series with two to twelve shows each. Each of these organizations pay rental fees for the use of the theater.

Table 4-7 shows the demand for the Theater in FY 2000-01.

Table 4-7

Peoria Civic Center - Theater Demand and Attendance in FY 00-01			
	# of Events	# of Event Days	# of Attendees
Conventions/ Trade Shows	4	4	5,650
Sporting Events	1	1	400
Performances	41	82	98,651
Concerts	9	9	13,426
Banquets	2	2	370
Total	57	98	118,497

Source: Peoria Civic Center Authority

As the table shows, in FY 2000-01, the PCC Theater hosted 57 events and 98 event days, generating nearly 119,000 attendees. Table 4-8 shows the PCC Theater rental rates.

Table 4-8

Peoria Civic Center - Theater Facility Rates	
Rate per Day	
Rent	
Ticketed Events	
Performance/ Concert	\$1,250 or 10% of gross ticket sales after taxes, whichever is greater
Each Additional Event on Same Day	\$750 or 10% of gross ticket sales after taxes, whichever is greater
Non-Ticketed Events	
Conventions/ Performance Day	\$2,875/8-hour day, \$1,450 per move-in/move-out day plus applicable energy fees
Commercial/ Performance Day	\$2,300/8-hour day, \$1,160 per move-in/move-out day plus applicable energy fees
Facility Fees	
Performance Rate	
Performance/ Concert	\$1,000/performance (includes basic janitorial services, house sound system, energy and seating)
Each Additional Event on Same Day	\$500 each (includes janitorial services, house sound system, energy and seating)
Rehearsal/Move-In/Move-Out	\$75/hour for rehearsal energy
Orchestra Pit for Seating	\$500 labor fee
Box Office Fees	
Advance Sales	\$400 or 3% of gross ticket sales, whichever is greater
Window Sales	Standard labor rates + 50% (only applies without advance sale)
<i>Source: Peoria Civic Center</i>	

As the table shows, rental rates for the theater are based on a menu that involved criteria such as event type, performance day versus non-performance day, and labor charges. The rental rates charged by the facility are competitive on a regional level and fair based on market considerations. The facility also has a preferred rate structure for major tenants that bring in a certain level of events and capitalization.

As we did with each of the other venues, Johnson Consulting interviewed each of theaters primary tenants and reviewed their business relationship with the PCC. In addition, our team interviewed promoters that have booked events into the theater

or are active in the Midwestern marketplace. Based on these activities, we made the following observations:

- The PCC theatre is well-sized facility, offering an appropriate number of primary and balcony seats for its intended use as home for high quality theater, music, and dance. This venue size makes it attractive to touring shows. However, this size and orientation leave the market without a venue that can be used to develop a literary series, a chamber music festival, or supplement chorale or ballet performances. In addition, the theater is too large to use for product launches, opening sessions for major conventions, and lectures. The Apollo Theater is too small to serve these functions and without considerable investment, the Madison Theater is not of the appropriate quality.
- The event calendar at the PCC is well represented in performances, and offers a strong array, diverse array of programming options that balances the need for civic-use and touring events. However, the calendar is relatively light on non-performance activity, particularly as a venue for receptions and pre-function activity, which is a fiscally aggressive practice that is increasingly common in theaters.
- Theater tenants have higher expectations with regard to the quality of the venue, but distinctly different interests in its redevelopment. For instance, each tenant agreed the lighting, rigging, sounds and stage construction equipment needs to be updated, but they varied on which of these items were the highest priority. In addition, while each tenant indicated that rehearsal space is at a premium in the Peoria area, but only one indicated that the PCC would be the best place to add it.
- As a civic service, many theaters offer steeply discounted rates to local not-for-profit groups. Going forward, the PCC may want to contemplate the creation of a fund that would allow it to more deeply subsidize the theater for some groups. A modest surcharge on tickets could be used to create the fund. The use of an endowment for this purpose would actually allow for full rental rates to be collected, but might open the theater for additional use.

User Survey to Local Businesses

Facility users offer an important perspective on the quality of a venue and the viability of improvements, expansions, or enhancements. In order to solicit user input, as well as test market interest and demand for revenue enhancing features in the PCC Convention Center, Arena, and Theater, Johnson Consulting conducted a survey of local businesses and meeting planners. Local businesses are a significant source of support for various types of events and facility features at the Peoria Civic Center (PCC). The Peoria Chamber of Commerce provided a list of companies and

organizations in the Peoria metro area and the survey was distributed to these firms via e-mail. Findings from the survey include the following:

- Approximately 53 percent of the respondents have held an event at the PCC convention center.
- When asked for suggestions to improve the PCC convention center, the responses include:
 - Add an 'elegant' ballroom or dining facility,
 - Upgrade finishings: floor, ceiling, and wall covering,
 - Upgrade the sound system, and
 - Increase the amount of exhibit space.
- When asked to rate their experience in attending an event in Carver arena, seven percent rated the experience as "excellent," 67 percent "very good," and 27 percent "good."
- When asked for suggestions to improve the PCC arena, the responses include:
 - Add more women's restrooms
 - Increase seating capacity,
 - Add signage (for direction) inside the concourse,
 - Upgrade seats (e.g, the existing legroom are too narrow, seats are uncomfortable, sightlines are awkward),
 - Add luxury suites for use as "business sky boxes", and
 - Enhance the scoreboard.
- When asked whether they would be interested in leasing a luxury suite in the renovated PCC, 47 percent expressed an interest if the price is between seven and fifteen thousand dollars. However, approximately 74 percent expressed interest in renting suites on an event-by-event basis.
- When asked whether they would be interested in purchasing the rights to premium seating area in the arena, approximately 73 percent expressed interest if the cost is \$1,000 per seat per year. If the cost if \$500 per seat per year, approximately 86 percent expressed interest. In addition, approximately 80 percent expressed interest in purchasing a block or group of premium seats.
- When asked to rate their experience in attending an event at the PCC theater, seven percent rated the experience as "excellent," 80 percent "very good," and 13 percent "good."

- When asked for suggestions to improve the PCC theater, many suggest to add a center aisle. From the survey responses, it appears like the single row is somewhat troublesome for theater attendees to reach the middle seats, and that additional aisle(s) is desirable. However, adding a center aisle would take away the best seats. A "Broadway-style" proscenium theater arrangement, in which two aisles divide the seats into one center row and two shorter side rows, is an alternative options. Other suggestions include additional women's restrooms, an upgrade of floor finishes, and improvements in the sound system.
- When asked whether they would be interested in leasing or renting a special suite(s) or lounge area in the theater, approximately 40 percent show interest. Approximately 61 percent expressed interest in the use of a suite(s) or lounge area for banquets or receptions on non-theater event days.
- When asked for suggestions to improve the Peoria downtown area, responses include:
 - More attractions to the Riverfront area, including specialty shopping, concerts, and additional boat ships would be a plus.
 - A separate entrance for theater events, very congested when hockey, basketball games are in arena.
 - A museum or aquarium.
 - Downtown theme linking things to do, i.e., civic center to ballpark or riverfront.

Overall, the survey respondents expressed support of the PCC and encourage improvement efforts. They agree that the PCC is a tremendous asset to the quality of life of Peoria residents and that it is vital to the City and the region. They also expressed strong support for an update of the PCC be updated, indicating that it should be among the most important priorities in the region.

Implications for the Peoria Civic Center

The Peoria Civic Center is a well-managed and regarded facility. For more than 20 years, it has made an exceptional contribution to the quality of life in Peoria, and for the last ten years, under the leadership of SMG, it has accomplished this task without significant operating support from the public sector. Despite these accomplishments, the PCC has the potential to play an even more significant role in the community. With a modest number of design enhancements the PCC can renew its commitment to the broader objective of creating a more vibrant downtown by making a bolder contribution to the energy level on the street. With a modest number of program changes, the PCC can become a more attractive facility to

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meeting planners, event promoters, and facility users, which will attract more attendees and extend the contribution of the PCC to economic life of Peoria. And, with modest level of innovation at staff level, the PCC can increase its market penetration in Central Illinois and enlarge its core audience.

V. REGIONAL MARKET ANALYSIS

REGIONAL MARKET ANALYSIS

Johnson Consulting compiled market and facility data on several comparable metropolitan areas in Central Illinois and select facilities nationally in order to benchmark Peoria's offerings, quality, and capacity in relation to its peers. Information regarding the volume and size of facilities assists in identifying market opportunities and competitive positioning, while data on performance provides insight into the market conditions required to support enhanced or expanded facilities and the general parameters under which redeveloped Peoria Civic Center (PCC) facilities can reasonably be expected to operate.

Illinois Facilities and Markets

Outside of the City of Chicago, the Illinois marketplace has comparatively few major meeting, convention, or entertainment facilities. Table 5-1 displays the major event facilities in Illinois.

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Table 5-1

Major Facilities in Illinois	
Metro Area, Facility	Size/Capacity
Normal-Bloomington	
Interstate Center	64,200 SF
Scottish Rite Temple	
Theater	1,321 seats
Exhibit Hall	11,644 SF
Redbird Arena	
Arena	11,500 seats
Auditorium	3,477 seats
Peoria	
Peoria Civic Center	
Theater	2,198 seats
Exhibit Hall	63,668 SF
Arena**	12,066
Quad Cities*	
The Mark	
Arena**	12,000
Meeting Space	31,000
River Center (exhibit space)	36,000 sf
Adler Theatre	2,652 seats
Rockford	
MetroCentre Arena**	10,000
Coronado Theatre	2,440 seats
Davis Park (festival area)	10,000 seats
Rosemont	
AllState Arena**	19,210
Donald T. Stephens Convention Center	815,000 SF
Rosemont Theatre	4,300 seats
Springfield	
Crowne Plaza	274 rooms
Meeting Space	39,000 SF
Ballroom	9,000 SF
Illinois State Fairgrounds	
Coliseum	2,866 seats
Grandstand	9,800 seats
Nelson Center Arena	1,945 seats
Floor Area	18,000 SF
Prairie Capital Convention Center	
Total Exhibit and Meeting Space	70,300 SF
Exhibit Hall	48,400 SF
Arena	8,900 seats
University of Illinois-Springfield	
Auditorium	1,951 seats
St. Charles	
Pheasant Run Resort	
Conference Center (Total Exh-Mtg Space in 2 Bldgs)	81,700 SF 474 rooms
Urbana-Champaign	
University of Illinois Assembly Hall	
Exhibit Hall	27,000 SF
Arena**	17,200
Krannert Center for the Performing Arts	
Playhouse	675 seats
Great Hall	2,100 seats
Theater	975 seats
*Include facilities in Iowa	
**Represents total capacity, not just fixed seats	
Source: AudArena Stadium 2001 Guide, Johnson Consulting	

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As the table illustrates, for a state that covers the geographic range and has the population base that Illinois does, there are comparatively few facilities outside Chicago. Peoria already offers the largest downstate exhibit space and among the largest non-university based theaters and arenas in the state. As the performance data in Section 4 detailed, this positioning has served Peoria effectively since the PCC was initially developed. However, in the 20 years that have elapsed since the PCC entered the market, several of the facilities listed in the table have been developed, introducing a new competitive dynamic into the state and regional marketplace. While many of these cities may not have the population of Peoria, many of their facilities are of higher quality and offer the amenities (e.g. luxury suites, meeting rooms with advanced technologies, large ballrooms, self-contained room blocks) that are attractive to today's event promoters and facility users.

While the PCC remains a quality facility that is able to perform at a moderate level, it no longer offers a service or venue quality that allows it to be easily distinguished in the regional marketplace. As a result, events that once would have been exclusively hosted in Peoria, can now be hosted in competing facilities such as the Mark in the Quad Cities, the Coronado Theatre in Rockford, or the Crown Plaza in Springfield. As the other communities, including Bloomington-Normal continue to invest in facilities, this market position will likely further erode, unless Peoria responds with a strategy that is equally bold to its initial development strategy with the PCC. If it does so, the size, history, and demonstrated capacity of Peoria to support events, will allow the PCC to once again to be a distinctive facility and one that has the ability to capitalize on an underdeveloped facilities marketplace and attract visitors (and revenue) from across the state and the Midwest.

In Central Illinois, Bloomington-Normal and Springfield are the two metropolitan areas that are competitive with Peoria. First, Peoria competes with these markets (as well as the Quad Cities) for the attention of show promoters and meeting planners. Second, each of these cities serves as a source market for the other, as residents from each sometimes travel to the others markets to attend meetings, see concerts, and watch sporting events. For many years, Peoria was primarily on the receiving side of such market behavior, but as these markets have invested in facilities, their residents have been less inclined to travel to Peoria. Conversely, however, attracting economic activity from the surrounding cities, and even Chicago and St. Louis, is one of the strongest opportunities in redeveloping the PCC.

The City of Rosemont does not compete directly with Peoria as its convention center's size is positioned to attract national events and its arena and theater are effectively positioned to attract users from Chicago's western and northern suburbs. In addition, Rosemont benefits from its proximity to O'Hare International Airport and its concentration of hotel rooms.

Bloomington-Normal

Bloomington-Normal Metropolitan Statistical Area (MSA) has a total population of 150,400, including 57,700 in Bloomington and 42,000 in Normal. The metropolitan area itself is strategically located in close proximity to the crossroads of Interstates 55, 74, and 39 and is home to several major institutions including Illinois State University, which has 21,000 students, and the worldwide headquarters for State Farm Insurance. Importantly, Bloomington-Normal area is part of the same media market as the Peoria MSA, which means that events that occur in the market will only take place in either Bloomington-Normal or Peoria, but not both. Currently, the area has a number of small to mid-size meeting spaces, an arena, and 1,286 hotel rooms. Among the facilities are:

- Illinois State University's Bone Student Center and Braden Auditorium: 31,290-square feet of meeting space, including a 14,080-square foot ballroom and a 3,477 seat auditorium,
- Illinois State University Redbird Arena: 10,000 seats, 43,000-square feet of arena floor and 6,000-square feet of exhibit space,
- Illinois Wesleyan University Memorial Center: 12,100-square feet of meeting space, and
- The Interstate Center: a total of 64,200-square feet of meeting space, including two 30,000-square foot exhibit halls.

In recent years, each of these communities has been aggressively planning or investing in various revitalization initiatives. In Bloomington, a study has been completed that recommends the development of a new arena featuring approximately 7,000-seats and up to 20 luxury suites. The facility would serve as a venue for concerts, family shows, and potentially a minor league hockey franchise. Efforts are currently underway to select a preferred site and develop an appropriate finance strategy.

Recognizing that its downtown area was in danger of losing its relevance, in the spring of 1999, the Town of Normal (40 miles east of Peoria) initiated a downtown revitalization plan that calls for extensive public investment and mixed-use redevelopment, including:

- Mixed-use real estate development to create new office capacity, generate retail activity, and foster the development of commercial life in the central business district,
- A new hotel and conference center (a 150-room, three-star facility, with approximately 30,000-square feet of meeting space),
- A new home for the Children's Discovery Museum,

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- A traffic circle and small park to the center of downtown to serve as a focal point for the renewed area,
- A multi-modal transportation facility, which would serve as a potential station for a high-speed train (Chicago-St. Louis corridor) and for other ground transportation (buses and taxis), and
- New downtown parking facilities.

In April 2002, the Town of Normal issued a Request for Qualifications (RFQ) to developers for the hotel and conference center development. Based on the RFQ responses, the city is now evaluating various public/private development and finance options. However, a clear timeline for completion has not been detailed.

Springfield

Located 75 miles south of Peoria at the intersection of Interstates 55 and 72, Springfield (population 113,000) competes with Peoria to host state association events and meetings. The location of both markets, near the geographic center of the site, makes them a logical and convenient choice for statewide events. However, as the home of the State Capital, Springfield enjoys a distinct advantage based on its access and proximity to state officials. The presence of state government is also why Springfield is home to more than 200 national, regional and state associations. Nonetheless, most associations that have multiple annual events, typically like to rotate these events around the state to more effectively reach their constituencies, and often reserve the state capital as a site for legislative or policy related events, which are often smaller meetings.

In total, Springfield has approximately 210,000-square feet of exhibit and meeting space and 4,000 rooms from the City's 39 hotels, inns, and bed and breakfasts. Among the major meeting facilities in Springfield are:

- Prairie Capital Convention Center, which contains a column-free, 40,000-square foot exhibition space, a 8,900-seat arena and a 1,000-seat auditorium,
- Nelson Center's arena with 1,945 seats and 18,000-square feet of floor area,
- Crowne Plaza Hotel, which features 54,000-square feet of banquet and meeting space, including a 30,000-square foot ballroom, 14,000-square feet of exhibit space, and 9,000-square feet conference suite. The complex is contains 288 rooms and conference related room rates range from \$90 to \$125, and
- University of Illinois at Springfield's Sangamon Auditorium with 1,951 seats.

Of the facilities listed in this section, the Crowne Plaza is the facility that most consistently ranks among the most desirable among meeting planners, as surveyed

by Johnson Consulting. According to planners, the integrated hotel and conference center, the high quality rooms, and the property's location along I-55, make it an appealing venue for events. The conference center, which includes street level loading, can be configured into 30 diverse function rooms and the ballroom and exhibit space can be configured for conventions that do not require significant ceiling height capacity. The 9,000-square foot conference suite, which is located apart from the main meeting space, can be configured into 11 rooms and features a boardroom.

East Peoria

East Peoria (population 22,600) is situated directly across the Illinois River from the City of Peoria, but lies entirely in Tazewell County. Known for the annual Festival of Lights, in the last ten years East Peoria has been aggressively developing a commercial niche as the metro area's home for large-scale retail operators such as Lowe's and Wal-Mart. More recently, the City has begun to focus on expanding its development along its riverfront, which enjoys an unparalleled view of the Peoria skyline and conveniently located just minutes from downtown Peoria.

With approximately 65-acres of prime development space available, the unannounced target development is an integrated hotel and conference center facility that would feature approximately 270-rooms and more than 30,000 square feet of meeting space. The business model for this property, which would compete directly with facilities such as the Crowne Plaza in Springfield, is to target small to mid-size corporate and meeting events and function as a largely self-contained property. Accordingly, while the number of rooms will increase the metro inventory, the property would likely have little to no impact on the size of the room block available for the PCC as its rooms would be used to complement its own meeting block. Conversely, any expansion of the PCC Convention Center will create additional demand for this property, which is quite likely an important element in their proposed business plan.

The city has a strong heritage of sports and recreation support and is home to large wellness and sports complex and a large marina. *The EastSide Centre*, is a 102-acre athletic and wellness complex. The Centre regularly hosts state, regional and national events and also serves as the official training sites of the Peoria Pirates arena football team and the Peoria Rivermen hockey team. The complex contains:

- A 4,000-seat, all-weather, all-purpose stadium,
- Five softball fields, five baseball fields, and four soccer fields,
- Outdoor concession stands at the softball, baseball, and soccer fields,
- Outdoor basketball courts,

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- Recreation building/gymnasium with indoor running track, basketball and volleyball courts, fitness center, game rooms, and a pro shop, and
- Splashdown at EastSide, a three-acre water park owned and operated by the Fon du Lac Park District, featuring a lazy river, inner tube slide, lap pool, kids' pool, and Splashtower Island.

EastPort Marina is a 35-acre, \$48 million project that was completed in 1996 on East Peoria's riverfront. The Marina was publicly financed by East Peoria through the use of gaming revenues. The Marina has facilities for 500 boats. Adjoining the Marina are restaurants, stores, 136 townhouses and 54 condominiums.

Quad Cities, Iowa/Illinois

The Quad Cities metro area, with a population of 359,000, is comprised of Davenport and Bettendorf, Iowa and Rock Island and Moline, Illinois. The Quad Cities, situated adjacent to one another along the Mississippi River, is the home to several major event venues and, based largely on the presence of three riverboat casinos, the area has evolved as a tourist market in the last decade as well.

While the casinos have not dramatically improved the economic fortunes of the region, which is home to major manufacturers such as John Deere, the attractions do bring more than two million visitors per year to the area. They have also contributed to the transformation of the Mississippi River front into a recreational and tourist area on both sides of the river. The Rhythm City Casino, located in Davenport, is the largest casino in the area, with 35,000-square feet, and includes a 227-room hotel. Bettendorf hosts the Isle of Capri Casino, which includes two hotels with 292 total rooms. Rock Island hosts the Casino Rock Island, which had 485 employees and in 2000 admitted 760,000 patrons.

Event facilities in the Quad Cities include The Mark, a 9,175-seat arena and meeting facility in Moline, Illinois, the River Center-Adler Theatre, and the John O'Donnell Stadium both located in Davenport, Iowa. In addition, the market is also home to several smaller exposition and theater facilities as well events centers supported by local institutions such as St. Ambrose University and Augustana College.

The Mark of the Quad Cities – Located in Moline, The Mark opened in 1993 and includes 9,175 permanent seats and 14 luxury suites on one level. The luxury suites sell for between \$22,000 and \$28,600 per year and have capacity that range from 19 to 24 people. The U-shaped design features a proscenium space as well as the ability to hold up to 11,500 attendees for hockey and ice events, 12,000 for concerts and 10,700 for basketball. It also includes a conference center component with 31,000-square feet of function space, located under the seating bowl. The Mark is home to two professional sports teams, the af2 Quad City Steamwheelers and the UHL Quad City Mallards. The Mark had also played host to the CBA Quad City Thunder.

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Table 5-2 displays the historical event usage for the arena and conference space.

Table 5-2

The Mark of the Quad Cities Event History (Fiscal Year)									
	1993	1994	1995	1996	1997	1998	1999	2000	2001*
Arena									
Concerts	31	28	25	30	31	19	18	23	17
Community Events	10	6	5	27	55	51	10	30	18
Convention/Trade Shows	2	6	22	12	4	2	3	12	1
Consumer/Public Shows	9	16	14	6	4	3	0	0	0
Meetings	0	0	0	0	0	0	0	3	2
Family Shows	29	28	21	21	27	14	38	26	27
Sporting Events	35	35	44	85	95	87	108	86	76
Sub-total	116	119	131	181	216	176	177	180	141
Conference Center									
Banquets	268	268	257	113	131	158	127	130	117
Meetings	3	1	117	413	488	594	511	493	587
Receptions	na	40	2	55	66	85	122	112	106
Community Events	8	0	0	0	14	18	14	5	15
Sub-total	279	309	376	581	699	855	774	740	825
Parking Lot									
Outdoor Events	7	2	7	5	6	13	13	14	17
Subtotal	7	2	7	5	6	13	13	14	17
Grand Total	402	430	514	767	921	1044	964	934	983

* Through first eight months of 2001
 Source: The Mark Management

Despite being located in a mid-size market with no direct connection to a major metropolitan area, The Mark has established a strong events calendar, averaging approximately 965 events per year after the operations stabilized in 1996. The conference center (and ballroom) components are particularly busy, with an average of approximately two events per day, including 268 banquets. The demise of the CBA contributed to fewer sporting events in 2001.

Table 5-3 shows the attendance at the facility since 1994 for various types of events.

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Table 5-3

The Mark of the Quad Cities Attendance								
	1994	1995	1996	1997	1998	1999	2000	2001
Arena								
Concerts	238,659	179,241	173,333	180,112	141,287	142,835	143,984	131,062
Community Events	29,056	7,710	26,161	14,285	13,186	8,289	11,094	13,954
Convention/Trade Shows	2,000	9,546	10,736	1,425	1,708	9,755	5,276	200
Consumer/Public Shows	48,297	33,861	17,173	2,922	10,200	-	-	-
Meetings	-	-	-	-	-	-	36,170	3,335
Family Shows	219,494	158,311	116,324	122,869	116,340	122,736	86,420	82,893
Sporting Events	141,760	181,707	388,243	464,861	513,902	590,669	481,287	435,058
Sub-total	679,266	570,376	731,970	786,474	796,623	874,284	764,231	666,502
Conference Center								
Banquets	na	na	19,619	14,613	19,359	15,400	21,277	13,649
Meetings	na	na	18,766	16,195	22,469	17,991	21,870	29,263
Receptions	na	na	7,538	8,457	9,016	9,078	12,595	8,905
Community Events	na	na	-	7,069	7,307	6,897	1,146	3,837
Sub-total	31,996	27,704	45,923	46,334	58,151	49,366	56,888	55,654
Parking Lot								
Outdoor Events	12,060	49,750	42,800	47,600	84,148	40,389	32,833	7,373
Subtotal	12,060	49,750	42,800	47,600	84,148	40,389	32,833	7,373
Grand Total	723,322	647,830	820,693	880,408	938,922	964,039	853,952	729,529

Source: The Mark Management

Attendance has ranged from 723,322 in 1994 to 964,009 in 1999 and has seen a decline in 2000 and 2001. Much of the relative decline is due to unusually high sporting event attendance during the 1999 season, which leveled off in subsequent years. Also, the demise of the CBA in 2001 cut the number of sporting events and attendees to the Mark. The number family shows offered has declined significantly in the last two years and consumer and outdoor shows have essentially been eliminated from the schedule in 2001, which has affected total attendance.

Table 5-4

The Mark Financial Highlights (unaudited)			
Year	Net Income		Food & Beverage Gross
1993	\$	641,391	\$ 2,813,808
1994	\$	195,833	\$ 3,072,974
1995	\$	782,192	\$ 3,545,312
1996	\$	942,633	\$ 4,150,181
1997	\$	930,068	\$ 4,825,215
1998	\$	1,092,537	\$ 4,830,433

Source: The Mark Management

Net income ranged from \$200,000 to nearly \$1.1 million, and according to management, is heavily dependent upon expenditures for capital improvement

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items like new scoreboards, seat upgrades, etc. Gross food and beverage income is a top-line figure that has ranged from \$2.8million in 1993 to \$4.8 million in 1998.

The City of Moline is in the process of implementing the first phases of a masterplan for the riverfront area around the Mark. The masterplan outlines a strategy for linking the existing historical and event facilities in an approximately 1-2 square mile area with greenspace and adding new recreational attractions to establish an tourist-oriented destination district. In addition to the Mark, the area is home to an existing equipment heritage museum operated by John Deere, and recreational path along the Mississippi. Under the masterplan, a new marina would be developed, new park space added, and circulating connection downtown would be developed.

The RiverCenter-Adler Theater Complex – Located in downtown Davenport, it is the main convention facility and theater complex in the Quad Cities. The RiverCenter was built in 1984 and includes two segments connected via skywalk: a 36,000-square foot exhibit hall and a 13,500-square foot ballroom. The complex has a total of 60,000-square feet of function space. Typically, the facility is used by rotating Iowa state associations and local groups. Despite its proximity to Illinois, it is much more difficult for the facility to attract Illinois associations due to their in-state restrictions. Parking is available in a city-controlled, 600-space garage, in addition to 400 surface spots. The facility is managed by Compass Facility Management and is owned by the City of Davenport.

The Adler Theatre features 2,352 seats. It was originally built in the early 1930s as the RKO Orpheum Theatre and underwent a \$4.3 million renovation in 1986. It hosts local performing arts groups, including the Quad Cities Symphony, as well as a Broadway series.

John O'Donnell Stadium – The stadium is situated along the Mississippi River in Davenport and is home to the Quad Cities River Bandits, the single A Midwest League affiliate of the California Angels. Originally constructed in 1931, the facility was renovated in 1989 and has a capacity of 6,200. In addition to Bandits games, the stadium hosts several collegiate, high school and American Legion games each year.

Rockford

With a population of 149,000, Rockford is the second largest city in Illinois. Located along I-90 and I-39 in north-central Illinois, Rockford lies just south of the Wisconsin border, approximately 70 miles from Chicago. Like many cities of its size in the Midwest, Rockford has suffered as the population base decentralized over the last quarter century. As the city sprawled, its commercial and retail sector followed, leaving the downtown area with large amounts of vacant or underutilized space and land. In the last decade, however, the central business district has been a target for investment, and the use of public facilities as an anchor to support other commercial activities has been a central component in that effort. Working through

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the Parks District, City, and the MetroCentre Authority, a public corporation created to develop and manage public facilities in Winnebago County, has been able to develop a collection of sports and entertainment venues in a district-based setting that draw nearly one million visitors per year into the downtown area. While the quality of the facilities is uneven, the recent Coronado Theatre restoration project has raised the bar in Rockford, and increased the appetite of the community to further its facilities vision. Joining Coronado in the cluster are the MetroCentre Arena and Davis Park at Founder's Landing, a riverwalk and park with the capacity to host large festivals and concerts. Management and event recruitment for all three venues is handled by CentreEvents.

Completed in 1981, the MetroCentre Arena hosts approximately 160 sporting, concert, exhibition, and special events per year and attracts approximately 500,000 attendees. The facility has a capacity of 10,000-seats, features no premium or luxury seating, but does have a small lounge or club area. The facility currently has two primary tenants, the Rockford Lightning, a minor-league basketball team, and the Rockford IceHogs, a minor league hockey franchise.

The Rockford Lightning, part of the Continental Basketball League, will play a 24-game home schedule at the MetroCentre during the 2002-03 season. Season tickets start at \$144 and top out at \$288 for all 24 games. Season ticket holders also receive special perks, including free parking, ticket redemption nights for unused tickets and a subscription to the monthly newsletter. Single game tickets range from \$6 to \$13. The Lightning's average attendance for the 2001-02 season was 3,698.

The Rockford IceHogs take the ice as part of the United Hockey League (UHL), and feature a 74-game regular season schedule (increasing to 76 games for the 2002-03 season), including 38 home games. The Icehogs are in their fourth year of existence. The Quad City Mallards are Illinois' only other UHL franchise and played to an average attendance of 6,628 at the Mark of the Quad Cities (capacity of 9,175). IceHogs' season ticket prices range from \$380 to \$495 depending on the seat location. In addition, the team offers a club seat option at a cost of \$620 per seat for the season. The club seat price includes parking, three post-game reception parties, access to the Arena Club and a discount on various merchandise items. Single game tickets are available for a price of \$7 to \$15. For the 2001-02 season, the IceHogs had an average attendance of 3,239, down from 3,646 in 2000-01 and 3,880 in 1999-2000.

Built as a vaudeville theater and movie palace, the Coronado was completed in 1927. The 2,440-seat theater ran as a film, cinema and concert hall for 56 years, before closing its doors in 1984. The community began to evaluate the various options for the Coronado and in 1995 the Rockford Area Arts Council commissioned a feasibility study on restoring the theater. The study recommended expanding and renovating the Coronado, creating a comprehensive performing arts and entertainment center. In 1998, Friends of the Coronado was formed to raise \$18.5 million to renovate and restore the historic movie palace. The theater re-

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opened in January 2001. The privately raised funds were matched by The City of Rockford. The facility now hosts national touring acts, theater, and is home to the Rockford Symphony Orchestra. The Coronado is owned by the City of Rockford, but managed by CentreEvents.

Prior to renovation, the Coronado's back of house space and theater infrastructure were badly deteriorated and inadequate to host most major touring theater and Broadway style shows. As a result, major theatrical road companies bypassed the Coronado, and Rockford, because of the insufficient support systems and space, despite an appropriate population and a geographic location allows it to draw from two states. To become competitive and attractive to promoters, as the Coronado was being renovated, several elements were either expanded or added to ensure that theater would become a stop on the touring Broadway shows circuit. Among the elements that were addressed:

- Enlarged the stage house, improved stage-level support areas and load-in areas,
- Converted original apartments on the second and third levels into administrative and support space, and updated the dressing rooms,
- Restored the exterior to the original design, including the marquee, and
- Expanded the lobby, added public amenities such as concessions, box office, box office lobby, and new stairs.

Davis Park at Founders Landing is located in downtown Rockford, along the banks of the Rock River. Developed by the Rockford Parks District with public and private resources, including a gift from the Davis Trust, the venue was constructed in 1991, and serves as a public gathering spot and a facility for special events, festivals, and concerts. Supported by a consortium that includes the Parks District, City, the Rockford Area Convention and Visitors Bureau, and MetroCentre, a long range plan calls for additional attractions to be added to the Park. Currently, Davis Park hosts 18 to 24 major concerts, festivals and other family events. Davis Park is more than just a city park, but a legitimate venue for major concert events. The facility has a capacity of 10,000, which includes reserved seating and general admission tickets.

Proposed Rockford Convention Center -- In July 2002, the Rockford Metropolitan Exhibition Authority issued a request for qualifications to secure a firm to conduct a market and feasibility study on the proposed addition of a convention center to the array of facilities in Rockford. The Authority expects to have the study completed by the end of 2002.

Rosemont

Located adjacent to Chicago O'Hare International Airport and approximately 15 miles west of downtown Chicago, the Village of Rosemont has assembled a strong

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package of facilities for a community with only 4,000 people within its 2.5 square miles. However, this base is deceiving as it serves primarily as a price sensitive alternative to Chicago for major national conventions, its hotels are dependent on airport and corporate traffic that moves the I-90/94 corridor, and its arena and theater serve parts of the city of Chicago as well as the northern and western suburbs of Chicago, which provides a user base of nearly five million people. Rosemont has 5,687 hotel rooms that had an average occupancy rate of 58.3 percent in 2001. According to Village officials, on any given day, Rosemont hosts approximately 25,000 meeting or convention related visitors.

The Donald E. Stephens Convention Center is among the 10 largest convention centers in the US, with approximately 840,000-square feet of exhibition space. The facility completed a two-phase renovation in 2001, which added 140,000 more square feet to the complex. The cost of the renovation was approximately \$15 million, paid for the by the City of Rosemont. Facilities in Rosemont (including the Convention Center and the Allstate Arena) were developed through the City of Rosemont's hotel/motel tax of 6.5 percent (out of a total 12.5 tax rate). Annual operations are funded primarily from facility-generated revenues, but also received limited support from the hotel/mote tax, as well a meals tax.

The Convention Center's ancillary venues contain 52,000-square feet of meeting space and accommodate 28 individual meeting rooms. The facility hosts between 85 and 100 events per year. While a significant amount of the Stephens Center's calendar is comprised of consumer shows, the center is home to four events in the Tradeshow 200, which are the 200 largest conventions held annually. This volume of large conventions and tradeshow ranks the Stephens among the top 15 US centers in number of events. While the success of the Stephens Center is partially attributable to Rosemont's proximity to Chicago and O'Hare, it demonstrates that a bold vision can be implemented if the key ingredients such as air access and hotel inventory are in place, both of which are key issues in Peoria.

The Allstate Arena, formerly the Rosemont Horizon, was built in 1979 and renovated in 1999. The arena has a capacity of 18,500 and 48 skyboxes, making it the second largest arena in the state, after Chicago's United Center. The \$20 million renovation added 45,000-square feet of concourse, lobby, and customer service space, new upper floor restrooms, reconditioned 7,000 lower level seats by adding width and new upholstery. In addition, new sound equipment and acoustical tiles were added and aisles were widened to improve site lines. The site also features parking for more than 5,000 cars, which pay \$11 per event to park (\$16 for buses and RV's), providing the single largest source of revenue for the arena.

The arena hosts approximately 150 events annually, attracting an average of 1.5 million attendees to an events calendar that features sporting, concert, and ice shows. The arena is also home to the International Hockey League's (IHL) Chicago

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Wolves, the DePaul Blue Demons NCAA Division-I men's basketball team, and the AFL's Chicago Rush.

In a strong parallel to Peoria, among the greatest challenges facing the Allstate Arena is the management of its event calendar due to the sports heavy demands of its three primary tenants, whose seasons often overlap. The Wolves play 40 games at the Allstate Arena and average about 11,500 fans per game. Season tickets cost between \$360 and \$1,400 and include a jersey, discount parking, and ticket redemption nights for unused tickets. In addition, luxury suites for Wolves games sell for \$16,000 for a full season, \$9,450 for a half-season, and \$650 per game. The luxury suites have a capacity of 10 people, and many have multiple owners, who get use by event type.

The Rush play seven regular season home games and one pre-season game at the Allstate Arena. Season tickets for the Rush range between \$64 and \$355 per season. Individual game tickets are priced between \$8 and \$48 per game. Luxury suites for Rush games are approximately \$6,000 per season, or \$700 per game. DePaul plays about 12 games per year at Allstate Arena per season with individual game tickets between \$9 and \$30.

The 4,300-seat *Rosemont Theatre* is located directly across the street from the convention center. In keeping with the community's bold facility vision, the Rosemont Theatre is a lavish facility with a grand entry featuring mahogany, marble, and a giant crystal chandelier. The lobby is often used for pre-functions and special events and can accommodate receptions for up to 3,000 people. The theater also has a private lounge that can host events for up to 200 people. It was built in 1995 at a cost of \$40 million. The financing was a public/private partnership between the Village of Rosemont and a variety of private donations. The theater hosts about 100 shows per year and has played host to such high-profile events as live broadcasts of the Tonight Show with Jay Leno and the Radio City Christmas Spectacular.

In addition to the above-mentioned facilities, Rosemont is planning an exciting new entertainment development. The Rosemont Entertainment District is working on plans for a variety of restaurants spanning every dining interest, from ethnic specialties and upscale to kid-friendly. Development is also expected to include leisurely shopping at new stores and boutiques.

St. Charles

The City of St. Charles (population 42,051) is located along Highway 31 on the banks of the Fox River, approximately one hour west of Chicago. St. Charles is a suburban community with limited public facility offerings, however, the community is home to Pheasant Run Resort, which offers more than 100,000-square feet of meeting space.

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Pheasant Run was built in 1963 and in 2002 underwent a \$14 million renovation. Owned by McArdle, Ltd., and managed by Oak Brook Hotels, Inc., the resort has 473 rooms, a conference center, a championship 18-hole golf course, a spa, fitness center, three swimming pools, a 300-seat dinner theater, indoor shopping mall, and six restaurants. According to Pheasant Run management, the facility's revenue breakdown is as follows: room rentals (38.7%), food and beverage sales (40.1%), and recreation and other items (21.2%). This percentage of revenues that are derived from food and beverage underscores the role of banquet and food service to the operation, much of which can be attributed to the conference center.

The conference center has 81,740-square feet of exposition and meeting space, which includes a 38,250-square foot exposition hall, three ballrooms totaling 21,470-square feet, 45 meeting rooms with a total of 22,000-square feet, and a 300-seat tiered auditorium. In addition, there is a separate 38,000-square foot Exposition Center, a continuous, column-free space that includes both a front lobby and a registration desk. An adjacent 25,000-square foot pavilion provides flexible space for indoor or outdoor events. Standard room rates range from \$140 to \$160 per night, two-story whirlpool suites (38 in total) cost \$270 per night, and the tower penthouse suites (6 in total) are approximately \$240 per night.

Pheasant Run also owns an adjacent Hilton property that offers an additional 120-rooms, 26,000-square feet of meeting space, including a 15,000-square foot training center and 18 meeting rooms.

Implications for Peoria

It is clear that among Illinois' largest cities there is recognition of the economic and civic value that development of public facilities and private facilities can have on a community. The success of public projects in Rockford and Rosemont and private facilities in St. Charles and Springfield clearly indicates, with quality programming and multiple venues, a city can use facilities to enhance the quality of life and bring vitality and distinction to their market. Ironically, this is a strategy that was first proven in Peoria. But, in the 20 years that have elapsed since the PCC was built, other communities have entered the market and enhanced the competitive ethic. Peoria has the raw tools, but needs to work in partnership with the state to develop the strategy and resource base to improve its facilities and effectively integrate them with the central business district and once again establish an environment that distinguishes Peoria in the state and regional marketplace.

The lack of depth in the Illinois facility market in combination with the past performance of the Peoria Civic Center, indicates there is an opportunity for Peoria improve all three of its components, the convention center, arena and theater. However, as the city improves its downtown offerings and induces additional demand into the market, it must also improve its hotel offerings.

Facility and Industry Benchmarks

To provide an indication of the appropriate improvements, sizing, market positioning, and potential performance of a redeveloped PCC, Johnson Consulting reviewed the operating characteristics, business models, facility features, and the support mechanisms (e.g. hotel inventory) that are present in successful facilities in other markets. The balance of this section reviews our findings and sets the stage for the recommendations that appear in Section Six and the contribution analysis that appears in Section Seven.

Convention Center

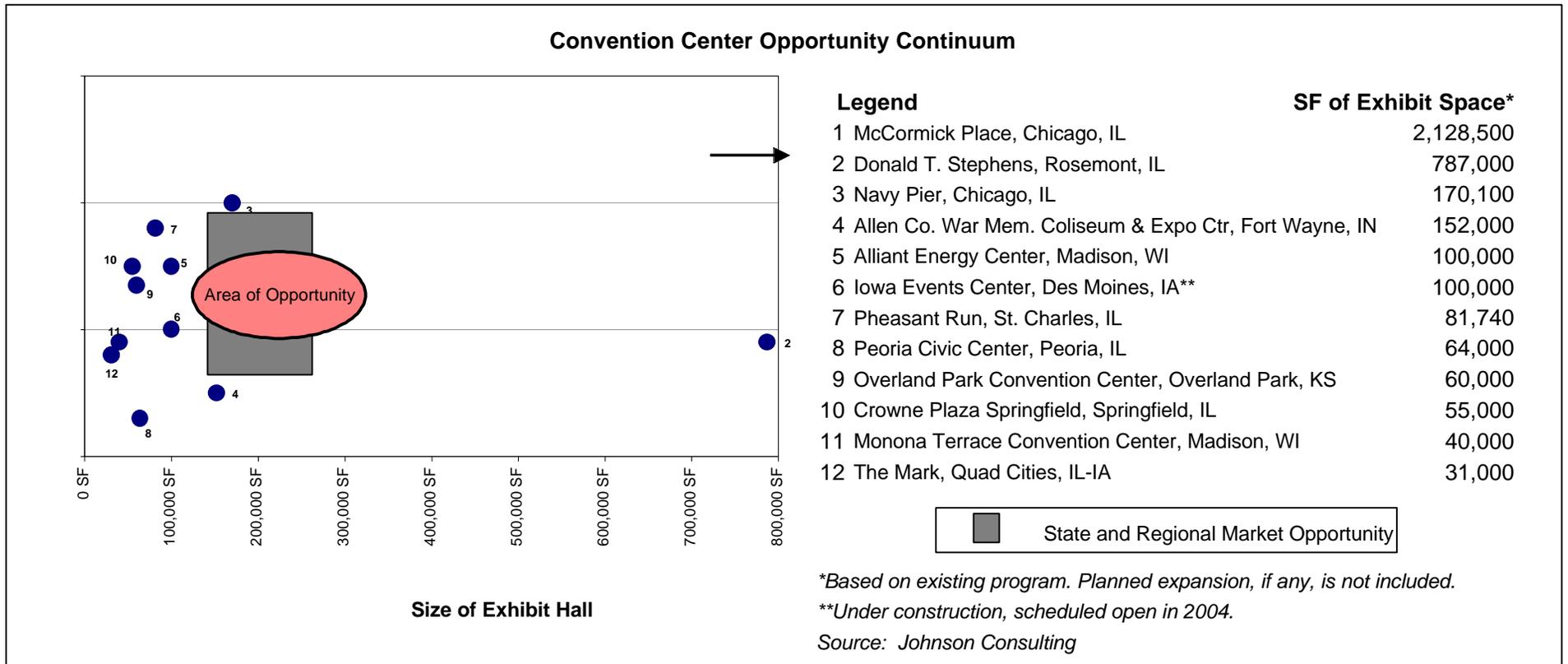
The convention center component of the project offers a great deal of potential. While the center is performing well, it is missing key demand generators such as a ballroom, and the lost business reports, promoter interviews, and meeting planner surveys indicate that the size of the exhibit hall and the lack of available dates in the center are limiting its ability to attract new business. Moreover, the number of events that are using the concourses for exhibit space provides an indication that several events are outgrowing the center.

As the review of Illinois facilities indicated, the state convention center industry has a number of facilities serving the same segment of the meetings and events market. Based on its existing size and quality, the PCC is not clearly distinguished in the market, nor does it offer the amount of contiguous exhibit space or meeting rooms to effectively compete for national and regional events. However, with an expansion of the exhibit hall, an addition of a ballroom, and an upgrade of meeting space, the complex would be repositioned to attract more events, and allow for the convention center to host simultaneous events and expand its calendar of consumer shows, rather than continue restricting its event roster to the five shows it currently hosts. The addition of a ballroom would also reposition the complex as the top social venue within the metro area.

In order to identify the amount of exhibit hall space that would be required for Peoria to distinguish itself in the as the regional and national market, as well as the state, Johnson Consulting reviewed the inventory of potentially competitive facilities in the Midwest.

Figure 5-1 shows the size and quality of various centers in the region.

Figure 5-1



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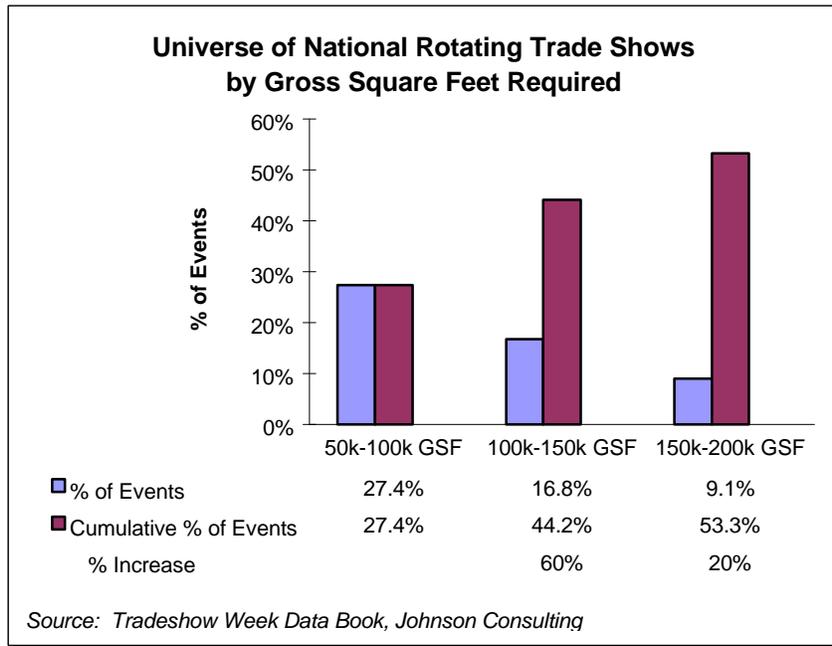
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As the graphic shows, the Midwest marketplace is effectively covered at the larger end of the convention center spectrum by Chicago and Rosemont's offerings, and the small end of the spectrum by numerous facilities. Furthermore, while they are not depicted on the graphic, as they have not been completed yet, new facilities in the 40,000-square foot exhibit hall range are under development in Dubuque and Coralville, Iowa. While each of these facilities will be smaller than the existing PCC, they will increase the level of competition for smaller shows and regional meetings, adding an additional competitive threat to Peoria.

There are, however, a limited number of offerings in the 100,000-to-300,000-square foot range. Two of the four facilities in this category, the Alliant Energy Center in Madison and the Allen County Expo Center in Ft. Wayne, are either part of a fairgrounds complex or not of the quality to attract national events, which limits their ability to compete with Peoria. A third, the Iowa Events Center in Des Moines, is currently under development, but the market has not had a competitive facility in a number of years, so it must work to rebuild its reputation as destination. Based on this analysis, it appears there is a clear market opportunity for a high quality venue in the 100,000-to-200,000-square foot range.

To illustrate the volume of national event activity that occurs in mid-sized facilities, Johnson Consulting reviewed data from Tradeshow Week that tracks the universe of rotating trade shows by the size of facility required to host them, up to 200,000 square feet of exhibit space. Figure 5-2 shows the relative size of each segment as a percent of the total market.

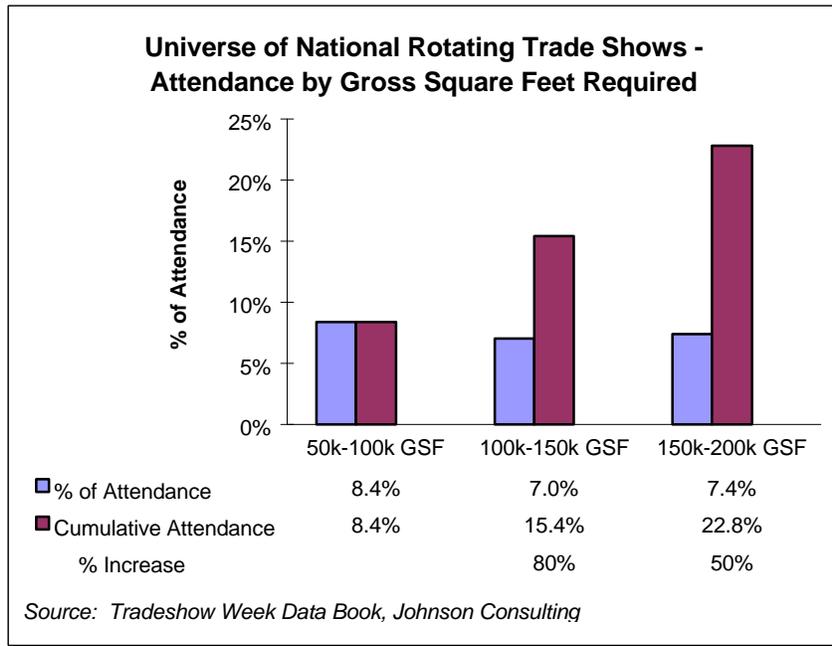
Figure 5-2



As the table shows, the current size of the PCC's exhibit hall allows the facility accommodate approximately 27.4 percent of the national rotating trade show market. If the facility were increased to 100,000 to 150,000 square feet, it would have the ability to host nearly half of all national trade shows. While it is not realistic to believe that Peoria will be considered a suitable destination for all of these events, the graphic clearly indicates the increased universe of events for which Peoria could potentially compete.

Larger conventions and trade shows also attract larger audiences. Figure 5-3 shows the potential universe of event attendance that corresponds to an increase of facility size.

Figure 5-3



Currently, the size of the PCC’s exhibit hall allows the facility accommodate approximately eight percent of the universe of attendance for national rotating trade shows. If the PCC is increased in size to the 100,000 to 150,000 square feet of exhibit space range, however, the potential volume of attendees increases substantially.

The regional market and universe of events both provide tangible indications of the ability to attract more, and larger, events if the PCC were expand to the next level in sizing, which would be a facility with 100,000 square feet or more of exhibit space. There are two additional factors that point to the PCC’s ability to distinguish itself as a venue for mid-sized conventions and trade shows:

- The successful track record of the PCC, and the high regard that promoters have for the facility management and staff, provides a marketing advantage and adds appeal for meeting planners who want to know that a facility has the capacity and expertise to successfully host their events.
- Peoria is a relatively affordable market.

In combination, all of these factors indicate that with an appropriately sized facility, Peoria could also be positioned to attract cost-sensitive national events, which would increase the universe of events that the facility could target, without sacrificing its ability to remain a viable host to its traditional base of state and regional events.

In order to evaluate the potential performance of an expanded convention component in the PCC, Johnson Consulting reviewed the demand calendars of four

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facilities that have comparable building elements to what the market analysis indicates would best position Peoria. The four facilities are briefly described below.

Northern Kentucky Regional Convention Center (NKRCC), Covington, Kentucky – is located on the banks of the Ohio River, directly across from downtown Cincinnati. The \$29 million NKRCC opened in July 1998 as the second largest convention facility in the Greater Cincinnati area after Cincinnati's Alfred Sabin Convention Center. The facility has three components: a 46,200-square foot exhibit hall, a 22,800-square foot ballroom, and a total of 13,300 square feet of meeting rooms.

Arthur R. Outlaw Convention Center, Mobile, Alabama – was completed in 1993 at a cost of \$50 million, and has supplanted the Mobile Civic Center as the city's primary venue for local meetings and events. It boasts 100,000 square feet of exhibit space, 26,000 square feet of meeting space, and a 15,500-square foot ballroom.

Charleston Area Convention Center Complex, North Charleston, South Carolina - features an arena that opened in 1993 and a convention center and performing arts center that opened in 1999. The 10,500-seat arena is the home of the South Carolina Stingrays of the East Coast Hockey League (ECHL) and the Charleston Swamp Foxes of arenafootball2 (af2). The Complex features 80,000 square feet of exhibit space, nearly 13,000 square feet of meeting space, and a 25,000-square foot ballroom. In addition to the convention center's space, the arena's floor contains an additional 30,000 square feet. A performing arts center features another 2,300 seats, and the convention center is attached, via skyway, to a 256-room Embassy Suites hotel.

Myrtle Beach Convention Center, Myrtle Beach, South Carolina - opened in 1994 as an expansion of the former Myrtle Beach Civic Center. The expansion cost \$23 million and increased exhibition, ballroom, and meeting space from 32,600 square feet to over 130,000 square feet, including 100,000 square feet of exhibit space. Myrtle Beach is a popular vacation destination, and the convention center is located four blocks from the Atlantic Ocean. The market has a unique hotel supply and many of its rooms are garnered through a condo rental pool.

Table 5-5 shows the demand characteristics for each of the convention center facilities listed above.

Table 5-5

Comparison of Convention Center Performance					
Event Type	N. KY	Mobile	N. Charleston	Myrtle Beach	Average
Prime Exhibit Hall Space	46,080	100,000	80,000	100,800	81,720
Events					
Conventions/Tradeshows	29	14	9	30	21
Consumer Shows	22	9	17	20	17
Other Events	165	150	16	18	87
Total Events	216	173	42	68	125
Attendance					
Conventions/Tradeshows	na	66,000	16,100	52,000	44,700
Consumer Shows	na	57,000	141,100	48,000	82,033
Other Events	na	72,685	26,950	13,000	37,545
Total Attendance	170,000	195,685	184,150	113,000	165,709
Average Attendance					
Conventions/Tradeshows	na	4,714	1,789	1,733	2,746
Consumer Shows	na	6,333	8,300	2,400	5,678
Other Events	na	485	1,684	722	964

Source: Respective facilities, Johnson Consulting

As the table shows, each of the facilities perform well in certain market segments, based on the strength of the center’s offering in terms of exhibit space, ballroom space, or meeting space, or its positioning in relation to its regional market. However, the performance of these facilities offers the following implications for demand in Peoria:

- Northern Kentucky and Mobile demonstrate that ballrooms add a critical business dimension. For both facilities, banquets are captured in the “other events” category. This will also be highlighted in the review of the Mark in the Quad Cities, which hosts more than 250 banquets each year.
- Myrtle Beach and North Charleston demonstrate that even facilities that are not located in major metropolitan areas can be effective in attracting national and regional conventions, either based on facility quality, sensitivity to price, or other characteristics of the local market.

Critical the success of convention centers is the availability of proximate hotel rooms. Table 5-6 benchmarks Peoria compared to the inventory of rooms for the four facilities listed above.

Table 5-6

Peer Market Characteristics - Convention Support							
City	Metro Hotel Rooms	Walkable Hotel Rooms	Primary Exhibit Space	Ballroom Space	Meeting Space	Total Function Space	Walkable Hotel Rooms per 1,000 SF of Exhibit Space
Northern Kentucky	11,484	698	46,080	22,800	13,288	82,168	15.1
North Charleston	1,700	802	76,960	24,960	12,710	114,630	10.4
Mobile	3,600	1,000 *	100,000	15,508	25,734	141,242	10.0
Myrtle Beach	5,760 *	1,000 *	100,800	16,890	14,515	132,205	9.9
Average	5,636	875	80,960	20,040	16,562	117,561	11.4
Peoria	3,689	288	63,668	-	17,445	81,113	4.5

**Estimate*
 Source: Mpoint.com, Johnson Consulting

As the table shows, the comparable facilities have a proximate hotel inventory (within three blocks) ranging from 700 to 1,000 hotel rooms, while the Peoria Civic Center has only the Pere Marquette’s 288 rooms nearby. With the recommended expanded and renovated facilities, Peoria will need a larger, higher-quality hotel package. In order to not only be competitive, but to accommodate more and larger groups, Peoria should consider:

- Connecting the Hotel Pere Marquette to the Peoria Civic Center via walkway, as is the case in many cities in the US. One recent example is the 257-room Radisson Hotel in Lansing, Michigan, which is connected to the Lansing Center via a heated sky bridge over the Grand River.
- Inducing the development of an additional three-star hotel, such as the under-construction Hilton Garden Inn adjacent to the Kentucky Fair and Exposition Center in Louisville, Kentucky. This hotel is a compact version of a full-service Hilton, with all the amenities, including meeting space, but with the benefits and cost elements of a Hilton Garden Inn. The City can help induce this development by providing a site, rebating property taxes, or any number of incentives.
- Promoting the upgrade of the existing hotel room stock in the city. Via grants, rebates, and other means, the City has the ability to help the local existing hotels increase their occupancy and rate by raising the level of quality throughout the central business district. This will also effectively keep the level of activity high in Peoria and make East Peoria a less attractive option.

Arena

Carver Arena already offers a solid arena component for Peoria. However, in the 20 years since the facility was first constructed, the arena industry has evolved considerably, most notably in the addition of amenities designed to enhance the fan

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experience, and in the proliferation of revenue-generating features such as luxury suites. In both of these areas, Carver Arena is deficient and should contemplate facility enhancements that will make it more comfortable for fans and also more appealing to franchises and promoters.

In order to evaluate the types and volume of amenities that should be contemplated for the arena, Johnson Consulting reviewed the inventory of facilities that, like the PCC, host East Coast Hockey League (ECHL) franchises. The ECHL is a 29-team minor league of the National Hockey League (NHL). The league was formed in 1988, when it was comprised of five franchises, but has consistently expanded since then, as 29 teams participated in the 2001-02 season. Table 5-7 profiles arenas that host ECHL franchises.

Table 5-7

Summary of ECHL Arenas and Markets - 2001-02 Season										
Team	Arena	Built	Capacity for Hockey	MSA Population (000s)	Naming Rights/Yr	Long-Term Luxury Suites			Club Seats	
						#	Low Price	High Price	#	Price
Arkansas	Alltel Arena	1999	16,377	559	\$7M total	28	\$21,875	\$50,000	--	n/a
Atlantic City*	Atlantic City Convention Center	1947	10,500	338	--	--	n/a	n/a	--	n/a
Augusta	Augusta-Richmond Cty. Civic Center	1979	6,780	461	--	--	n/a	n/a	--	n/a
Baton Rouge	Riverside Centroplex	1977	10,000	579	--	--	n/a	n/a	--	n/a
Charlotte	Cricket Arena	1955	9,500	1,417	\$30,000	--	n/a	n/a	--	n/a
Cincinnati	US Bank Arena	1948	12,823	1,628	not avail.	39	\$45,000	\$60,000	--	n/a
Columbia	Carolina Coliseum	1968	10,430	516	--	--	n/a	n/a	--	n/a
Columbus	Columbus Civic Center Arena	1994	7,604	271	--	--	n/a	n/a	--	n/a
Dayton	Nutter Center	1991	12,000	959	\$2.8M total	18	\$23,500	\$28,000	--	n/a
Florida	TECO Arena	1998	7,082	401	\$350,000	26	\$35,000	\$60,000	980	\$661
Greensboro	Greensboro Coliseum	1959	20,476	1,179	--	24	\$30,000	\$80,000	1,300	\$3,187
Greenville	BI-LO Center	1998	16,000	930	\$300,000	30	\$45,000	\$55,000	1,105	\$1,500
Jackson	Mississippi Coliseum	1962	6,886	433	--	--	n/a	n/a	--	n/a
Johnstown	Cambria County War Mem. Arena	1950	4,032	234	--	--	n/a	n/a	--	n/a
Louisiana	Cajundome	1986	11,700	377	--	22	\$22,500	\$50,000	--	n/a
Macon**	Macon Centreplex Coliseum	1965	7,000	322	--	--	n/a	n/a	--	n/a
Mississippi	Mississippi Coast Coliseum	1977	9,150	353	--	--	n/a	n/a	--	n/a
Mobile***	Mobile Civic Center Arena	1965	8,000	535	--	--	n/a	n/a	--	n/a
New Orleans****	New Orleans Sports Arena	1999	17,500	1,305	--	44	\$25,000	\$33,000	1,400	\$648
Pee Dee	Florence Civic Center	1993	8,000	125	--	--	n/a	n/a	--	n/a
Pensacola	Pensacola Civic Center	1984	8,076	403	--	--	n/a	n/a	--	n/a
Peoria	Peoria Civic Center	1982	9,500	346	--	--	n/a	n/a	--	n/a
Reading	Reading Sovereign Center	2001	7,200	358	\$400,000	20	\$34,000	\$37,000	700	\$799
Richmond	Richmond Coliseum	1968	11,088	961	--	--	n/a	n/a	--	n/a
Roanoke	Roanoke Civic Center	1971	8,373	228	--	--	n/a	n/a	--	n/a
South Carolina	North Charleston Coliseum	1993	10,529	553	--	8	\$37,500	\$37,500	--	n/a
Toledo*****	Toledo Sports Arena	1947	5,160	609	--	--	n/a	n/a	--	n/a
Trenton	Sovereign Bank Arena	1999	8,100	334	\$267,500	34	\$45,000	\$60,000	1,150	\$973
Wheeling	Wheeling Civic Center	1976	5,406	154	--	--	n/a	n/a	--	n/a
Average		1977	9,837	582	\$269,500	27	\$33,125	\$50,045	1,106	\$1,295

*The arena was originally built in 1947 but completely renovated in 2001.
 **The team will move to Lexington, KY's Rupp Arena for the 2002-03 season.
 ***The team will move to a new 13,000-seat arena in Gwinnett, GA in 2003.
 ****The team will not play in the Sports Arena beginning in the 2002-03 season.
 *****A new arena has been approved by local voters.
 Source: Revenues from Sports Venues

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The Consulting's Team review of ECHL arenas produced the following observations:

- There is national trend toward facility upgrades or development of new facilities in the ECHL, as seven franchises play in arenas built since 1995.
- The arenas listed in the table range from 4,000 to more than 20,000 seats, with an average size of approximately 9,800 seats and a median size of 9,200 seats. With a hockey capacity of 9,500, the PCC is appropriately sized.
- Approximately half of the league's arenas (and all that have been built since 1995) have luxury suites that are leased for a minimum of one year, and three additional facilities have a small number of party suites that are only leased on an event-by-event basis. Occupancy rates are typically average above 80 percent.
- New arenas typically feature 20 or more suites, with lease rates that average \$33,000 per season.
- Six of the facilities also feature club-seating areas, offering an average of more than 1,100 seats. These seats offer services such as in-seat wait service and are leased at rates ranging from \$660 to more than \$3,000 per year.
- Eight ECHL arenas have secured naming rights contracts, with an average annual value of approximately \$270,000 (two facilities' contracts are for the life of the facility and the value of the US Bank Arena, formerly the Firststar Center, contract has not been disclosed).

Implications for Peoria

- Premium seats and luxury suites are viable alternatives in a market the size of Peoria. This is further illustrated by the success of O'Brien Field in leasing 18 of its 20 suites for \$20,000 a year, with the remaining two purposely not leased so that they would be available to rent on a game-by-game basis.
- Naming rights and sponsorships are increasingly important tools to bring exposure to a facility, but also to provide a revenue source that can be used to fund facility development. Again, the success of O'Brien Field in securing naming rights points to the potential of using that strategy for the PCC.

Theater

The theater in the Peoria Civic Center is also already a solid component. However, 20 years of facility use have taken its toll on certain aspects of the theater and in other instances, the design choices that were made when the facility was originally developed have created functional or technical limitations.

The facility requires several back-of-house improvements such as the addition of a green room, an under stage pass, and the updating of certain lighting and other technical elements. In addition, replacement of the shell and general improvements

to the sound system would help improve the experience for patrons. These changes will improve the functionality of the theater and continue to keep it attractive to touring shows.

The theater frequently sells out touring shows such as Off-Broadway productions, indicating that demand for seating is often high. Based on this, seating is often at a premium, which underscores why the use of continental seating, which maximizes capacity, should remain in place. However, this demand may indicate that additional capacity in the market could be warranted, both as a strategy for allowing smaller events to be moved out of the PCC, thereby freeing up dates, and as a strategy for increasing entertainment offerings in Peoria.

In some markets around the country, the success of a primary theater in heightening interest in the performing arts has led to the development of secondary facilities. These facilities, which are typically smaller, are intended to provide a venue for more regional and local works, as well events that do not require large stages or advanced technical capacity.

One such example of this strategy is in Akron, Ohio, which is home to the 2,900-seat E.J. Thomas Center for the Performing Arts and the Akron Civic Theatre, which has approximately 2,600 seats. The Thomas Center is a modern, technically advanced facility that is home to the local opera and symphony and hosts major touring productions such as Phantom of the Opera. The Civic Theatre, on the other hand, is an old movie theater that was built in 1929 that has recently undergone a \$20-million renovation. The Civic Theatre now hosts more than 125 events a year, including smaller concerts, literary events, and local stage productions. Its lobby is also used as pre-function space for conventions and corporate receptions. While the Thomas Center is owned by the University of Akron and the Civic Theatre is owned by the City of Akron, both venues have a single management entity to ensure that booking and other conflicts do not arise.

This example provides two instructional possibilities for Peoria:

- Given the presence of the Madison Theatre, and the challenges associated with growing the event calendar in the PCC, the market could consider the development of second theater.
- The use of theater lobbies as a pre-function space or as venues for special events can provide a unique and high-quality environment for receptions and other events.

VI. RECOMMENDATIONS AND DEVELOPMENT CONSIDERATIONS

RECOMMENDATIONS AND DEVELOPMENT CONSIDERATIONS

In the time since the PCC was constructed, convention center, arena, and theater design have evolved considerably. Newer facilities are more versatile, efficient, and incorporate revenue producing features that enhance the quality of programming that a facility can attract. This section outlines the vision for a long-term facilities masterplan for the Peoria Civic Center. The vision conceptually recommends programmatic solutions for the recommended improvements. Substantially more detail will evolve in the design phase.

This plan incorporates redevelopment and expansion recommendations of existing facilities, which are required by the increasingly competitive environment, and identifies strategies that will distinguish the PCC in the regional marketplace position and keep it current for another generation of use. This section closes with an overall budget estimate required to implement the project.

It is the Consulting Team's conclusion that there is a sufficient amount of space on the existing site to accommodate the recommendations contained herein. However, these recommendations will require that the Convention center use a portion of the existing PCC parking lot, resulting in a loss of approximately 400 spaces, as well as their related revenue production. Based on the loss of surface space and the fact the PCC may need to contemplate additional expansions in the future along with supporting development of a hotel, it is recommended that the Authority purchase adjacent properties, as they become available.

Physical Review and Development Priorities

As part the Consulting Team's engagement, Conventional Wisdom toured the Arena and Convention center in May 2002 to identify facility deficiencies and improvement opportunities. Ray Shephardson toured the Theater in June 2002 for the same purposes. Rosser International of Atlanta assisted in development of the capital budget estimate. These reviews did not examine code compliance or test structural elements and the comments contained herein should not be interpreted as a commentary on those issues. The key observations from the facility observation are broken into the PCC complex, as a whole, and then by venue.

Table 6-1 summarizes the recommended building for program for the enhanced PCC.

Table 6-1

Peoria Civic Center Expansion Program					
	Existing	Phase I		Phase II	
		Incremental	Total	Incremental	Total
Convention Center (SF)					
Exhibition Hall	63,668	41,300	105,000	40,000	145,000
Ballroom(s)	0	15,000	15,000	0	15,000
Meeting Rooms	17,453	10,000	27,500	10,000	37,500
Total	81,121	66,300	147,500	50,000	197,500
Arena					
Seating Capacity					
Basketball	12,066	-	12,066		
Hockey	9,000	-	9,000		
Luxury Suites	0	12	12		
Premium Seats	0	500	500		
Food Court (# of Booths)	0	6	6		
Theater					
Seating Capacity					
Corporate Lounge	0	1	1		

Source: Johnson Consulting, Conventional Wisdom

As shown in the table, it is recommended that the first phase of the expanded convention center will have 105,000 square feet of exhibit space, a minimum ballroom offering 15,000 square feet, and 10,000 square feet of additional meeting space, for a total of 27,500 square feet. Phase II will increase the size to 145,000 square feet of exhibit space, 15,000 square feet of ballroom(s), and 37,500 square feet of meeting rooms. For Carver Arena, it is recommended to add 12 luxury suites, or more if they can be provided within the facility, each with 16 seats, 500 club seats, and a food court configured out of the existing box office area. For the theater, it is recommended to add one corporate lounge.

Common Elements Serving the Project

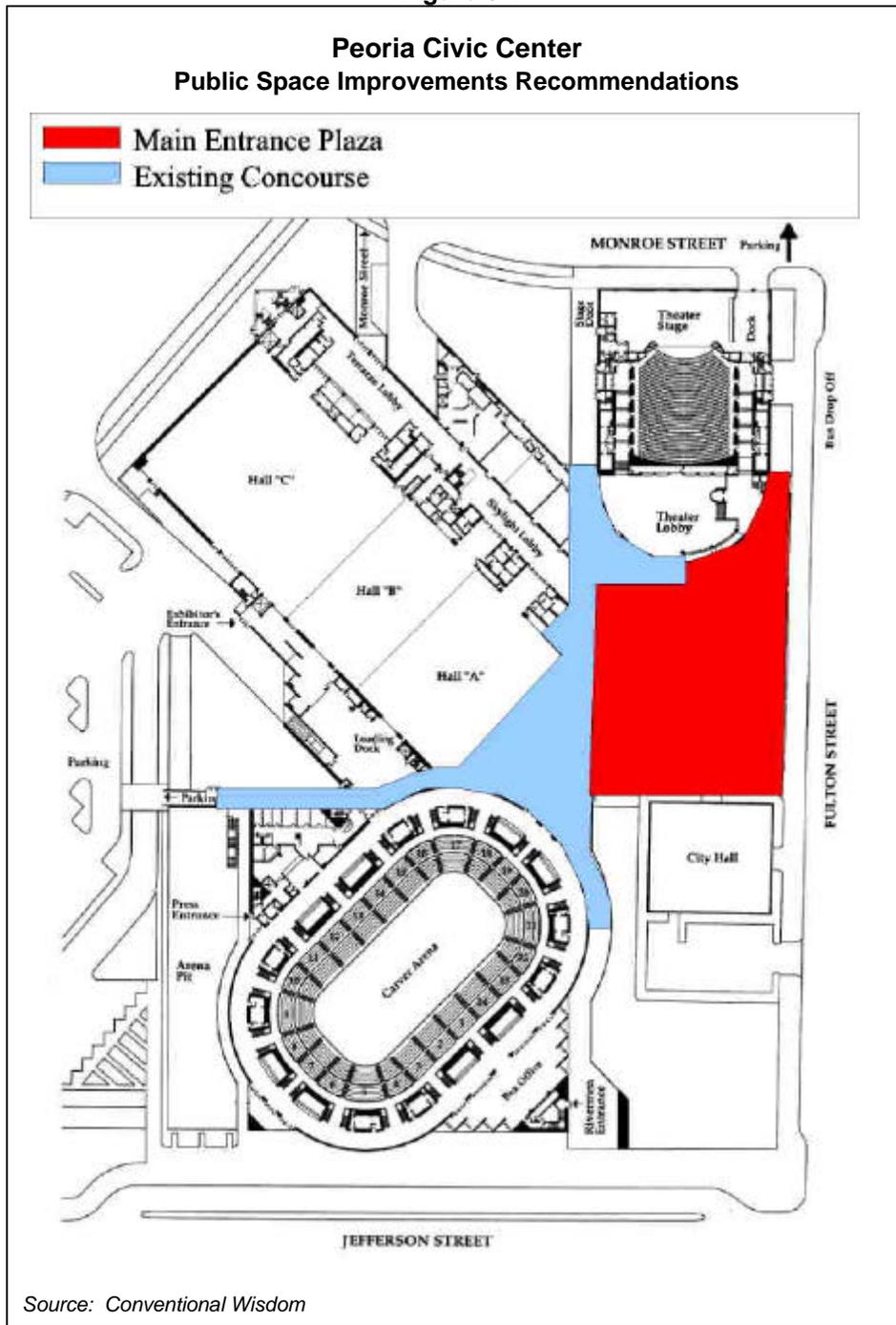
When the PCC was built, its design was spartan in appearance, which on one hand lent to its timelessness. On the other hand, this same sterile aspect takes away its color and warmth. The aim is to give the Peoria Civic Center a distinct identity and to create a place that reflects the potential of the market. The recommended plan includes improvements to the PCC as a complex and to the convention center, arena, and theater as individual venues.

The following text addresses the recommended improvements to the overall complex as well as to the convention center, arena, and theater.

Overall Issues

Figure 6-1 shows the areas defined as the project's common elements. Recommended enhancements are described in the text that follows.

Figure 6-1



- *Point of Arrival* – The PCC needs a single entry that is commonly thought of as the main entrance. Since the facility is made up of three potentially separate venues, there are several alternate entrances for each of the facility’s components. As a crowd management tool for days in which there are simultaneous events, this may have been an appropriate design choice. However, the limited frequency with which all three venues host events simultaneously does not warrant protecting a design choice that detracts from the larger potential of the PCC to contribute to the street of life of downtown. Currently, the form of the building and the location of the entrance doors on Fulton Street simply occur in the side of the glass-enclosed corridor. A bolder articulation of this entryway would reinforce it as the primary entrance. It is recommended that this entrance be upgraded and given significance as the primary entrance. Arrival zone should include designated space for passenger drop-off from coach buses, shuttle buses, taxis, and limousines. More signage is needed to direct visitors to parking areas and other destinations. The existing plaza should continue to be upgraded to be able to serve outdoor functions.
- *Site Access* - should provide for an arrival zone along one face of the building that is for shuttle buses, taxis and limousines to drop off their passengers. The arrival zone should be configured to accommodate coach buses. This open air space serves as the main entrance to the building and should clearly establish a visual demarcation line between pedestrians and vehicles. This separation may be composed of features that provide for free flow of pedestrians while restricting vehicular access. If possible there should be no traditional “curb” or wheel stops at this transition space. The Monroe Street edge of the complex, after expansion could serve in this capacity.
- *Absence of Public Space* – the PCC has no effective outdoor space that can be used to supplement internal activities or that can be used for regular or special events programming such a festivals, farmers markets, or artisans fairs. These are strategies that can be used to leverage the existing infrastructure of a civic center (parking, restrooms, et cetera) and draw visitors downtown on non-event days. In addition, the availability of such space is also increasingly appealing to concert promoters and sponsors who like to stage pre-event activities in these areas.

The existing plaza and sculpture garden accomplish a lot of these things, but they do not distinguish themselves with authority. While most of the components may be there, they are not strong enough to reinforce the appropriate message or provide the desired impact. The current plaza is in a great location to be a major asset, not only as the main entrance, but also as a beautiful event location and desirable refuge from a long day of events inside. It is in the perfect position to reach out to the city and invite visitors into the Center. Periodic closing rights for Monroe and Fulton streets for these purposes should also be negotiated with the City, to make room for farmer’s markets, street fairs, festivals, and other events of similar nature.

- *Public Concourses* – The glass-enclosed common concourse provides a strong architectural statement, but creates functional and operational challenges. The concourses are great locations for windows to provide natural light and visual contact with the outside. They offer a welcomed relief from the enclosed and light-controlled venues within the facility. However, their supporting hallways are narrow, prone to bottlenecks, and lack an adequately designed HVAC system, all of which makes them a zone to avoid, except as a necessary conduit between venues. These issues are most acute during summer and winter months due to the HVAC system’s design.

With the renovation of the main entry, improvements to this concourse system could be considered. In development of a bolder front entrance, consideration could be given to provide for a larger arrival space. This pedestrian circulation space could include lobby, concourse registration and pre-function space. It is intended to be a transitional area for the other major activity zones of the Center. This would be a space where one could see, and become oriented to, the overall layout of the entire facility. The overall ambiance of the space should be open with indirect natural light, but with architectural features to establish more warmth and interest. These elements may include planted areas, atriums, unique artwork, or other displays.

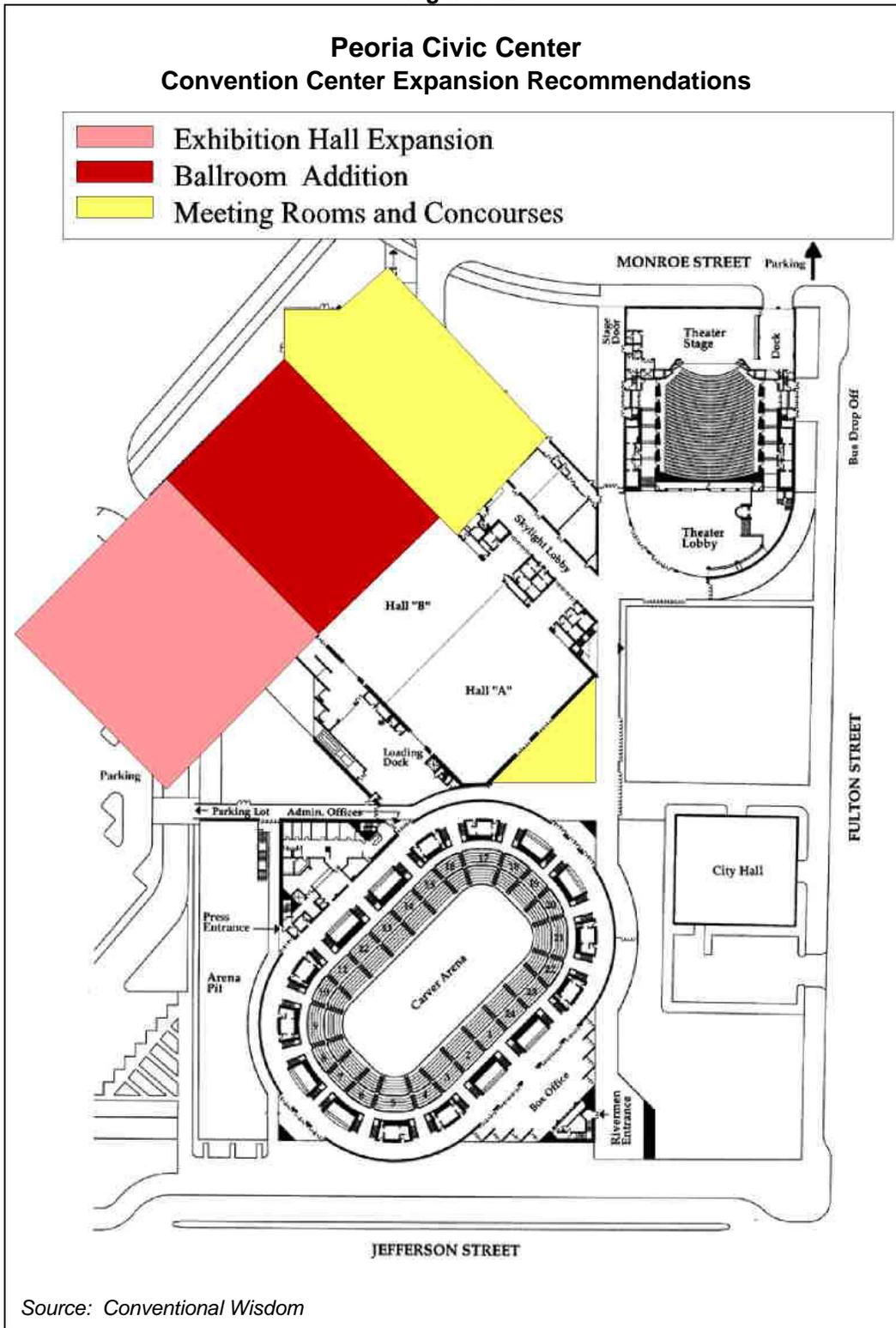
This space should be configured to facilitate security control points into the arena, the convention center’s exhibition halls and meeting room blocks, and the theater. It should have features that can be adapted for both single and multiple concurrent shows.

- *Truck Service* – None of the venues in the PCC have adequate truck service. The Theater’s docks are minimal and almost unusable without proper timing and traffic control intervention. The exhibit hall has several docks, however, only one is reliably useful. The circulation into and out of the recessed docks for the Arena is strained and many times conflicts with the operations of the exhibit hall. As the exhibit hall is expanded, it will cause elimination of the current administration office area, which we suggest be located over a new area configured over the “pit” over the Arena’s dock area. Truck dock service would then occur in the compound that is currently used for the administration area and Arena docks, as well as along the new long edge of the expanded Convention center.
- *HVAC* – With any renovation or modification of the facility, refinements and upgrades to the HVAC systems throughout the Center are appropriate. An overall study of the current systems will be required to insure comfortable and efficient operation during both the smaller isolated, or individual venue, events and the full-house events that utilize the entire facility, regardless of the weather conditions outside.

Improvements to the Convention Center

Figure 6-2 conceptually shows the recommended improvements to the PCC Convention Center. Elements of improvements are discussed in the text that follows.

Figure 6-2



Based on the physical and operating review of the convention center, the Consulting Team developed the following matrix of facility enhancement opportunities and priorities. The matrix organizes and ranks the facility and related enhancements with respect to the perceived order of importance by demand segment. The matrix appears in Figure 6-3.

Figure 6-3

Recommended Improvements	Demand Sectors			
	Public Use	Conventions	Banquets	Civic Fabric
1 Exterior Appearance/Link to Downtown	1	1	1	1
2 Exhibit Space	1	1	1	1
3 Ballroom Space	1	1	1	1
4 Meeting Space	2	1	1	2
5 Loading Dock Reconfiguration	3	1	2	3
6 Interior Finishings Quality	3	1	2	3
7 Kitchen Space Enlargement	3	1	1	3
8 Hotel Inventory	2	1	2	2
10 Concourse HVAC	1	1	2	2
10 Parking	2	2	2	2

Legend	
Critical	1
Important	2
Not Important	3

Source: Johnson Consulting, Conventional Wisdom

As the figure indicates, the highest priorities are amenities that will enhance the market penetration for conventions and tradeshow, also simultaneous events to be held, and allow existing vents to expand. From a civic perspective, the highest priority is to make the facility(ies) more inviting and more effectively integrate them into the civic fabric as well as the economic activities of the central business district.

- **Size** – Many events occurring in the convention center are too large for the current exhibition hall and have expanded into the concourses and other spaces within the overall facility. They utilize much of the entire PCC for exhibit or display purposes. This is most obvious with current consumer shows, such as the Auto Show, the Boat Show, and the Home Shows that have continued to grow in their need for exhibit space. The first phase expansion adds 41,300 sf of contiguous, expansion space and sets the stage for a third phase expansion.

- *Ballroom Space* - A convention center of this size, aiming towards both association events and more social events would typically have a ballroom of 15,000 to 20,000 square feet to serve as a complementary event space, and banquet facility. The ballroom should be divisible into a minimum of thirds, with possible further subdivisions at the end divisions. The most recent expansion allowed for development of the ballroom on the third level, over the exhibit hall and this option is recommended.

The ballroom would be served by the lower level kitchen, via vertical circulation. The ballroom will require escalator circulation from the main level. The same escalators would serve the second level meeting rooms. The ballroom will need a large prefunction area, equal to one third the ballroom's size. This prefunction area can be one of the most desirable spaces within the complex, available for cocktail receptions and lunch service buffets when the ballroom is not in use. Due to its intended heavy use, the ballroom level should offer service corridors and a service kitchen. The roof level allows for 33,000 square feet of development space and all of this will be consumed by these space requirements and setbacks.

- *Meeting Room Concourse* - The meeting room block lacks warmth from the outside and are not competitive. The skylight lobby and the existing meeting room concourse offer opportunity for redevelopment, on either a wholesale or less invasive basis. The expanded facility needs to offer an estimated 10,000 square feet of additional meeting space. The concept envisioned for the meeting room space is a three level building that incorporates the existing two levels, adds a third level and adds vertical escalator circulation to the ballroom and its prefunction area. If adjacent renovations create an opportunity to reconsider their layout and design, an effort should be made to improve their service, and access. The concourse serving the meeting space and ballroom access and prefunction space should be warmed up with carpeting and art.

There is no natural light coming into the space except through the Monroe Street entrance doors. Consideration should be given to potential renovations that could improve the quality of this end of the concourse. Potential improvements could include the addition of skylights or the conversion of the glass-enclosed end stair to an open stair connecting the various levels of the concourse.

The glass-enclosed stair on the northwest end of the convention center concourse could be an effective feature to help give openness and orientation to the otherwise enclosed, and somewhat hidden, public concourse within the convention center. Although this area could be affected by a redesign or expansion of the current facility, consideration should be given to allowing public access to the stair and opening it visually, to enhance the existing meeting room concourse.

- *Service Corridors* – The back of house service corridors are broken-up into small segments and closets depending heavily on vertical circulation (elevators) to tie all the pieces together. Some meeting rooms are actually serviced from two separate service corridors at opposite ends of the room and depend on service traffic to have to come from different directions. If adjacent areas are to be renovated, adjustments to the existing service corridors could create some welcome improvements and operating efficiencies.
- *Triangle Lobby* – The configuration of this lowered ceiling lobby area discourages the full potential for this space. While it was intended to be the pre-function area for the original Exhibit Hall A, it does little to invite people inside as its lowered ceiling height and bright red colonnade effectively isolate it from the adjacent main entry concourse. Eliminating the low ceiling and combining the space with that around it would help make the overall entry lobby more useful, as well as provide the potential for a more memorable and exciting main entrance. The resulting lobby could have a larger; more open volume, and would be full of natural light. This would help the overall impression of this area becoming the main entrance to the Center.
- *Kitchen* – The existing kitchen is functional and allows for quality service to the existing center. However, the equipment and layout reduces capacity and efficiency of operations. An upgrade and redesign of these elements would allow for more effective service, particularly in an expanded center.
- *Truck Service* – The current truck service yard is inadequate for the area of exhibition space that exists. There should be a minimum of one truck berth per 10,000 square feet of exhibition space. Although the existing truck dock has three truck berths, only one is actually very useful. One of the three spaces has been permanently incorporated into a trash compactor bay, and another is virtually unusable due to its configuration and proximity to a masonry wall directly behind the truck position. A fourth dock position was added with the addition of Hall C, however it is only an open platform and it is isolated from the main dock area at the opposite end of the building.

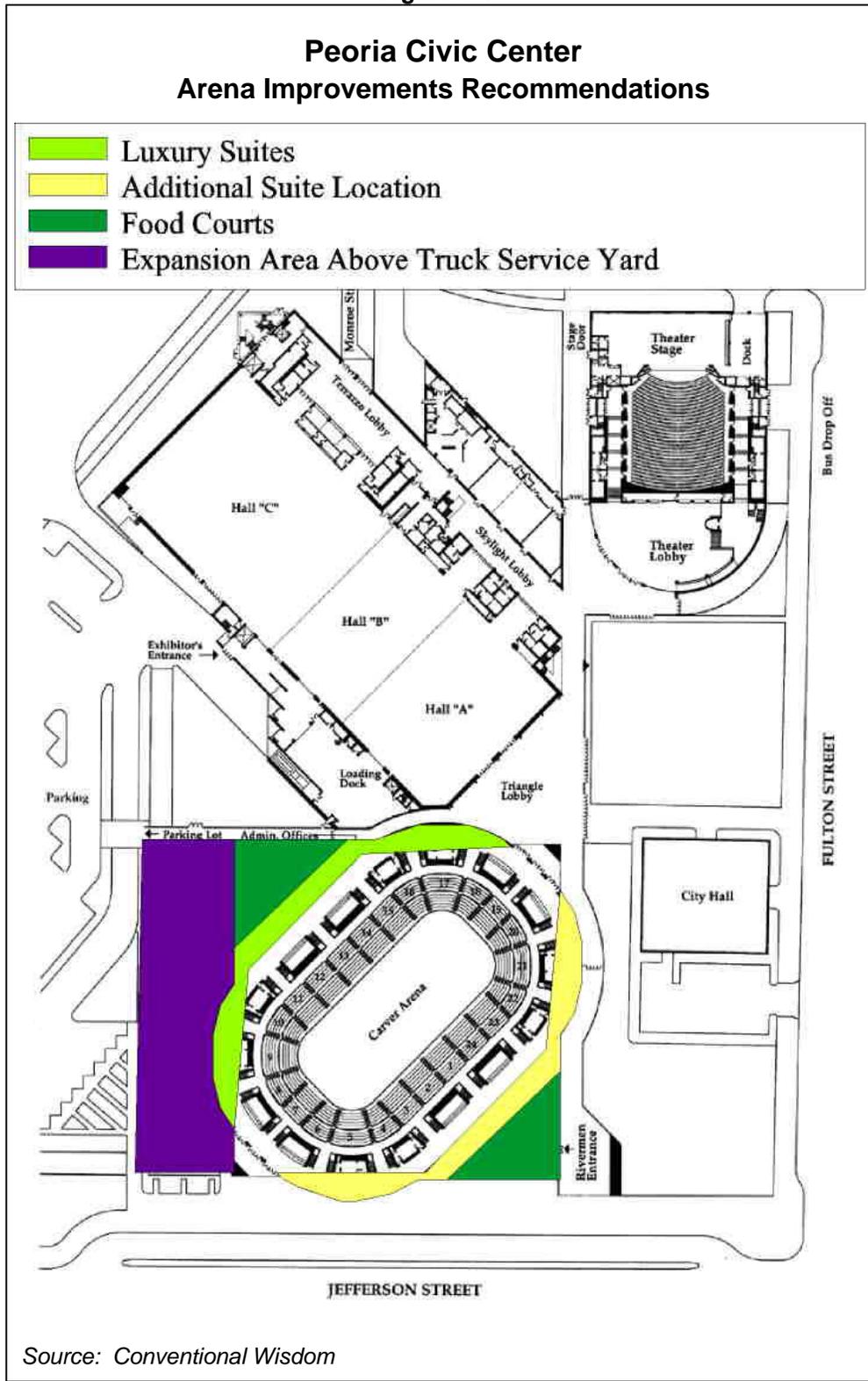
The inadequacy of the truck dock should be a major factor to be considered within any expansion plan for the exhibition halls. Ideally, there should be direct access from the loading dock into the exhibit hall to facilitate move-in/move-out. Each hall division shall have its own service entrance. Cross circulation on the loading dock shall allow each vehicle parking space to have access to each hall service entrance. Service and freight elevators shall be accessible directly from the dock. Coordination of truck access for both the exhibition hall and the Arena should be considered as a single effort in order that one is not in conflict with the other. It is all right to share drives and portions of operational areas as long as conflicts between different events in the different venues are coordinated.

Improvements to the Arena

In today's sporting event market, fans expect venues which are inviting, comfortable and which accommodate their needs. For Carver Arena to meet these expectations, its public areas need to become more spacious, more attractive, and more accommodating. The lobby and concourses need more width. The north side of the building needs to be updated to present an exciting, inviting façade to the downtown. Fans need to be able to buy food, drinks, and merchandise, and use restrooms in a timely manner or their experience will not be one they wish to repeat.

The improvements plan for the PCC Arena will not result in a facility with increased seating capacity but, more importantly, amenities that will improve the facility for users and tenants, such as additional restrooms and concession areas. In addition, the improvements plan outlines program changes such as additional administrative space, which will enhance the overall functionality of the facility and increase its appeal for tenants and event promoters. Figure 6-4 shows conceptually the recommended improvements to the PCC Arena. Elements of improvements are discussed in the text that follows.

Figure 6-4



Source: Conventional Wisdom

Based on the physical and operating review of Carver Arena, the Consulting Team developed the following matrix of facility enhancement opportunities and priorities. The matrix organizes and ranks the facility and related enhancements with respect to the perceived order of importance by demand segment. The matrix appears in Figure 6-5.

Figure 6-5

Recommended Improvements	Demand Sectors			
	Public Use	Concerts / Shows	Sports Events	Civic Fabric
1 Exterior Appearance/Link to Downtown	1	1	1	1
2 Concourse Expansion	1	1	1	1
3 Seating Capacity	3	2	2	3
4 Food Service Options	1	1	1	1
5 More Concession Outlets	1	1	1	1
6 Lounge	2	1	1	2
7 Premium Seating	2	1	1	2
8 Luxury Suites	2	1	1	2
9 Additional Locker Rooms	3	1	2	3
10 More Restrooms	1	1	1	2
11 Merchandising/Team Store	2	1	1	2
12 Acoustical Treatments/Sound System	2	1	2	2
13 Fan Support and Appreciation Areas	2	2	1	2
14 Media Space/Technology	3	2	2	3
15 Mechanicals	3	2	2	3
16 Expanded Storage Areas	2	2	2	2
16 Parking	2	2	2	2

Legend	
Critical	1
Important	2
Not Important	3

Source: Johnson Consulting, Rosser International

As the figure indicates, the highest priorities are amenities that will enhance the fan experience and revenue opportunities for the Authority and its tenants. Specific recommendations in this regard include the development of a food court that, if the structure permits, will allow it to be used by both the Arena and the Convention center. Luxury seating will also add some additional seats and team support by corporate sponsors. From a civic perspective, the highest priority is to make the

facility more inviting and more effectively integrate it into the civic fabric as well as the economic activities of the central business district. Specific arena improvement recommendations are provided below.

- *Arrival* – The vehicular arrival zone for the arena is well pronounced from the standpoint of the overall facility. When a car, or other vehicle drops someone off, the drop-off zone is prominent and easily recognizable. However, when parking in one of the adjacent lots, and approaching the facility as a pedestrian, the entrances are not as obvious. Consideration should be given to strengthening the visual impact of entrance points to the Arena from all directions since the multi-directional pedestrian approach is typical for the majority of events occurring in this venue.
- *Links to Overall PCC* – Currently the only public link that the Arena has to the remainder of the PCC is through a group of solid doors that are closed when not in use. In addition, the box office can be found by passing through exterior doors located in the glass-enclosed concourse, exiting the facility, and re-entering through another outdoor entrance. Consideration should be given to opening the concourse of the arena, at least visually, to the public zone within the PCC. This may even require the use of wire glass for fire separation requirements. Consideration will also need to be given to light control. This link could greatly benefit the perception of the Arena as well as the quality of the public space within the PCC.
- *Concourse Widths* – The concourses within the arena are too narrow to accommodate the traffic that is imposed by the function of the spaces that are attached to it. The narrow concourses causes a great deal of congestion when patron use is highest, during breaks between periods and at the end of events. The condition is serious enough to cause some patrons to avoid the use of concourses to access concession stands and public toilets. There is little that can be done to increase its width without major renovation and reconstruction, which is not contemplated within this plan. However, by moving primary food service areas out to two recommended food courts, the density of population in the concourse areas will be substantially reduced. The traffic congestion within the concourses could be eased, however, by relocating and isolating the concession areas into one or two larger food court areas where queuing can occur out of the flow of traffic.
- *Concession Points of Sale/Food Courts* – Much of the concourse traffic congestion that occurs during major assembly events in the arena relates to the location of concession areas that generate long queuing lines waiting to be served. If the concession stands could be relocated so that people would not have to wait to be served within the flow of traffic, most of the congestion could be avoided. These concession areas could resemble food courts and could be located in the two ground floor areas currently occupied by the box office and the administration offices. The box office can be pushed to the outside edge of the concourse and provide a service window

on both the outside of the complex and inside of the concourse. The administration offices will be easier to accommodate in alternate locations.

- *Restroom Capacity* – It appears that the number of toilets for the arena is inadequate, especially for females. In recent years, toilet requirements have increased under most codes, and the female accommodation requirements have increased the most. If the concession areas are relocated away from the concourse, the toilet rooms could be resized to meet updated criteria, and the remaining ex-concession spaces are contemplated for the addition of luxury suites.
- *Luxury Suites* – Arenas of similar size built more recently have 10 to 24 suites with superior sightlines to events. The next major step in terms of seating for this arena would be to add luxury suites. This could be accommodated inside the current seating bowl volume at each of the four rounded corners, in a hanging balcony, below the existing roof and above the last row of seats, and in the existing upper level concession areas. This building structure would offer potential for a VIP entrance on the southwest side of the arena and easy access to two of the four corner locations. This also opens the opportunity for access from a priority parking area to a club level and priority food service and lounge venue on the level with the suites if the area over the Pit is captured.
- *Premium Seating* – In conjunction with the development of luxury suites, consideration should also be given to the development of an area of about 500 club seats. These seats may be added on the mezzanines for the suites and incorporated into the design for those areas. Alternatively, they may be converted from existing seats that can be isolated and upgraded. Either way they would need to be of quality and comfort to warrant special treatment and service, and premium pricing.
- *Truck Service* – Truck access appears to be in an appropriate location for the arena, however, the orientation and maneuvering of the trucks is problematic. Although tight, this area could be improved with the proper design and orientation of a one-way flow into and out of the area. This may also require the revision of the entry and exit ramps to accommodate larger radii for turns and coordination with the truck traffic for the exhibition halls. The current service dock/yard could also be covered over with new construction in order to add building area and accommodate other needs for building improvements, such as the relocated administrative offices and a club lounge. This concept will provide the added benefit of a weather protected service yard. In addition, the loading bay door that provides entry into the arena should be enlarged to provide easier access for larger equipment.
- *Media Space* – Contemporary sporting events and other arena uses receive more intensive media coverage than when the facility was designed. Currently, during peak events such as the IHSA, the PCC must set up a

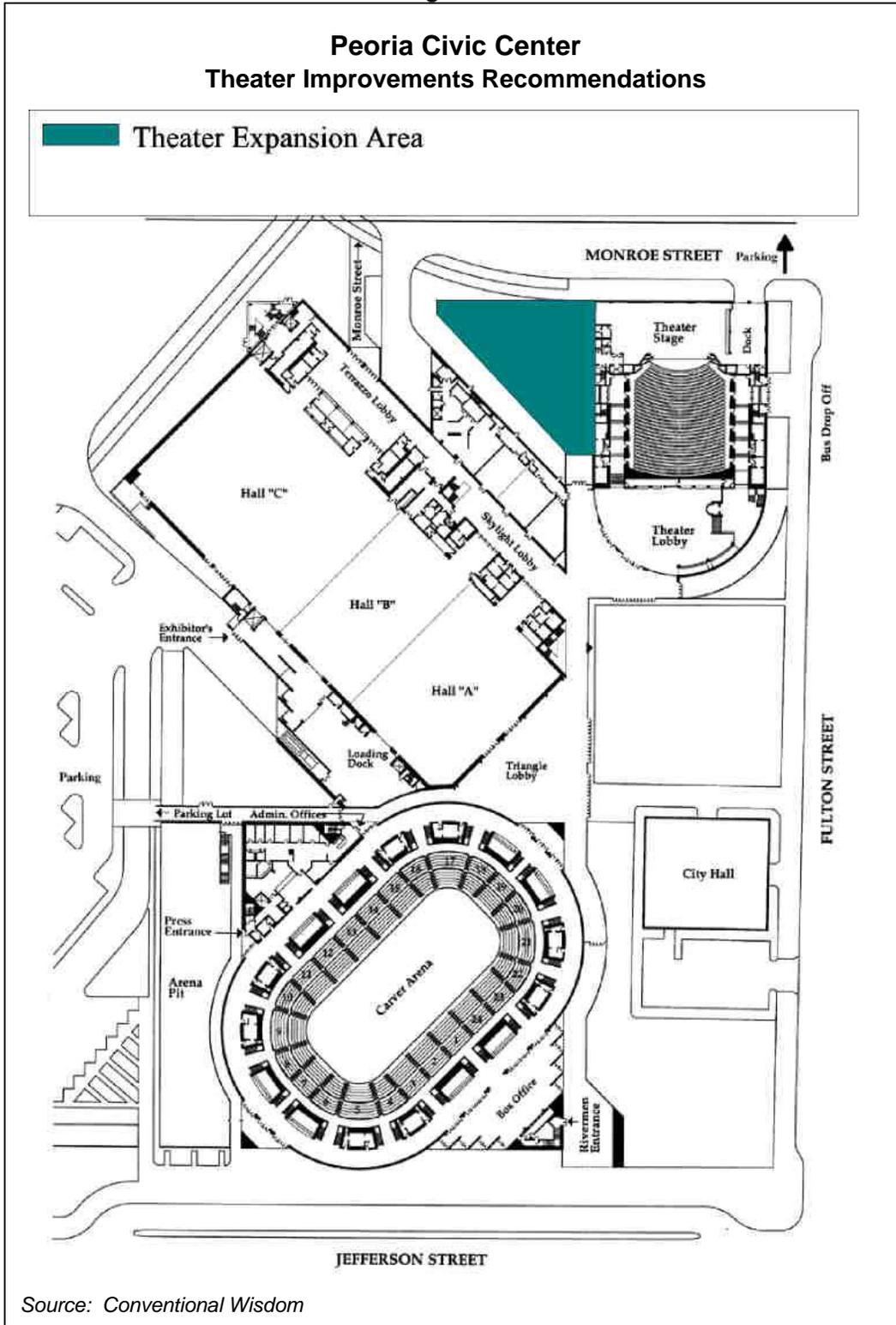
makeshift media space to accommodate demand. A permanent, Internet-connected media suite would enhance the attractiveness of the PCC as venue of tournaments and other sporting activity.

- *Locker Rooms* – the existing arena locker rooms are appropriate for a multi-tenant facility. However, to provide an additional level of commitment to existing tenants and increase ease for the IHSA, the arena could provide another tenant (Bradley) with dedicated locker room space that includes a limited amount of administrative space for coaches. During periods of peak demand and tournaments, in particular the IHSA, these locker rooms could be used to alleviate crowding.
- *Additional Building Area* – The area above the open truck service yard seems prime to provide additional enclosed building area. The structure could be added to support multiple levels that could accommodate a number of different functions. This would be a good location for the administrative offices for the center. It could also accommodate access for potential suites inside the arena. This could be a prime location for a specialty restaurant or “club house” lounge, even a team store. Access to the different components of this building volume could occur from outside the arena, which could allow for the spaces inside to function separately from the arena, and even link directly to the common areas within the PCC.

Improvements to the Theater

Figure 6-6 shows conceptually the recommended improvements to the PCC Theater. Elements of improvements are discussed in the text that follows.

Figure 6-6



Based on the physical and operating review of the PCC Theater, the Consulting Team developed the following matrix of facility enhancement opportunities and priorities. The matrix organizes and ranks the facility and related enhancements with respect to the perceived order of importance by demand segment. The matrix appears in Figure 4-7.

Figure 4-7

Recommended Improvements	Demand Sectors			
	Public Use	Performances	Special Events	Civic Fabric
1 Exterior Appearance/Landscaping	1	1	1	1
2 Additional Restrooms	1	1	1	2
3 Acoustic Improvements	2	1	2	2
4 Lounge/Pre-function space	2	1	1	2
5 Understage Pass	2	1	2	2
6 Seating Configuration	2	3	3	3
7 Additional seating	2	2	2	2
8 Expanded Rehearsal Space	1	2	2	2
9 Lighting Improvements	2	1	1	2
10 Parking in Area	2	2	2	2

Legend	
Critical	1
Important	2
Not Important	3

Source: Johnson Consulting, Ray Shepardson

As the figure indicates, the highest priorities are amenities that will enhance the quality of the user experience and contribute to the professional atmosphere. With minor adjustments, the Theater will have stronger technical capacity, which will make it more attractive to touring shows and acoustically sensitive uses such as opera and orchestra.

As part the Consulting Team’s engagement, Ray Shepardson toured the PCC Theater in June 2002 to identify facility deficiencies and improvement opportunities. The text that follows describes the key observations of the Convention center review. The narrative for Carver Arena and the Theater appear later in this section.

- *Expansion* – The small triangular portion of the site to the west of the existing Theater building offers the greatest potential for capture of additional space supporting the theater. This space appears to offer potential to about a

15,000 square foot area that could be used for a variety of purposes, including the provision of a women's lounge, a green room, a corporate party room and improvements for truck service.

- *Under stage passage and storage* – during performances, cast members are forced to move around with only a modest amount of space, which is both distracting to on-stage performances and limits the ability to produce complex productions. Further, the Authority is currently installing an electric orchestra lift. When the facility was originally built, the area below the stage was not excavated. As the lift construction proceeds and the understage passageway is built, excavation of the understage area will provide opportunity for development of a green room and much needed storage space.
- *Shell* – the existing shell is poorly designed and does not project sound effectively. As a result, during certain performances, sound quality and volume are poor. A new shell could be sponsored by outside organizations, and painted as a piece of attractive art.
- *Sound booth location* – the existing sound booth is located under the balcony, and given the continental seating configuration must stay there. A pulley rig device should be installed to allow equipment over the seats with lower labor and injury risk.
- *Utilities* – One of the most obvious deficiencies noted in the theater is not necessarily obvious to the typical visitor, but is high on the list of those who use the facility to produce a show within the facility. The deficiency is with its utility systems. Power and lighting upgrades as well as HVAC complications need a professional engineering analysis to identify appropriate upgrades that are needed to bring the theater up to today's standards.
- *Truck Service* – The current truck service docks are minimal, and their location and orientation require extreme measures in coordinating traffic along Monroe Street. There are few or no obvious solutions for improvement. One potential solution could be to explore the possibilities offered by expanding the Theater on the triangular site to the west of the current building.
- *Continental Seating* – The seating offerings, in terms of number of seats, is appropriate for Peoria. As such, given the need for this many seats, and the density of the seating, adding a center aisle will reduce the seat count too much. A partial solution to the inconvenience of the seating will be addressed by more women's toilets, because more people will be served during intermissions. A second visual enhancement can be provided by the seat refurbishment. Currently seats are upholstered on the backs. A full two inches of aisle width will be gained in each aisle if the backs for the reconditioned seats are left unupholstered. This harder surface should help acoustically as well.

- *Acoustics* - The theater originally had an ERES system that greatly enhances the acoustic quality in the hall. Consideration should be given to repairing that system. The decorative drapes in the hall ceiling could be replaced with a more acoustical function.
- *Aesthetics*- A variety of aesthetic improvements can be phased in. Edison light bulbs could replace the existing bulbs, providing a warmer glow. Painting, carpets, and seat covers could be upgraded and be more provocative. Lobby art combined with warming up the ladies lounge with art and color would also be appreciated improvements.

Preliminary Capital Cost Estimates

Table 6-2 displays the estimated range of capital costs for the execution of the masterplan on a phase-by-phase basis. These costs are preliminary estimates developed on per square foot basis developed from the Consulting Team's experience with previous projects. Actual costs may vary based on local conditions and final design solutions. All costs are presented in 2002 dollars with no provision incorporated for escalation over time. In addition, these costs are limited in scope and do not include code or compliance reviews, environmental surveys or remediation, geotechnical surveys, site acquisition, legal costs, or deep foundation work. They also do not include currently budgeted capital improvement estimates under consideration for the complex.

Table 6-2

Peoria Civic Center Expansion Preliminary Budget*				
	Phase I		Phase II	
		Budget		Budget
I. Convention Center				
Exhibit Hall	(41,300 SF)	\$10,841,000	(40,000 SF)	\$10,500,000
Banquet Space and Kitchen	(15,000 SF)	9,000,000	(0 SF)	0
Meeting Space	(10,000 SF)	3,850,000	(10,000 SF)	3,850,000
Vertical Circulation		<u>2,000,000</u>		<u>0</u>
Subtotal Construction		\$25,691,000		\$14,350,000
Soft Costs Multiplier (Fees, FF&E and Contingency)		<u>\$7,707,000</u>		<u>\$4,305,000</u>
Total		\$33,398,000		\$18,655,000
II. Arena				
Luxury Suites and Club Seating Improvement:		\$2,687,500		
Spectator Support Improvement*		3,265,500		
Team Store		156,000		
Offices/Back of House Area		1,025,000		
Ticket Office		90,000		
Concourse Expansion		1,000,000		
System Improvements		<u>1,950,000</u>		
Subtotal		\$10,174,000		
Contingency (10 percent)		1,017,000		
Soft Costs (Fees, Surveys, Financing)		<u>1,373,000</u>		
Total		\$12,564,000		
III. Theater				
Corporate Suite, Restroom, and Equipment		\$3,000,000		
Back-of-House Improvements		1,000,000		
Contingency (10 percent)		<u>400,000</u>		
Total		\$4,400,000		
IV. Public Space				
Landscape and Hardscape		\$3,500,000		
Sculpture and Fountains		350,000		
Event Infrastructure		<u>350,000</u>		
Total		\$4,200,000		
Total Project Budget		<u>\$54,562,000</u>		<u>\$18,655,000</u>
*Does not include current capital improvements.				
**Includes food court and locker room improvements.				
Source: Conventional Wisdom, Rosser International, Johnson Consulting				

Based on the masterplan framework outlined in this section, the overall preliminary capital cost range is approximately \$55 million for Phase I, which include adding 41,300 square feet of exhibit space, 15,000 square feet of ballroom, 10,000 square feet of meeting rooms to the convention center, 500 club seats, 12 luxury suites, and improvements to the arena, corporate lounge and improvements to the theater, and

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public space improvements. Phase II will add another 40,000 square feet of exhibit hall and 10,000 square feet of meeting rooms to the Convention center, and is expected to cost \$18.7 million.

VII. ECONOMIC BENEFIT ANALYSIS

ECONOMIC BENEFIT ANALYSIS

As the analysis in the previous sections articulated, the three facilities that comprise the Peoria Civic Center provide an important contribution to the community through their extensive cultural, entertainment, and sports offerings, as well as through their ability to attract visitors to central Illinois and downtown Peoria. However, as this report has demonstrated, through targeted investment, selective enhancement, and expansion the PCC has the potential to extend the contributions its venues make to the civic and economic life of the community and region.

Through improvements to the convention center, arena, theater, and the public plaza, the PCC can play a more important role in the future of the community and operate at an economic level that provides greater impact to the city, region, and state. Through the implementation of the masterplan outlined in Section 6, Peoria will capitalize on the critical mass provided by the Civic Center, the development of O'Brien Field, and the ongoing investment in the Riverfront to induce a heightened level of vitality in downtown Peoria area and transform the existing spirit of capital improvements and revitalization into a sustained pattern of expansion and economic growth.

This section analyzes the incremental benefit that would be derived based on the implementation of the masterplan program. This analysis measures contributions at three levels – demand, operational, and economic. While all of the improvements are warranted, if a hierarchy is needed, this benefit analysis provides that framework. The current operations of the PCC, the market situation review, the capital and facility enhancement recommendations, data on comparable facilities, and the Consulting Team's experience with similar facilities provide a basis for measuring the contributions of an enhanced PCC.

Johnson Consulting has recently completed operating projections, economic impact assessments, or contributions analyzes for new or expanded public assembly facilities in Austin, Texas; Canton, Ohio; Cleveland's Nautica Stage, Osceola County, Florida, and Erie, Pennsylvania for a similar portfolio of facilities. These cities have or are using Johnson Consulting's projections as their basis for making public policy and facility improvement decisions, as well as securing capital project financing.

Economic Benefit Summary

While the complex currently offers an array of programming options and attracts more than 850,000 visitors into downtown Peoria, the complex has not achieved its full potential. A redeveloped and expanded Peoria Civic Center will not only address deficiencies and add vitality to the central business district, it will also

enhance visitation and provide a greater mix of programming. Through redevelopment, the PCC can play a more important role in the future of the community, and operate at an economic level that provides greater impact.

Based on their redevelopment, the facilities and related public performance space will greatly improve PCC’s capacity to host events and accommodate patrons. These improvements will translate to more events in downtown Peoria, which will attract more attendees. Table 7-1 summarizes the incremental demand contributions for each PCC facility, based on execution of the masterplan.

Table 7-1

Peoria Civic Center					
Summary of Demand Contribution from Improvements					
	Year and Contribution	Convention Center	Arena	Theater	Total*
Number of Events	FY 2000-01	201	95	57	356
	After Improvements**	267	103	67	437
	<i>Contribution</i>	66	8	10	81
	<i>% Contr.</i>	33%	8%	18%	23%
Number of Event Days	FY 2000-01	300	112	98	515
	After Improvements	392	123	117	632
	<i>Contribution</i>	92	11	19	117
	<i>% Contr.</i>	31%	10%	19%	23%
Attendance	FY 2000-01	214,540	516,848	118,497	849,913
	After Improvements	302,000	616,500	153,000	1,071,500
	<i>Contribution</i>	87,460	99,652	34,503	221,600
	<i>% Contr.</i>	41%	19%	29%	26%

**Including adjustments*
***Refers to a stabilized year of operation after improvements to the PCC are completed.*
 Source: Johnson Consulting

As indicated in the table, in its stabilized year of operation after improvements are completed, the PCC is projected to host 81 additional events, increasing the total to 437 events per year. Based on the expanded facility capacity and the additional events, the PCC facilities are projected to increase attendance by 26 percent, representing additional 221,600 visitors to downtown Peoria.

Table 7-2 summarizes the incremental operating contributions for each PCC facility, generated from the estimated incremental demand to the improved civic center.

Table 7-2

Peoria Civic Center Summary of Operating Contribution from Improvements					
	Year and Contribution	Convention Center	Arena	Theater	Total*
Direct Event Income (in thousands)	FY 2000-01	\$966	\$570	\$535	\$2,147
	After Improvements**	\$1,607	\$989	\$700	\$3,296
	Contribution***	\$641	\$419	\$165	\$1,149
	% Contr.	66%	73%	31%	54%
Ancillary Income (in thousands)	FY 2000-01	\$345	\$791	\$73	\$1,218
	After Improvements	\$858	\$1,044	\$97	\$1,998
	Contribution	\$512	\$253	\$24	\$780
	% Contr.	148%	32%	33%	64%
Total Event Income (in thousands)	FY 2000-01	\$1,311	\$1,361	\$608	\$3,365
	After Improvements	\$2,465	\$2,033	\$797	\$5,294
	Contribution	\$1,154	\$671	\$189	\$1,930
	% Contr.	88%	49%	31%	57%
Total Operating Income (in thousands)	FY 2000-01	na	na	na	\$4,069
	After Improvements	na	na	na	\$6,660
	Contribution	na	na	na	\$2,591
	% Contr.	na	na	na	64%
Total Indirect Expenses (in thousands)	FY 2000-01	na	na	na	\$3,857
	After Improvements	na	na	na	\$5,141
	Added Expenses	na	na	na	\$1,284
	% Increase	na	na	na	33%
Net Operating Income (in thousands)	FY 2000-01	na	na	na	\$212
	After Improvements	na	na	na	\$1,519
	Contribution	na	na	na	\$1,307

*Including adjustments.
 **Refers to a stabilized year of operation after facility improvements are completed.
 ***Contribution (and added expenses) measure the difference in constant dollars.
 Source: Peoria Civic Center Authority, Johnson Consulting

The additional event activity is projected to contribute approximately \$2.6 million of incremental operating income to the PCC, or an increase of 64 percent over the estimated income level without improvements. After indirect expenses, net operating income is expected to increase by \$1.3 million.

The execution of the PCC improvement plan will draw approximately 221,600 additional visitors into downtown Peoria, which will generate economic and fiscal benefits within the state and local economy and provide strong support for local

businesses. Table 7-3 summarizes the estimated direct spending and fiscal (tax) impacts derived from the increased visitation.

Table 7-3

Economic and Fiscal Impact of Incremental Demand to PCC Improvements	
	Amount (In \$000's)
Annual Direct Spending from Additional Attendees	\$19,015
Sales Tax from Annual Incremental Direct Spending	\$1,377
Hotel Occupancy Tax from Annual Hotel Spending	\$188
Restaurant Tax from Annual Incremental F&B Spending	\$102
Amusement Tax from Annual Incremental Ticket Spending	\$36
Sales Tax from One-Time Construction	
Phase I	\$4,365
Phase II	\$1,492
<i>Source: Johnson Consulting</i>	

As the table shows, the additional 221,600 attendees are projected to generate a total of \$19.0 million annually in direct spending based on items such as meals, lodging, transportation, and other items. These figures represent only the direct spending derived from the increase in attendance that results from the improvement of convention center, arena, and theater. The spending is projected to generate a total of \$1.4 million of general sales tax revenue. In addition, spending on lodging (from approximately 46,500 room nights) is expected to generate approximately \$188,000 in hotel occupancy tax, spending on food and beverage is expected to generate approximately \$102,000 in restaurant tax, and spending on admission tickets is expected to generate approximately \$36,000 in amusement tax. Based on execution of all two phases of the masterplan, one-time construction activity is projected to produce approximately \$4.4 million and \$1.5 million in sales tax revenue from Phase I and Phase II, respectively.

Demand Benefit Assumptions

As summarized in Table 7-1, the asset improvements are expected to add 81 events and 221,600 attendees to the PCC convention center, arena, and theater combined. Table 7-4 summarizes the demand contributions on a per facility basis.

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EXPERTS IN CONVENTION, SPORT AND REAL ESTATE CONSULTING

Table 7-4

Peoria Civic Center Economic Benefits of Facility Improvements									
I. Convention Center	FY 00-01 Actual			Stabilized Year After Improvements			Demand Contribution from Improvements		
	Event	Event Days	Attendance	Event	Event Days	Attendance	Event	Event Days	Attendance
Event, Event Days, Attendance									
Conventions/ Trade Shows	67	148	160,840	80	177	211,300	13	29	50,500
Sporting Events	7	13	18,687	10	19	29,400	3	6	10,700
Family Entertainment Events	1	4	11,528	2	8	25,400	1	4	13,900
Banquets	126	135	23,485	175	188	35,900	49	53	12,400
Total Event	201	300	214,540	267	392	302,000	66	92	87,500
Average Attendance per Event		1,067			1,131			64	
Total Attendance		214,540			302,000			87,500	
<hr/>									
II. Arena	FY 00-01 Actual			Stabilized Year After Improvements			Demand Contribution from Improvements		
	Event	Event Days	Attendance	Event	Event Days	Attendance	Event	Event Days	Attendance
Event, Event Days, Attendance									
Conventions/ Trade Shows	2	4	12,470	3	6	20,600	1	2	8,100
Sporting Events	74	78	403,361	78	82	467,700	4	4	64,300
Concerts	12	12	43,923	14	14	56,400	2	2	12,500
Family Entertainment Events	7	18	57,094	8	21	71,800	1	3	14,700
Total	95	112	516,848	103	123	616,500	8	11	99,600
Average Attendance per Event		5,441			5,985			545	
Total Attendance		516,848			616,500			99,600	
<hr/>									
III. Theater	FY 00-01 Actual			Stabilized Year After Improvements			Demand Contribution from Improvements		
	Event	Event Days	Attendance	Event	Event Days	Attendance	Event	Event Days	Attendance
Event, Event Days, Attendance									
Conventions/ Trade Shows	4	4	5,650	0	0	0	-4	-4	-5,700
Sporting Events	1	1	400	0	0	0	-1	-1	-400
Performances	41	82	98,651	50	100	132,300	9	18	33,600
Concerts	9	9	13,426	12	12	19,700	3	3	6,300
Banquets	2	2	370	5	5	1,000	3	3	600
Total Event	57	98	118,497	67	117	153,000	10	19	34,400
Average Attendance per Event		2,079			2,284			205	
Average Attendance per Event Day		1,209			1,308			99	
Total Attendance		118,497			153,000			34,400	
<hr/>									
Combined	FY 00-01 Actual			Stabilized Year After Improvements			Demand Contribution from Improvements		
	Event	Event Days	Attendance	Event	Event Days	Attendance	Event	Event Days	Attendance
Total Events	356	515	849,913	437	632	1,071,500	81	117	221,600

Source: Peoria Civic Center Authority, Johnson Consulting

The estimated demand contribution based on the facility improvements include the following:

- **Convention Center** - The increased size of the Convention Center in combination with the quality and practical improvements will improve the facility's utilization, expand its events calendar, and attract additional attendees.

As shown in Table 7-4, it is expected that when the PCC reaches a stabilized year of operation after the improvements are completed, the convention center will host approximately 267 events. It is expected that average attendance will also increase, resulting in total attendance of 302,000. At an incremental level, the convention center improvements are projected to result in the addition of 13 convention and trade shows, three sporting events, one family entertainment shows, and 49 banquets to the convention center's calendar. The incremental demand represents 92 event days, increasing attendance by approximately 87,500.

- **Arena** - The recommended building program discussed in Section 6 is expected to make the facility more attractive to the user, and expand the appeal of the arena. In combination, these improvements will increase attendance and generate additional revenue.

As shown in Table 7-4, after the renovation, the arena is expected to host 103 events. At an incremental level, the arena improvements are expected to result in the addition of a convention or trade show, four sporting events, two concerts, and one family entertainment event annually. Based on the improvements, average per game attendance is expected to increase by 545, producing an additional 99,600 attendees annually, resulting in total annual attendance to 616,500. While projecting increases in attendance for sporting events also is reliant on team performance, the quality of environment, fan comfort and additional seating should provide a basis to achieve these increases assuming the teams do well.

- **Theater** - Upon completion of the theater improvements, the facility will have the ability to host more high quality touring shows and concerts, which should broaden its core audience, and increase attendance. In addition, the renovation of the facility and the prospect of a lounge or suite area will make the facility more attractive for receptions and special events, supplement attendance and revenues.

As shown in Table 7-4, after renovation, the theater is projected to host an additional ten events (or 19 event days), producing an incremental increase in attendance of 34,400. With the addition of this demand, the facility will have an annual event calendar of 50 performances, 12 concerts, and 5 banquets in the theater's proposed corporate lounge. Conventions and trade

shows will move to the convention center, while sporting events will move to the arena. Average attendance is expected to increase from 2,079 per event (or 1,209 per event day) to approximately 2,300 per event (or 1,310 per event day), and total attendance is projected to increase to approximately 153,000.

Overall, the PCC improvements are expected to generate 81 additional events and 221,600 additional attendees. After the improvements, the PCC is expected to host 437 events in 632 event days, generating nearly 1.1 million attendees.

Operating Benefit Assumptions

Johnson Consulting projected the overall performance of the PCC, as well as its individual facilities, for a stabilized year of operation after improvements to the facility are completed ("stabilized year after improvements"). These figures were then compared to the PCC's 2000-01 proforma so that the incremental benefit of the masterplan could be calculated. New sources of income include items such as additional concession sales and premium and club seating leases. The PCC is also expected to generate additional revenues from naming rights, new food court area, and team store.

Table 7-5 compares historical and projected operating revenues and expenses from the three facilities as well as additional revenues and expenses for the whole complex.

Table 7-5

Peoria Civic Center			
Historical and Projected Operating Proforma (In \$000's)			
	FY 2000-01 Actual	Stabilized Year After Improvements*	Incremental Benefit**
Event Income			
Direct Event Income			
Rental and Services Income	\$2,147	\$2,921	\$775
Suite Rental	0	184	184
Club Seat Lease	0	191	191
Subtotal	\$2,147	\$3,296	\$1,149
Ancillary Income			
Food and Beverage	\$805	\$1,458	\$652
Novelty	73	139	66
Parking	339	342	3
Miscellaneous	0	60	60
Subtotal	\$1,218	\$1,998	\$780
Total Event Income	\$3,365	\$5,294	\$1,930
Other Income			
Advertising	\$397	\$400	\$3
Ticket Incentives	69	161	92
Concession Reimbursements	174	321	147
Nonevent Parking	26	64	38
Naming Rights	0	300	300
Food Court	0	10	10
Team Store	0	5	5
Miscellaneous	39	105	67
Subtotal Other Income	\$704	\$1,366	\$662
Total Operating Income	\$4,069	\$6,660	\$2,591
Indirect Expenses			
Executive	\$267	\$300	\$33
Finance	294	350	56
Box Office	177	321	145
Marketing	279	437	158
Facility Overhead	1,284	1,648	364
Operations	1,307	1,770	462
Event Services	250	316	66
Total Indirect Expenses	\$3,857	\$5,141	\$1,284
Net Operating Income	\$212	\$1,519	\$1,307

**Refers to a stabilized year of operation after improvements to PCC are completed.*

***Measures the difference of two years in constant dollars.*

Source: Johnson Consulting

As shown in the table, in its stabilized year after improvements, the three facilities are projected to generate approximately \$5.3 million in event income, representing an increase of approximately \$1.9 million. The improvements are also projected to add revenues from food court, the team store, and public entertainment venue events, which contribute to other income of approximately \$1.4 million. In its stabilized year after improvements, total revenues for the PCC are projected to be \$6.7 million, an increase of \$2.6 million from the estimated level of revenues without improvements.

Combined indirect expenses from the three facilities are projected to be approximately \$5.1 million. In its stabilized year after improvements, net operating income from the improved PCC is projected to be approximately \$1.5 million. This represents a net change of \$1.3 million.

Economic Impacts

Public assembly complexes, such as the Peoria Civic Center (PCC), are cultural and economic development enterprises financed with public-sector support. Convention centers, arenas, and ballparks are principally aimed at serving regional residents as a mechanism for enhancing the quality of life in an area through the provision of entertainment and recreational activities. As the improvement/expansion for the PCC is executed, the complex' strategic contribution will be to increase visitation into the area, attract new spending by the visitors, and, subsequently produce associated economic fiscal benefit within the local, regional and state economy. The objective of this analysis is to measure the economic and fiscal impacts for the existing and projected demand, illustrating the contribution of the enhanced PCC to the various economies.

The analysis measures the amount of new economic activity that would occur in the City of Peoria as expressed through estimates of the total direct increase in spending in the economy as well as the increase in fiscal (tax) revenues that result from new spending. This impact analysis also estimates the one-time fiscal impacts generated by construction of various facility and district elements.

As the basis of direct spending estimate, Johnson Consulting used the average daily spending per attendee by type of events as shown in Table 7-6. For attendees going to conventions and trade shows, their average daily spending assumptions are based on a survey by International Association of Convention and Visitors Bureau (IACVB) for small markets. For attendees going to any other events, the assumptions are based on an economic impact study performed by D. K. Shifflet and Associates for the Illinois Tourism Bureau, which provides average daily spending in Illinois (excluding Chicago). The study provided average daily spending of a leisure visitor and its distribution among various spending categories.

Average ticket price or admission fee of ticketed events at the convention center, arena, and theater is based on historical averages of the respective facilities in Fiscal Year 2000-01.

Table 7-6

Type of Spending	Average Daily Spending per Attendee						
	Convention s/ Trade Shows	Sporting Event		Concerts and Entertainment Events			Other Events
	In CC/ Arena	In CC	In Arena	In CC	In Arena	In Theater	In All Facility
Ticket/ Admission	\$1.49	\$3.17	\$10.87	\$8.52	\$19.19	\$18.85	\$0.00
Transportation	14.48	14.30	14.30	14.30	14.30	14.30	14.30
Eating and Drinking	54.61	13.10	13.10	13.10	13.10	13.10	13.10
Lodging	73.66	7.80	7.80	7.80	7.80	7.80	7.80
Shopping	23.59	13.20	13.20	13.20	13.20	13.20	13.20
Other	24.59	4.40	4.40	4.40	4.40	4.40	4.40
Total	\$192.43	\$55.97	\$63.67	\$61.32	\$71.99	\$71.65	\$52.80

Source: D.K. Shifflet and Associates for the Illinois Tourism Bureau, IACVB Survey, Johnson Consulting

As indicated in the table, an attendee to a convention or trade show is expected to spend on average \$192.43 per day. An attendee to a sporting event will spend on average \$55.97 per day if the event is held at the convention center, or \$63.67 per day if the event is held at the arena. An attendee to a concert and entertainment event is expected to spend on average \$61.32 per day if the event is held at the convention center, \$71.99 per day if the event is held at the arena, or \$71.65 per day if the event is held at the theater. An attendee to any other events is expected to spend on average \$52.80 per day. The difference between average daily spending of a convention/trade show attendee and any other event attendee reflects the different characteristics between "business" and "leisure" trips.

Table 7-4 shown previously in this section provides the basis for the direct spending estimate. According to our analysis, the facility improvements will add approximately 87,460 attendees to the convention center, 99,600 attendees to the arena, and 34,500 attendees to the theater. Johnson Consulting categorizes these incremental attendees by type of event: convention/trade show, sports, concert and entertainment, or other, and by facility. By multiplying these incremental attendance figures to the average daily spending shown in Table 7-6, total direct spending can be estimated. Table 7-7 shows the attendance, average spending per attendee, and the resulting total direct spending estimate.

Table 7-7

Summary of Direct Spending Impact from Demand Contribution			
	Incremental Attendance	Average Daily Spending	Incremental Spending (In \$000's)
Convention Center			
Conventions/ Trade Shows	44,800	\$192.43	\$7,129
Sports Events	10,300	55.97	576
Entertainment Events	13,900	61.32	852
Other Events*	13,000	52.80	686
Subtotal	82,000		\$9,244
Arena			
Conventions/ Trade Shows	8,100	\$192.43	\$1,260
Sports Events	64,300	\$63.67	4,094
Entertainment Events	12,500	71.99	900
Other Events	14,700	52.80	776
Subtotal	99,600		\$7,030
Theater			
Entertainment Events	33,600	\$71.65	\$2,408
Other Events	6,300	52.80	333
Subtotal	39,900		\$2,740
Public Entertainment Venue Events	0	\$45.00	\$0
Total	221,600		\$19,015

**Equal to other events' average spending minus spending on lodging.*
 Source: Johnson Consulting

As shown in the above table, the additional attendees to the improved Peoria Civic Center are projected to incur approximately \$19.0 million in direct spending.

Johnson Consulting estimates the fiscal impacts on sales tax, hotel occupancy tax, restaurant tax, and amusement tax to the State, County, and City. Table 7-8 summarizes the fiscal impact estimates.

Table 7-8

Estimates of Annual Incremental Fiscal Impact						
	Taxable Spending (in \$000's)	Tax Rate	Tax Revenues (In \$000's)			
			To State	To County	To City	Total
General Sales Tax						
State Sales Tax	\$17,213 ¹	6.25%	\$1,076	-	-	\$1,076
County Sales Tax	\$17,213	0.25%	-	\$43	-	\$43
City Sales Tax	\$17,213	1.50%	-	-	\$258	\$258
Total Sales Tax		8.00%	\$1,076	\$43	\$258	\$1,377
Hotel Occupancy Tax (In addition to the 8% sales tax)	\$3,422 ²	5.50%	-	-	\$188	\$188
Restaurant Tax (In addition to the 8% sales tax)	\$5,098 ³	2.00%	-	-	\$102	\$102
Amusement Tax on Tickets (Tickets are not subject to the 8% sales tax)	\$1,802 ⁴	2.00%	-	-	\$36	\$36
			\$1,076	\$43	\$584	\$1,703

¹ Includes spending on transportation, eating and drinking, lodging, shopping, and other.
² Includes spending on lodging only.
³ Includes spending on eating and drinking only.
⁴ Includes spending on admission tickets only.
Source: Johnson Consulting

As shown on the above table, the \$19.0 million incremental direct spending is estimated to generate \$1.1 million of general sales tax revenue to the State, \$43,000 of general sales tax revenue to the County, and \$584,000 of tax revenue to the City (from general sales tax, hotel occupancy tax, restaurant tax, and amusement tax). Total annual fiscal impact of the incremental direct spending is \$1.7 million.

Room nights were estimated using two significant assumptions. First, average length of stay of an attendee to a convention/trade show event is 2.21 days or 2.0 days if event is held in the Convention Center or Arena, respectively. Second, for sporting events, entertainment events, and any other events, the estimate assumes a room night-to-attendance ratio of 11 percent, considering factors such as the short-term nature of these events (mostly last one day), the origin of attendance (mostly local), and the average spending on lodging compared to prevailing room rates in Peoria. Based on these assumptions, the incremental attendees are projected to generate approximately 46,500 room nights.

As discussed in Section 6, the improvements are budgeted at approximately \$54.6 million for Phase I, and \$18.7 million for Phase II. Table 7-9 summarizes the estimated fiscal impact from these constructions, assuming they are not exempt from general sales tax (some public facility construction, like Chicago's McCormick Place, was partially exempt from sales tax).

Table 7-9

Estimates of Fiscal Impact from Construction*						
	Taxable Spending (in \$000's)	Tax Rate	Tax Revenues (In \$000's)			
			To State	To County	To City	Total
Phase I						
General Sales Tax						
State Sales Tax	\$54,562	6.25%	\$3,410	-	-	\$3,410
County Sales Tax	\$54,562	0.25%	-	\$136	-	\$136
City Sales Tax	\$54,562	1.50%	-	-	\$818	\$818
Total Sales Tax		8.00%	\$3,410	\$136	\$818	\$4,365
Phase II						
General Sales Tax						
State Sales Tax	\$18,655	6.25%	\$1,166	-	-	\$1,166
County Sales Tax	\$18,655	0.25%	-	\$47	-	\$47
City Sales Tax	\$18,655	1.50%	-	-	\$280	\$280
Total Sales Tax		8.00%	\$1,166	\$47	\$280	\$1,492

*Assuming the PCC construction is not exempt from sales-tax (some public facility construction, like Chicago's McCormick Place, was partially exempt from sales tax).
Source: Johnson Consulting

The construction of Phases I and II will generate approximately \$4.4 million and \$1.5 million in general sales tax, respectively.

Financing Considerations

As has been demonstrated throughout the report, the Peoria Civic Center serves as an important resource for the region, not only as a source for entertainment and culture, but also as an engine for economic activity that provides support for local businesses, jobs, and tax revenues for the City, County, and State.

When it comes to the execution of the masterplan, the economic role of the PCC plays in the region must be carefully and thoughtfully recognized. While the incremental cash flow from all improvements comes close to being able to finance the proposed arena improvements, the convention center and common area improvements will require outside funding support. Potential options includes:

- continued dedication or increase in the HRA tax,
- State support through Department of Economic and Community Affairs (DECA),
- additional local sales tax,
- gaming revenues, and/or
- naming rights for both the Convention Center and the Arena.

In addition to Peoria base resources, other communities should be approached to participate in funding this regional asset.

In as much as the current debt service liabilities are expected to be paid off in the next three to four years, consideration should be given to bond restructuring to consider current liabilities and funding of the recommended improvements. As these revenues are in part generated by the activity at the PCC it is only appropriate that these resources continue to be invested into sustaining and improving the facility.

Additionally, any potential increase in HRA tax, gaming revenues, and/or naming rights should be considered as part of the funding plan for improvements to the PCC and to improvements to Peoria's tourism support infrastructure, including support for new hotels or improvements to existing ones (roadways, facade improvements, et cetera).

Implications for Peoria

The redevelopment of the Peoria Civic Center Complex, in conjunction with the introduction of new entertainment programming in the downtown area promises to make a significant contribution to the physical, cultural, and economic life of the city, and region. With an addition of 221,600 more visitors to the PCC on annual basis, downtown Peoria will experience an infusion on economic energy that has potential to reshape the image of the area, ensure its vitality for the next generation of residents.