

SAN DIEGO CONVENTION CENTER EXPANSION

Summary

The mission of the San Diego Convention Center Corporation is to generate significant economic benefits for the greater San Diego region by hosting international and national conventions and trade shows in our world-class facility. It offers 615,701 square feet of exhibit space and has hosted over 1000 conventions and trade shows and more than 3,000 other community and local events. In January 2009, Mayor Sanders formed the Mayor's Citizen Task Force on the Convention Center Project to evaluate and recommend the necessary steps required to ensure San Diego's ability to retain and enhance its current market position in the convention and meeting industry. Based on findings on the Convention Center Project, the economic benefits of an expanded facility could be significant.

Economic Impact Overview

Since opening in 1989 the Convention Center has attracted over 17 million visitors, generated over \$20 billion in regional economic impact, \$400 million in tax revenues, and 12.5 million hotel room nights and hosted over 4,700 events. The Convention Center has contributed \$20.9 billion to the regional economy and more than \$400 million in tax revenue making it one of San Diego's most important economic engines. The chart below provides a snapshot of the actual year end fiscal accomplishments the Convention Center generated in FY11, as well as the additional benefits an expansion could generate for San Diego.

Economics impacts generated FY 2011

Includes convention meetings and other events

Category	
Economic Impact	\$1.4 B
Direct Delegate Spending	\$596.2 M
Transient Occupancy Tax Revenue (TOT)	\$19.5 M
Sales Tax Revenue	\$1.1 M
Jobs Generated by Events	12,500

Potential Economic Benefits of Expansion

These numbers would be in addition to current FY benefits

Category	
Economic Impact	\$698 M
Direct Delegate Spending	\$372 M
Transient Occupancy Tax Revenue (TOT)	\$12.7 M
Sales Tax Revenue*	\$0.8 M
Jobs Generated by Events	6,885

*Source: San Diego Convention Center Corporation, AECOM

Project Objectives

The project objectives are to achieve the Convention Center's programming goals in an outstanding architectural expression and in the most cost effective manner practicable while preserving and enhancing the beauty and utility of the public realm spaces surrounding the expansion site.

Tax Revenue

- Convention generated tax revenue reduces burden to local tax payers and help pay for important city services like police and fire protection, park and beach maintenance, city libraries and other services that improve the quality of life for all San Diegans

Waterfront Enhancement, Parks & Public Amenities

- An expansion would energize the waterfront for the community and create a new urban playground for residents and visitors.
- A 5-acre waterfront park that would add 40% more open space along the Embarcadero making it one of the largest green belts in downtown San Diego.
- A design to decrease traffic along Convention Way leading to South Embarcadero Park making it easier for residents and visitors to access the waterfront.

Green & Econ-Friendly

- The proposed Phase 3 expansion will be built using United States Green Building Council's Leadership in Energy and Environmental Design standards, in order to receive LEED certification. A preliminary, internal LEED scorecard by the Fentress team indicates that a LEED Gold ranking is possible.
- Proposed features include: energy efficient lighting, using natural light and sun shading; incorporation of a photovoltaic system to offset energy use; natural ventilation, solar chimney, geothermal heat exchange and use of wind power; storm water retention and filtration; on-site water treatment system for grey water recovery and re-use and dewatering desalination; low water plantings, drip irrigation and minimization of domestic water demand from city system; recycling and use of recycled materials in addition to food composting.

Project Financing

Local hoteliers approved new hotel tax to fund the convention center project. The tax is expected to generate more than \$30 million a year, and is the key to financing the bulk of the \$520 million expansion. It could start being collected as early as January of next year, although the start date could be much later than that, according to Mayor Jerry Sanders' office. Revenue generated by the new levy would help cover up to \$575 million in 30-year bonds for the center's expansion. The Port of San Diego is contributing \$3 million a year over 20 years, and the city is being asked to cover \$3.5 million annually over 30 years.