



July 2018

**Dayton Convention Center Task Force
Recommendations to Dayton City Commission**

Dayton Convention Center Task Force Recommendations

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RECOMMENDATIONS

DAYTON CONVENTION CENTER TASK FORCE RECOMMENDATIONS & OBSERVATIONS

The Dayton Convention Center Task Force (herein referred to as the “Task Force”, roster attached) has met and reviewed the status and uses of the Convention Center. It was determined by an overwhelming majority that the building is very strategic to the downtown core’s success and has an important economic impact on our community, as well as a clear public-service purpose for special events in the Dayton region. Because of those findings, it is considered by the Task Force to be a regional asset and should not only be sustained and maintained, but we believe the facility has an opportunity for expanded use and significant improvement to the community’s economic impact.

NOTE: This is not a Master Plan nor a detailed business plan. This is a 40,000-foot view of the facility which determined a “go or no-go” recommendation to the City Commission and City Manager. During its overview in 2017/2018, the Task Force overwhelmingly agreed that the building and economic and community impact were valuable and worth community investment of time, energy and resources.

VISION: A vibrant, state-of-the-art convention center is critical to the economic growth of Dayton’s downtown core and the region and, as a valued community asset, is integral to the quality of life of our community.

RECOMMENDATIONS & OBSERVATIONS:

1) Retain, invest and maintain a high-quality convention center that drives regional economic development.

- a. **Retain/Invest/Maintain** – Overwhelmingly, the Task Force recommends that the convention center be retained at its current location, sustaining the use of a building with great value, no current debt and surrounded by enclosed and street parking opportunities. This building and its services are an economic driver in the community and the public investment already in this facility is too important to walk away from.
- b. **Downtown Hotel Space** - The Task Force is concerned that the area within walking distance of the Convention Center does not contain enough active hotel bed space. The Crowne Plaza and newly constructed Marriott Fairfield at Water Street are critical to the Convention Center’s success, as are the additional rooms located at the University of Dayton Marriott and the Marriott Courtyard.

As part of developing a future Master Plan (including a 3-year and 10-year scope of work), the City of Dayton and its partners must develop 200-300 additional hotel beds in a 3-block radius of the Dayton Convention Center. City and County economic development resources should support the redevelopment of new construction during the next 3 – 7 years (and part of the region’s 10-year plan). All local private and public economic development groups should consider this a mutually agreed upon priority for downtown and be part of the Master Plan for downtown Dayton.

- c. **Maintenance & Upkeep** - The Convention Center building is sorely in need of a plan to correct the deferred maintenance that reflects poorly on the facility. For years, the building has been understaffed and many believe is long overdue for change. Resources must be obtained with key priorities that include visual and mechanical changes to make the building more marketable and not be permitted to decline as it has been over the last 8 – 10 years or more.

The Task Force concludes that the “bones”, or infrastructure, of the building is solid; but much work must be done to bring it back to an attractive and useful facility that is competitive with similar venues. The Task Force has discussed numerous resource ideas (outlined later in this document), but it is agreed that resource needs should be a high priority of our community in order to sustain the future use of this facility.

2) Develop a new regional ownership model and operating structure.

- a. **Ownership & Governance** – As a high priority, the Task Force recommends a new ownership structure, moving it from current ownership by the City of Dayton, to an agreed-upon public or pseudo-public entity, such as a port authority. Such a partner should be a legal taxing entity and represent a more regional ownership structure, not solely governed by the City or County governments. Governance should include representation from the City, County, a port authority and other at-large members of the community whose professional experiences include property management, marketing and hospitality.
- b. **Management** - The Task Force believes an outside professional management company should be hired to manage and share in the marketing of the property. It should be selected using a competitive RFP process that considers the company’s strengths; leveraged marketing opportunities from other cities; turnaround experiences and plan; and private reinvestment partnerships. Doing this could impact city employees, so it is strongly recommended that a job retention strategy be incorporated in this Plan.

The Task Force believes any chosen management company must build a strong relationship with the Dayton Convention and Visitors Bureau (CVB) including setting

aggressive goals for use. The company must also have a close relationship with City and County parking structures management, hotels and other area attractions. There is a clear expectation that the management company will include an aggressive marketing plan with marketing resources incorporated in its partnership with the CVB. Compensation would include base fees and payments based on mutually agreed-upon performance achievements.

- c. **Operations** - As stated before, the facility should come under a newly restructured ownership and management plan outside the direct control of both the City of Dayton and Montgomery County.

An operations budget must be developed that will include the necessary resources to pay for daily operations; capital improvements; any debt structure; and the development of a viable reserve fund. No new ownership structure should be expected to assume the responsibility for this structure without a good financial plan and operating budget, including a successfully planned, ongoing reserve fund that can protect and sustain the asset; pay for future capital improvement needs; and create a rainy-day fund for the continued use of the building.

The Convention Center must have a well-defined "Master Plan" that is incorporated into the Greater Downtown Dayton Plan. The Plan should be aspirational and visionary with the specific task to enhance the regional economic impact, community use and sound use of public resources.

3) Develop and scale support services and resources.

- a. **Marketing & Sales** - The Task Force believes the facility has been understaffed for years and the partnership between the management company and the CVB is critical. Both must devote more resources to the sales, marketing and use of convention space as well as profitable special-event space. A 3-year short-term plan and a 10-year goal of expanded usage must be developed and publicly discussed with incentives driving performance. It is important that the CVB be part of the creation of this marketing plan. The Task Force also highly encourages a stronger relationship with other area CVBs and other similar regional agencies.
- b. **Regional Synergy & Transportation Services** - The Task Force recommends a plan be developed that will include planned shuttle and circulator services between the facility and other regional assets including area hotels, entertainment venues and other regional organizations. A stronger relationship with the Greater Dayton RTA, the Downtown Dayton Partnership, the arts and cultural amenities is a must to achieve this

goal.

4) Grow existing and new funding sources in support of operations.

- a. **Capital Remodeling** - The 2015 study done by Crossroads Consulting Services out of Tampa, Florida (reviewed by the Task Force) is a good start at looking at the building's capital needs and possible expansion. Whatever level the City of Dayton Commission chooses, these 5 things should be kept in mind within a Master Plan for the building:
- i. A resource plan must be developed to pay for all improvements. The planning should consist of a group that includes City and County leaders, Dayton Convention & Visitors Bureau, Downtown Dayton Partnership, Dayton Area Chamber of Commerce, the newly selected management company and other interested parties;
 - ii. Investment should be strategic and done with the goal of helping to sustain and improve the use of the building;
 - iii. The capital plan should include the idea of a "Dayton Brand" that would enhance our image and the use of the facility;
 - iv. The plan does not have to be done all at once, and should be phased in over a period of 3 – 5 years as resources become available;
 - v. New public dollars will undoubtedly have to be used to achieve these goals.

b. **Resources:**

The Task Force reviewed sources of revenue and income for the building including:

- i. Hotel/motel bed tax
- ii. Facility sponsorships and naming rights
- iii. Convention and special-event rental space
- iv. Parking
- v. Food services
- vi. Management company investment
- vii. Commercial lease space and rentals
- viii. State capital funding (PDAC process)

All of these sources are important and others are viable and must be considered as part of the resource plan and strategic budget for the future. The Task Force thinks all of these revenue streams should be researched and discussed more thoroughly by the Master Planning group; however, it is strongly believed that if we cannot increase our resources through a lodging tax, the rest of the aforementioned revenue suggestions will not be enough to fulfill our visionary plan of an expanded

and successful Dayton Convention Center. The Task Force believes an increase in the current hotel/motel bed tax is appropriate above the current 6% collected in Montgomery County; 3% of which goes to the facility through the city of Dayton; and the other 3% goes to Montgomery County which is allocated to the CVB and other entertainment venues. Any and all additional hotel/motel taxes collected (above the current 6%) would be allocated 100% to the facility for the operations; capital improvements and the creation of an ongoing reserve fund.

It is the Task Force's understanding that each new 1% lodging tax collected in the County is estimated to generate approximately \$900,000 to \$1,000,000 per year. The recommended amount will be based upon a thorough understanding of operating, maintenance, expansion and future reserve needs developed in a well thought-out operating budget with long-term plans.

The Task Force will be a strong public advocate for each of these new resource ideas. Given the aspirational nature of these recommendations, it is the Task Force's expectation that an amount of not less than a 3% lodging tax increase, while staying on par with peer cities in Ohio, will be required. Enabling legislation must be sought and accomplished through state and county advocacy in order to fund the needed resources to sustain the future of the facility. Many of the Task Force members can help in this process. The community should understand this is an investment in our community's infrastructure assets while enhancing the economic impact of its use.

SUMMARY

In conclusion, the community and its leadership must get behind an aspirational Master Plan that not only sustains the facility but that includes an aggressive approach to expanding its economic impact and ROI. The facility is a strategic anchor for the region, the county and for the greater downtown. After vetting these recommendations with the appropriate City and County leaders, the Task Force believes the next logical step is the creation of a Master Planning group, consisting of at least twelve (12) individuals from the City of Dayton, Montgomery County and regional elected leaders, the business community, including the hospitality industry, and regional citizens that could include members from this original Task Force. The Task Force believes this Master Planning group should develop two (2) phases: 1. A short-term, 1- to 3-year implementation plan; and 2. A longer 7- to 10-year plan for transition and full completion. The Task Force believes this newly created Master Plan should be developed and ready for implementation no later than the spring of 2019.

The Task Force believes the critical areas of a Master Plan for the growth of this business and our regional assets are:

1. New ownership/governance/management model;
2. Resources that will create a positive operational budget and capital reinvestment into the structure; and
3. An aggressive marketing plan that will drive new business to the Dayton area and its hospitality industry.

Recommended Next Steps:

1. Review and Approval of Report by Dayton City Commission;
2. Creation of a qualified group of leaders who will, after a more-thorough analysis, create a Master Plan (e.g. Business Plan) for the use and improved development of the building and its tourism and community uses and return on taxpayer services.
3. Implementation of Master Plan beginning in spring of 2019.

Respectfully submitted,

The Dayton Convention Center Task Force
July 2018

Attachment –Dayton Convention Center Task Force Roster

**DAYTON CONVENTION CENTER
TASK FORCE ROSTER**

DAYTON CONVENTION CENTER TASK FORCE

Contact	Company	Title
Adams-Jenkins, Anita	Kettering Medical Center	COO
Benson-Taylor, Stacy	AFSCME	Regional Director, AFSCME Council 8
Blackhurst, Jack	WPAFB/Air Force Research Lab	Executive Director
Brown, Branford	Dayton/Miami Valley Urban League	Executive Director
Colbert, Michael	Montgomery County	Assistant County Administrator
Davis, Kris	Crowne Plaza Dayton	General Manager
Gudorf, Sandy	Downtown Dayton Partnership	President
Haller, Ben	Marriott Univ. of Dayton	Director of Operations
Hoagland, Jeff	Dayton Development Coalition	President/CEO
Maiberger, Mike	Premier Health	EVP and COO
Melin, David	PNC	Regional President
Murphy, Bob	The Dayton Dragons	President
Parker, Phil, (Co-chair)	Dayton Area Chamber of Commerce	President/CEO
Parks, Mike	The Dayton Foundation	President
Ponitz, Cathy	CareSource Foundation	Vice President
Powell, Jacquie	Dayton Convention & Visitors Bureau	President/CEO
Ritchie, Sr., Tom	Dayton Miami Valley AFL-CIO Labor Council	President
Roediger, Michael	The Dayton Art Institute	Director/CEO
Ryan, Colleen	Vectren Energy Delivery	President
Shaw, Chris (Co-chair)	Dayton City Commission	Commissioner
Spina, Dr. Eric	University of Dayton	President
Sulfridge, Ann	DPSU	President, DPSU Local 101
Sullivan, Julie	Dayton Development Coalition	EVP – Regional Development
Tieber, Steve	The Dublin Pub	Owner
Ward, Rev. Dr. Daryl	Omega Baptist Church	Pastor
Woodard, Jason	Woodard Real Estate Services	Founder/Principal

STAFF

Contact	Company	Title
Bostick, Marcia	Dayton Area Chamber of Commerce	Director, Administration
Parlette, Joe	City of Dayton	Deputy City Manager
Stewart, Bryan	Dayton City Commission	Legislative Aide, Commissioner Chris Shaw
Wimsatt, Chris	City of Dayton	Management Analyst II – Procurement, Management & Budget

**DAYTON CONVENTION CENTER
ASPIRATIONAL VISION**

DAYTON CONVENTION CENTER ASPIRATIONAL VISION

A vibrant, state-of-the-art convention center is critical to the economic growth of our downtown core and our region and, as a valued community asset, is integral to the quality of life of our community.

The Dayton region is committed to transforming the Dayton Convention Center into a state-of-the art facility that will be recognized:

- As a well-maintained, attractive venue that is a destination for regional and national conventions, bring new visitors and spending power to our region.
- For its creative and experienced management team and staff who are focused on delivering services in an innovative, sustainable and fiscally-sound manner.
- For its unparalleled customer service, exceeding customers' expectations every event and every day.
- As a valued community asset that generates economic growth for its partners, businesses, hotels, customers and our region.
- For helping its customers succeed by turning ordinary events into extraordinary experiences.

**DAYTON CONVENTION CENTER
TASK FORCE
COMMUNICATIONS PLAN**

DCC TASK FORCE COMMUNICATIONS SUBCOMMITTEE

MESSAGING

Primary messaging

- Messaging should be positive and focused on growth for the Dayton region at large
- Messaging such as
 - We're excited about the Dayton region's vibrant growth and are eager to continue the positive momentum.
 - Investment in the Dayton Convention Center is a key element to the region's continued growth and economic vitality.
 - Conventions bring people from outside of the community, and their dollars, into our area serving as an economic catalyst for the region.
 - The Convention Center is a regional asset:
 - *CVB will add any stats we can obtain from industry experts to quote the benefits of convention centers and potentially their ROIs*
 - A healthy convention center is a cornerstone to a vibrant downtown and to the region at large. Everyone benefits -- retail outlets, restaurants, attractions, transportation, and hotels -- through business activity and compression caused by convention center events.

Secondary messaging as necessary

- An increase in the bed tax is part of a proposed Dayton Convention Center Master Plan and *one* of the funding mechanisms to be employed.
- The bed tax is paid by the visitor/hotel guest and visitors typically focus on room rates and not necessarily lodging tax rates.
- An increase in the lodging tax will help Dayton to become more in-line with the state norm and will result in growth and development in our region.

DAYTON/ MONTGOMERY COUNTY	COLUMBUS/ FRANKLIN COUNTY	CLEVELAND/ CUYAHOGA COUNTY	CINCINNATI/ HAMILTON COUNTY	TOLEDO/ LUCAS COUNTY	AKRON/ SUMMIT COUNTY
6% Lodging (3% County, 3% most jurisdictions 7.25% Sales	10% Lodging 7.25% Sales	8.5% Lodging 8% Sales	10.5% Lodging 7% Sales	10% Lodging 7.25% Sales	8.5% Lodging 6.75% Sales
13.25% TOTAL TAX LOAD	17.5% TOTAL TAX LOAD	16.5% TOTAL TAX LOAD	17.5% TOTAL TAX LOAD	17.25% TOTAL TAX LOAD	15.25% TOTAL TAX LOAD

WHO TO COMMUNICATE WITH

Hoteliers

- Obtain buy-in from hoteliers. Work with the Ohio Hotel Lodging Association to assist with messaging to hotels and share successes from other Ohio communities.
- Drive messaging of impact the Dayton Convention Center provides and the compression it creates for the entire region.
- Drive messaging of guest paying the tax and not the hotel. Additionally, with a tax increase we will still be competitive with other Ohio cities.
- Identify county-wide hotel General Managers to champion the cause.

Legislators

- Montgomery County, Greene County, Miami County, Warren County, and the state of Ohio

Hospitality Community

- Communicate benefits of a vibrant convention center to restaurants, retail outlets, attractions, businesses.
- Have hospitality community representatives champion the message

Dayton Convention Center Customers

- Let them know what they have to look forward to— ‘new & improved!’ (providing timelines)
- Select customers to help champion the message

Media

- Have press releases with continuing regional community growth momentum messaging ready to drop simultaneously with City Commission meeting. (Prepared statements/availability of champions from the audiences outlined above ready to advocate for the cause via media statements/interviews)

HOW TO COMMUNICATE

- Public forums/meetings for buy-in (and if determined necessary, letters/emails)

TIMING

1. First present the DCC Task Force recommended plan to the City in executive session
2. Based on results/feedback from the executive session tweak/finalize the messaging and determine timing to present the message to all audiences/stakeholders.