



# ANALYSIS OF POTENTIAL EVENT FACILITY DEVELOPMENT IN TERRE HAUTE

*RESEARCH RESULTS*

AUGUST 8, 2014



August 8, 2014

Mr. Chris Nations  
President  
NATIONS WRIGHT  
7201 E. Camelback Road, Suite 360  
Scottsdale, AZ 85251

Dear Mr. Nations:

Conventions, Sports & Leisure International has completed the market analysis for potential event facility development in Terre Haute. Our research, conducted in late 2013 and early 2014, has included interviews with key local stakeholders including the Convention & Visitors Bureau, Chamber of Commerce and Hulman Center representatives. In addition, we have analyzed facility conditions in a broad cross-section of comparable and competitive markets, and have analyzed event planner space needs on regional and national basis.

The analysis presented in this report is based on estimates, assumptions and other information developed from interviews, industry research and analysis of competitive/comparable facilities and communities. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur. Therefore, actual results achieved will vary from those described and the variations may be material.

We sincerely appreciate the assistance and cooperation we have been provided in the completion of this report and would be pleased to be of further assistance in the interpretation and application of our findings.

Very truly yours,

CSL International

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# Introduction and Industry Overview

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# I. INTRODUCTION AND INDUSTRY OVERVIEW

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For Discussion Purposes

CSL International has been retained to provide a preliminary market overview for potential event facility development in Terre Haute. Consideration is being given to a flat floor event venue with approximately 50,000 square feet of total space, yielding approximately 30,000 square feet of sellable event space.

We have conducted interviews with local industry stakeholders including venue management, business organizations and destination marketing representatives. We have also conducted a review of facility data for competitive and comparable markets, and have reviewed space demand data for a large cross section of conventions and events contained in our in-house database of information.

Before reviewing the analysis results, it is useful to consider the types of public event facilities that exist in many markets nationally, along with various characteristics of these venues including space and event types, ancillary amenities and potential for economic impact generation through attracting non-local events. A summary of these issues is presented in the following exhibit.

	Convention Center	Conference Center	Expo Center	Community/Civic Center	Spectator Arena	Fairgrounds Complex
Type of Space	Exhibit, Meeting, Ballroom	Meeting, Ballroom	Exhibit, Limited Meeting	Multipurpose Space	Spectator Seating, Flat Floor Space	Multiple Indoor & Outdoor Facilities, Dirt & Concrete Floors, Spectator Seating
Typical Events	Conventions, Tradeshows, Meetings, Banquets, Public Shows	Conferences, Meetings, Banquets	Public Shows, Tradeshows, Miscellaneous	Local Meetings & Banquets, Recreation, Other Events	Entertainment, Sporting and Other Events	Fair, Ag, Horse, Livestock, Public Shows, Festivals, Other
Typical Ancillary Characteristics	Adjacent Headquarters Hotel	Adjacent Headquarters Hotel	Parking Accessibility, Visibility	Parking Accessibility, Visibility	Parking Accessibility, Visibility	Parking, RV Hookups, Large Acreage
Economic Impact Generating Ability	High	Moderate	Limited to Moderate	Limited to Moderate	Limited to Moderate	Limited to Moderate

A summary of the venue types highlighted in the previous exhibit is presented below.

Convention centers typically incorporate exhibit, meeting and ballroom space. Usually located in medium- to large-sized cities, convention centers tend to focus on attracting non-local economic impact-generating events such as conventions and tradeshow. It is imperative that convention-quality hotel inventory is located close to the center. Convention centers also tend to host a large number of secondary events, such as corporate meetings, public shows and banquets. Numerous regional markets such as Fort Wayne and Evansville currently operate venues of this type. There is no such venue currently in operation in Terre Haute.

Conference centers tend to represent smaller facilities than convention centers, usually containing both flexible and dedicated meeting space, in addition to banquet space. Most traditional conference centers do not incorporate prime exhibit space and instead focus on accommodating local and non-local corporate meetings/conferences along with other local event activity such as private receptions and banquets. Many conference centers are situated within hotel facilities. Conference centers are often broken into several categories related to their type/focus: executive, corporate, resort and college/university. ISU provides facilities that could be considered conference space.

Expo centers, or exposition/exhibition centers, traditionally consist of large exhibit-focused structures possessing limited or no breakout meeting and banquet space. Expo facilities tend to be lower cost facilities (i.e., construction cost per gross square foot) than convention and conference centers. Most of the events accommodated by traditional expo centers are local in nature and include events such as public/consumer shows, festivals and other large flat floor space using events. In some markets, abandoned big box retail stores have been converted to expo space.

Community/civic centers tend to vary widely in terms of their physical and operational characteristics. Many centers offer multipurpose space that can accommodate a wide variety of events (youth sports, local meetings, continuing education, etc.) and in some cases government services. The large majority of event activity represents events and attendees from the local area and, as such, adjacent/nearby hotel inventory does not tend to be a primary concern for most events. Communities tend to develop these types of facilities for the good and benefit of the local community, and can generate economic impact when non-local sporting events are attracted. The Rose-Hulman Sports & Recreation Center provides many of these amenities.

Spectator arenas are plenary seating venues that primarily accommodate spectator events such as sporting events, concerts, family shows, circuses. Some spectator venues (including the Hulman Center) have the capability to configure the arena floor and/or retract some or all of its seating areas to accommodate certain types of flat floor events such as graduations, public shows, and recreation activities.

Fairgrounds complexes are often similar to equestrian centers, including a variety of indoor and outdoor facilities suitable for equestrian, livestock, agricultural, exhibition and recreational events and activities. The primary role of these facilities is often to play host to an annual fair (i.e., County or State Fairs, etc.). Many fairgrounds complexes also integrate horse racetracks and grandstands for outdoor spectator events. The Wabash Valley Fairgrounds offers this type of space.

# I. INTRODUCTION AND INDUSTRY OVERVIEW

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We have also developed a summary of the types of space and supporting amenities needed to accommodate various event types. This evaluation is presented in the following chart.

	High Quality Finish	Exhibit/ Lg. Event Facility	Upscale Banquet Hall	Breakout Rooms	Spectator Seating	Parking	Nearby Hotels	Secondary Facilities	Nearby Visitor Amenities
Conventions	HIGH	HIGH	HIGH	HIGH	LOW	MED	HIGH	LOW	HIGH
Conferences	HIGH	MED	HIGH	HIGH	LOW	MED	HIGH	LOW	HIGH
Meetings	HIGH	LOW	MED	HIGH	LOW	LOW	LOW	LOW	MED
Banquets/Receptions	HIGH	LOW	HIGH	MED	LOW	MED	LOW	LOW	MED
Tradeshows	MED	HIGH	LOW	LOW	LOW	HIGH	MED	LOW	HIGH
Consumer/Public Shows	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	LOW	MED
Agricultural Shows	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	HIGH	LOW
Sporting Events	LOW	HIGH	LOW	LOW	HIGH	HIGH	LOW	LOW	LOW
Concerts	LOW	MED	LOW	LOW	HIGH	HIGH	LOW	LOW	MED
Festivals	LOW	HIGH	LOW	LOW	LOW	HIGH	LOW	LOW	LOW

As shown in the exhibit, conventions typically place high premiums on high quality finish of event space, adjacent/proximity full-service hotel rooms and other visitor amenities (i.e., restaurants, retail, entertainment, etc.) in close walking distance. Consumer/public shows typically focus predominately on large, low-finish space to accommodate exhibits. Dirt events, such as equestrian events, rodeos and tractor pulls typically look for event complexes that offer other ancillary amenities and facilities, often provided at traditional equestrian, fairgrounds and agricultural/exposition complexes.

Based on the set of existing facility inventory in Terre Haute, and the event types they accommodate, the analysis presented herein primarily focuses on a facility model defined as a multi-use Event Center, versus a dedicated conference or convention center. The multi-use Event Center could accommodate meetings, banquets/receptions, sporting, trade and consumer shows, conventions, conferences and various other public assembly events. Event types such as agricultural, concerts and festivals are held at other existing venues in the market including the Hulman Center and the Rose-Hulman Sports & Recreation Center. A summary of two facility development options is presented on the following slides.



# Facility Model #1 – Multi-Use Event Center (preferred options)

- Meetings, banquets, exams, local consumer, craft shows, book sales, entertainment productions, music/dance, movies, pageants, senior events, religious services, training seminars, festivals, arts, meetings, exhibitions, civic, sports, other miscellaneous.
- Primarily local area attendance and other drive-in business, with occasional non-local event activity.
- Modest economic impact generation, operating at a net financial deficit.





# Facility Model #2 – Dedicated Convention/Conference Center

- Conventions, conferences, tradeshow, corporate events, weddings, banquets, etc.
- Critical to offer significant adjacent/attached hotel room inventory.
- Modest economic impact generation, operating at a net financial deficit.
- Also accommodates local events and activities on non-convention dates.



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# Local Market Conditions

Evaluating the conditions in the market that  
can impact potential facility development

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## II. LOCAL MARKET CONDITIONS

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Terre Haute is located within about an hours drive of Indianapolis, providing access to domestic and international air access. Chicago is located within a 165 mile drive. The city population is approximately 61,000, with approximately 500,000 within the surrounding 15 county area.

The geographic location of Terre Haute provides access to a significant population base within reasonable driving distance. The market also provides interstate access via I-70, and north-south highway access via U.S. 41.

There are numerous educational institutions within the local area, including Indiana State University (ISU), Rose-Hulman Institute of Technology, Ivy Tech Community College of Indiana, Saint Mary-of-the-Woods College, and Harrison College,

The corporate base in Terre Haute is centered on higher education, manufacturing and health care. Major corporate employers include GE, Bemis and Sony.

Measures of average income in the market are relatively low, with a significant share of population living below the federal poverty threshold. Unemployment in July of 2013 was 11.8 percent, significantly higher than state and national averages.

Important visitor amenities within the destination include the 35,000 square-foot Terre Haute Children's Museum, the Swope Art Museum, various farmers markets and festivals, and local area craft and art shops.



## II. LOCAL MARKET CONDITIONS

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There are a total of approximately 2,000 hotel rooms in the market area, primarily consisting of small limited service properties. The majority of the market's hotel inventory is located along I-70, approximately 2.3 miles from downtown and ISU.

The lack of significant hotel rooms adjacent to the Hulman Center has negatively impacted the ability to attract non-local events.

The 225-room Holiday Inn South can seat up to 400 people for a banquet in the 4,235 square foot Chestnut Hall. The hotel offers a total of approximately 5,900 square feet of meeting space, and is operated under common ownership with the 92-room Spring Hill Suites. This represents the largest hotel/event space facility in the market.

No other hotel property offers a larger seating capacity. ISU offers banquet space for up to 450 in the Student Union.

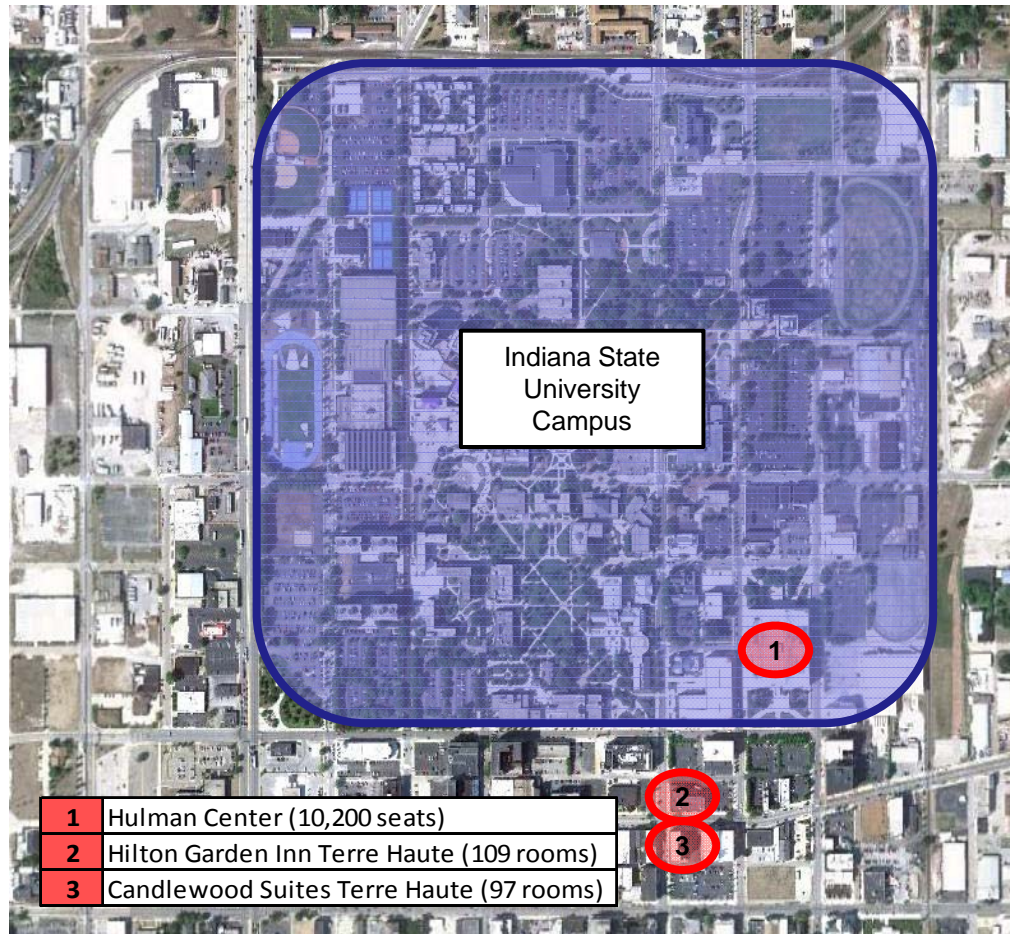
There are also several private golf course banquet facilities including The Landing (can accommodate up to 300 for a banquet), and Idle Creek (accommodating up to 420 for a banquet).

The Wabash Valley Fairgrounds offers event space of up to 25,000 square feet, and hosts a wide variety of local events including the Vigo County Fair, and various exhibitions, banquets and other gatherings.



## II. LOCAL MARKET CONDITIONS

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The downtown Terre Haute area includes the existing Hulman Center, with direct adjacencies to the Indiana State University campus. There are two primary hotels in the downtown area; the 99-suite Candlewood Suites, and the 109-room Hilton Garden Inn (with 1,200 square feet of meeting space). Both properties are located one to two blocks from the Hulman Center.

As previously noted, the Children's Museum and other arts facilities attract visitors to the downtown area.

There are several event facilities on the ISU campus in addition to the Hulman Center. These include the Student Union, with banquet space for up to 450, plus several other meeting spaces of various sizes; Auditorium space for 1,800; and a College of Education space that accommodates 450.

The ISU facilities are used during the summer months to host conferences, as well as some state association business and occasional religious events. The only events that has the potential to exceed existing campus facility capacity are graduation ceremonies.

## II. LOCAL MARKET CONDITIONS

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The 10,200 seat Hulman Center is the primary downtown public assembly venue, with a main floor of approximately 17,000 square feet, in addition to concourse areas and a 6,200-square foot meeting space.

The Center hosts basketball events, concerts, local banquets, several trade events (Home Builders and the Food Show, for example), ISU events, and several smaller events in the concourse areas.

The largest banquet held at the Center draws approximately 1,000 attendees, with most hosting 300 to 800. There are very few occasions when an event has requested more space than is available at the Center.

The lack of adjacent hotel inventory significantly limits the ability of the Center to attract non-local conferences, conventions and meetings.

The Center opened in 1973, and is operated with many of the original building systems. Management estimates that deferred maintenance costs are approximately \$20 million.

The relatively large population base within reasonable drive distance has supported the ability to attract sporting events to the Rose-Hulman Sports & Recreation Center, area sports fields and to a lesser extent the Hulman Center. Events held in the market include various NCAA championships, USA Track and Field events, state basketball championships, softball and baseball tournaments, bowling events, robotics tournaments, and numerous other such events.





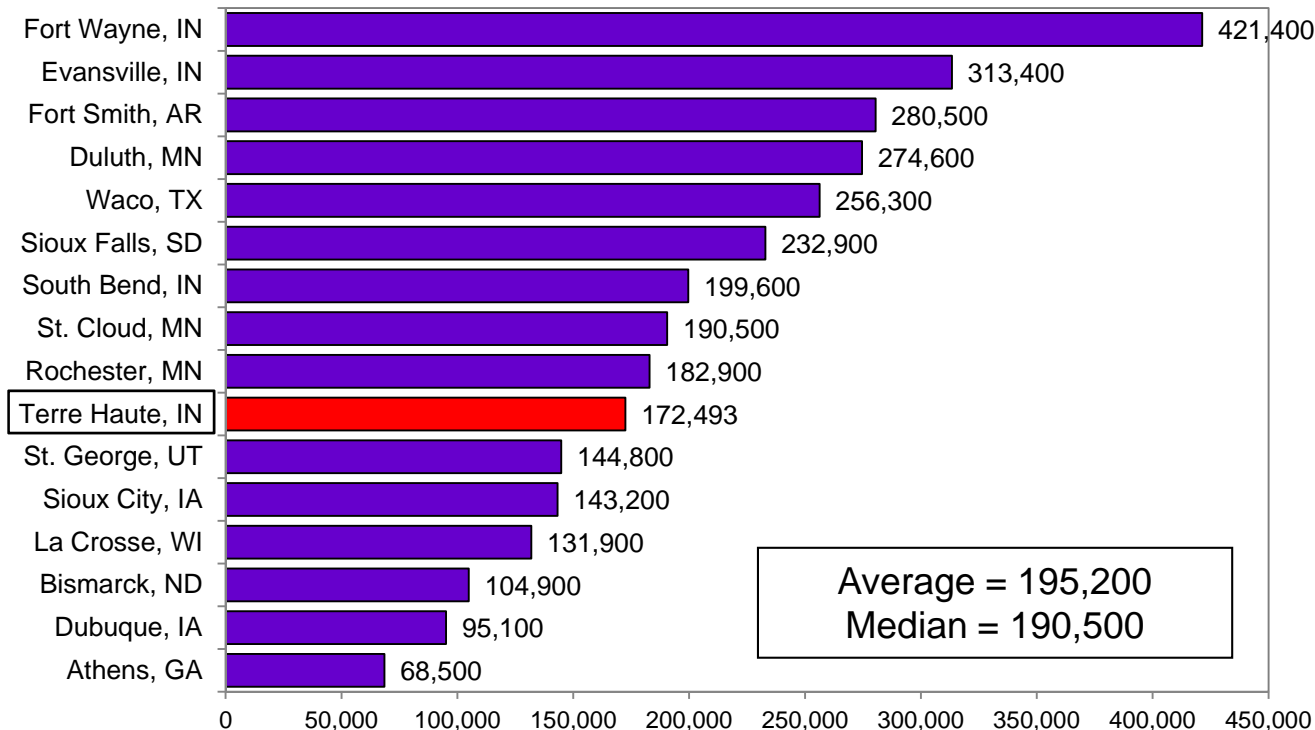
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# Competitive & Comparable Facility & Market Review

Evaluating the space and population base in  
a cross-section of markets

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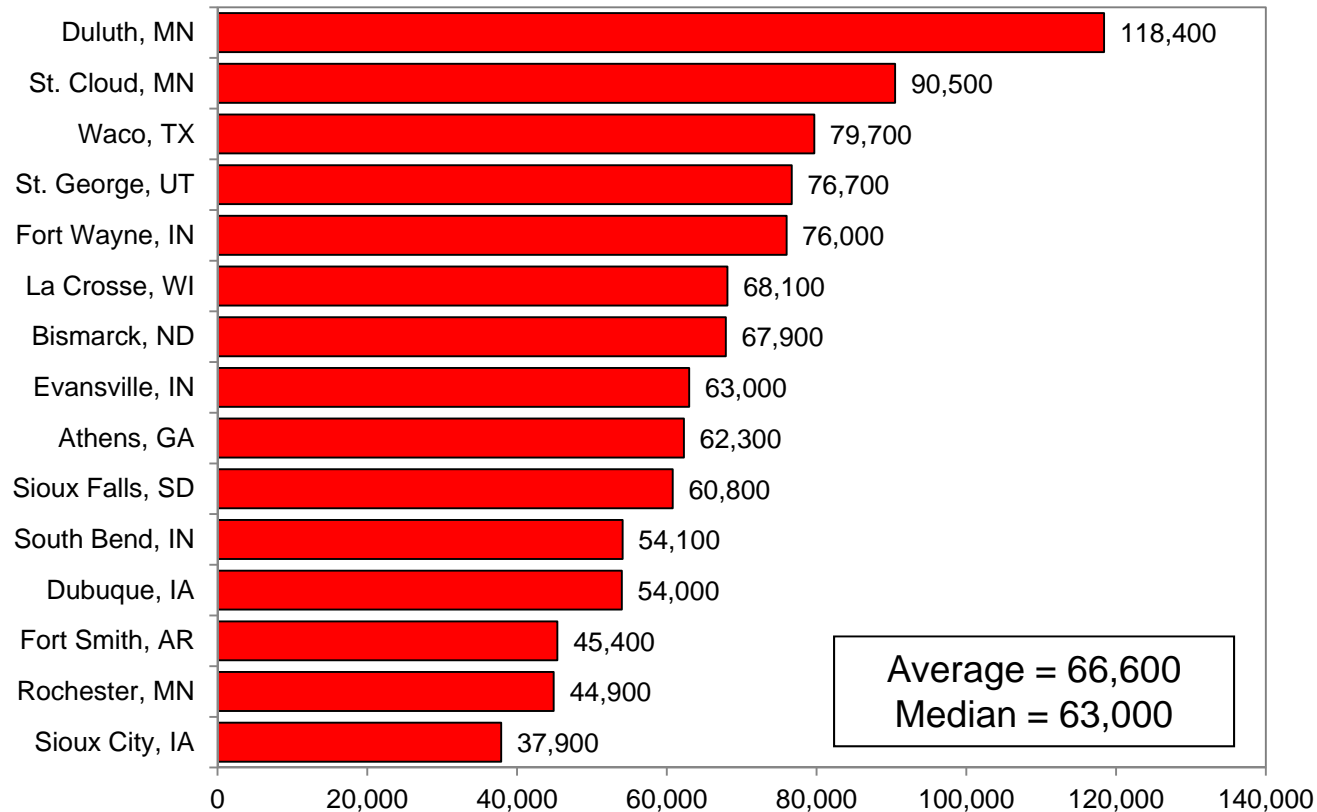
## Comparable Centers – CBSA Population



We have analyzed numerous mid-sized and regional markets in terms of their population base and facility offerings. The population base within each of these markets is presented in the adjacent exhibit.

The population base of 172,493 in the Terre Haute Core Based Statistical Area (CBSA) ranks in the lower half of markets reviewed. Fort Wayne and Evansville top the list, and are included in this summary given their competitive position for state and regional events.

## Comparable Centers – Total Sellable Space (SF)

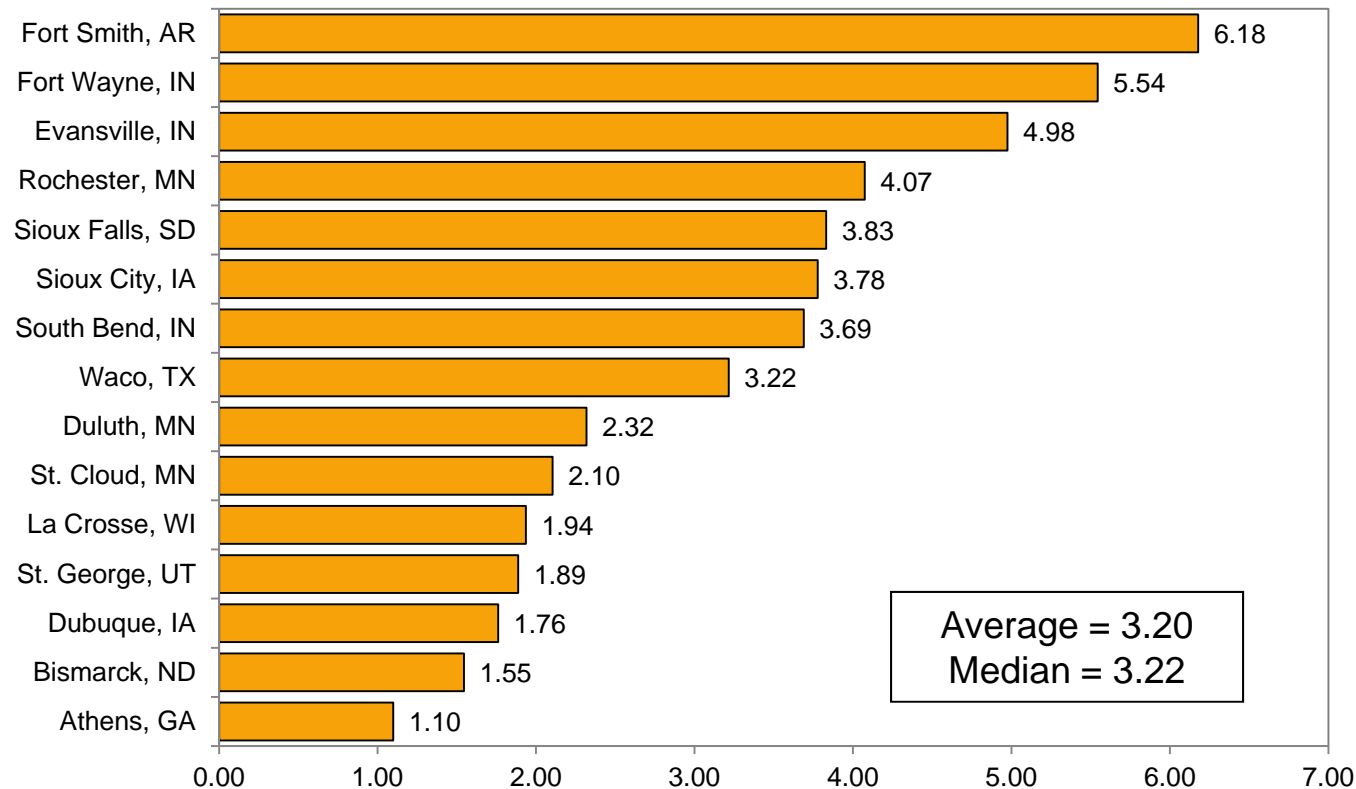


There is a wide range in the amount of total sellable event space offered at the primary convention and event facility in each of the markets reviewed.

The level of space supported in each market is generally a function of the local business and education base, amount of regional competition, number of association events held within the state, regional population base and other such factors.

The existing meeting space (excluding arena floor space) in Terre Haute, is under 6,000 square feet.

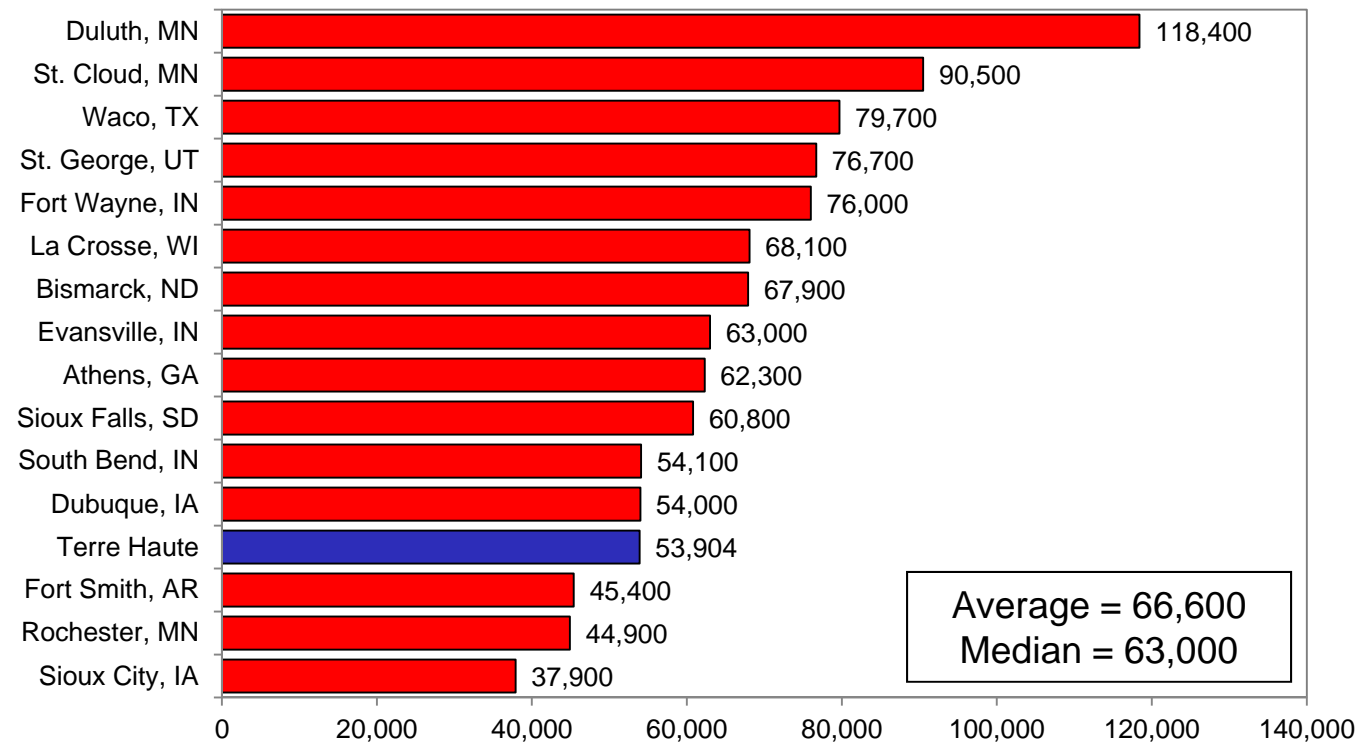
## Comparable Centers – Population per SF Sellable Space



It is useful to consider the relationship between the total available event space and the population base in each of the markets reviewed.

As noted in the adjacent exhibit, this ratio varies considerably among markets, with an average of 3.2 persons in the market per square foot of sellable space.

## Total Sellable Space (SF) – With Terre Haute Venue



By applying average population to space ratios to the Terre Haute CBSA population base, a sellable space total can be generated.

A total of 53,904 square feet of sellable space would be needed to generate the average population to space ratio among comparable markets reviewed.

This should not be considered a market-supportable total, recognizing that numerous other factors including corporate base, hotel and entertainment conditions, competitive factors and other issues need to be considered when evaluating market potential for a project.

On the following pages, several examples of multi-purpose event venues are summarized. These types of venues, able to accommodate a variety of event types, may be suitable for a future project in Terre Haute.

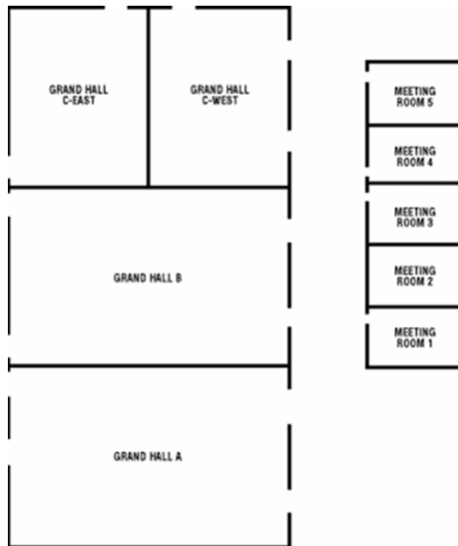
## **Statesville Civic Center** *Statesville, North Carolina*



- The Statesville Civic Center opened in 1999 and is owned and operated by the City of Statesville. Funding for the construction and operation of the facility is derived from the local Hotel Occupancy Tax. Approximately 70 percent of the operating funds are supported from the occupancy tax each year, with the remaining funds generated through facility revenues. The Center is operated as an Enterprise Fund, separate from the city's general fund.
- Construction costs for the facility totaled \$4.44 million and the acquisition of land totaled an additional \$1.93 million. The Civic Center offers 2,400 square feet of meeting space, 12,000 square feet of ballroom space, with the largest contiguous space totaling 4,400 square feet of ballroom space.
- Located in downtown Statesville, the Center is within walking distance of historic attractions, restaurants and shopping. However, the lack of hotel inventory within walking distance impacts its ability to attract non-local conventions, conferences and meetings. In fact, it is estimated that less than ten percent of the Center's 400 meeting, banquet, consumer, trade and other events held annually are "non-local" in nature
- Policies and procedures at the facility are more aligned with a traditional "civic/community center" model, without preferential treatment for non-local events.



## **Pueblo Convention Center** *Pueblo, Colorado*



- The Pueblo Convention Center is located in historic downtown Pueblo and situated 40 miles south of Colorado Springs and 120 miles south of Denver.
- In total, the Center offers over 23,500 square feet of event space, which includes 16,200 square feet of ballroom space and 7,300 square feet of meeting space. Further, the Center is connected to a 164-room Marriott.
- The Center opened in 1997 and is owned by the Urban Renewal Authority and the day to day operations of the Center are managed by the private management firm, Global Spectrum.
- Additionally offered at the Center is state-of-the-art technology, including audio-conferencing, multi-media presentation support and wireless internet access.
- The Colorado State University – Pueblo campus is located in close proximity to the Center, as well as other Pueblo attractions, including the El Pueblo Museum, Pueblo Greyhound Park and the Lake Pueblo State Park/Reservoir.
- In 2007, the Center hosted approximately 544 events, with 70,400 attendees, generating \$1.45 million in gross income. Of the 544 events, the Center hosted 22 conventions, 12 consumer shows, 116 banquets, 354 meetings, 2 tradeshow and 38 other events.

## **Cowan Civic Center** *Lebanon, Missouri*



- The Cowan Civic Center is a multi-purpose event facility located in Lebanon, Missouri. The Center opened in 1998 at a cost of \$6.5 million and is owned and operated by the City of Lebanon.
- The Center offers five flat-floor event spaces within its roughly 50,000 square feet of sellable space. The largest space - the facility's Exhibition Hall - provides 34,000 square feet of contiguous flat-floor space, a 10,100-square foot upper mezzanine level and retractable seating for 2,700. The facility's three meeting rooms provide a total of 3,800 square feet. Additionally, the multi-purpose Center includes a 12,960 square foot (675-seat) theater and a basketball court and swimming pool.
- In a recent year, the Cowan Center hosted nearly 125 events, drawing a combined 100,000 attendees. The multi-purpose facility accommodated a variety of meetings, entertainment/concerts, community events, sports, public shows, weddings/banquets/dinners, and more.
- According to estimates provided by facility management, economic-impact-generating events in a recent year, of which there were 25 events drawing over 25,000 out-of-town guests (traveling over 50 miles), resulted in nearly \$2.5 million in local spending and \$108,000 in tax revenue to the City.
- In a recent year, the Center generated \$136,000 in earned revenue. Expenses for the year totaled nearly \$605,000, resulting in a net loss for the year of nearly \$470,000. Losses are generally covered by the City's General Fund.
- There are three hotels, offering a total of 121 rooms, within a one mile radius of the Center.

## Jones County Civic Center *Trenton, North Carolina*



- The Jones County Civic Center is a multi-purpose event facility located in Trenton, North Carolina. It was built in 1989 at a cost of \$640,000 (post-opening additions and renovations to the facility have totaled \$470,000). Jones County owns and operates the facility.
- The Center offers approximately 21,000 square feet of sellable event space, including an 11,500-square foot exhibit/multi-purpose auditorium, an 8,500-square foot exhibit/multi-purpose auditorium, and a 500-square foot conference room. The large auditorium recently underwent a \$300,000 renovation, in which a 2,100-square foot stage and four dressing rooms were added. The large auditorium allows for capacity of 1,000 attendees (or 800 seated) while the small auditorium seats 225 guests.
- The Civic Center is available to businesses, governmental agencies, schools, and private individuals for professional and private events, concerts, dances, drama productions, industrial trade shows, and other forms of entertainment.
- Over the last three fiscal years (2011 through 2013), the Center has generated annual revenues ranging from just under \$18,000 to approximately \$25,600, resulting in a three-year average of \$22,000 per year. Annual expenses over that period have ranged from approximately \$22,000 to nearly \$38,000, with an average of about \$31,000. The resulting annual net loss has averaged just below \$9,500 per year over the three-year period.
- There are no hotel properties surrounding the Center. The closest facilities are over five miles away (in nearby towns).

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# Demand Overview

Summarizing potential demand for the  
proposed project

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The demand for any mid-sized market flat floor public assembly facility tends to emanate from the following types of event categories:

- Non-local conventions and conferences
- Local corporate events, including events hosted by medical and educational institutions.
- Local consumer shows (antique, home, boat, etc.)
- Banquets, dinners and receptions.
- Sporting events such as wrestling, gymnastics, volleyball and basketball.
- Numerous other community events.

Successful public assembly venues in small and mid-sized venues can attract between 200 and 300 event annually, and in some cases in the 500 event range. We have evaluated the potential demand from each of the various potential event segments for a new event space in Terre Haute in order to evaluate the potential to generate this type of event activity.

### **Conventions and Conferences**

These events are held by state, regional and national organizations, typically associations and corporations. Indiana association business typically rotates on a north-central-south basis, with destinations such as Fort Wayne (north), Indianapolis (central) and Evansville (south) accommodating this demand. These events typically require exhibit, meeting and banquet space, and attached or adjacent hotel inventory.

Terre Haute could be considered in the central region of the state, competing with the numerous hotels in Indianapolis for modest-sized state association events. The limited hotel base in the downtown area, combined with extensive regional competition, will make it very difficult to regularly attract large and mid-sized state association events.

Corporate events have much less of a defined rotational pattern, but are typically held near a corporate headquarter, or in a tourism destination for incentive meetings. The corporate base in Terre Haute will not likely support significant non-local event generation for a new venue.







### **Conventions and Conferences (continued)**

To further this analysis, we have accessed our past survey data focused on Midwest area regional and national events. A summary of our past findings with respect to event characteristics for conventions and conferences is presented below.

- The average attendance at regional events is 600, with a median of 300. Several large events skew the average data.
- The average event requires approximately 23,400 square feet of event space, comprised of 11,200 square feet of meeting space, 4,600 square feet for banquets, and 7,600 square feet for displays and exhibits.
- The average event last 3.4 days, with an additional 2.3 days for event set up and take down.
- Seventy-eight percent of events require a headquarter hotel located adjacent to or very near the center.

The space requirements for the regional event segment can be accommodated in a modest sized conference venue or hotel. The Holiday Inn South can accommodate a small share of these events based solely on space needs. However, in order to capture larger event share in the Terre Haute market, added hotel inventory attached or adjacent to any new space would likely be required.

A stand-alone hotel/conference center project that provided 200 to 250 rooms and in the range of 25,000 square feet of sellable space could attract non-local conferences, however this demand would not support the desired utilization of the project. Additional flat floor uses (sports, entertainment, etc.) would have to be attracted to support the project. This further supports the finding that any new facility development in Terre Haute would have to be multi-use nature.





### Local Corporate, Medical and Educational Events

We have interviewed several facility and destination marketing representatives in the local market. These interviews have helped to provide information as to existing venues, current event demand, any level of un-met demand, and the implications of added space in the market. A summary of these interviews focusing on local event demand is presented below.

- The Holman Center accommodates local events that require large contiguous space in the 17,000 square foot floor area. These events include large trade and consumer events, banquets, sporting events and concerts.
- The large meeting space at the Holman Center also accommodates numerous local banquets, receptions, fund raisers, meetings and related events.
- There are several hotels in the market with meeting space that also accommodate local event demand.

It is possible that event demand could be generated from the various education institutions in the market, Union Hospital and Regional Hospital, and corporations such as Sony and Bemis. These events typically consist of smaller meetings, banquets, seminars, training and related functions.

It is likely that the existing inventory of event space in Terre Haute, both on the various University and College campuses and in area hotels, can accommodate a large share of the demand from large local organizations that is not held within their own event space.

In our conversations with existing facility management and destination marketing officials, there appears to be only limited demand from local organizations for a significantly larger new space.



### Local Consumer Shows

Local consumer shows consist of events that draw local consumers to product-driven functions. These include antique shows, bridal fairs, home shows, boat and car shows, outdoor shows and a very wide range of related events.

Today, many of these events are held at the Hulman Center, with some held at the Fairgrounds and other area venues. It is not uncommon for a small number of these events to require additional space beyond that offered in the market, however this represents only limited demand for new facility development.

Given the proximity of Indianapolis (and to some extent Evansville), much of the demand from Terre Haute areas residents for large consumer shows is accommodated by the significant events held in these markets.

### Banquets, Dinners and Receptions

There are numerous events held annually in any community that attract local and area residents to banquets, award functions, dinners, receptions, cultural events, fund raisers and related events. These are often sponsored by local business organizations, charitable and community organizations and various private parties.

Often, the larger of these events (300 attendees and up) are held at a public assembly facility, with the smaller events typically held at area hotels or other event spaces. In Terre Haute, the larger events currently held at the Hulman Center draw attendance that ranges from 300 to 800, with one or two events generating approximately 1,000 attendees.

Based on our discussions with existing facility and destination officials, there would be modest incremental demand within the community generated by the availability of larger new space. Certainly a higher-end and newly developed facility would attract this type of business, however the majority would be relocated from other existing Terre Haute venues.





### Sporting Events

There are numerous sporting events held nationally and regionally that require flat floor and outdoor space. In Terre Haute, numerous NCAA, USA Track and Field, state championships, Special Olympics and other competitions have been accommodated.

These events tend to use a diverse set of hotels and do not require attached/adjacent hotel inventory. A large population within drive distance is also important.

There are numerous indoor and outdoor venues in the Terre Haute market that cater to sporting events. These include basketball, badminton, track and field, baseball, softball, bowling, robotics, the Special Olympics, cross country, swimming, wrestling and numerous other events. The Rose-Hulman Sports & Recreation Center, opened in 1997, hosts many of these events. Various outdoor venues as well as Hulman Center also host important sports, recreation and entertainment events.

Many of these events draw non-local attendees and can generate economic impact. In most cases, attendees drive to the event, significantly lessening the need to provide an attached/adjacent headquarter hotel. Events held in Terre Haute generally draw 20,000 to 25,000 people to the market each year.

Local destination marketing representatives indicate that it is very difficult to find indoor event space in the winter months for youth, amateur and other sporting events. Nationally, we see an increasing volume of non-local sporting events, as well as increased interest on the part of communities to develop sporting venues to accommodate this demand.

The existing inventory of space in Terre Haute is substantial, but may not fully accommodate existing demand from indoor sporting events, particularly during the winter months.



### Summary of Demand Findings

Existing venues in the local market, combined with larger venues in Indianapolis, can accommodate the majority of existing demand from conventions, conferences, consumer shows, corporate events and related functions. As a result, any new public assembly facility development in Terre Haute would have to be multi-purpose in nature, and would have to be viewed as a public amenity or asset, in addition to generating modest non-local event activity.

We have therefore considered the potential for development of a large flat floor venue that can accommodate a wide diversity of events including sporting, banquet, religious, local meeting, entertainment, conference and other such events. Generally speaking, demand from any one or two sectors will not support the project, however if a sufficient number of multi-uses can be accommodated, demand levels may rise to supportable levels. Features of such a project could include:

- Flat floor space (carpeted) with the ability to put down and take up sport-court type surfaces.
- Meeting space that can be secured and also used for changing rooms.
- Portable risers for limited seating (no more than 500).
- Ceiling heights of 25 to 30 feet.
- Sufficient pre-function or registration space.
- Sufficient levels of other service and support areas typical in small, multipurpose event facilities (i.e. kitchen, restroom, concession stand, storage, load-in/out and other such space).

It is important to emphasize that the value of this project to the community should be viewed in terms of a public asset for locally oriented events and as a potential component of supporting the downtown, with modest non-local event activity generated throughout the year. The following page summarizes the types of events generally accommodated by a highly multi-use facility.



## A Multi-Use Approach

There are numerous event types that comprise the overall utilization of a multi-use community facility, including those listed below. In Terre haute, there are several venues, including hotels and public facilities, that currently accommodate these events.

### Consumer Shows

Home show  
Sports/outdoor show  
Flea Markets/garage sales  
Gun and knife show  
Vacation/travel show  
Antique shows  
Animal/pet shows  
Library book sales  
Bridal fairs  
Bead & jewelry show  
Coin/stamp show

### Food Events

Community cook-off's  
Food fairs

### Entertainment

Go-cart races  
Plays/performances  
Movies  
Holiday celebrations  
Pageants  
Comedy events

### Sports/Competition

In-door soccer  
Wrestling  
Basketball  
Badminton  
Roller derby  
Card tournaments  
Cheer/dance events  
Science fairs  
Art fairs

### Music

Concerts  
School choir/band  
Dance events  
Music festivals

### Local Meetings

Chamber meetings  
Rotary events  
Business meetings  
Weight watchers meetings  
Local club meetings  
Training seminars  
Job fairs

### Other

Blood drives  
Exams  
Medical screenings  
Banquets & fundraisers  
Weddings  
Proms  
Community classes/continuing education  
Trivia nights  
Head start functions  
Fashion shows  
Religious services  
Teen events  
Senior events/card tournaments  
Quilting events  
Filming

Today, the Terre Haute market offers several venues that compete for these types of events, including those listed below:

- Holiday Inn – Accommodates a wide variety of events including meetings, banquets, craft events and others that generate some element of room night and/or food and beverage revenue.
- Other limited service properties – These limited revenue events often have difficulty finding space. However, many smaller hotels offer a limited amount of meeting space and do not provide in-house kitchen facilities. Event attendees are therefore allowed to bring in their own food.
- Area high schools – These can also accommodate low-revenue events including competitions, dances, performances and other such events.
- Private venues – These include Idle Creek and The Landing, which offer space for banquets and meetings of up to 400.
- University facilities – This includes the ISU Sycamore Banquet Center which can accommodate up to 300.
- Large Event Venues - The Hulman Center, Rose-Hulman and the Fairgrounds, previously described herein, cater to larger sporting and exhibit oriented events.

While the types of events that can be hosted at a multi-use public assembly facility is highly diverse, there are also numerous venues in the Terre Haute market that seek to attract these events. To be successful, a new multi-use venue in Terre Haute would need to be supported by some type of public sector event demand generator (city, parks department, not-for profit organization, etc.) that could produce a regular schedule of community events such as:

- Adult and youth education – with small function spaces designed specifically for classes such as ceramic, dance, music, etc.
- Community celebrations – largely tied to holiday events and festivals.
- Music and theater – serving as host venue for various community groups.
- Community service – hosting regularly scheduled activities such as head start and senior classes.
- Seasonal camps – catering to youth in a wide variety of activities.

Going forward, efforts should be undertaken to identify specific demand generating partners and their particular space needs to help achieve sufficient event utilization levels for a new venue. In this way, a new facility could serve as more than an event space, but as a vital community gathering space. This type of space demand, combined with multi-use events seeking to book space, could result in the several hundred events and activity days that would be considered sufficient to support a new community-oriented venue. The physical programming of such space would likely involve several distinct spaces with purpose-built amenities, as well as a modest sized (potentially approximately 15,000 square foot) contiguous event space.

The primary physical components of a potential multi-use venue in Terre Haute could include the following:

- Approximately 15,000 to 20,000 square feet of flat floor space (30+ foot ceiling heights, column free).
- Consider carpet throughout this space to allow for banquets and receptions.
- Sport court capabilities to be placed on the hall floor surface (carpet or otherwise). Court to be stored on site or nearby.
- Portable seating capacity for up to 1,000.
- Smaller breakout meeting space that can be used for changing rooms as needed.
- Lobby/prefunction space.
- Management offices.
- Kitchen space.
- Restrooms.
- Supporting storage, circulation, utility, loading dock and other back-of-house space.
- Consideration of other community amenities (rock wall, classroom space, fitness areas, etc.)

Going forward, efforts should be undertaken to identify specific demand generating partners to help achieve sufficient event utilization levels for a new venue. This demand, combined with outside multi-use events seeking to book space, could result in the several hundred events that would be considered sufficient to support a new community-oriented venue. The physical programming of such space would likely involve several distinct spaces with purpose-built amenities such as those listed above.



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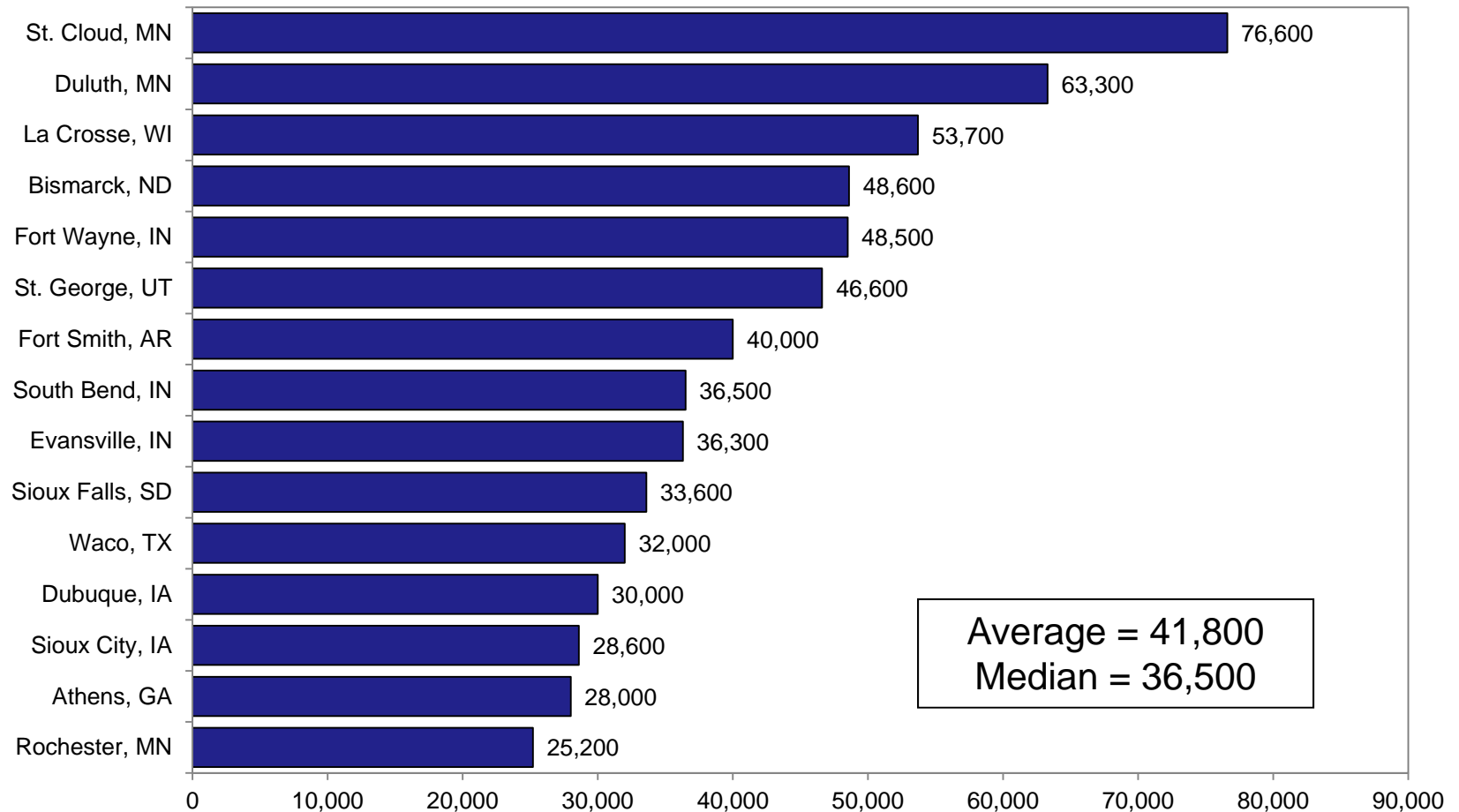
# Appendix A

## Additional Analysis Slides

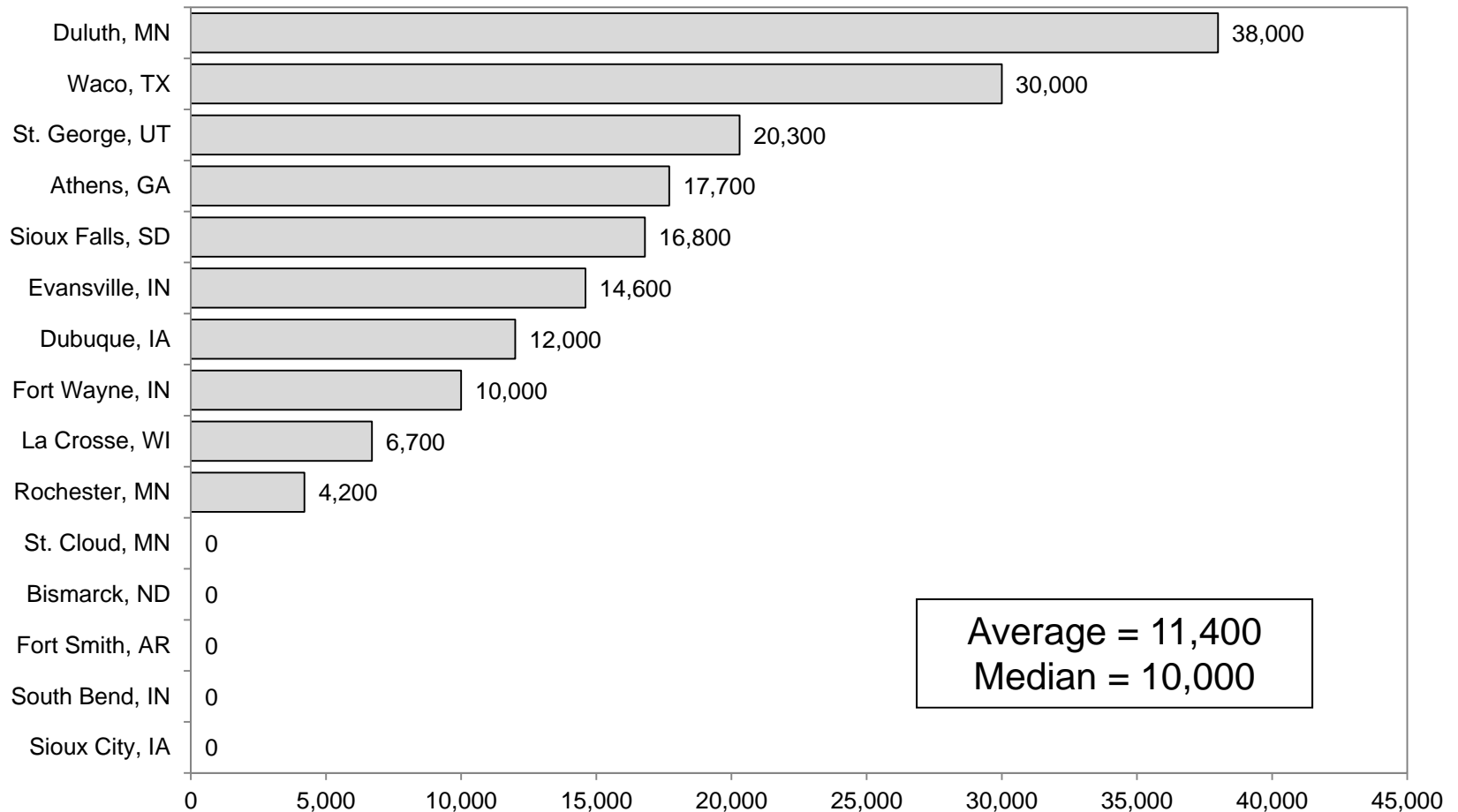
Competitive and comparable market data

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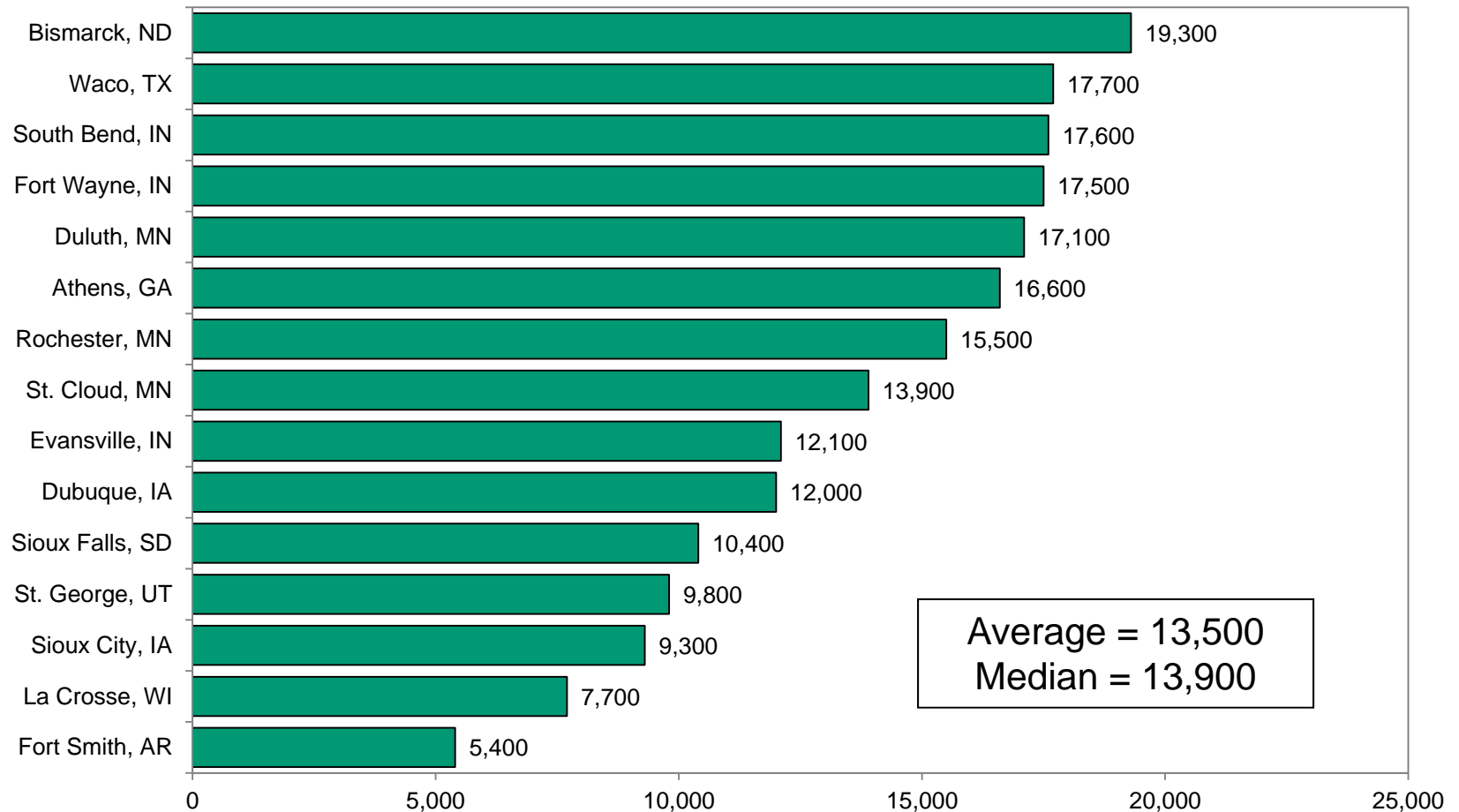
# Comparable Centers – Exhibit Space (SF)



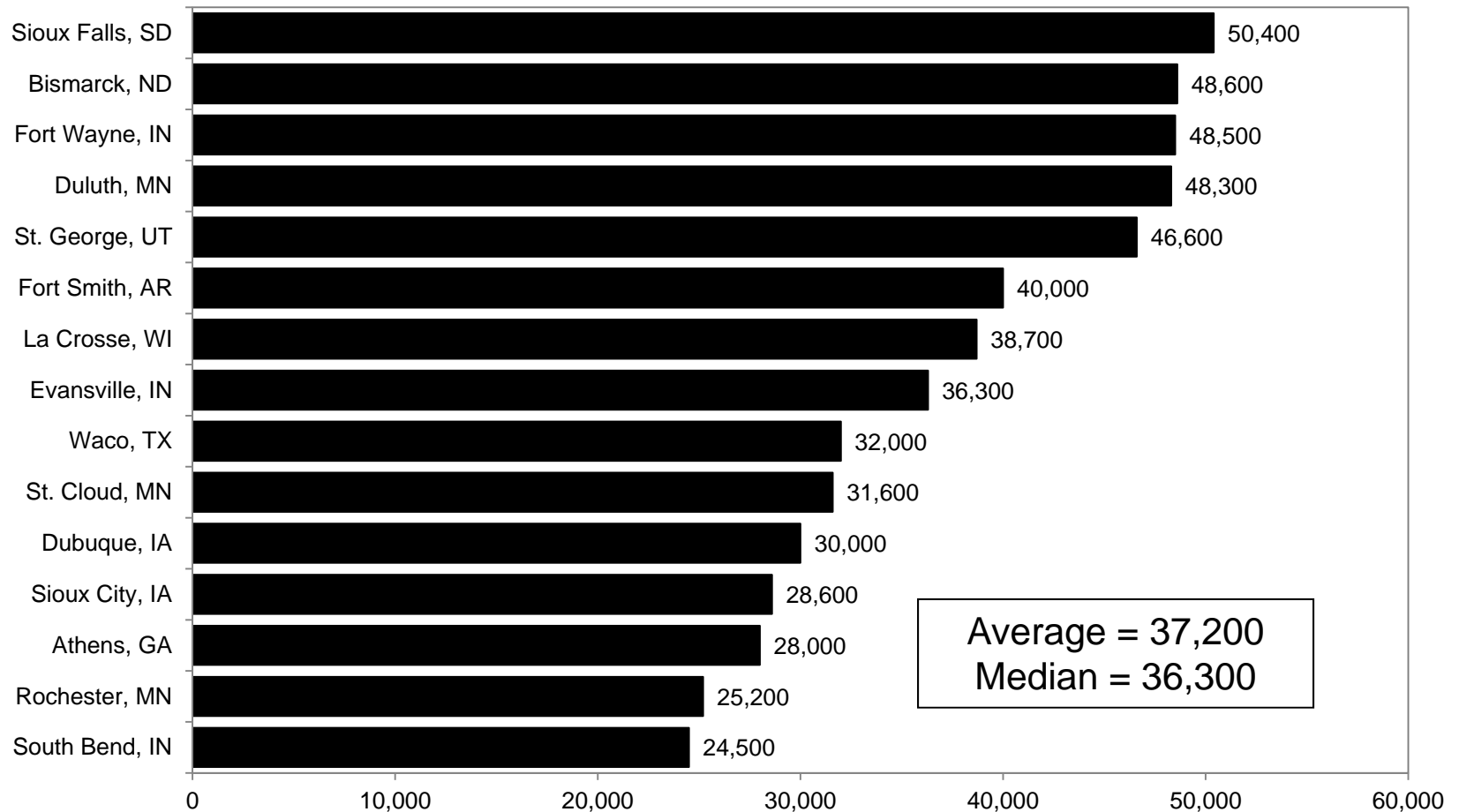
# Comparable Centers – Ballroom Space (SF)



# Comparable Centers – Meeting Space (SF)

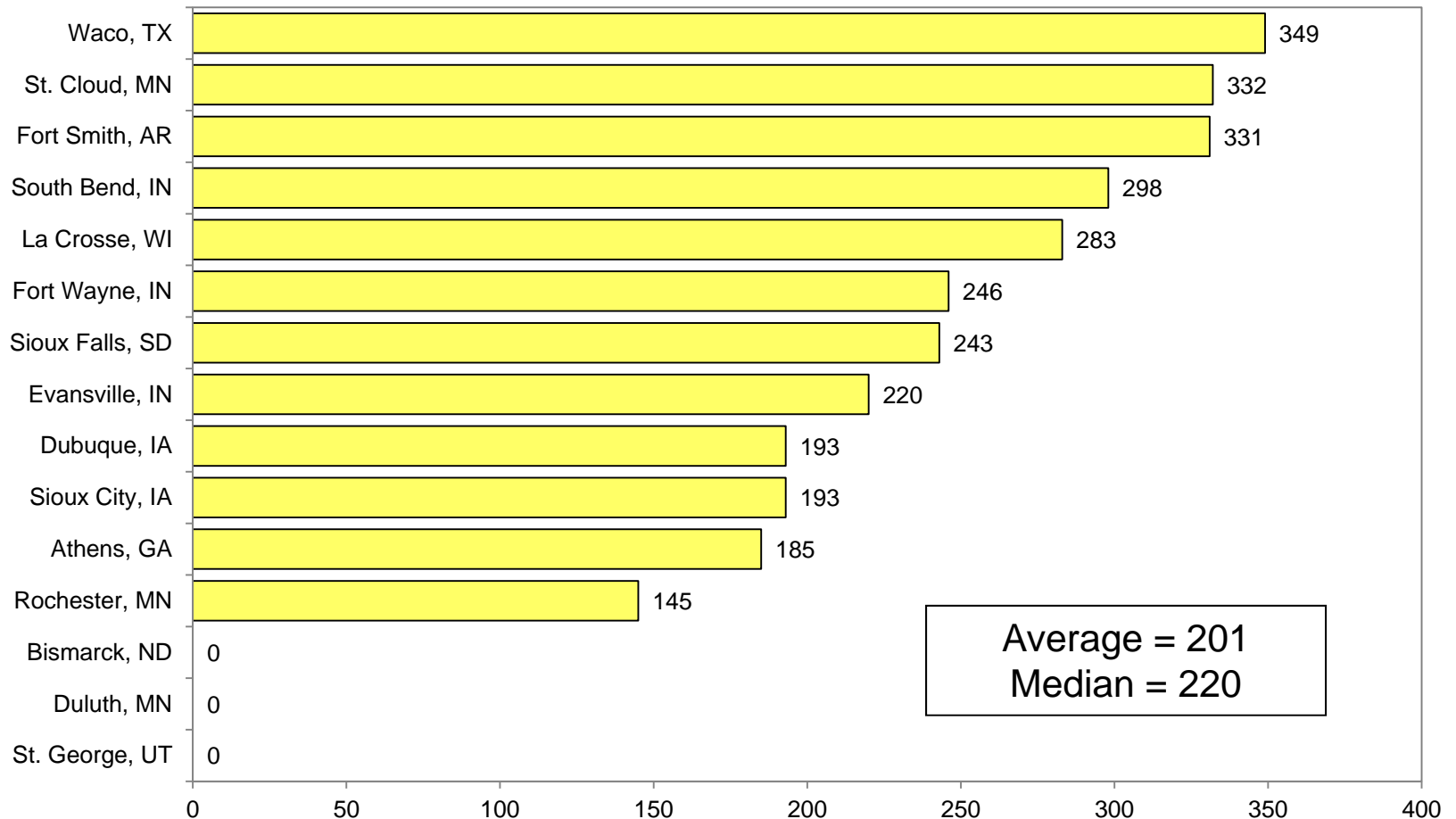


# Comparable Centers – Largest Contiguous Space (SF)

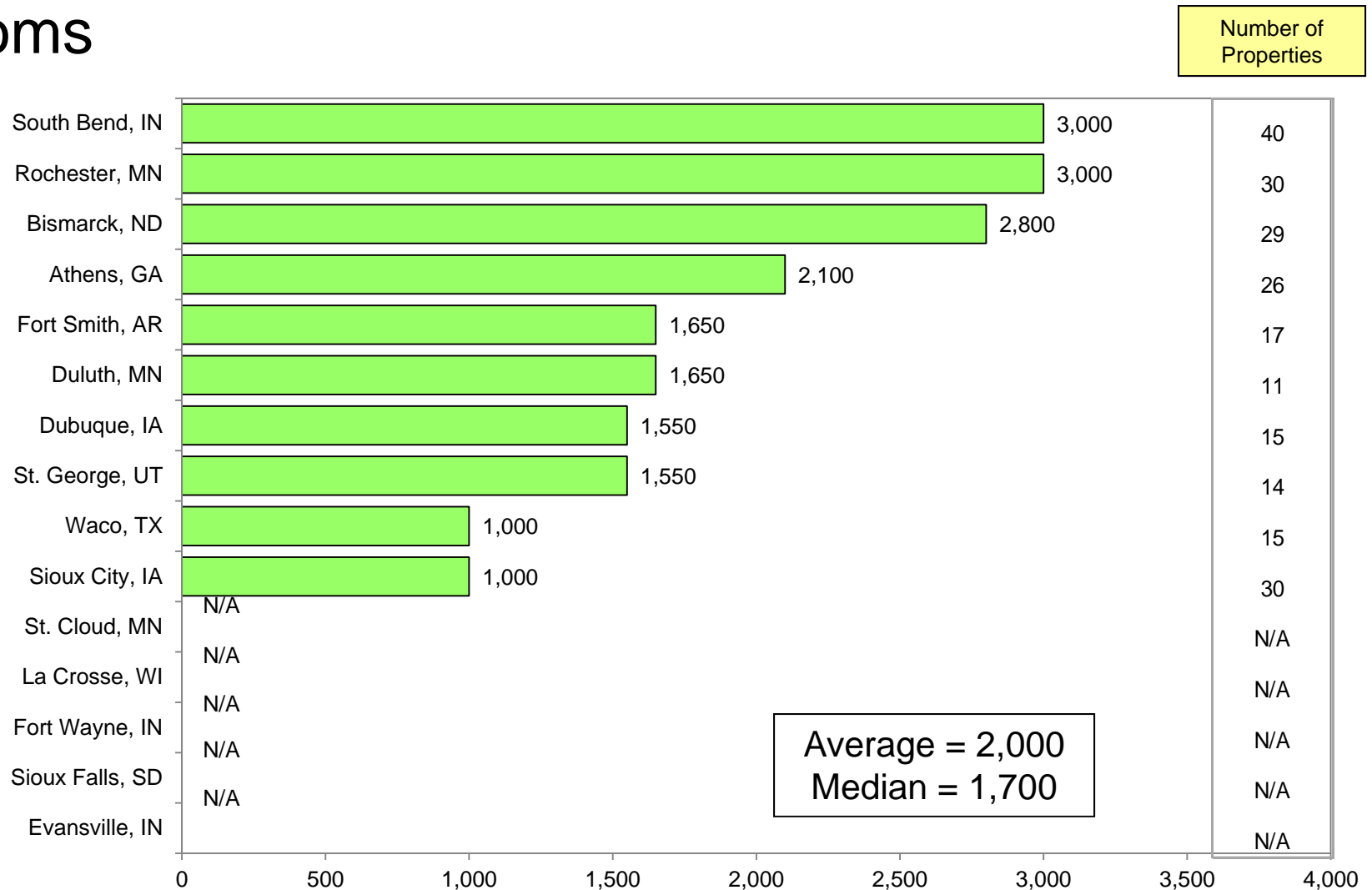




# Comparable Centers – Rooms at Headquarter Hotel



# Comparable Centers – Market Committable Hotel Rooms



Source: facility floorplans, management, and industry publications, 2013.

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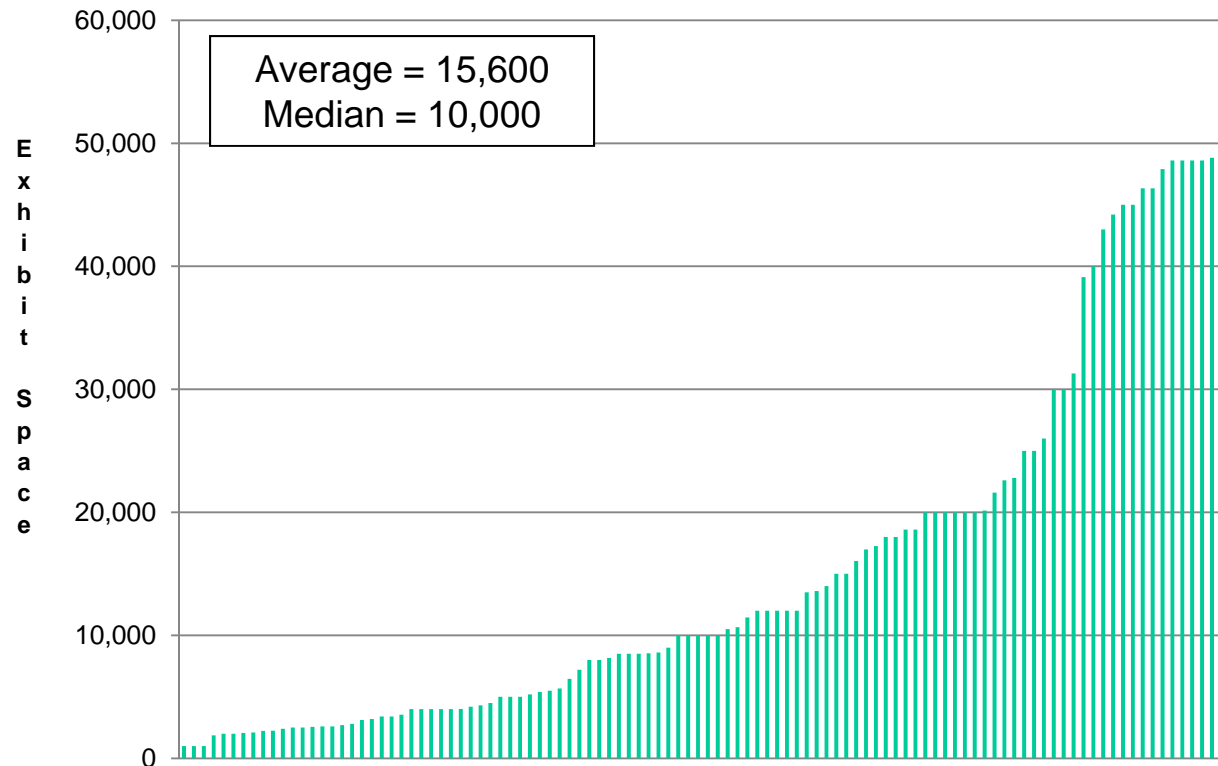
# Appendix B

## Additional Analysis Slides

### National event characteristics data

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## National Market Exhibit Space Needs

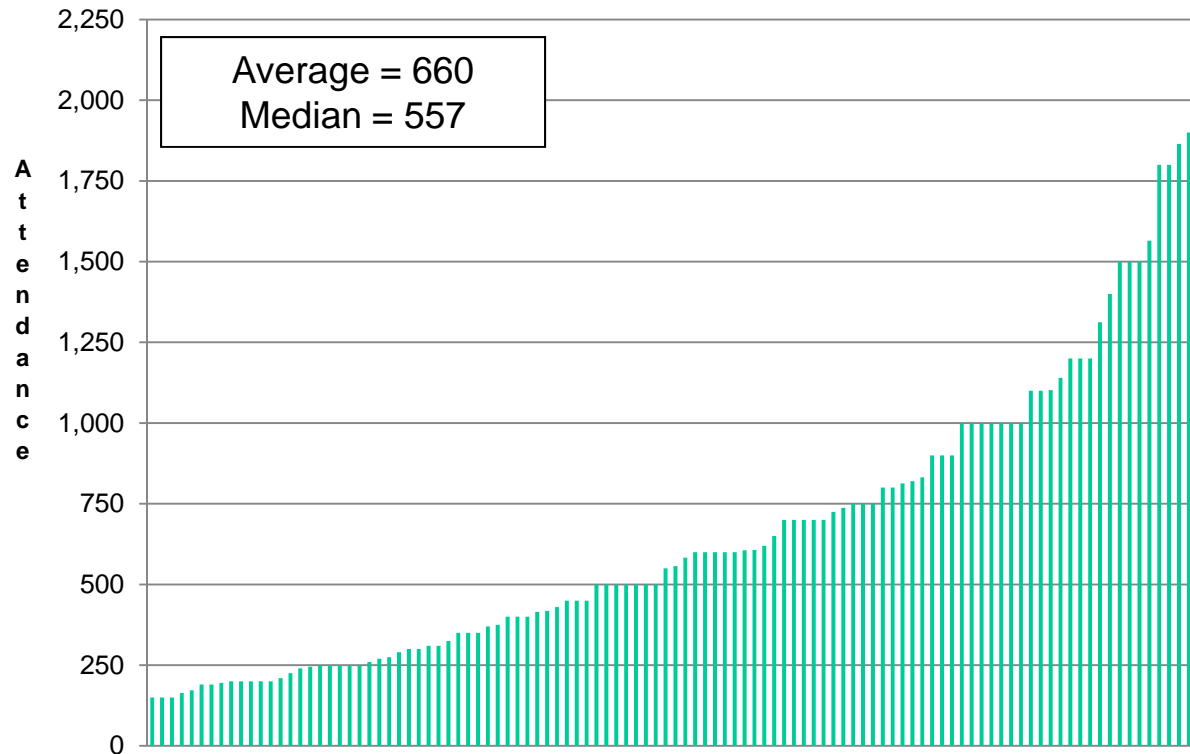


We have analyzed our survey database of national and regional conventions to assess the distribution of exhibit space needs for events using up to 50,000 square feet of contiguous space.

As noted in the exhibit, the average event requires 15,600 square feet of contiguous space. Eighty percent of the potential market can be accommodated with 25,000 square feet, and 90 percent can be accommodated with 45,000 square feet of space.

These data are useful in assessing the boundaries of space development needed to accommodate the event market. However, this analysis does not suggest that sufficient demand exists to capture this demand in the Terre Haute market, or that other features needed to accommodate non-local events are present in the market. These issues are discussed throughout the remainder of this analysis.

## Attendance Levels - National Events



We have also analyzed the attendance data for national and regional events within our database.

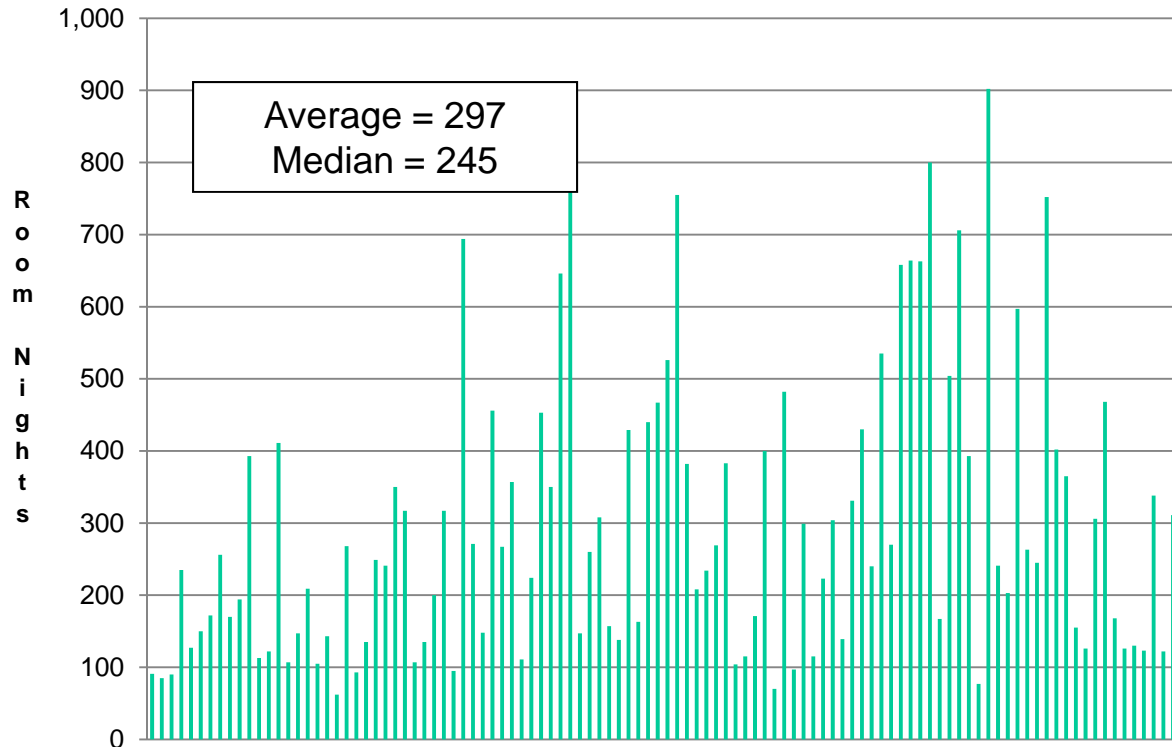
As noted in the adjacent exhibit, the average attendance at the events reviewed was 660, with a median of 557.

These attendees are largely non-local, and can add to the economic impact of the convention and visitor industry in a community.

Importantly, it is critical to provide hotel, transportation access and entertainment opportunities needed to attract events in a highly competitive industry. Hotel demand data are presented on the following page.



## National Market - Hotel Room Block



The hotel requirements for events in our database have been analyzed, and are presented in the adjacent exhibit. The order of the data is based on exhibit space size, with smaller events starting on the left.

The average event requires 297 sleeping rooms, with a median total of 245. In most markets, a hotel manager will commit up to approximately 70 percent of the hotels inventory for a single event. As a result, 424 rooms would be required in total to accommodate the average event, with 350 rooms needed at the median.

To accommodate 80 percent of the market, total room inventory would have to reach 629 rooms, and at 90 percent capture, 853 rooms are needed.

In most competitive markets, these room totals can be achieved in downtown hotels, many nearby the convention center. For example, in Fort Wayne, 500 rooms exist within one block of the convention center. In Terre Haute, two hotels combine to provide only 208 rooms, sufficient to accommodate only 30 percent of the national and regional event market.

A new venue in Terre Haute that doesn't include added attached or adjacent hotel inventory will struggle significantly to attract non-local conventions, conferences and meetings.