

Site Recommendation for Consideration by the Cuyahoga County Commissioners



Medical Mart/Convention Center
Site Selection Committee
August 7, 2008

Today's Agenda

- Review Committee's Charge
- Present Recommended Site
- Outline Rationale for Selection
 - Connectivity
 - Cost
 - Financing
 - Next Steps
- Questions from the Media

GCP Site Selection Committee Charge

- Identify and analyze potential sites that create a win-win-win business model for the medical mart and convention center
- Recommend the best site for Cleveland
- Present a site/plan that can be implemented with appropriate financial model in line with County's expectations
- Maintain Cleveland's "first mover" position with the project
- Support County process where ever desired

The Riverfront/Higbee location is the best location for the new Convention Center/Medical Mart and received unanimous endorsement from the committee.



Due diligence behind the committee's work was comprehensive to give the Commissioners a recommendation based on the best data and expertise.

- Site visits to Pittsburgh and Indianapolis
- Professional consultants from the convention industry
- Geothermal analysis on constructability factors (PSI)
- Architectural and engineering firms (Osborne and LMN)
- Professional Cost Estimators (PCS)
- Proven Financing Counsel (Wachovia)
- Economic Impact analysis (Team NEO)

The Riverfront/Higbee site meets or exceeds all expected criteria for a successful project.

- Superior connectivity and potential best in class opportunities
- Meets all program requirements for “right size”
- Cost is lowest, affordable and within parameters
- Timing and constructability maintain our leadership position
- Enables LEED certification with final design
- Minimizes infrastructure cost and impact on current roadway systems
- Enhances other assets
- Uninterrupted facility access for current book of business

Total Cost Estimate

	Riverfront Site	Mall Site
Hard Construction Estimate	\$461M	\$521M
Design and Engineering Estimate	\$35M	\$45M
Acquisition Cost Estimate	\$40M (12 acres)	\$17M (3 acres)
Total Estimate	\$536M	\$583M
Cost Difference	(\$47M)	

Estimated Sources of Funding

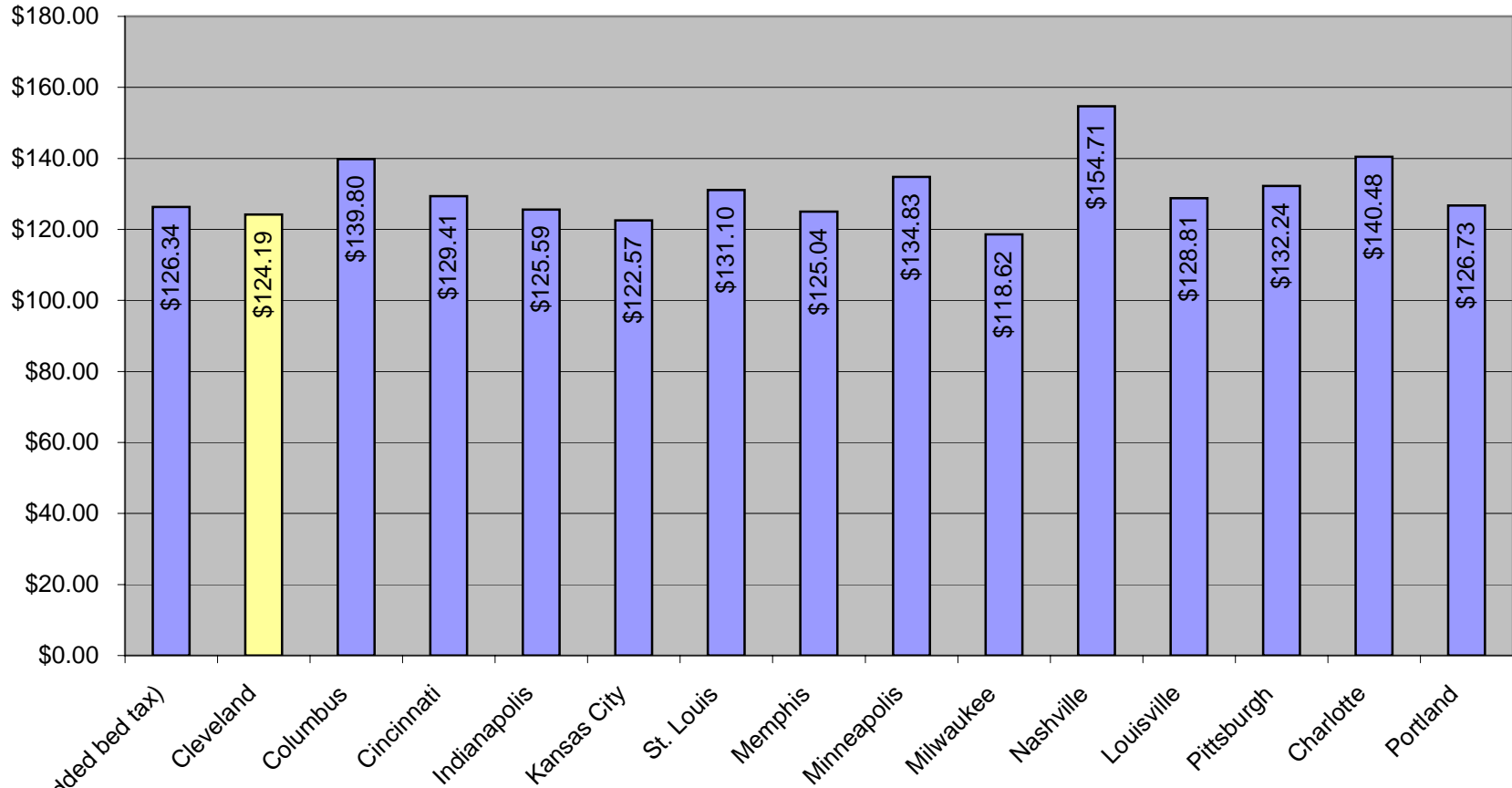
Construction Period Rent	\$63,500,000
Construction Period Interest Income	12,500,000
Net County Bond Proceeds	415,000,000
MMPI Contribution	19,000,000
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Subtotal	510,000,000
Estimated Need	\$536,000,000
Residual	(26,000,000)

Any combination of the funding alternatives would not only completely cover the incremental \$26 million, but would also create additional flexibility to address unforeseen project contingencies.

Current Hotel Tax Redistribution (Net Bond Proceeds):	\$25 million
Other Governmental Sources:	\$15 million
Additional 2% Tax on Hotel Guests (Net Bond Proceeds):	\$50 million



Average Daily Rate with tax, First Class (Avg):



All data is as of July 18, 2008

*Based on a before tax room rate of \$107.75

Medical Mart – Convention Center Economic Impacts of Construction (est.) 2009-2011

	Cleveland	Cuyahoga	State of Ohio
Jobs	1258	1556	1780
Local Spending	\$255 million	\$334 million	\$377 million
Total Payroll	\$247 million	\$297 million	\$322 million
Economic Impact (Total)	\$468 million	\$588 million	\$658 million

Source: Team NEO

Medical Mart – Convention Center Economic Impacts of Operation (est)

Per Convention (5,000)

- \$4.2 million goods/services
- \$278 thousand in total public tax revenues*
- \$6.7 million total econ. impact in city
- \$8.2 million total econ. impact in county
- \$9 million total econ. impact in State of Ohio

Annual (25 conventions)

- \$124 million goods/services
- \$7 million in total public tax revenues*
- \$168 million total econ. Impact in city
- \$205 million total econ. impact in county
- \$225 million total econ. Impact in State of Ohio

Conservative estimates do not yet include county sales or bed taxes, or city admissions, parking, and car lessor taxes. Source: Team NEO

The potential connectivity of the Riverfront/Higbee site has the potential for best in class distinction.

- Direct public rail connection from airport gates to convention floor
- Existing connections to hotels, arenas that can be expanded to flats
- Waterfront line that could be enhanced with direct connections to lakefront museums
- Direct state of the art bus connections to hospitals and University Circle
- Many opportunities for further connections

Recommended Next Steps

- Invigorate inclusion and education committees to optimize benefit to region
- Begin design work *ASAP* after Commissioners reach final decision
- Launch creation of new connectivity plan for downtown, linking as many assets and amenities as possible over the next decade
- Explore Innovation Zone for emerging biomedical companies in region

Q and A

