

THE HEART OF DOWNTOWN: CATALYST TO A 21ST CENTURY RIVERFRONT

An analysis of the costs and benefits of investing in
Wichita's Performing Arts and Convention Center



PURPOSE STATEMENT

Imagine a downtown entertainment district alive with activity – a gathering place, which capitalizes on the river and stands as a grand vision, as Century II was in its time.

Originally opened in 1969, Century II Performing Arts and Convention Center (CII) continues to serve as this attraction, but with diminishing effect due to limited public-sector investment in recent decades.

CATALYST TO A 21ST CENTURY RIVERFRONT

Project Downtown has successfully guided projects worth more than half of a billion dollars in public and private investment. This master plan identifies the analysis of Wichita's riverfront as a critical step in the continued development of downtown. Strategic planning and investment into Century II and the surrounding convention and entertainment facilities could transform our riverfront into a community space, attracting more entertainment and conventions while drawing enough traffic to spark other developments like urban parks or beautified sitting areas – creating a riverfront of the 21st century.



1871

WILLIAM GREIFFENSTEIN
BUILDS HIS FIRST HOME

*The Forum operated as
Wichita's primary auditorium,
convention center, performance
arena, and exposition hall from
1911 to 1965*



1911

THE FORUM
IS DEDICATED

1969

CENTURY II
IS BUILT



*Century II Performing Arts & Convention
Center was built to commemorate
Wichita's 170th centennial.*

1986

BOB BROWN
EXPO HALL IS
CONSTRUCTED



CITY BENEFITS

QUALITY OF LIFE FOR RESIDENTS Quality public centers can contribute to enhancing community pride, a positive image, exposure and reputation. These can assist in retaining and attracting educated workers, especially younger adults.

NEW VISITATION Enhanced convention and performing arts centers attract new visitors, who may return to the area after visiting for the first time.

SPIN-OFF DEVELOPMENT Convention and performing arts centers enhance economic growth and development by attracting customer bases for new retail businesses, adding to the local tax base and enhancing Wichita's central business and waterfront areas.

ANCHOR FOR REVITALIZATION Convention and performing arts centers can become a base for community-wide master development plans to revitalize markets.

INVESTMENT IN LOCAL ENTERTAINMENT

Convention and performing arts centers can synergize with other entertainment facilities to increase tourism activity and investment into affordable entertainment, cultural and educational activities for Wichita families.

OUR VISION Omaha, Tulsa, Oklahoma City and Overland Park have succeeded in creating return-on-investment with convention and event centers, particularly as they relate to strategic investment and urban planning. It is our goal to do the same for Wichita. With your open public support, this goal can become a reality.

FUTURE

1997

THE HYATT
REGENCY
CONVENTION
HEADQUARTERS
HOTEL IS BUILT

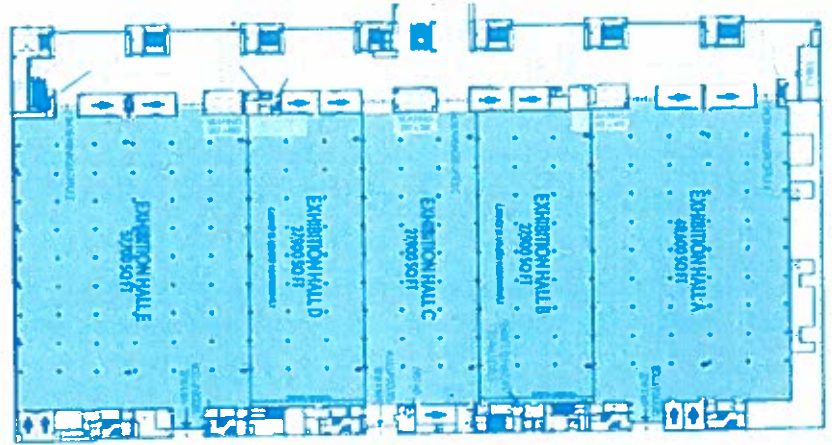
WICHITA GAINS THE
ABILITY TO HOST
WORLD-CLASS
ENTERTAINMENT
AND CONVENTIONS

CONVENTION CENTER

CURRENT STATE OF WICHITA

Since CII was originally constructed, convention center aesthetics and functionality have advanced considerably. Most of Wichita's peer cities have developed new centers in the past 15 years to keep up with the advancements.

Wichita, on the other hand, now ranks the lowest in prime square feet against comparable convention centers for both exhibition and ballroom space. This has hurt the city's ability to compete for conventions on the national scale. "If we do not address the facility, our convention business would be expected to decline moving forward losing tens of millions of dollars in direct spending annually by attendees." (2013 Bill Krueger Press Release)



Example of ideal convention center layout.

"THE CURRENT CONVENTION FACILITIES IN WICHITA PUT THE COMMUNITY AT A COMPETITIVE DISADVANTAGE"

— BILL KRUEGER CS&L 2013 STUDY (ALSO FROM 2013 BILL KRUEGER PRESS RELEASE)

MODERN CONVENTION CENTER CHARACTERISTICS

- The ability to divide the larger space via movable air walls, with public access and for each space, allowing simultaneous events and enhancing the marketability to events needing a smaller space
- Column-free concrete-floor spaces with ceiling heights greater than 30 feet
- A rectangular hall with a length-to-width ratio of about 2:1
- Floor utility boxes on a 30-by-30-foot matrix
- Significant pre-function space leading into the exhibit halls
- Back-of-house service into the exhibit hall to allow for event set-up without working through public spaces
- Covered loading docks for exhibit halls separate from docks for other operating needs
- Modern capabilities with respect to wi-fi, audio-visual, telecommunications and electrical
- The ability to support 400 full-service attached or adjacent hotel rooms, 1,000 total rooms within a half-mile



PERFORMING ARTS

OVER 85%
OF RESPONDENTS BELIEVE THERE IS
A NEED FOR NEW/OR RENOVATED
PERFORMING ARTS FACILITIES IN WICHITA.

— ACCORDING TO 2014 SURVEY RESULTS

MODERN PERFORMING ARTS CENTER CHARACTERISTICS

- Small, flexible, black-box-style theatre
- 2,200-seat Multipurpose Hall
- A Broadway-style orchestra pit for up to 35 musicians and an Opera-style orchestra pit for up to 45 musicians
- Thrust stage, rehearsal spaces, a trap room, storage, an outdoor exhibit space and a venue for film
- Scene shop with paint, costumes, props, tools, storage and offices
- Attached bar or restaurant
- Indoor parking structure connected to the building
- Banquet facilities
- Larger lobby facilities

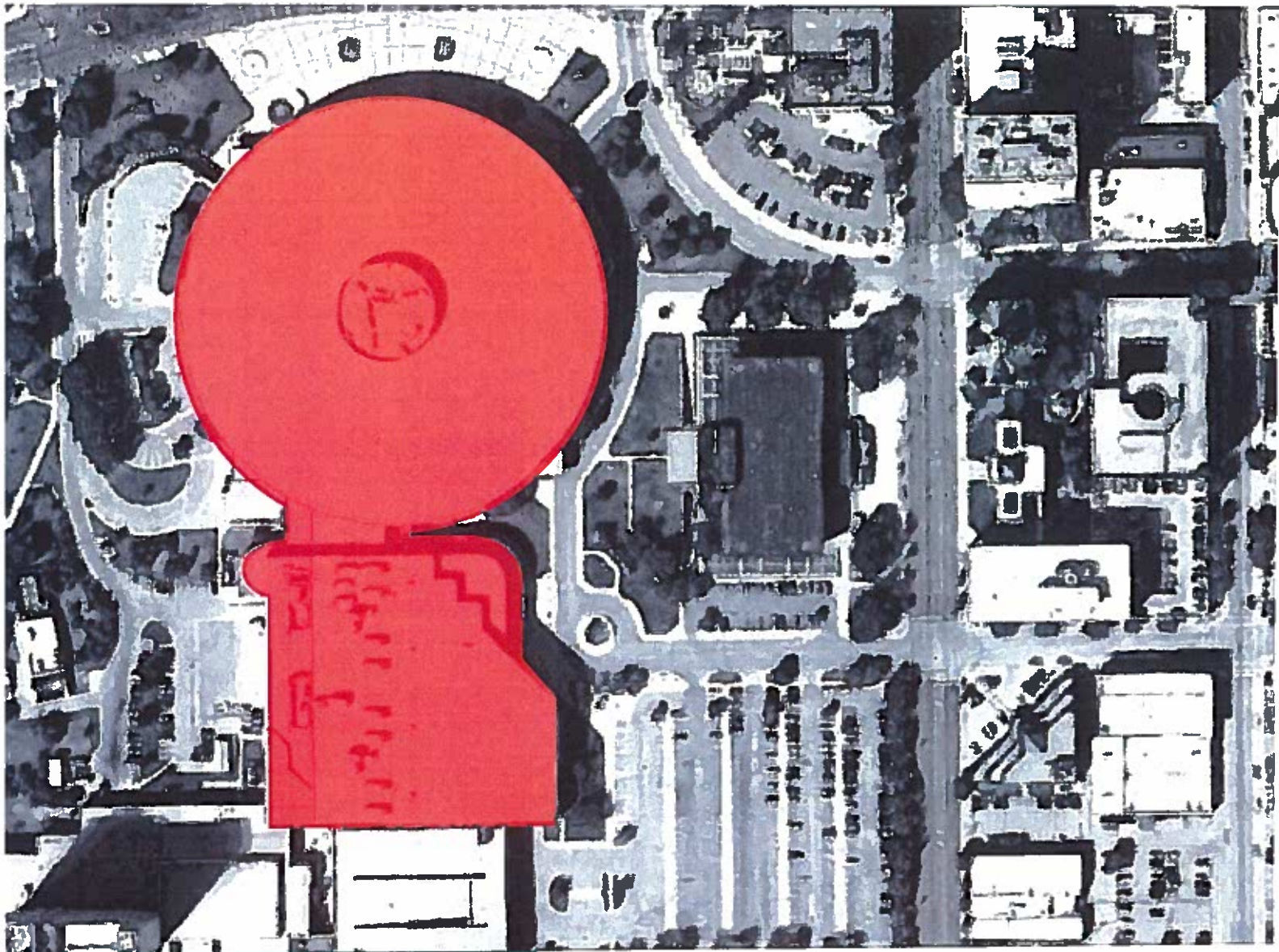
CURRENT STATE OF WICHITA

While Wichita's arts organizations have learned to adapt to some of the unique attributes of CII, the facility does not provide functionality that is essential for long-term success.

In a 2013 survey, 85 percent of respondents believed there was a need for new or renovated performing arts facilities. The majority of respondents also said their use of CII would increase if their needs were met.

Today, those needs are many. CII lacks sound insulation, is tight on space in the wings and backstage and is inefficient in operations such as loading. The center is also outfitted with substandard equipment and lacks patron amenities such as parking and accessibility.





BENEFIT SUMMARY

10-year Total

ONGOING BENEFITS	Direct Spending	214,369,733.00
	Indirect/Induced Spending	145,812,290.00
	Total Output	360,182,023.00
	Personal Income (earnings	121,696,929.00
	Employment (full & part-time jobs)	1,702
	City Taxes	3,412,924.00
	County Taxes	908,481.00
	State Taxes	15,163,586.00
	Total Tax Revenue	19,484,991.00

COST/BENEFIT SUMMARY





Benefit to Cost Ratio (Overall)

2.04



SCHEME 1

\$271.8M

POTENTIAL SCHEMES BY COST    

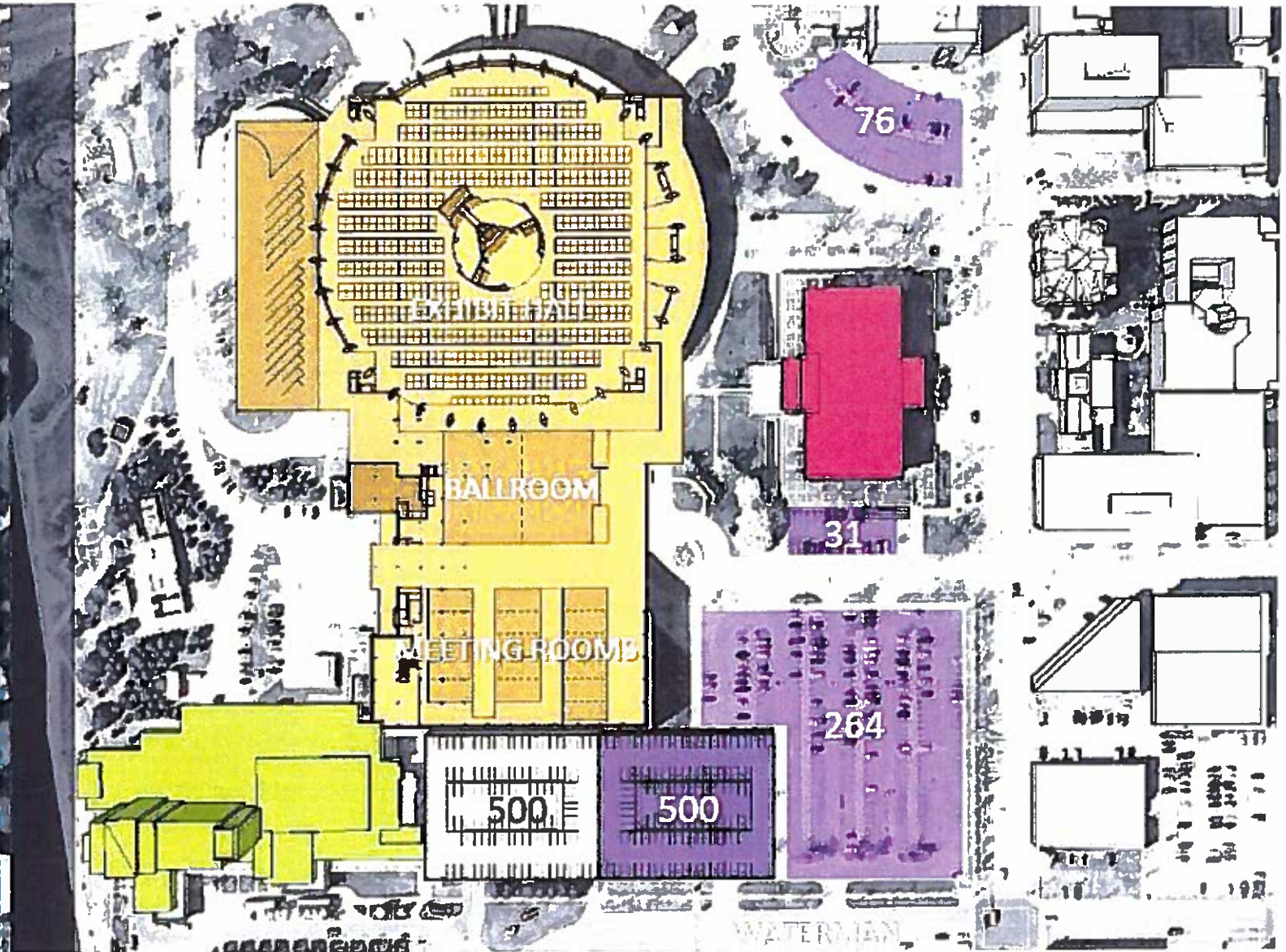
This scheme includes major renovations to the existing CII structure, but does not develop a new convention center or any new performing arts facilities. Capital improvements would maintain base operating and safety standards through the 2030 projection period, but would not bring the performing arts and convention spaces to national standards.

PROS

- MEETS ADA REQUIREMENTS
- KEEPS THE CURRENT BUILDING IN WICHITA'S SKYLINE
- BRINGS SPACES TO BASE OPERATION AND SAFETY STANDARDS THROUGH 2030
- KEEPS ALL OPERATIONS IN ONE SPACE

CONS

- DOES NOT ADD SPACE OR CREATE IDEAL STRUCTURE FOR CONVENTION CENTER
- DOES NOT ADD PARKING
- REDUCES THE AMOUNT OF SPACE FOR THE CONVENTION CENTER
- WOULD NOT BRING PERFORMING ARTS AND CONVENTION CENTER SPACES TO NATIONAL STANDARDS



COST BREAKDOWN

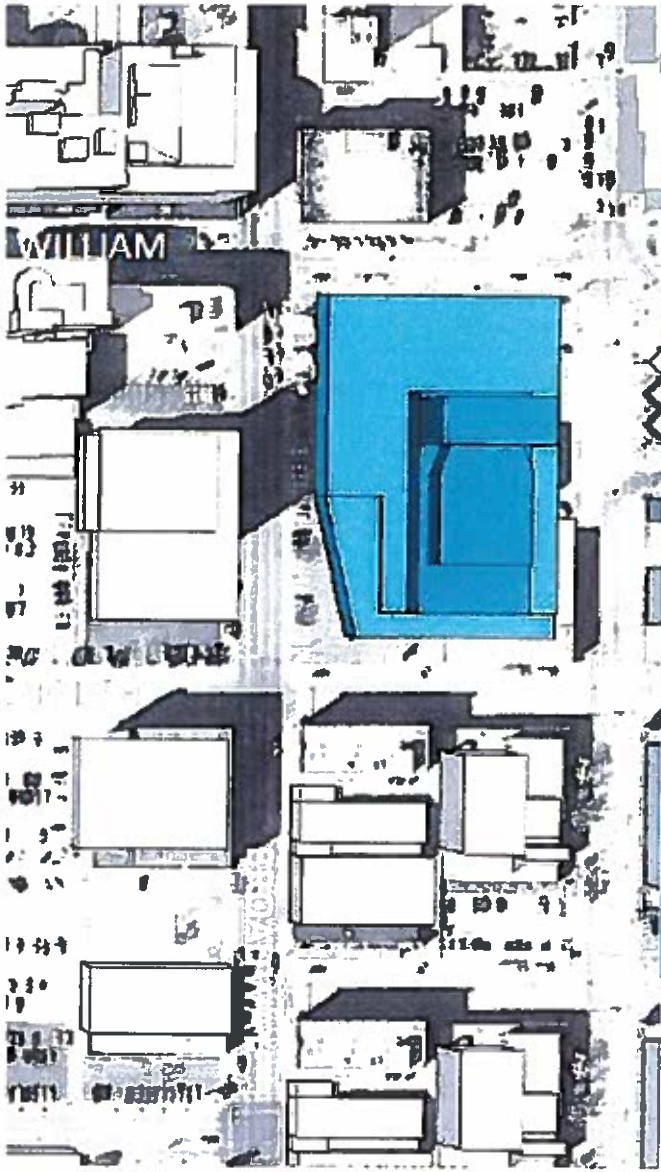
\$117.4M	Performing Arts Center
\$206.1M	Convention Center
\$19.5M	Parking
\$6.5M	City Development

BENEFIT SUMMARY

	10-year Total
Direct Spending	327,778,712.00
Indirect/Induced Spending	223,355,697.00
Total Output	551,134,409.00
Personal Income (earnings)	186,939,687.00
Employment (rue & part-time jobs)	2,296
City Taxes	5,985,401.00
County Taxes	1,454,551.00
State Taxes	22,938,775.00
Total Tax Revenue	30,378,726.00

COST/BENEFIT SUMMARY

Benefit to Cost Ratio (Overall)	2.30
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SCHEME 2

\$349.5M

POTENTIAL SCHEMES BY COST ☐ ☒ ☐ ☐

This scheme keeps the current building in the Wichita skyline, but develops a new performing arts center in a different downtown location. While this scheme includes a market-supportable convention center, there are a number of challenges associated with the marketability and functionality of exhibit space within the round building.

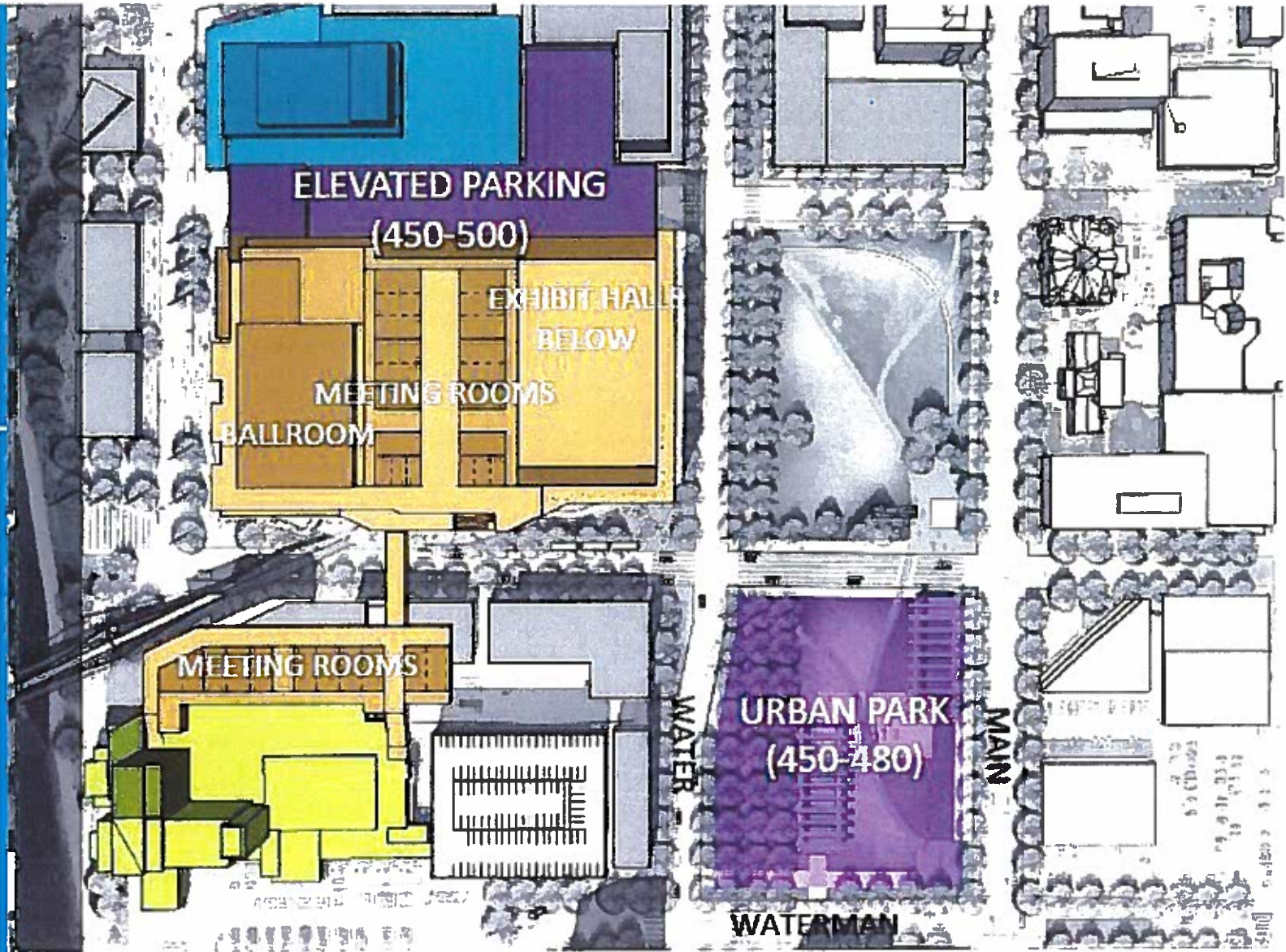
-  CONVENTION
-  PERFORMING ARTS
-  LIBRARY
-  HYATT HOTEL
-  PARKING

PROS

- KEEPS THE CURRENT BUILDING IN WICHITA'S SKYLINE
- ADDS ADDITIONAL SPACE TO THE CONVENTION CENTER
- ADDS ADDITIONAL PARKING
- PERFORMING ARTS BUILDING WOULD BE COMPLETELY NEW AND UP TO NATIONAL STANDARDS TO SUPPORT HIGH-PROFILE SHOWS

CONS

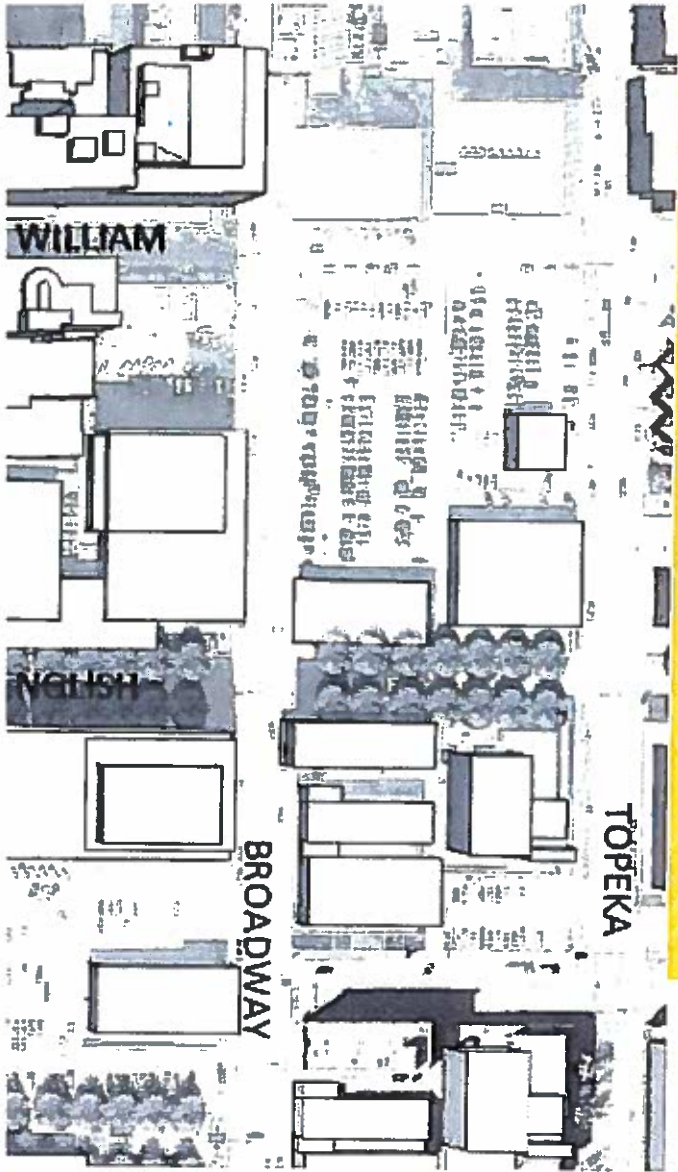
- SEPARATES OPERATIONS TO SUPPORT TWO BUILDINGS
- PROVIDES LIMITED PARKING FOR NEW PERFORMING ARTS BUILDING
- DOES NOT ALLOW FOR CONTINUOUS CONVENTION CENTER WHICH LIMITS MARKETABILITY
- THE CONVENTION CENTER WOULD NOT BE UP TO INDUSTRY STANDARDS



COST BREAKDOWN

\$124.3M	Performing Arts Center
\$254.7M	Convention Center
\$40.4M	Parking
\$72.3M	Site Development

BENEFIT SUMMARY		10-year Total
ONGOING BENEFITS	Direct Spending	547,932,151.00
	Indirect/Induced Spending	372,845,394.00
	Total Output	920,777,545.00
	Personal Income (earnings)	310,813,304.00
	Employment (full & part-time jobs)	3,434
	City Taxes	11,668,474.00
	County Taxes	2,582,404.00
	State Taxes	38,046,894.00
	Total Tax Revenue	52,297,772.00
COST/BENEFIT SUMMARY		
Benefit to Cost Ratio (Overall)		3.02



SCHEME 3

\$491.7M

POTENTIAL SCHEMES BY COST



Scheme 3 completely redevelops the CII site, resulting in a combined convention and performing arts center.

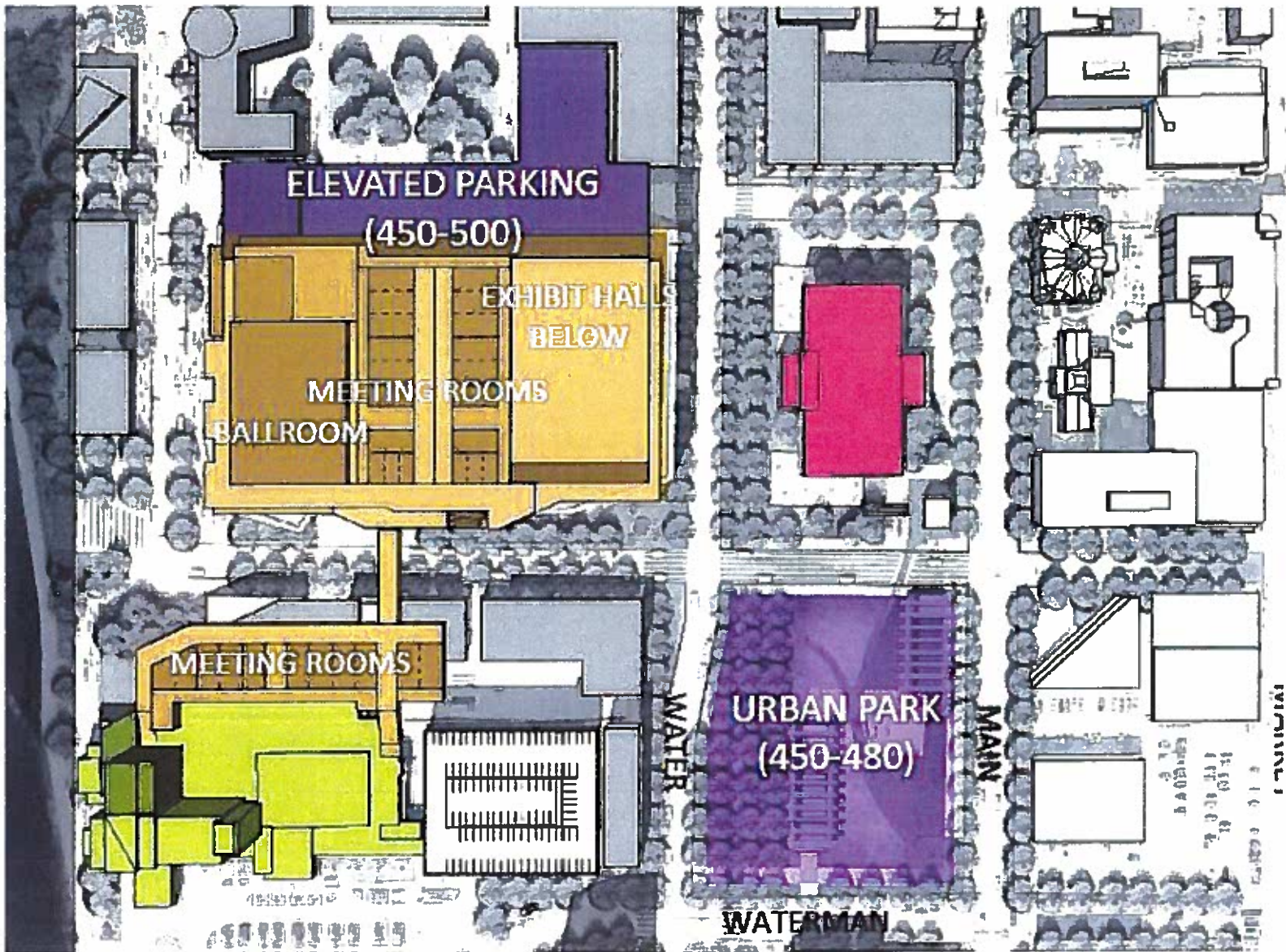
- CONVENTION
- PERFORMING ARTS
- LIBRARY
- HYATT HOTEL
- PARKING

PROS

- COMpletely reDESIGNS BOTH FACILITIES TO COMPETE NATIONALLY
- KEEPS OPERATIONS IN ONE SPACE
- ADDS INTEGRATION WITH THE HYATT HOTEL
- ADDS PARKING
- CREATES SPACE FOR AN URBAN PARK
- PAYS RESPECT TO CURRENT ARCHITECTURE
- FURTHERS THE PLAN OUTLINED IN PROJECT DOWNTOWN: THE MASTER PLAN FOR WICHITA

CONS

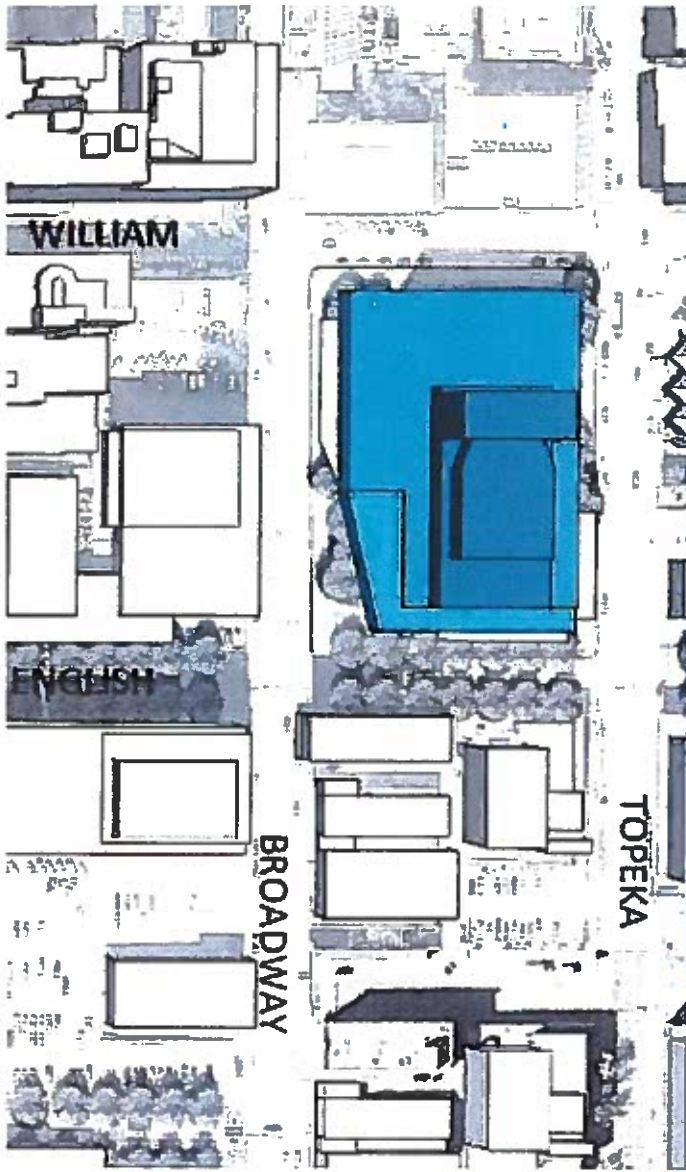
- REMOVES THE CURRENT BUILDING FROM WICHITA'S SKYLINE
- WOULD HAVE TO BE PHASED CONSTRUCTION



COST BREAKDOWN

\$117.4M	Performing Arts Center
\$238.4M	Convention Center
\$40.4M	Parking
\$83.4M	Site Development

BENEFIT SUMMARY		10-year Total
ONGOING BENEFITS	Direct Spending	544,750,651.00
	Indirect/Induced Spending	370,660,918.00
	Total Output	915,411,569.00
	Personal Income (earnings	309,006,299.00
	Employment (full & part-time jobs)	3,396
	City Taxes	11,646,220.00
	County Taxes	2,571,277.00
	State Taxes	37,610,928.00
	Total Tax Revenue	52,028,425.00
COST/BENEFIT SUMMARY		
Benefit to Cost Ratio (Overall)		2.95



SCHEME 4

\$484.6M

POTENTIAL SCHEMES BY COST 

Scheme 4 completely redevelops the CII site, resulting in a new convention center at the former site, while a new, separated performing arts center would be built in a different downtown location.

-  CONVENTION
-  PERFORMING ARTS
-  LIBRARY
-  HYATT HOTEL
-  PARKING

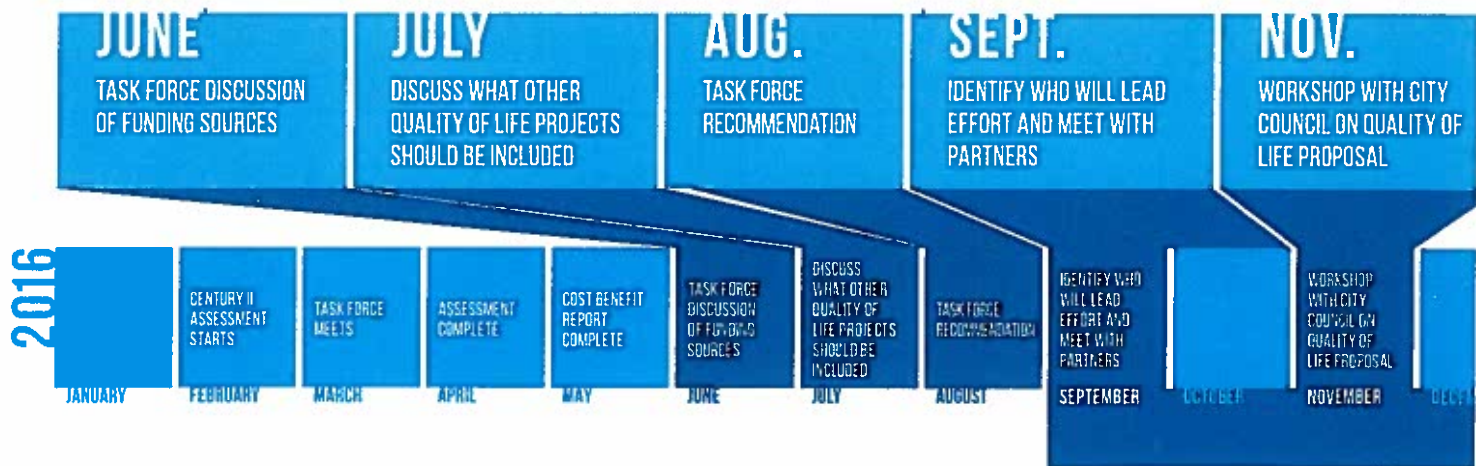
PROS

- COMPLETELY REDESIGNS BOTH FACILITIES TO COMPETE NATIONALLY
- ADDS INTEGRATION WITH THE HYATT HOTEL
- ADDS PARKING FOR CONVENTION CENTER
- CREATES SPACE FOR AN URBAN PARK
- PAYS RESPECT TO CURRENT ARCHITECTURE
- FURTHERS THE PLAN OUTLINED IN PROJECT DOWNTOWN: THE MASTER PLAN FOR WICHITA

CONS

- REMOVES THE CURRENT BUILDING FROM WICHITA'S SKYLINE
- SEPARATES OPERATIONS TO SUPPORT TWO BUILDINGS
- PROVIDES LIMITED PARKING FOR NEW PERFORMANCE ARTS BUILDING
- WOULD HAVE TO BE PHASED CONSTRUCTION

MOVING FORWARD



SUMMARY OF KEY ESTIMATED QUANTIFIABLE COSTS AND BENEFITS BY SCENARIO

ASSUMPTIONS/NOTES:

All dollar figures shown in current year (2016) dollars

"Stabilized Year" reflects an annual figure, representing the assumed fifth full year of operations (2025) and includes estimated annual in-facility + out-of-facility impacts and operating costs (excluding construction period costs and impacts)

"10-Year Total" represents an aggregate of annual impacts over the projection period (2020-2030) and includes in-facility + out-of-facility impacts + construction impacts, plus all costs (construction and operating)

Debt service assumptions include total construction costs are 100% bonded, 30-year term @ 4.0% interest rate

Preliminary order-of-magnitude, includes assumptions provided by Populous and City project leaders.

Estimated "net new" to the Wichita area. Taxes include City Sales, City Transient Guest, City Tourism Fee, County Sales and State Sales

COST SUMMARY

ONE TIME COSTS

Hard Construction Costs	—	\$200,290,000
Soft Construction Costs	—	58,600,000
Site Infrastructure Costs	—	—
Other Development Costs	—	12,900,000
Private Contribution	—	—
Total Cost	—	271,790,000

ONGOING OPERATIONS

Operating Revenues		
Convention Center	1,154,000.00	12,334,000
PAC	510,000.00	5,100,000
Subtotal	1,664,000.00	17,434,000
Operating Expenses		
Convention Center	2,450,000.00	24,010,000
PAC	1,312,000.00	13,120,000
Subtotal	3,762,000.00	37,130,000
Total Operating Costs	2,098,000.00	19,696,000

ONGOING COSTS

Debt Service	15,718,000.00	157,180,000
Operating Deficit	2,098,000.00	19,696,000
Capital Reserve Funding	—	—
New DMO Marketing	—	—
Private Contribution	—	—
Total Annual Costs	117,816,000.00	176,876,000

BENEFIT SUMMARY

ONGOING BENEFITS

Direct Spending	8,867,380.00	214,369,733
Indirect/Induced Spending	5,953,385.00	145,812,290
Total Output	14,820,765.00	360,182,023
Personal Income (earnings)	5,031,619.00	121,696,929
Employment (full & part-time jobs)	205	1,111
City Taxes	244,602.00	3,412,924
County Taxes	46,134.00	908,481
State Taxes	586,787.00	15,163,586
Total Tax Revenue	877,523.00	19,484,990

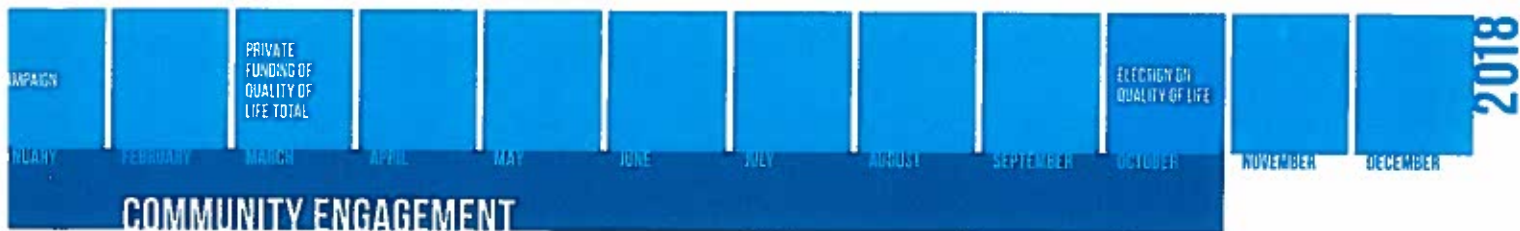
COST/BENEFIT SUMMARY

Benefit to Cost Ratio (Overall)

.83

2

CENTURY II PERFORMING ARTS AND CONVENTION TIMELINE



SCENARIO 2:		SCENARIO 3:		SCENARIO 4:	
Stabilized Year	10-year Total	Stabilized Year	10-year Total	Stabilized Year	10-year Total
—	\$247,310,000.00	—	\$305,430,000.00	—	\$287,460,000.00
—	71,200.00	—	98,300,000.00	—	96,300,000.00
—	630,000.00	—	53,100,000.00	—	66,500,000.00
—	24,800,000.00	—	34,800,000.00	—	34,300,000.00
—	—	—	—	—	—
—	349,610,000.00	—	491,630,000.00	—	484,560,000.00
—	—	—	—	—	—
5,800,000.00	35,860,000.00	5,144,000.00	49,897,000.00	5,144,000.00	49,897,000.00
2,237,000.00	22,176,000.00	2,237,000.00	22,176,000.00	2,237,000.00	22,176,000.00
5,037,000.00	59,036,000.00	7,381,000.00	72,073,000.00	7,381,000.00	72,073,000.00
—	—	—	—	—	—
5,689,000.00	55,183,000.00	5,703,000.00	55,319,000.00	6,198,000.00	60,121,000.00
4,283,000.00	41,789,000.00	3,792,000.00	37,015,000.00	4,283,000.00	41,789,000.00
9,972,000.00	96,972,300.00	9,495,000.00	92,334,000.00	10,481,000.00	101,910,000.00
—	—	—	—	—	—
3,935,000.00	37,963,300.00	2,114,000.00	20,261,000.00	3,100,000.00	29,837,000.00
—	—	—	—	—	—
10,218,000.00	202,180,000.00	28,431,000.00	284,310,000.00	28,022,000.00	280,220,000.00
3,935,000.00	37,963,300.00	2,114,000.00	20,261,000.00	3,100,000.00	29,837,000.00
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
24,153,000.00	240,116,300.00	30,545,000.00	304,571,000.00	31,122,000.00	310,057,000.00

7,940,188.00	327,778,712.00	34,096,431.00	547,932,151.00	34,096,431.00	544,750,651.00
2,140,495.00	223,355,697.00	23,060,156.00	372,845,394.00	23,060,156.00	370,660,918.00
10,080,683.00	551,134,409.00	57,156,587.00	920,777,545.00	57,156,587.00	915,411,569.00
10,264,717.00	186,939,687.00	19,316,300.00	310,813,304.00	19,316,300.00	309,006,299.00
11	2,296	781	3,434	781	3,396
17,798.00	5,985,401.00	1,060,645.00	11,668,474.00	1,060,645.00	11,646,220.00
5,542.00	1,454,551.00	189,196.00	2,582,404.00	189,196.00	2,571,277.00
186,328.00	22,938,775.00	2,258,512.00	38,046,894.00	2,258,512.00	37,810,928.00
—	—	—	—	—	—
799,688.00	30,378,726.00	3,508,352.00	52,297,772.00	3,508,352.00	52,028,425.00