

THE PROJECT LIST:

- Conceptual design.....\$30,000
- Recruitment services60,000
- Opportunities marketing mtl.14,500
- Community Profile15,000
- Legalities & agreements20,000

The Special Events Center will be the primary economic development tool to increase lodging tax revenues and overnight stays in Oak Harbor. It is one of the biggest needs Oak Harbor has in many regards:

- The Event Center is the much-needed “anchor tenant” for downtown’s redevelopment efforts.
- The Event Center will attract hotel development. A single upscale hotel based in downtown Oak Harbor would more than double the entire tax base of the downtown district.
- The community has no public assembly space that can accommodate more than 150 in a banquet setting. Even local organizations are close to moving large gatherings outside of the community.
- The Center will be the catalyst for increased investment in downtown.

Cost: These first elements will cost a total of \$139,500 and would take place over the 2005 and 2006 calendar years at a cost of \$70,000 a year.

Funding source: General funds, economic development budget

a. CONCEPTUAL DESIGN

We recommend hiring the services of LMN Architects in Seattle to develop a conceptual design for the Special Events Center, based on a total development budget of \$10 million. LMN Architects is one of the most experienced architectural firms in the U.S. with a specialty in designing and developing public assembly spaces. They were the firm that designed McIntyre Hall in Mt. Vernon, and have developed the plans for dozens of convention and conference centers, event and performing arts centers around the world.

The design would be a keystone element in recruiting a partnering hotel to the project. The concept design also includes a site analysis by LMN Architects.

Cost: \$30,000

Funding source: General economic development funds

Implementation: WRC and city staff

For this project, no subcommittee would be selected to work with the architectural firm. The WRC would be the working committee. The final concept, however, would be showcased to the council for their review and approval. At this point this is merely a conceptual plan of what the Event Center might look like and what elements it would include.

b. RECRUITMENT SERVICES

Key to any economic development and downtown revitalization program is business attraction. In this case, we recommend that the City hire professional recruitment services to attract several projects to Oak Harbor:

- Waterfront upscale hotel to link to the Event Center (a public-private partnership)
- Mixed-use development on the Beselin site
- Additional retail/office in downtown Oak Harbor (Pioneer Way)

- RV park developer

This will be an outside sales effort – a very targeted recruitment effort. One of the primary funding considerations for the Event Center is the use of New Markets Tax Credits, which downtown Oak Harbor qualifies for. There are a very limited number of developers who work within the New Markets program and these will need to be sought out and worked with to encourage them to develop such the hotel project in Oak Harbor. The New Markets program will cover nearly 40% of the total development cost of the hotel/event center.

The entire recruitment effort would focus on downtown Oak Harbor along Pioneer Way and Bayshore Drive. The contractor will work closely with the WRC who will report to the city council monthly on the effort.

While the recruitment of a hotel developer is important, it is not a deal-killer for the Event Center. The center is the most needed economic development/tourism tool on Whidbey Island. However, without the hotel, funding of the Event Center will be difficult. New Markets funding would not be available, and many other funding sources, tied to the creation of jobs, would not be available. Additionally, the Event Center, a publicly owned facility, would not increase the local property tax base as a hotel would.

The recruitment effort will need to be a team effort involving the Island County EDC, Oak Harbor chamber, local Realtors, the city, and local developers.

Cost: \$60,000 for a one-year recruitment program, with a renewable second year option. Because the effort would not begin until mid-2005, \$30,000 would be required in this calendar year, \$60,000 for the 2006 calendar year, and a final \$30,000 for the first half of calendar year 2007.

Implementation: WRC working with city staff.

c. OPPORTUNITIES MARKETING MATERIALS

The recruitment contractor will need some marketing tools to assist in attracting investment to the community. This includes the creation of an Oak Harbor Development Opportunities booklet that will showcase this plan and the various elements: the redeveloped City Beach Park, the Event Center, downtown revitalization/theme development projects, signage, etc.

Cost: \$14,500 including printing. It is anticipated that the document would be between 16 and 20 pages and would be printed and bound on an as-needed basis. It should be professionally produced, using the Style Book standards developed as part of the branding effort. This piece, however, does NOT need to be a product of the graphic design contractor. It should be developed by the recruitment contractor in whatever format necessary to deliver a successful recruitment program.

Implementation: Recruitment contractor, working with the WRC

d. COMMUNITY PROFILE

A number of years ago, the chamber of commerce developed a Community Profile, a valuable tool in attracting businesses to Oak Harbor. This tri-fold piece (see enclosed sample), provides an overview of Oak Harbor in terms of quality of life, geography, transportation, and economy. The profile should be updated and reprinted every year. Four thousand copies would be printed, in full color, and distributed to local real estate offices, the Island County EDC, Island County, the chamber, city and other local organizations.

Cost: \$14,500 for the first year, \$6,000 in subsequent years (updates and reprints)
Implementation: Graphic design firm working with the chamber, city, and recruitment contractor. This includes the printing of 4,000 copies.
Funding source: General funds

e. LEGALITIES AND AGREEMENTS

This funding allows for the use of legal assistance as the recruitment effort sees success. The hotel and RV projects, for instance, may become public/private partnerships regarding public lands, shared revenues, possible property exchanges, operating agreements, etc. It may be necessary to bring in legal guidance as agreements are developed and negotiated.

Cost: \$20,000
Implementation: City of Oak Harbor
Funding source: General funds. These costs would only be tapped into on an as-needed basis.

f. SEWER TREATMENT PLAN RELOCATION

During this process, the city would need to move forward on relocating the sewage treatment facility currently located in City Beach Park. Its removal or relocation would be paid from sewer funds. Please note that the plant is already at the end of its life and needs to be addressed regardless of this plan.

A primary location for the Event Center and hotel is the site where the proposed library was to be located (and neighboring parcels), but the site will not be conducive to this type of development with the treatment facility remaining in its current location.

This should be a priority project of the city staff and council. Much of the recruitment effort hinges on a commitment to relocating the plant.

Cost: Undetermined, needs further study
Implementation: City council and staff
Funding source: Sewer funds

g. EVENT CENTER FUNDING OPTIONS

As the recruitment effort begins, the city and WRC will need to work with the county and other federal, state and local organizations to secure investment and capital funding for the Event Center.

We have suggested that Rural Economic Development Funds (the .08 program) be considered as a partial source for the development of the project. The county has not been approached about this idea, but should be brought into the process immediately upon adoption of this plan.

With regards to the Event Center, here is a synopsis of one funding scenario:

- Project development cost: \$10,000,000
- New Markets Tax Credits: \$4,000,000

- .08 reserve funds \$1,500,000 (property acquisition, infrastructure)
- .08 receipts (revenue bonds) \$4,500,000 (\$332,950 p/year at 4.2% over 20 years)

The rationale for making this recommendation is as follows:

- a. One of the most pressing needs on Whidbey Island is for a multi-use public assembly space that can accommodate groups, entertainment, performing arts, visual arts, trade shows, and exhibitions.
- b. The Event Center will act as a catalyst for downtown Oak Harbor’s revitalization efforts.
- c. The Center will become the missing “anchor” for Oak Harbor’s downtown redevelopment efforts.
- d. The Center and adjoining hotel will more than double the lodging tax revenues, will dramatically increase sales tax revenues building the .08 fund even further.
- e. Oak Harbor, today, generates approximately \$250,000 annually in .08 funds. That number will dramatically increase over the next few years with projects such as Home Depot coming online, yet the debt service amount will stay fixed for the 20-year duration. In just a few years the receipts will surpass the expenditure.
- f. A new 110-room hotel property would generate (at 60% occupancy at an average daily rate of \$85) \$2.1 million a year in gross revenues (room rentals only). This one project will generate \$81,906 a year in gross lodging tax receipts, \$1,600 in .08 funds, and \$139,000 in annual property tax revenues. It will also employ 40 full-time workers (many of them family-wage jobs) and an annual payroll of \$900,000 annually. This does not include any secondary spending, increased visitor spending (retail sales and services, etc.). The average overnight visitor spends nearly \$220 per day in the community. At the 60% occupancy level, at just one person per room, this translates to \$5.3 million in increased local spending. This spending, in turn, creates even more jobs (the multiplier factor), many of them well paying positions.
- g. Consider the following property tax revenues, based on a “break even” hotel revenue analysis:

City revenues.....	\$42,831
Local schools.....	26,070
Library	6,847
Hospital	4,555
EMS.....	4,763
Parks	2,616
Cemeteries.....	116
Conservation futures.....	938
County	10,883
State schools.....	39,809
TOTAL:.....	\$138,809

Remember, this is just from the hotel project and does not include increased tax base of the area because of its development and the downtown revitalization effort.

The WRC, working with city staff and other local organizations, will work with the county and will look at other funding options and will bring those to the council for consideration as the process moves forward.

The following pages showcase similar sized event and conference centers designed and developed by LMN Architects, based in Seattle.

EXAMPLES OF OTHER EVENT CENTERS

Bank of America Performing Arts Center



- » comparable size & scale
 - » responsive to local character
 - » flexibility of space
- community planning & guidelines

LOCATION & YEAR OF COMPLETION
Wenatchee, Washington 2000

CLIENT
The Supporters of the Center

PROJECT SIZE
25,000 square feet, 500-seat theater

CONSTRUCTION COST
\$5,500,000

ARCHITECT
LMN Architects

Overlooking Wenatchee's central public plaza, the Bank of America Performing Arts Center is a venue designed for drama, dance, and musical performances: the first of its kind for Wenatchee. Developed by a not-for-profit arts group, and built with state and private funding on city-owned property, the Bank of America Performing Arts Center is a model of public-private partnering in the development of performing arts centers. LMN's design for the facility provides shared functional amenities, architectural elements, and costs with the adjacent Wenatchee Center, a regional conference and convention facility. For instance, the performance auditorium will be used for conference and convention lecture presentations. Wilfred Woods, co-chairman of the Supporters of the Center states, "The beauty of the concept is that conventioners will use the theater as well as the convention hall, and that will help with the economic up-keep." The 2-story theater lobby creates an interlocking spacial connection to the adjacent landscaped exterior garden area, which will be used for smaller performance events, into the interior space. This effect is achieved through the use of separated shading structures in the glass walls of the lobby area. The auditorium was designed to be spacious, but intimate, through the use of a flexible balcony area.

Kitsap Conference Center at Bremerton Harborside



- » comparable size & scale
 - » responsive to local character
 - » flexibility of space
- community planning & guidelines

LOCATION & YEAR OF COMPLETION
Bremerton, WA 2004

CLIENT
City of Bremerton

CONSTRUCTION COST
confidential

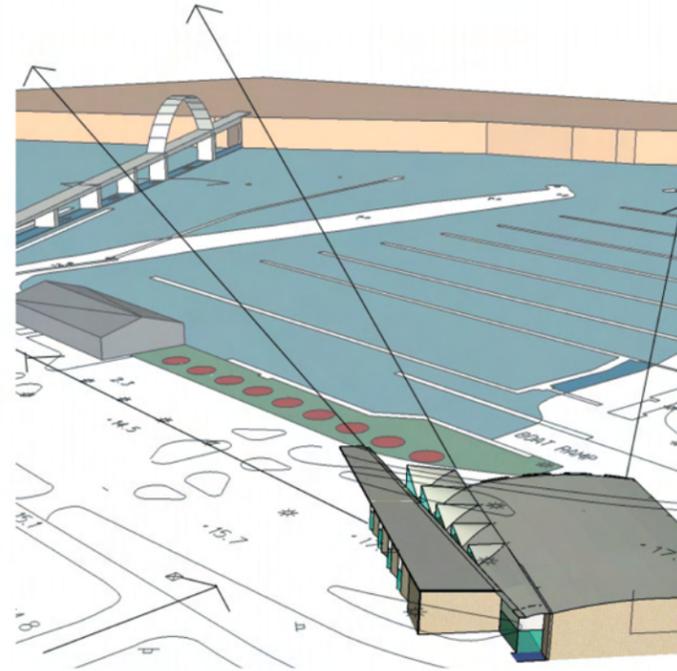
PROJECT SIZE
15,000 s.f. conference center, 110-room hotel, 740+ below grade parking, a new office building, & 58 units of housing.

DEVELOPER
Opus Northwest, L.L.C.

ARCHITECT
LMN Architects

The City of Bremerton, located on the shores of Puget Sound, has begun its new era in growth and development. This public/private project by the LMN/Opus team has created a striking new vision for the city, and includes a conference center, hotel, outdoor public plaza, and housing surrounded by supporting office, retail, and restaurants. The vitality of this development has drawn greater numbers of people to live, work, and shop downtown. Vibrant both day and night, the community enjoys increased access to the waterfront. This collection of buildings provides the City of Bremerton with a sense of architectural style and drama. The structures frame a grand central landscaped plaza that steps down toward the water, which and serves as a beacon; signaling a great new destination within the region of Puget Sound.

Newport Event & Exposition Center



- » comparable size & scale
 - » responsive to local character
 - » flexibility of space
- community planning & guidelines

LOCATION & YEAR OF COMPLETION
Newport, Oregon 2006

CLIENT
City of Newport

CONSTRUCTION COST
\$7,200,000

PROJECT SIZE
42,000 gross square feet

ARCHITECT
LMN Architects in association with
WBGs

This project is sited on the waterfront marina of Newport, Oregon and captures views to the historic Old Town and the iconic Highway 101 bridge. A total of 20,000 s.f. of multi-purpose exhibition/banquet space is provided, supplemented by 4,000 s.f. of meeting rooms and all necessary support and back-of-house facilities. The projected utilization of the facility anticipates a balanced mix of community/regional festivals with convention/conference events. The architectural expression is one of openness to the water and vistas and the roof forms recall the breaking surf of the Pacific-Oregon coast. The project is configured to permit future expansion with only minimal impact to ongoing operations and utilization.

Capital Arts & Conference Center Concept Design Study



- » comparable size & scale
 - » responsive to local character
 - » flexibility of space
- community planning & guidelines

LOCATION & YEAR OF COMPLETION
Olympia, Washington 2003

CLIENT
City of Olympia/VIP's Industries, Inc.

CONSTRUCTION COST
\$10,100,000

PROJECT SIZE
45,000 gross square feet
150 car parking garage

ARCHITECT
LMN Architects

The project was a study investigating the development of an arts and conference center executed via a public-private partnership. The proposed facility included meeting and ballroom space integrated with art gallery and studio space to provide a unique market-driven solution of an art-conference center. On-site structured parking was included to be shared and integrally connected to an adjacent 150-room hotel. The total complex was sited in the harborfront district of Olympia with water and mountain views from conference break-out terraces. Provisions for future expansion up to a doubling of conference center space was included in the master plan.

Salem Conference Center and Hotel



- » comparable size & scale
 - » responsive to local character
 - » flexibility of space
- community planning & guidelines

LOCATION & YEAR OF COMPLETION
Salem, Oregon 2004

CLIENT/DEVELOPER
ECO Northwest/City of Salem/VIP's
Industries, Inc.

CONSTRUCTION COST
\$20,000,000 - Phase 1: conference
center and
parking

PROJECT SIZE
60,000 gross s.f. - Phase 1: conference
center only

ARCHITECT
LMN Architects

This project occupies an entire city block within the central business core of downtown Salem, the master plan of which includes a conference center with 12,000 s.f. of flexible meeting rooms and a 12,000 s.f. ballroom/exhibit area, a 200-room hotel and restaurant, and 300 stalls of underground shared parking. The project provides a pedestrian friendly environment, including a block-long indoor public gallery and incorporates significant sustainable design elements. This public/private project will help revitalize downtown Salem, and create a landmark for the community.

South Padre Island Convention Centre



- » comparable size & scale
 - » responsive to local character
 - » flexibility of space
- community planning & guidelines

LOCATION & YEAR OF COMPLETION
South Padre Island, Texas 1992

CLIENT
Town of South Padre

CONSTRUCTION COST
\$8,500,000

PROJECT SIZE
70,000 gross square feet

ARCHITECT
LMN Architects: design architect
Reitzer Cruz Architects, Inc.: associate
architect

Located at the southern end of the Texas coastline, this award-winning project on South Padre Island provides convention and special event facilities for this Texas island resort community. Designed to reflect local culture and character, as well as strengthen the island's tourist industry, the structure's dramatic architectural forms and bold colors create an appealingly appropriate landmark. Built on former park land adjoining a protected natural area, LMN carefully planned the facility and its parking to fit into a site laced with waterways and sandy banks of beach grass; its sculptural, functionally molded form stands memorably in the sunny openness of its natural beach environment. Canopied entrances in the palm-shaded arrival court open to a striking registration lobby. This tent-like lobby interconnects all the public areas of the facility and frames a view of the circular terrace overlooking the beach, thus providing a unique sunset-facing setting for special occasions and post-event relaxation.

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