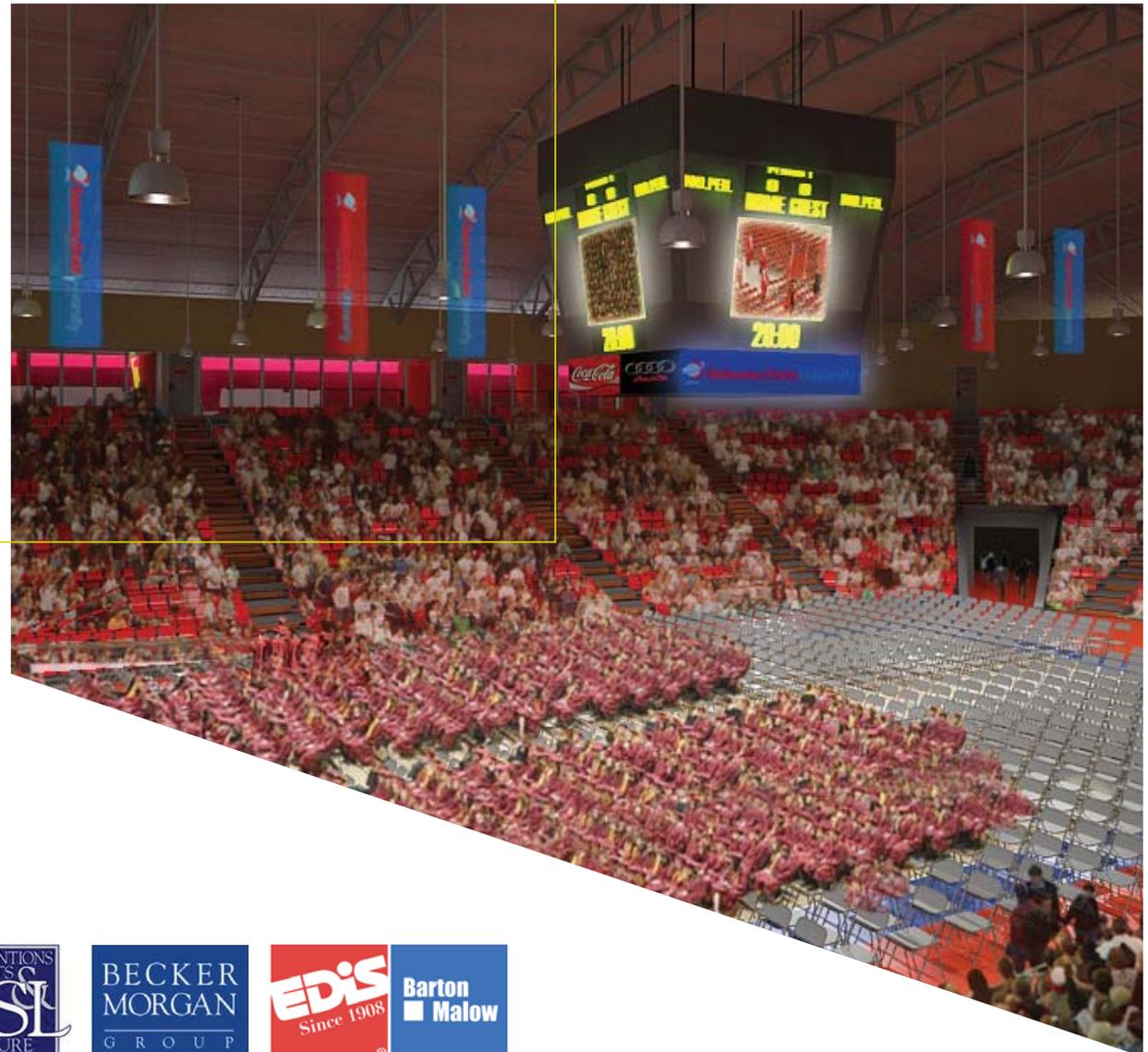


Delaware State University Convocation Center

Final Report

Delaware State University
Dover, Delaware

May 2014



HOLZMAN MOSS BOTTINO
ARCHITECTURE



Participants

Representatives from Delaware State University (DSU), the State of Delaware, Kent County, the City of Dover and the Greater Kent Committee, came together to participate in a series of workshops and conference calls to brainstorm and provide feedback on the Delaware Convocation Center project. We thank all participants for their assistance with furthering the project.

Steering Committee

Senator Colin Bonini, State Senator, 16th District
Senator Brian Bushweller, State Senator, 17th District
Rep. Darryl Scott, State Representative, 31st District
Mayor Carleton Carey, Mayor, City of Dover
Mr. Bill Neaton, Economic Development Manager, City of Dover
Mr. James Waddington, Director – Economic Partnership, Kent County Levy Court
Ms. Judy Diogo, President, Central Delaware Chamber of Commerce
Ms. Shelly Cecchetti, Executive Director, Greater Kent Committee
Mr. Bill Strickland, Past President, Greater Kent Committee
Mr. Stuart Outten, Former Chair, Delaware Civic Center Corporation
Ms. Carolyn Curry*, Chief of Staff and VP for Institutional Advancement, DSU
Dr. Amir Mohammadi*, University Treasurer, DSU
Dr. Alton Thompson, Provost & VP for Academic Affairs, DSU
Dr. Teresa Hardee, VP for Finance, DSU
Mr. Victor Santos, Government Relations, DSU

Project Team:

Holzman Moss Bottino Architecture

Douglas Moss, AIA, LEED BD+C
Patty Chen, AIA, LEED AP

ForeSite Facility Planners

Peggy Chong, Assoc. AIA, LEED Green Assoc.

Conventions, Sports & Leisure International

Jay Lenhardt
Weston Johnson

Becker Morgan Group

Gregory Moore, P.E.
Michael Henry, LEED AP

EDIS

Gerald Doherty, LEED AP
Rob Belfiore, LEED AP

*Committee Co-Chair

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The background image shows a university campus. On the right, there is a large, modern building with a facade of light-colored stone or brick. In the foreground, a paved walkway leads towards the building, with several people walking. A black lamppost stands on the walkway. The sky is overcast with grey clouds. A large, semi-transparent blue shape is overlaid on the left side of the image, containing the text.

Project Objectives

Through visioning sessions with the Steering Committee, the following list of priorities for the project was established:

- Create an academic building that supports DSU's pedagogical mission*
- Envision DSU facility for shared use by the entire state of Delaware*
- Establish indoor venue for DSU convocation and graduation*
- Develop premier facility for men's and women's NCAA basketball*
- Create multi-use facility for large assemblies, conferences, trade shows, entertainment and athletic events*
- Assess market to estimate users, uses and financial viability*
- Establish strategies to achieve annual financial break-even*
- Create engine to enhance economic development (job creation and tourism)*
- Promote active partnerships with DSU, State of Delaware, Kent County, City of Dover, and school districts*
- Provide a premier facility through design excellence*

Introduction



Project Overview

The desire to embark on a feasibility study for the Delaware Convocation Center arises from the myriad needs of Delaware State University, the City of Dover, Kent County and the state of Delaware for an assembly and event space. The convocation center, a place to hold graduation ceremonies on a twice yearly basis, is a much-needed gathering space for the university and the residents of the surrounding region.

Capitalizing upon the potential synergies of a joint project between town and gown, the study investigates the viability of a convocation center and its impact upon the region. Reviewing current market conditions and trends, existing facilities, surveys and interviews with prospective stakeholders and users, the study presents a holistic and conservative assessment of the project's feasibility.

In conjunction with the data and information compiled, the study also takes a preliminary look into the size and usage of a facility that would be suitable for the Dover area market. The hypothetical facility allows the team to get further feedback about its appropriateness to the community, usability, cost and economic impact on the region, in addition to exploring ways of accommodating both the university's and community's programming and space needs.

Existing Conditions and Needs

It is vital for DSU to have a convocation center. The lack of an appropriate large-scale indoor location for commencement activities has resulted in the implementation of last-minute alternative arrangements due to inclement weather. In 2009, attendees sat in the rain throughout the graduation ceremony with many having to leave due to the downpour. In 2010 and 2011, the graduating class was split into three smaller groups and separate ceremonies were carried out indoors. Neither option is an ideal way to celebrate the graduates and their families on the day that caps the students' college career, a day which should be the source of many proud, happy memories.



In 2009, rain impeded the commencement ceremony, dampening the spirits of the graduates and their families. The lack of an indoor venue that could accommodate all the participants was sorely felt.

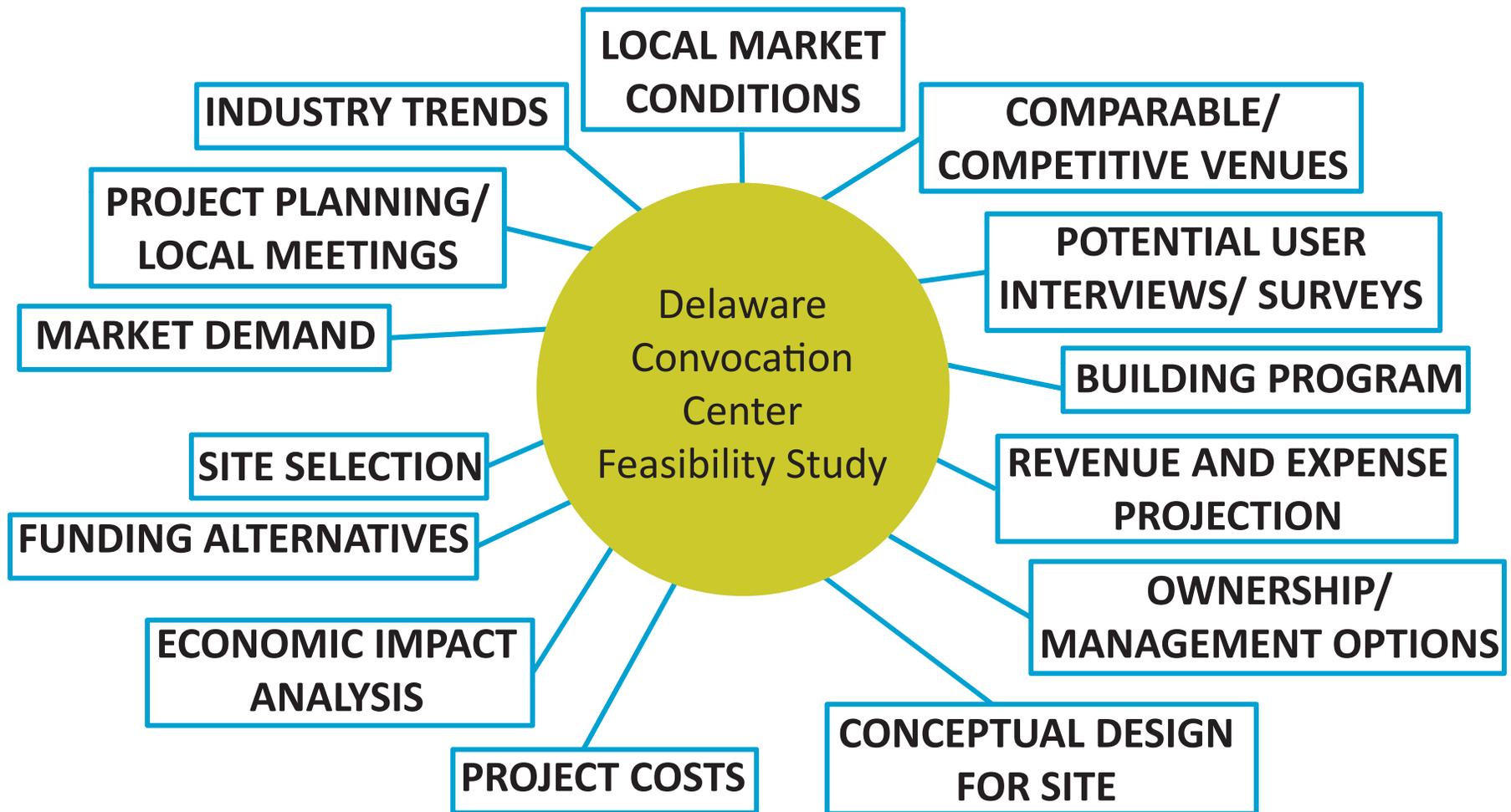


Process

Bringing together a multi-disciplinary team, Holzman Moss Bottino Architecture was commissioned to undertake this study in April 2013. The scope of work included assessment of the market conditions, investigating potential sites, establishing a preliminary program and construction cost, analysis of financial and economic operations, examination of funding options and assessment of ownership and management options.

To address the range of issues, the team includes experts from fields such as market and financial planning (CSL International), space planning (ForeSite Facility Planners), civil/ traffic/ site analysis (Becker Morgan Group) and cost estimating/ scheduling (EDIS-Barton Malow joint venture).

Over a period of nine months, the team undertook numerous surveys and interviews with members of the community, key potential stakeholders and users, in addition to market research. The team made periodic presentations to the Steering Committee to keep them apprised of our findings, while providing various options for the proposed facility in order to fine-tune our recommendations. Members of the committee included state senators, state representatives, representatives from the City of Dover, representatives from Delaware State University, members of the Greater Kent Committee, Central Delaware Chamber of Commerce and many others.



To achieve an in-depth understanding of the multiple factors affecting the viability of the proposed convocation center, the team embarked on a scope of work, as represented in the diagram above, to look at the project in a holistic and comprehensive manner. The methodology allowed the team and the Steering Committee to analyze the social, financial and economic impacts related to the project throughout its life.

Understanding the Market

Methodology

In planning the development of the proposed Delaware Convocation Center, it is important to solicit feedback from potential facility patrons and stakeholders. Interviews were conducted with more than 160 organizations and stakeholders including Delaware State University; City, County and State officials; local/regional business community; spectator event promoters; state/regional convention planners; other higher education campuses; regional K-12 schools; and regional hospitality industry leaders.

A comprehensive survey was also distributed via email to the Dover/Kent County-area business community as well as university students, faculty/staff, alumni and donors and other area residents. More than 300 surveys were completed, providing important insight into the following:

- History of attendance at other event and assembly facilities in Dover and the surrounding region;
- Interest level in attending various types of events/programming at the proposed Delaware Convocation Center;
- Current relationship with Delaware State University and the local/regional community;
- Opinions on the convocation center's potential impact on the community and its residents;

- Level of support for and overall attitude toward the convocation center project;
- Level of support for various potential project funding sources;
- Local meeting and event/meeting space needs;
- Interest in using event/meeting space at the proposed Delaware Convocation Center; and,
- Interest in priority/premium seating options and potential naming and sponsorship opportunities that could be offered at the proposed Delaware Convocation Center.

The interviews and surveys identified a variety of needs not met by existing event venues, ascertained moderate demand for concerts, family and sporting events, determined a strong level of interest from state organizations, and brought to light robust support for a public-private partnership. Of vital importance, more than 90% of the survey respondents exhibited a positive attitude towards the project.

Market Characteristics

Market attributes such as local and regional market demographic characteristics, transportation access and competitive entertainment establishments in the local and regional market provide key indicators of the potential demand for the proposed Delaware Convocation Center.

“This area needs a large arena to attract big name, revenue-generating events and entertainment. Currently residents have to travel 1½ hours in any direction to get access to cultural and entertainment events of significant caliber. This is long overdue.” - comment by survey respondent

The following is a summary of the key findings of the analysis of market characteristics.

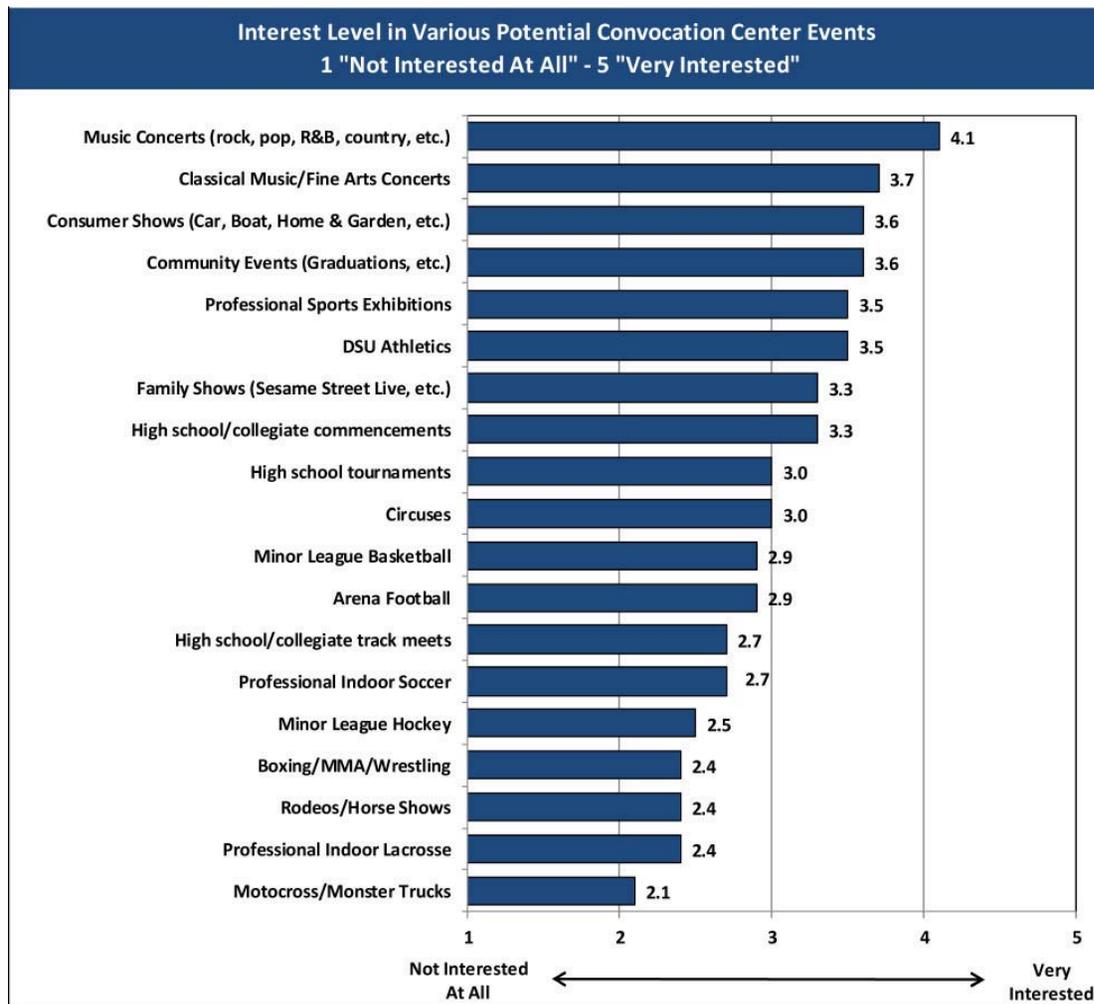
- The Dover metropolitan area is home to approximately 168,000 residents. (Fig. 1) The proposed Delaware Convocation Center will have the potential to draw attendees from throughout the Delmarva region, which has a population of approximately 1.4 million, and on a more limited basis from the western shore of Maryland, southern New Jersey and southeastern Pennsylvania.
- Dover’s lack of commercial air service or proximity to the I-95 corridor may impact the proposed Delaware Convocation Center’s ability to attract regional conventions and certain touring entertainment events. However, the Dover market’s strong highway linkages to points throughout the Delmarva Peninsula, along with its relatively central location within that region, make Dover well positioned to capture event delegates and attendees from throughout the immediate region. (Fig. 2)
- The availability of abundant, moderately priced hotel rooms in Dover could be a significant advantage in drawing conferences, sports tournaments and other such events to the proposed Delaware Convocation Center. The ability to attract these events could help increase demand for hotels, providing a needed boost to the local hotel industry.

MARKET DEMOGRAPHICS				
	Dover CBSA/ Kent County ⁽¹⁾	State of Delaware	Delmarva Peninsula	U.S. Totals
Population				
1990	110,993	666,168	1,054,701	281,421,900
2000	126,698	783,598	1,230,899	308,745,500
2013	167,786	917,761	1,416,519	314,861,800
2018	176,439	951,813	1,459,893	325,322,300
CAGR 1990-2013	1.8%	1.4%	1.3%	0.5%
CAGR 2013-2018	1.0%	0.7%	0.6%	0.7%
Age				
Median age	36.7	39.0	39.8	37.5
Under 18	25%	23%	22%	24%
18 to 34	23%	22%	22%	23%
35 to 54	26%	27%	26%	27%
55 & Over	26%	28%	29%	26%
Household Income				
Average HH Income	\$64,987	\$74,471	\$73,306	\$49,300
Less than \$25,000	21%	20%	21%	25%
\$25,000 to \$50,000	25%	24%	24%	25%
\$50,000 to \$75,000	22%	20%	20%	18%
\$75,000 to \$100,000	16%	13%	13%	12%
\$100,000+	17%	23%	22%	19%
Corporate Inventory				
Total Corporate Base	6,276	39,064	62,961	17,186,500
By Number of Employees:				
20+ Employees	708	4,345	6,735	16,108,600
50+ Employees	318	2,003	2,988	571,100
100+ Employees	138	1,004	1,432	221,800
<small>(1) The Dover CBSA (metro area) is defined as Kent County. Note: CAGR = Compound Annual Growth Rate Source: Claritas; Hoovers.</small>				

Fig. 1 This table provides some statistics about the population in the Delmarva region with regard to size, age and income.

DRIVING DISTANCE FROM REGIONAL MARKETS			
CBSA	Distance (miles)	Drive Time	Market Population
Delmarva Markets ⁽¹⁾			
Dover, DE	N/A	N/A	167,786
Philadelphia et al, PA-NJ-DE-MD ⁽²⁾	35	40 min	6,022,170
Sussex County, DE	37	49 min	204,064
Easton, MD	47	1.2 hrs	38,299
Salisbury, MD	57	1.3 hrs	125,862
Cambridge, MD	63	1.4 hrs	32,655
Ocean Pines, MD	63	1.3 hrs	51,560
Markets Beyond Delmarva within 4-Hour Drive ⁽³⁾			
Vineland-Millville-Bridgeton, NJ	88	1.7 hrs	157,262
Pottsville, PA	90	2.0 hrs	146,513
Washington et al, DC-VA-MD-WV	96	2.0 hrs	5,828,935
Lancaster, PA	100	2.0 hrs	528,329
Baltimore-Towson, MD	106	1.8 hrs	2,750,201
Reading, PA	106	2.0 hrs	414,193
Trenton-Ewing, NJ	112	2.0 hrs	367,555
York-Hanover, PA	119	2.5 hrs	438,713
Lexington Park, MD	127	2.8 hrs	110,231
Harrisburg-Carlisle, PA	128	2.7 hrs	556,770
Allentown-Bethlehem et al, PA-NJ	129	1.2 hrs	829,018
Atlantic City-Hammonton, NJ	131	2.2 hrs	273,951
Lebanon, PA	131	2.5 hrs	135,132
Ocean City, NJ	133	2.3 hrs	95,762
Hagerstown-Martinsburg, MD-WV	157	2.8 hrs	274,182
Gettysburg, PA	157	2.8 hrs	101,422
New York et al, NY-NJ-PA	165	2.8 hrs	19,149,591
East Stroudsburg, PA	170	3.0 hrs	169,846
Winchester, VA-WV	171	3.3 hrs	130,915
Scranton-Wilkes-Barre, PA	176	3.0 hrs	562,468
Chambersburg, PA	185	3.3 hrs	152,179
Virginia Beach et al, VA-NC	192	4.0 hrs	1,695,381
Bridgeport-Stamford-Norwalk, CT	204	3.3 hrs	936,341
Richmond, VA	204	3.5 hrs	1,284,147
Cumberland, MD-WV	221	3.8 hrs	102,346
Harrisonburg, VA	228	4.0 hrs	128,939
<small>(1) Includes all CBSA's located on the Delmarva Peninsula (2) The Philadelphia CBSA includes New Castle County, which is located on the Delmarva Peninsula. (3) Includes CBSA's with a population of at least 100,000 within a 4-hour drive of Dover. Source: Google Maps, Claritas.</small>			

Fig. 2 This table shows the distance and length of time it would take to drive to Dover from surrounding cities.



- The City of Dover is not home to an indoor entertainment venue with a seating capacity greater than 2,500 seats and offers limited exhibition space, providing the proposed Delaware Convocation Center with potential untapped event opportunities. However, the facility could face competition from regional facilities such as the Chase Center in Wilmington, the Bob Carpenter Center at the University of Delaware in Newark for certain regional events.

Fig. 3. This chart summarizes the levels of interest from survey respondents for various events that could occur in the proposed convocation center



Conceptual Rendering of Graduation Ceremony

The architect's conceptual rendering for the convocation center (a specific design has not been created) shows the arena accommodating a graduation ceremony with 1,200 graduates on the event floor and an audience of 3,600 people in the seating bowl. The arena's seating configuration is flexible, allowing it to be used for a variety of events such as concerts, trade shows, sporting events, and many others.

Recommendations

Public-Private Partnership

Many facilities around the country that are similar to the Delaware Convocation Center are based on public-private partnerships. Not surprisingly, survey results show that approximately 88% of the respondents support a public-private partnership for the Delaware Convocation Center. This strategy ensures that the convocation center can become an asset to the university, central and southern Delaware, and the city, providing much-needed event space for various constituents, maximizing the building's utilization rate and enhancing the relationship between the academic and civic communities.

As a DSU facility with an interest in varied community and regional uses, the building program reflects the needs of diverse constituents in its listing of spaces. Anticipated activities include a mix of academic, spectator, athletic convention, conference and meeting events. The program provides the opportunity for multiple uses of the same space.

Consideration has been given to zoning the building to ensure ease of access by both the public and university students, faculty and staff. Much thought has also been given to the successful sharing of multipurpose spaces between the various entities. Conscientious scheduling of spaces will be critical to maintaining the smooth operations of the building.

Building Program

The key components of the program consist of the academic spaces of the Health and Wellness Institute, the event floor of the arena, fixed and flexible bowl seating, visitor support spaces, support spaces for the athletic teams, administration spaces and building support spaces.

The arena's event floor accommodates a variety of fields-of-play and retractable seats allow for greater flexibility. In convocation or commencement settings, an additional 1,200 loose seats can be placed on the event floor.

Academic Program

The Academic Health and Wellness Institute is a fast-growing academic program at DSU, which is sorely in need of additional space. Classroom spaces can double as meeting and ballroom spaces, and can cater to the convention and conferencing events that the facility hopes to attract.

Phasing

"Right-sizing" the facility is critical to ensuring its success. Currently, there are no facilities in Dover that seat more than 2,500 patrons for events. Based on industry trends, analysis of market characteristics and responses from stakeholder interviews, a facility with a capacity ranging from 4,300 to 6,000 would be ideal to meet the concert, family show, sport event and convocation needs of the city and university.

"This project would be great for Delaware State University. We will have revenues for the University and the city of Dover." - comment by survey respondent

Keeping in mind the twin considerations of what the market can support and budget constraints, which influence the size of the proposed project, the proposal puts forth the idea of a phased project. The first phase would allow for the development of a 3,600 seat facility (4,800 seats at graduation) with the possibility of expansion to meet increased market demand, if funding permits it. All the academic, meeting and breakout spaces will be built in Phase 1 to allow the Health and Wellness Institute to be fully functional from the first day. It is also vital to note that some of these spaces provide opportunities for rental income.

Phase 2 represents an increase in the number of seats in the bowl, resulting in a total of 4,800 seats (6,000 seats at graduation), a proportional increase in visitor support spaces, and some building support and storage spaces. The enlarged seating bowl presents the ability to attract larger roadshows, better publicized concerts and more tradeshow.

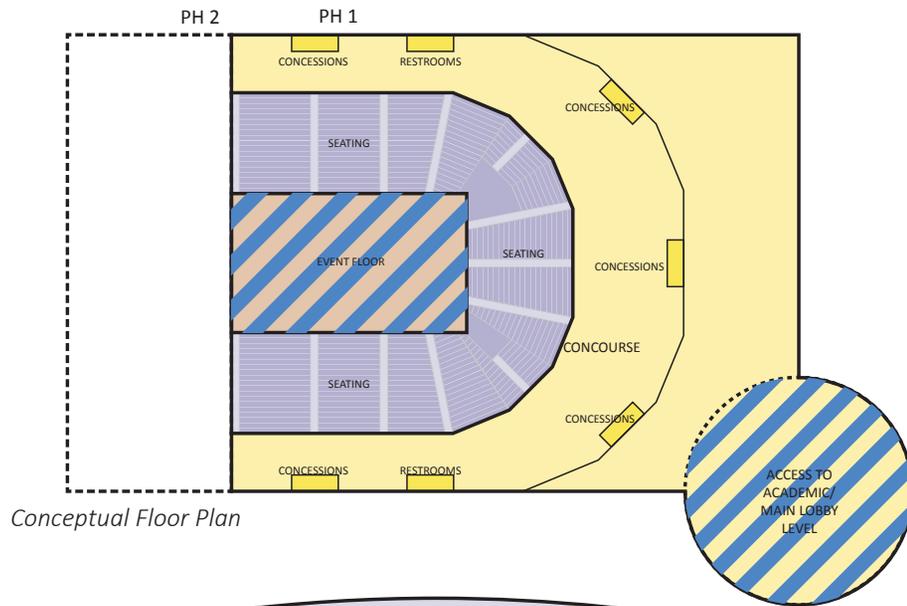
Retractable Seating

Planning for a portion of the seating bowl to be retractable allows for greater flexibility. When all the seats are pulled out, the event floor is at its smallest, accommodating activities that fit within a basketball court. When rows of seats are retracted, the event floor expands, permitting activities that require more space, such as trade shows, concerts, the circus etc, to occur, an invaluable feature given the lack of indoor exhibition space in Dover.

SUMMARY OF RECOMMENDED BUILDING PROGRAM		
	Phase I	Full Build-Out
Gross Square Feet	144,408	169,135
Seating Capacity	3,682 seating bowl <u>1,200 temporary floor</u> 4,882 total	4,800 seating bowl <u>1,200 temporary floor</u> 6,000 total
Event Floor Square Footage	10,300 s.f. (minimum) 17,150 s.f. (maximum)	10,300 s.f. (minimum) 17,150 s.f. (maximum)
Dedicated Ballroom Space	5,400 s.f.	5,400 s.f.
Breakout Meeting Space	3,300 s.f.	3,300 s.f.
Academic Space	20,000 s.f.	20,000 s.f.

Fig. 4. The facility will meet all the needs expressed by DSU and the City of Dover from Day 1, providing all the required gathering, meeting and academic spaces. Planning for a second phase, provides the opportunity for the facility to respond to increased demand for seating in the arena.

Phase 1

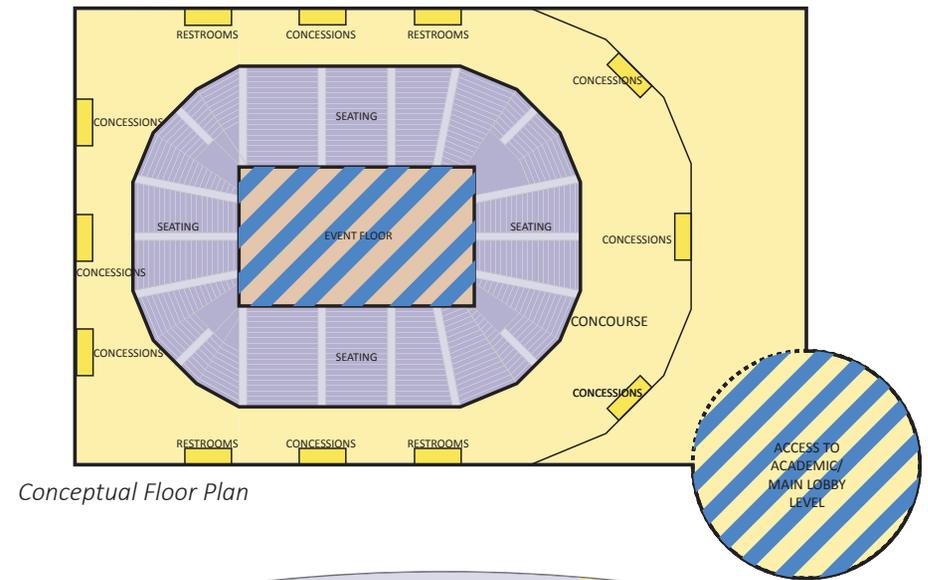


Conceptual Floor Plan



Conceptual Building Section

Phase 1 and 2



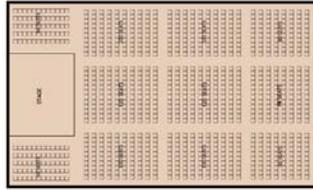
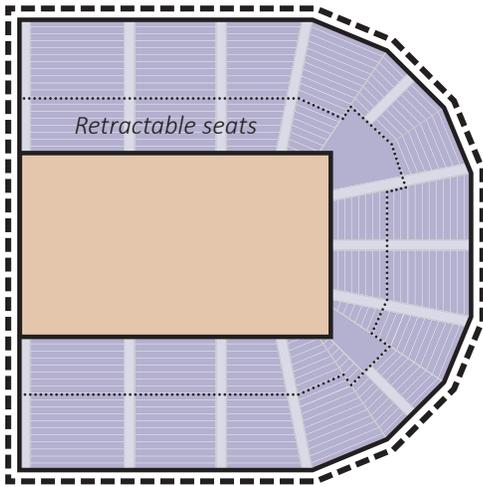
Conceptual Floor Plan



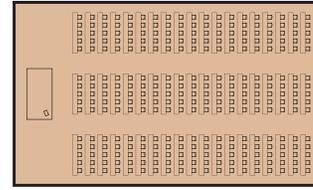
Conceptual Building Section

Academic
 Public
 Seating
 Event Floor

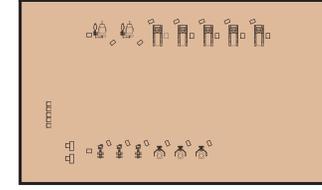
In Phase 1, the seating will form a horse-shoe shape surrounding the event floor, accommodating approximately 3,600 people in the bowl seating. Phase 2 allows for an increase of about 1,200 seats. With a total of 4,800 seats, the Delaware Convocation Center will become an ever more attractive event arena for concert organizers and roadshows.



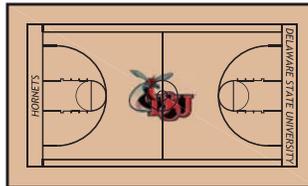
COMMENCEMENT
(additional 1,200 seats)



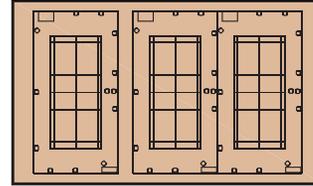
**CLASSROOM/
LECTURE**



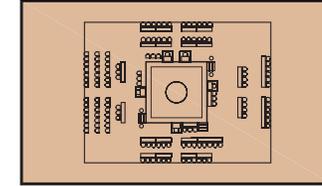
**EXERCISE
PHYSIOLOGY LAB**



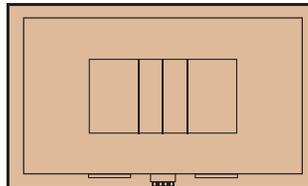
BASKETBALL



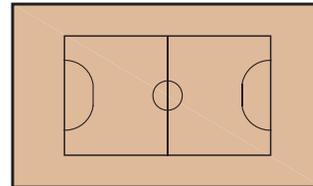
BADMINTON



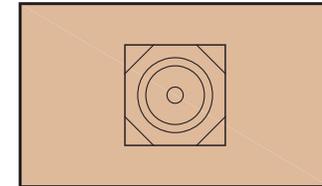
BOXING



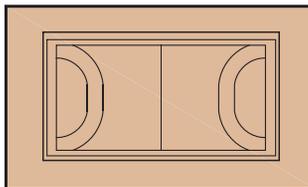
VOLLEYBALL



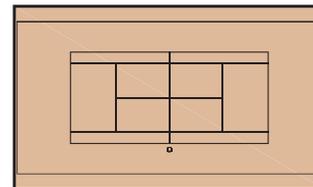
INDOOR SOCCER



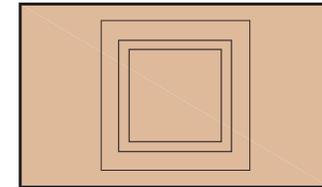
WRESTLING



HANDBALL



TENNIS



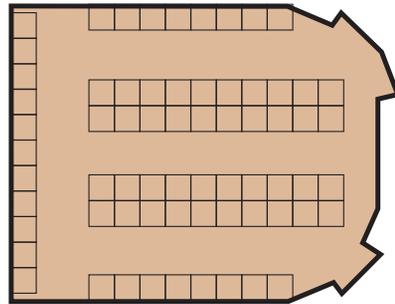
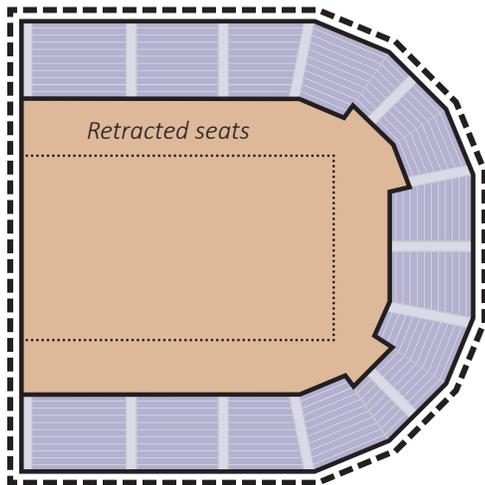
TAEKWONDO

Maximum Seating Configuration

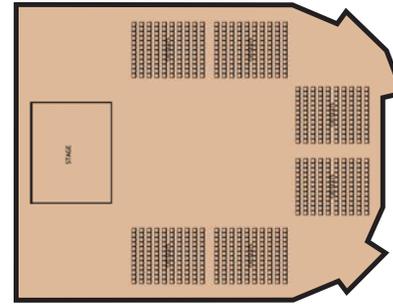
This is a plan diagram of the seating bowl and event floor. Events such as convocations and basketball games will be accommodated in the maximum seating configuration. The diagrams show additional activities that could occur on the event floor.

Full Seating Bowl: 3,680 seats

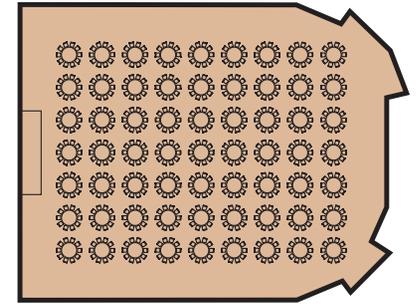
Event Floor: 10,300 s.f.



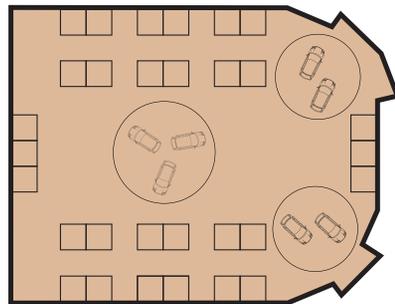
JOB FAIR



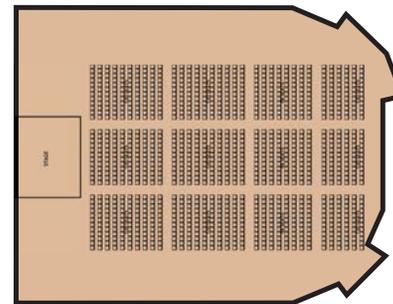
MUSIC FESTIVAL



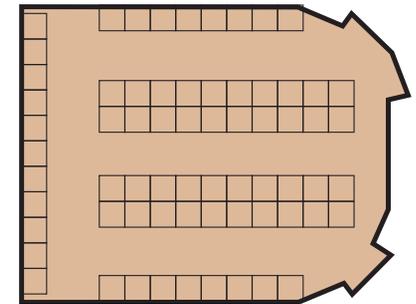
BANQUET
(630 seats)



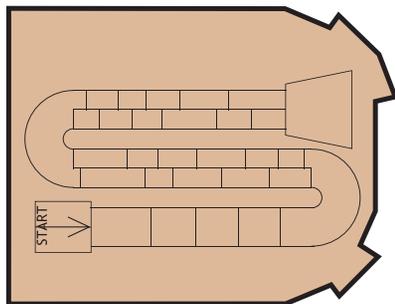
CAR SHOW



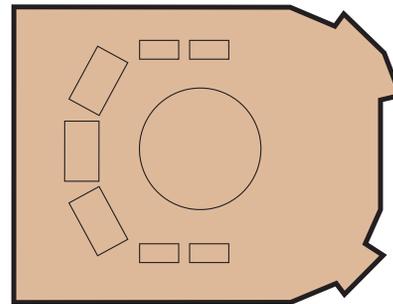
CONCERT



TRADE SHOW



BMX



CIRCUS

Retracted Bowl Configuration

This plan diagram provides maximum event floor space by retracting rows of seating. In the retracted bowl scenario, the event floor will be able to accommodate larger-scale events such as consumer shows, concerts, and many others.

Retracted Seating Bowl: 2,730 seats

Event Floor: 15,050 s.f.

Site Options

The team started by investigating 12 potential sites in and around the DSU campus, before focusing on three preferred sites. In exploring site options for the facility, we took into account issues such as:

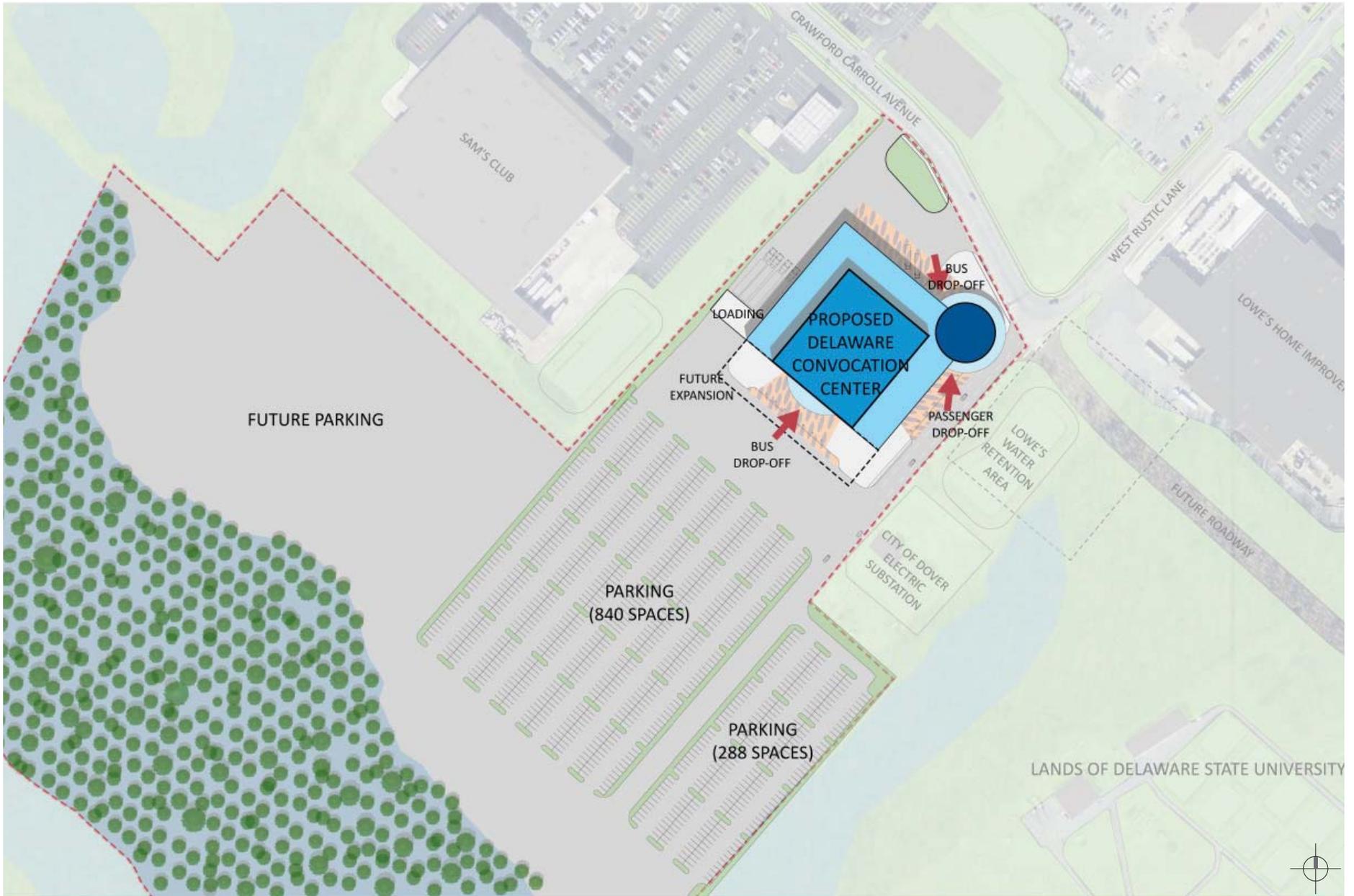
- Visibility from vehicular traffic on Route 13
- Proximity to DSU campus
- Pedestrian and bike access to DSU campus
- Traffic accessibility from Route 1 and Route 13
- Adequate space for new facility, parking, etc.
- Potential for shared parking with neighbors
- Land ownership
- Environmental conditions
- Utility infrastructure
- Relocation of existing site infrastructure

In evaluating the sites against the criteria listed above, the site highlighted in blue emerged as the favored option (refer to adjacent diagram). As the former Delaware Civic Center Site, it is currently owned by the Delaware Civic Center Association. A transfer of ownership would need to be discussed. Some of the advantages of the recommended site include:

- Adjacency to DSU campus
- Ease of access
- Adequate parking
- Reduced cost of land acquisition



The proximity of Site 2 to the DSU main campus, as well as the Commons, is a critical asset. It only takes a short walk for students to get to the Health and Wellness Institute.



Conceptual Site Plan

The proposed convocation center will be served by a primary public entrance that faces the parking lot, a secondary public entrance off Crawford Carroll Avenue, which is mainly for bus drop-offs, and an entrance for the Academic Health and Wellness Institute. Service and loading access to the building will be separate from the public entrances. Based on the City of Dover's requirements, a 4,800 seat facility requires approximately 1,600 spaces.



Conceptual Rendering of NCAA Basketball Game

As a basketball arena, the convocation center will provide the facilities needed by the DSU Hornets to hone their skills, display their talent and further their game. While the arena has not yet been designed, this architect's conceptual rendering of the space shows a long span open room without columns, which is ideal for athletic events. This illustration shows the seating bowl at the maximum seating configuration with all the seats pulled out. The estimated number of sporting events such as men's and women's basketball and women's volleyball is approximately 35 per year.



Conceptual Rendering of Academic Space

The architect's depiction of a classroom shows a space that can be used for a variety of functions, serving academic, as well as community activities. Partitions in the room allow it to be sub-divided into three smaller classrooms, accommodating DSU's academic programs and providing much needed academic space.



Conceptual Rendering of Academic Space/ Multi-use Ballroom

In addition to serving as a classroom, the room is designed to be flexible in use and accommodates a variety of activities such as community meetings, banquets and more. Equipped with audiovisual equipment, Wi-Fi capabilities, and furniture storage, this multipurpose room will be actively used throughout the day and night.

Phase I Cost

In order to accurately assess the convocation center's viability, it is vital to establish an estimate for the cost of designing and building the facility. The cost estimate below put together by EDIS and Barton Malow reflects EDIS' knowledge of local construction conditions and standards in Dover, as well as Barton Malow's experience with convocation centers. These figures are based upon the team's recommendations in terms of facility size and preliminary concept designs.

"The cost model used for this study allows for a building design that provides extraordinary low cost pricing value while maintaining a high quality, functional building that meets the program needs of the university" - EDiS Company, Wilmington, DE

Construction Costs	\$46.0 M
(includes contingency, general conditions, insurance and bonds etc.)	
Other Project Costs	\$8.4 M
(professional fees, furniture, equipment, contingency etc.)	
Anticipated Cost Escalation (2017)	\$3.1 M
Grand Total Project Cost	\$57.5 M



Conceptual Rendering of Entry Lobby

With multiple entry points, the lobby serves the patrons attending events at the arena, as well as students and faculty heading to the Health and Wellness Institute. The concourse on the upper level provides a variety of patron amenities such as the ticket office, concessions, restrooms and more.

Projected Impact

Job Creation

The construction and on-going operations of the Delaware Convocation Center will create much-needed jobs in the local economy. These jobs will include not only direct full and part-time jobs created temporarily during construction of the facility spanning jobs such as construction workers, tradesmen and manufacturers of raw materials and building supplies, but also more permanent full- and part-time jobs during the on-going annual operations of the facility including jobs such as facility operations personnel (i.e. management, marketing, finance, human resources, maintenance, event services, administration, etc.), event-day staff (i.e. box office attendances, ticket takers, ushers, security, concession workers, parking attendants, traffic control personnel, etc.) and community support personnel in areas such as hotel, restaurant, entertainment, retail, transportation and other such industries. The full-effect of employment impacts in the local economy will be further realized as initial construction and operations spending are re-spent within the community, supporting the creation of additional indirect and induced job impacts.

Overall, the Delaware Convocation Center is estimated to temporarily generate a total of 760 full and part-time jobs (stated in full-time equivalents) during construction. Of this amount, 510 construction-period FTEs are estimated to be new jobs in the State of

Delaware and 230 are estimated to be new jobs in the City of Dover.

The total long-term, permanent jobs created from the on-going operations of the Delaware Convocation Center are estimated to range from 130 to 180 full and part-time jobs (stated in FTEs), depending on the level of operations achieved by the venue. Approximately three-quarters of the jobs created during the venue's operations are anticipated new jobs created in the City of Dover and about one-third would be considered new jobs in the State of Delaware.

Events and Attendance

Based on extensive market research, annual event and attendance levels were estimated for the proposed Delaware Convocation Center. Two sets of estimates were developed: a "base case" scenario representing the event and attendance levels that are estimated to be reasonably achievable on an annual basis, and "best case" scenario representing an operating level that reflects successful, aggressive facility management that results in above-peer venue operations.

"Great way to build revenue and bring people here to the middle of the state." - comment by survey respondent

The table (Fig. 5) summarizes the event and attendance estimates for the proposed Delaware Convocation Center under the Phase I building program scenario. It should be noted that these event and attendance totals do not include use of classrooms or athletic and academic offices, athletic practices, student recreational activities or other such day-to-day use of the facility that would take place in addition to the specific event types included in the estimates.

The proposed Delaware Convocation Center is estimated to host 144 to 176 annual events with annual attendance of approximately 116,250 to 153,350. Approximately 60 percent of convocation center events and attendance are estimated to be derived from non-DSU community events. In the event that Phase II of the project is completed in the future, annual attendance levels are estimated to increase by approximately 15 percent, due primarily to the facility's ability to attract additional concert, family show and sporting event activity assuming a larger seating capacity.

Financial Operations

The table (Fig. 6) presents the estimated operating revenues and expenses estimated to result from convocation center operations during a normalized year of operations. As shown, it is anticipated that Delaware State University would likely need to make

ANNUAL EVENT AND ATTENDANCE ESTIMATES (Assumes Phase I Building Program)						
Event	Base Case			Best Case		
	Annual Events	Average Attendance	Total Attendance	Annual Events	Average Attendance	Total Attendance
<i>University Events:</i>						
Men's Basketball	5	700	3,500	5	700	3,500
Women's Basketball	5	250	1,250	5	250	1,250
Basketball Doubleheaders	10	1,100	11,000	10	1,100	11,000
Women's Volleyball	15	250	3,750	15	250	3,750
Athletic Camps	10	50	500	10	50	500
Other University Events	19	1,500	28,500	25	1,500	37,500
Subtotal	64		48,500	70		57,500
<i>Community Events:</i>						
Concerts	2	3,500	7,000	3	3,500	10,500
Family Shows	3	2,000	6,000	6	2,000	12,000
Other Sporting Events	7	2,500	17,500	10	2,500	25,000
Graduations	3	4,500	13,500	4	4,500	18,000
Consumer/Trade Shows	8	1,500	12,000	10	1,500	15,000
Conventions/Conferences	12	500	6,000	16	500	8,000
Banquets	35	150	5,250	45	150	6,750
Meetings/Miscellaneous	10	50	500	12	50	600
Subtotal	80		67,750	106		95,850
Total	144		116,250	176		153,350

Fig. 5 forecasts the number of events and potential attendance.

ESTIMATED OPERATING REVENUES AND EXPENSES Stabilized Year of Operations		
	Base Case	Best Case
OPERATING REVENUES		
Rent	\$206,000	\$279,000
Premium Seating	66,000	83,000
Food and Beverage	148,000	198,000
Advertising and Sponsorships	135,000	158,000
Naming Rights	270,000	338,000
Merchandise, net	10,000	16,000
Parking, net	137,000	183,000
Ticket rebates/facility fees	50,000	134,000
Other	50,000	75,000
TOTAL REVENUES	\$1,072,000	\$1,464,000
OPERATING EXPENSES		
Salaries, wages & benefits	\$453,000	\$505,000
Utilities	217,000	249,000
General & administrative	150,500	176,000
Operations	315,000	362,000
Insurance	72,000	83,000
Professional Fees/Services	14,000	16,000
Management Fee	75,000	100,000
TOTAL EXPENSES	\$1,296,500	\$1,491,000
UNIVERSITY CONTRIBUTION	\$224,500	\$27,000

Fig. 6 illustrates the best and worst case scenarios with regard to operating revenues and expenses.

an annual operating contribution of \$27,000 under the best case to \$224,500 under the base case.

Reflective of a true town-and-gown partnership, a multi-purpose, community-oriented convocation center will benefit the central and southern Delaware region through the creation of spending, jobs, tax revenues and hotel rooms and enhancement in the quality of life for local residents, while Delaware State University benefits from facility revenues generated from non-university events which will serve to significantly reduce the required annual university contributions which could approach upwards of \$700,000 as a DSU-only venue.

If Phase II of the building program is constructed, operating revenues are estimated to increase by approximately 10 percent due to increased attendance and event activity. However, operating expenses are estimated to increase by approximately eight percent due to the increased size and volume of the facility, additional staffing needs, increased maintenance costs and other such considerations. Therefore, the net financial operations following the completion of Phase II are estimated to be largely similar to those presented for Phase I in the table to the right.

These financial operating estimates do not include capital reserve funding or potential debt service payments associated with facility funding.

Economic Impacts

The operations of the proposed Delaware Convocation Center would generate economic impacts to the City, County and State on an annual basis as a result of visitation and expenditures associated with Delaware Convocation Center operations and events. The table (Fig. 7) presents a summary of the gross economic impact and fiscal revenues estimated to be generated by the proposed Delaware Convocation Center during a normalized year of operations.

Facility operations are estimated to generate approximately \$5.4 to \$7.2 million per year in direct spending. Counting this initial direct spending and the subsequent rounds of re-spending that would impact the local economy through a multiplier effect, the total economic activity (output) generated by Delaware Convocation Center operations is estimated to range from \$7.0 to \$9.4 million per year, supporting 130 to 180 jobs with \$2.5 to \$3.4 million in annual earnings. Over a 30-year period, the net present value (“NPV”) of total output generated by the Delaware Convocation Center is estimated to range from \$135 million to \$183 million.

Should full build-out of Phase II of the building program be completed, the economic impacts associated with the proposed Delaware Convocation Center are estimated to increase by approximately 15 to 20 percent, due primarily to an assumed increase in

the number of events such as concerts, family shows and sporting events that could draw additional non-local attendees to the Dover area.

Hotel Room Demand

By drawing out-of-town visitors to the area, the Delaware Convocation Center will generate room nights to benefit local hotel operations. Overall, it is estimated that demand for approximately 11,000 to 14,500 new hotel room nights will be created annually in the Dover area from visiting event personnel, out-of-town patrons, business suppliers and others in connection with the on-going operations of the Delaware Convocation Center.

Funding Analysis

It is estimated that Phase I of the proposed Delaware Convocation Center could cost approximately \$57.5 million to develop. Assuming an interest rate of 5.0 percent and 30-year bonds, annual debt service payments could approximate \$3.7 million annually if the entire amount is financed.

Historically, the development of convocation centers, arenas, conference centers and other similar venues often involve varying degrees of partnerships between the public and private sectors. For facilities that are utilized for colleges and universities for their assembly and athletic events, the college or university typically also participates in the funding of those facilities.

Based on discussions with project stakeholders, a review of past efforts regarding potential public assembly funding in Dover, an assessment of potential taxes and other public revenue streams, and other such considerations, it is likely that the majority of funding for the proposed Delaware Convocation Center will be derived from state funding and potentially be supplemented by a number of other community funding sources.

It appears the most reasonable funding approach would include State of Delaware general fund contributions, DSU general fund contributions, private and other possible community funding sources.

Management Options

The Delaware Convocation Center will be owned by DSU. However, given the likelihood that multiple parties will likely be required to fund the construction of the facility, it is recommended that an entity such as an authority, board or commission be established to provide overall governance of the proposed Delaware Convocation Center.

This governance entity should include representation from various stakeholders to ensure that all relevant parties are included in key decisions pertaining to the respective facilities they oversee. The appropriate composition of the governing entity will ultimately depend largely on the funding partners involved with

Summary of Annually-Recurring Economic Impacts from Delaware Convocation Center Operations		
Annual Impacts		
Gross Direct Spending	\$5,412,000 -	\$7,245,000
Total Output	\$6,965,000 -	\$9,442,000
Jobs Supported	130 -	180
Annual Earnings	\$2,477,000 -	\$3,375,000
30-Year NPV ⁽¹⁾		
Gross Direct Spending	\$104,800,000 -	\$140,300,000
Total Output	\$134,900,000 -	\$182,800,000
Jobs Supported	n/a -	n/a
Annual Earnings	\$48,000,000 -	\$65,400,000
<small>(1) NPV calculations assume 2.0 percent annual inflation and a 5.0 percent discount rate.</small>		

Fig. 7 shows the economic impact resulting from the Delaware Convocation Center



facility development. The governing entity should have representation from each project stakeholder, which may include, but are not necessarily limited to DSU, the State of Delaware, Kent County, the City of Dover and potentially representatives of the local and regional corporate community, hospitality industry, the Delaware Sports Commission and other relevant entities. This will ensure that the needs and expectations of each stakeholder are considered when setting policies and making decisions.

While there may be several entities that participate in funding the construction of the venue, DSU should be responsible for the venue's daily operations and provide any necessary contributions to support its daily operations. To effectively operate the venue, DSU will need to directly hire a staff with significant previous convocation center operating experience or consider outsourcing the management of the venue to a private management company with the requisite expertise. Third party management would likely represent the most efficient and effective means of operating the facility. The event estimates and financial projections presented herein assume that the proposed Delaware Convocation Center is managed by a competent and experienced arena management company.



Conceptual Rendering of Trade Show Event

By retracting the first eight rows of seats, the event floor is enlarged and accommodates events such as concerts, trade shows and consumer shows. The estimated number of non-athletic community events per year range from 86-113, attracting between 135,000-178,000 visitors.

Conclusion

“Is it feasible for DSU and the City of Dover to have a convocation center?”

Having completed:

- More than 10 months of research, analysis, workshops, presentations and feedback
- Surveys of more than 300 people including University students, faculty, staff, alumni, donors, members of the Dover/Kent County-area business community, and residents of the surrounding area
- Extensive interviews with more than 150 groups such as DSU, surrounding school districts, business and professional associations, state agencies and many more

The study finds that a convocation center is:

- Feasible and should be pursued
- DSU has a significant need for the educational facilities provided in the convocation center
- Growth in the number of students and educational programs demand facilities like the convocation center to allow DSU to be a world-class state educational facility
- Benefits the central and southern Delaware community from joint-use of the convocation center due to the size and design of the facility for public gatherings
- Has the potential to boost the economic development of central and southern Delaware and the City of Dover
- Funding for capital costs of the project will be augmented by income-generating community events such as concerts, trade shows, conventions, sporting events etc
- Operating costs to DSU and the State can be significantly reduced by bringing in revenues from public, community-use events

“Let’s get moving on this great idea for Dover!” - comment by survey respondent

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