

Breaking Ground Shovels Ready to Go

For many cities that have considered expansions of their already existing convention centers – or building new ones to get into the game – plans are on hold because of economic woes.

But other cities that already had projects on the books, in discussion or under construction when the gloom settled on the financial world are proceeding at, well, maybe not full speed – but as close to it as they can get.

In that No. 1 tradeshow mecca of Las Vegas, the solution was obvious: rearrange the construction schedule to make the project more financially manageable.

Instead of being one continuous project, Jeremy Handel, spokesman for the Las Vegas Convention & Visitors Authority, said the Las Vegas Convention Center's renovation was split into phases in a way that would allow construction breaks if and when the LVCC needed them and reversed the original order of the project:

- The first phase, which the LVCVA already issued \$375 million worth of bonds for, includes renovating existing meeting rooms and public spaces of the North and Central halls, adding restrooms and refurbishing the grand concourse and restaurants, as well as construction of the Las Vegas Metropolitan Police Substation and the Clark County Fire Station. Handel said the utility work in the first phase has commenced, and the LVCVA is finalizing the construction schedule with the contractor.

- The second phase will add meeting rooms to the South Hall, which also will be renovated.

- The last phase includes a facade upgrade; construction of a new grand concourse and lobby connecting all three halls; and upgrades to parking facilities, specifically Silver Lots I and II that will include a transportation hub and pedestrian plaza.

Handel said it's the LVCVA's intention also to use bond money for the second and third phases, although those bonds haven't been issued yet.

"In the current situation ... there's, one, not money out there," he added, "and two, the interest rates are not favorable where money is being invested."

In Indianapolis, construction on the 246,000 square foot expansion of the Indiana Convention Center & Lucas Oil Stadium is in full swing.

"It is on schedule, it is on budget and it is slated to open at the end of 2010," said Ronnie Burt, senior vice president of

BY STEPHANIE CORBIN

sales at the Indianapolis Convention & Visitors Assn.

The RCA Dome was demolished in December and the Lucas Oil Stadium, home

to the Indianapolis Colts football team, opened in August, giving the convention center 140,000 sq. ft. of supplementary exhibit space on the stadium floor, as well as two secondary exhibit halls with a combined 43,000 sq. ft. and 12 meeting rooms.

"We hit the right window," Burt said of the project's schedule in relation to this era of tight financing. Funding for the convention center was in place, "so when the economy turned, the deal was already struck," he added.

The expansion, which will give the Indiana CC & Lucas Oil Stadium a total of 821,075 sq. ft. of exhibit space, has led to some large tradeshow bookings for the new space once it's done, including **The Work Truck Show & Natl. Truck Equipment Assn. Annual Convention**, ranked No. 142 on the 2008 TSW 200, and the **American Assn. of Diabetes Educators Annual Meeting & Exhibition**.

Burt said the bookings have convinced people that continuing the project was the right move.

"The economy is slow today, but we are building to the future," he added. "When the economy is coming back out of the recession, we'll have new product."

Burt also said the convention center project is spurring other projects – such as a \$350 million hotel complex, which will increase the number of hotel rooms in the downtown area from 7,000 to 9,000 and includes a JW Marriott – that will keep the city's economy vibrant.

In Nashville, Tenn., the new Music City Center hasn't broken ground yet, but its prospects haven't been hindered so far by the recession, said Butch Spyridon, president of the Nashville Convention & Visitors Bureau. The new convention center's slated to have 375,000 sq. ft. of exhibit space, two large ballrooms, breakout meeting rooms and a theater that will seat 2,500 to 3,000 people.

"We are a little over a year into the predevelopment," he added, noting, "We have all of the funding mechanisms in place."

Those mechanisms include a 1-percent bed tax increase, a \$2 daily fee on occupied hotel and motel rooms, a 1-percent tax on rental cars and a \$2 departure fee on each for-hire ground transport vehicle from Nashville Intl. Airport.

Spyridon said the projected cost of the project at this point is \$645 million.

As for the issuing of bonds, he said there is good and bad news.

The downside? The bond market is tight and "the market will dictate if people will purchase bonds," Spyridon said.

The upside? "Interest rates are down, and construction costs are down," he added. **TSW**



■ Ground already has been broken for a JW Marriott in Indianapolis, which is part of a \$350 million hotel complex in the downtown area.



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