



MARKET AND FEASIBILITY STUDY

MIDFLORIDA Credit Union Event Center

PORT ST. LUCIE, FLORIDA



SUBMITTED TO:

Ms. Linda McCarthy
MIDFLORIDA Credit Union Event Center
121 Southwest Port Saint Lucie Boulevard
Port Saint Lucie, Florida 34984
lmccarthy@midfloridaeventcenter.com
+1 (772) 807-4488

PREPARED BY:

HVS Convention, Sports & Entertainment
Facilities Consulting
205 West Randolph
Suite 1650
Chicago, Illinois 60606
+1 (312) 587-9900



Convention, Sports & Entertainment
Facilities Consulting
Chicago, Illinois

December 16, 2022

205 West Randolph
Suite 1650
Chicago, Illinois 60606
+1 312-587-9900
+1 312-488-3631 FAX
www.hvs.com

Ms. Linda McCarthy
MIDFLORIDA Credit Union Event Center
121 Southwest Port Saint Lucie Boulevard
Port Saint Lucie, Florida 34984
lmccarthy@midfloridaeventcenter.com

Re: MIDFLORIDA Credit Union Event Center
Port St. Lucie, Florida

Dear Ms. McCarthy:

Attached you will find our Market and Feasibility Study of the MIDFLORIDA Credit Union Event Center in Port St. Lucie, Florida.

We certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

It has been a pleasure working with you. We look forward to hearing your comments.

Sincerely,
HVS Convention, Sports & Entertainment
Facilities Consulting

Thomas A. Hazinski, MPP
Managing Director

Anthony Davis
Project Manager



Convention, Sports & Entertainment
Facilities Consulting
Chicago, Illinois

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1. Introduction and Executive Summary

Nature of the Assignment

The MIDFLORIDA Credit Union Event Center (“MFEC”) engaged HVS Convention, Sports & Entertainment Facilities Consulting (“HVS”) to conduct an analysis of renovation and expansion for the MFEC in Port St. Lucie, Florida (the “City”). The MFEC renovation and expansion could enhance the demand potential of festivals, consumer shows, meetings, and banquets in Port St. Lucie, and allow it to compete more effectively for regional events and shows.

This report is intended to inform the master planning process for the Port St. Lucie City Center. As development occurs around the MFEC, this report and its recommendations offer a vision for the future of the MFEC and its role in the City Center development.

Ownership and Management

The MFEC is owned and operated by the City of Port St. Lucie. The facility is managed by the City’s events center department under the leadership of Linda McCarthy, a City employee. Originally named as the Port Saint Lucie Civic Center, it was built in 2007 and opened in December 2008 at the onset of the Great Recession. The MIDFLORIDA Credit Union purchased naming rights to the facility in December 2019 for the next five years at \$195,000 per year with an option to extend the agreement by another five years.

Port St. Lucie Parks and Recreation operates the other half of the building that houses the MFEC. This facility offers basketball courts, racquetball courts, a fitness facility, and multiple activity rooms. The facility also houses the Florida Sports Hall of Fame, which is in the lobby between the MFEC and the Parks and Recreation area.

Methodology

In accordance with the Scope of Services, HVS performed the following tasks:

1. Anthony Davis, Senior Associate from HVS travelled to Port St. Lucie, FL on August 1-3, 2022 for a site visit and client meeting. During this visit, he toured the facility, performed a site inspection, met with facility management and other key industry participants, and gathered relevant data. Thomas Hazinski, Managing Director of HVS, participated in certain client meetings remotely.
2. Analyzed the economic and demographic data that indicate whether, and the extent to which, the local market area supports the MFEC renovation and expansion.



3. Interviewed current users to understand their event needs, their overall impressions of Port St. Lucie and the MFEC, and the likelihood of booking events in the expanded facility.
4. Reviewed and analyzed historical demand and attendance data provided by the MFEC.
5. Compiled data on 22 competitive and comparable convention centers to inform and test the reasonableness of the building program recommendations.
6. Recommended a facility program based on the above steps.
7. Prepared event demand and attendance forecasts based on the implementation of the program recommendations.
8. Prepared financial projections based on the event demand and attendance forecasts based on historic MFEC operations as well as comparable facility operations.
9. Prepared an economic and fiscal impact analysis for the proposed MFEC expansion.

HVS collected and analyzed all information contained in this report. HVS sought out reliable sources and deemed information obtained from third parties to be accurate.

Description of the Site

The City recently acquired the surrounding 21 acres of property and is master planning the development of a mixed-use city center district around the MFEC. The expansion of the MFEC would be done in concert with the master plan for the area.

This surrounding property was originally assembled in 2005 by real estate developer De Guardiola who attempted to develop a shopping plaza, supported by 1,000 residential units, retail, and office. But the project could not be completed and faced foreclosure. In 2015, Lily Zhong purchased the property from De Guardiola, with plans for developing the property. The developer was found to have defrauded investors and the Securities and Exchange Commission ("SEC") took ownership of the property. The SEC struggled to find a buyer, due to a large amount of back taxes and assessment on the land. The City of Port St. Lucie negotiated reductions in back taxes and purchased the property in 2022.

Description of Existing Facility

Located in east Port St. Lucie, the MFEC serves the city as the primary public venue for festivals, concerts, consumer shows, and conferences. It also hosts sporting events, banquets, and local meetings.

The following image provides an aerial view of the MFEC and surrounding infrastructure. An overview of the function spaces at the MFEC and photos of the MFEC interior follow.

AERIAL VIEW OF THE MFEC





**FIGURE 1-1
CURRENT FACILITY PROGRAM AND CAPACITIES**

Event Space	Total Area (SF)	Capacities		
		Theatre	Banquet	Classroom
Function Spaces				
Emerald Ballroom	13,501	1,500	771	931
Emerald 1	5,406	601	309	373
Emerald 2	3,557	395	203	245
Emerald 3	1,377	153	79	95
Emerald 4	1,784	198	102	123
Emerald 5	1,377	153	79	95
Ruby Hall	5,790	643	331	399
Ruby 1	986	110	56	68
Ruby 2	918	102	52	63
Ruby 3	1,972	219	113	136
Ruby 4	986	110	56	68
Ruby 5	918	102	52	63
Pre-Function Areas				
Lobby	6,420			
Art Gallery	1,901			
TOTAL FUNCTION SPACE	19,291			

Source: MFEC

Currently, the MFEC hosts approximately 125 group events per year. These groups include corporations and associations, social groups, and families. The function spaces at the MFEC host a variety of events, including festivals, consumer shows, assemblies, banquets, and meetings. In addition to these indoor function spaces, the MFEC also uses an outdoor stage and plaza area to host outdoor concerts, festivals, and other events.



INTERIOR OF THE MFEC





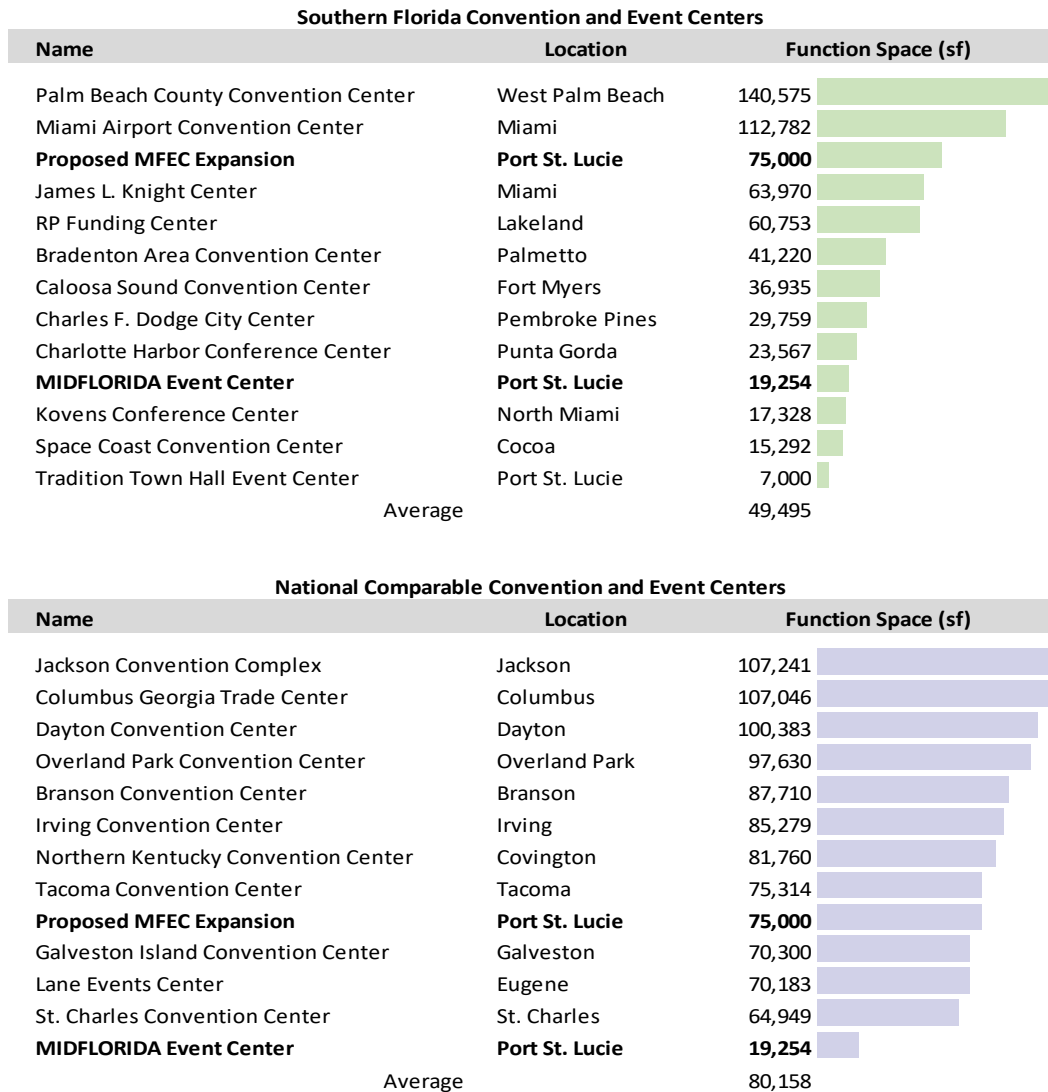
Market Area Analysis

The Port St. Lucie market area is growing faster than the national average in population, median household income, retail sales, and food and beverage sales. Its largest employers are in the education and healthcare sectors and the employment sectors projected to grow fastest in the next five years are healthcare and accommodations. Despite these strong market indicators, the market has not been supported by growth in meeting space availability and hotel development.

Comparable Venue Assessment

HVS analyzed eleven competitive convention centers in the state of Florida and eleven comparable convention centers in similarly sized markets across the United States. This analysis provides a basis for building program recommendations by comparing the function spaces and other amenities in each of the facilities along with other characteristics of the markets relevant to the success of the venue. See the venues and the total amount of function space below.

**FIGURE 1-2
COMPETITIVE AND COMPARABLE VENUES**



The set of local competitive properties contains 11 existing venues and the proposed expanded MFEC, and it ranges from more than 140,000 square feet at the Palm Beach County Convention Center to the 7,000-square foot Tradition Town Hall Event Center. The MFEC is the 10th largest venue among the set.

Among the set of 11 national comparable convention centers, the existing MFEC is the smallest among the set, however the comparable facilities were not selected

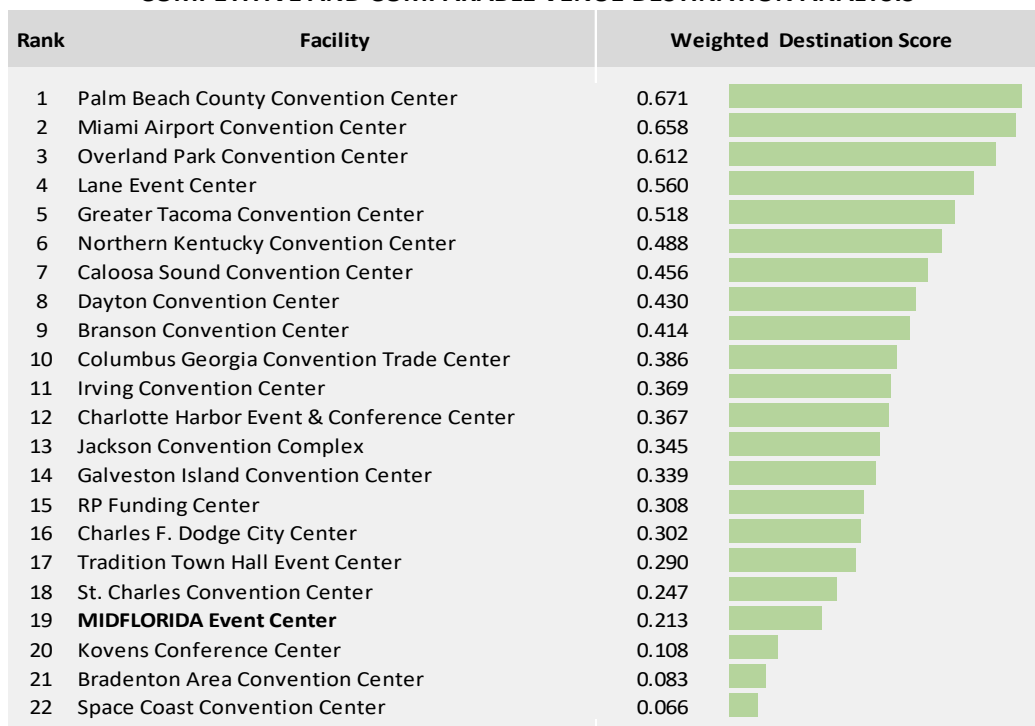


based on the existing program and instead were based on the similarity to the expanded building program. The facilities range in size from the 107,000 square foot Jackson Convention Complex to the 64,000 square foot St. Charles Convention Center.

HVS ranked Port St. Lucie along with its competitors on each of the destination selection criteria discussed in this report. The criteria include hotel supply, drive time population, median income, corporate presence, and the amenities surrounding each venue.

The figure below shows the rank of Port St. Lucie and each of its competitive cities and the total of all scores. Scores in each category are shown in section 3 of this report.

FIGURE 1-3
COMPETITIVE AND COMPARABLE VENUE DESTINATION ANALYSIS



Port St. Lucie and the MFEC rank 19th best in the overall score. It has relatively high median household income and population, but lacks nearby amenities due to the absence of development around it. The master plan process should be focused



on providing a suitable number of restaurants, retail, lodging, and entertainment options around the MFEC.

User Interviews

HVS interviewed more than 15 event planners who use the MFEC for their events. These events range from large consumer shows and festivals to smaller sporting and meeting events. The user interviews clearly indicate several key factors which influence meeting planners' selection process when considering Port St. Lucie and MFEC as an event destination.

- The dual purpose of the facility, with the recreation facilities sharing the same lobby as the MFEC, was a common issue. Event planners do not want gala or banquet attendees to share the lobby with recreational users. Moving the recreation facility entrance, or the entire facility to another location on the site would make the MFEC a much more attractive venue to nearly all event planners.
- Adding more function space, and larger function spaces is necessary to accommodate events that are starting to outgrow the facility. A number of event planners indicated they had to turn away attendees or vendors due to a lack of function space. Expanding the Emerald Ballroom or adding an additional exhibit hall would be necessary to ensure these events do not leave the MFEC due to lack of space.
- Increasing the number of breakout rooms would make it easier for smaller meetings and events to use the MFEC. The Ruby Hall, and its five divisions, are the smallest spaces in the MFEC and lack appropriate meeting room finishes. These rooms could also serve as breakouts for conferences or consumer shows that offer trainings.
- The lack of visibility and event advertising opportunities is of concern to some event planners. The City of Port St. Lucie does not allow signage on public land, and while the MFEC has a large marquee videoboard on US-1, event planners would prefer further signage and wayfinding around the area to further market their events and the MFEC.
- Some event planners said that increased hotel room availability was crucial. But many local event planners do not require any hotel rooms. Any hotel development would need substantial support from the leisure and business sector, as the expanded MFEC would not consistently generate enough room night demand to support the hotel operation. Further study for potential hotel development beyond the scope of this study is required.
- The art gallery was recognized as pleasant pre-function and registration space by some event planners. Others complained about the need to cover up the art for some events.



- The pavers outside the facility, especially in the plaza walking in are not pleasant to walk on and can cause event attendees to trip or fall. Improving the finishes on the plaza is important to make it a more pleasant and functional space for event attendees.
- The loading dock is difficult to access and loads directly into the Emerald Ballroom creating difficulties for loading and storage. Making the loading dock easier to access, creating adjacent to service hallways, and adding back of house storage are much-needed improvements.
- The proximity of the parking garage and surface lots was acknowledged as a large asset.
- The lack of bathrooms is an issue. The number of bathrooms needs to increase, and they need to be in better locations. Event planners do not like event attendees using the same bathroom facilities as recreational users.
- The staff of the MFEC was widely recognized as being a major asset to the facility. Almost every event planner highlighted the staff's flexibility, communication skills, and willingness to accommodate their event needs.

Building Program Recommendations

HVS developed building program recommendations for a MFEC renovation and expansion. This recommended facility program can serve as a guide for subsequent physical planning aimed at providing the desired program elements.

HVS program recommendations would position the MFEC to attract new regional association meetings, as well as local consumer shows, banquets, meetings, concerts, and festivals.

HVS recommends the following elements to allow the entire venue to compete effectively:

- Moving the existing parks and recreation facility to another location on or off the City Center site and turning the former parks and recreation space into a new exhibit hall, with loading dock and back of house space,
- Expanding the size of the primary ballroom in the facility to 20,000 square feet. This expansion would enable the ballroom to host larger banquets and conferences, and smaller consumer shows that do not fit into the new exhibit hall,
- Adding a block of meeting rooms that can support the new exhibit hall and ballroom when needed. These meeting rooms can also support standalone meetings and smaller banquets when required,

- Moving the stage area in front of the MFEC to the southwest, closer to Main Street. This would increase the number of attendees that can attend concert and festival events and would make loading the events easier.

The goals of this building program bring the convention center up to industry standards and enhance the simultaneous event capability of the facility. Expanding the largest function space to accommodate larger consumer shows frees up the new ballroom space to host more banquet and conference events, which in turns frees up the meeting space to host breakout events and smaller meetings.

The following figure presents the total amount of proposed function space that the complex would have.

FIGURE 1-4
PROPOSED MFEC EXPANDED BUILDING PROGRAM

Event Space	Total Area (SF)	Capacities			Exhibit Booths (10'x10')
		Theatre	Banquet	Classroom	
Exhibit Hall	45,000	5,000	2,571	3,103	260
Sub-Divisions					
Division 1	15,000	1,667	857	1,034	
Division 2	"	"	"	"	
Division 3	"	"	"	"	
Grand Ballroom	20,000	2,220	1,140	1,380	
Sub-Divisions					
Division 1	2,222	250	130	150	
Division 2	"	"	"	"	
Division 3	"	"	"	"	
Division 4	6,667	740	380	460	
Division 5	2,222	250	130	150	
Division 6	"	"	"	"	
Division 7	"	"	"	"	
Meeting Rooms	10,000	1,110	570	690	
Meeting Room Block 1	9,000	1,000	510	620	
Divisions (3)	3,000	330	170	210	
Board Rooms (2)	<u>1,000</u>				
TOTAL FUNCTION SPACE	<u>75,000</u>				

The 45,000 square foot exhibit hall could be divided into three separate halls based on event needs and can accommodate approximately 260 exhibit booths. The grand ballroom would be divisible into seven separate spaces, for breakout or



training sessions. The meeting room block would be divisible into three separate spaces, as well as two separate boardrooms.

Historic Demand

The demand profile for the MFEC consists of a mixture of local consumer shows and festivals, like the Home and Spa Shows and Strawberry Festival, as well as local meetings and banquets.

**FIGURE 1-5
HISTORICAL MFEC DEMAND**

	2017	2018	2019	2020	2021
Event					
Conference	9	4	4	1	3
Consumer Show	21	10	16	12	11
Banquet	26	37	41	20	42
Meeting	48	23	89	23	18
Sports	na	2	12	2	10
Assembly	20	21	48	12	10
Concert	9	9	8	10	4
Festival	6	11	9	2	19
Total	139	117	227	82	117
Attendee					
Conference	4,291	920	3,780	100	2,450
Consumer Show	11,649	6,745	12,768	12,465	22,450
Banquet	7,107	8,403	11,843	3,307	9,470
Meeting	1,787	2,540	6,128	1,928	1,325
Sports	na	373	10,455	770	9,330
Assembly	7,164	5,290	10,472	1,830	3,425
Concert	2,689	2,159	2,306	4,840	1,344
Festival	7,748	14,500	45,675	2,700	45,770
Total	42,435	40,930	103,427	27,940	95,564

The facility hosted between 117 and 227 events pre-COVID. This number dropped in 2020 as event restrictions were put in place, but demand bounced back to pre-COVID levels in 2021. Festivals generate the most attendance at the facility, followed by consumer shows and banquets.

Demand Projections

HVS based demand projections on the historic demand at the MFEC, interviews with event planners and users of the MFEC, the operations of comparable facilities, as well as discussion with MFEC staff.



HVS projected demand for a base year with the expanded MFEC opening January 1, 2026. HVS estimates that incremental event demand would ramp up following the completion of the renovation and expansion and stabilize in 2029.

The figure below breaks out event projections by type of event. Total and average attendance figures represent individual event attendees.

FIGURE 1-6
SUMMARY OF DEMAND PROJECTIONS

	Base Year			Stabilized
	2026	2027	2028	2029
Events				
Conference	5	7	9	10
Consumer Show	15	16	18	20
Banquet	45	53	60	65
Meeting	50	65	80	100
Sports	8	10	11	12
Assembly	20	23	27	30
Concert	10	12	13	15
Festival	15	17	19	20
Total	168	203	237	272
Attendees				
Conference	3,500	4,900	6,300	7,000
Consumer Show	18,000	19,200	21,600	24,000
Banquet	11,300	13,300	15,000	16,300
Meeting	3,800	4,900	6,000	7,500
Sports	4,000	5,000	5,500	6,000
Assembly	5,500	6,300	7,400	8,300
Concert	7,000	8,400	9,100	10,500
Festival	37,500	42,500	47,500	50,000
Total	90,600	104,500	118,400	129,600

The addition of a new large exhibit hall will enable the MFEC to host more consumer shows, while the additional ballroom and meeting space will increase the number of banquet and meeting events. Event demand is projected to begin at slightly below 175 events in 2026 when the facility opens and increasing to approximately 270 events by stabilization in 2029. Attendance is projected to increase from nearly 93,000 attendees to nearly 130,000 by stabilization.

The following figure compares the historic demand at the MFEC to the projected stabilized demand of the expanded facility. This shows the increases in demand



and attendance that are caused by expansion, relative to today. See the figure below.

FIGURE 1-7
HISTORIC AND PROJECTED DEMAND COMPARISON

Events	Historic Average (Without 2020)	Stabilized Demand (2029)	Difference
Conference	5	10	5
Consumer Show	15	20	6
Banquet	37	65	29
Meeting	45	100	56
Sports	6	12	6
Assembly	25	30	5
Concert	8	15	8
Festival	11	20	9
Total	150	272	122
Attendees			
Conference	2,860	7,000	4,140
Consumer Show	13,403	24,000	10,597
Banquet	9,206	16,300	7,094
Meeting	2,945	7,500	4,555
Sports	5,040	6,000	961
Assembly	6,588	8,300	1,712
Concert	2,125	10,500	8,376
Festival	28,423	50,000	21,577
Total	70,589	129,600	59,011

Relative to the MFEC today, the expanded facility would host more of all event types. This is due to the increase in the number of function spaces, which expands the simultaneous event capability at the MFEC. With more flexible space, a consumer or exhibit show can occur in the exhibit hall, while a banquet or assembly occurs in the ballroom and a meeting happens in the meeting block. Currently, only two events could occur at once, and one had to fit in the smaller Ruby Hall.

The largest increase in events comes from meetings, which is based on the large increase in meeting space and flexibility in the expanded facility. Banquets are also projected to increase significantly. In terms of attendance, festivals grow the most, followed closely by consumer shows. The anticipated site improvements and development will make the plaza outside the MFEC a more pleasant space with more supporting amenities, making the already successful festival program at the MFEC even more successful and popular.



HVS intends for demand projections to show the expected levels of event numbers and attendance. Projections show smooth growth over time. However, event demand and booking cycles do not always run smoothly. Unpredictable local and national economic factors can affect businesses. Event demand often moves in cycles based on rotation patterns and market conditions. Therefore, HVS recommends interpreting the demand projections as a mid-point of a range of possible outcomes and over a multi-year period, rather than relying on projections for any one specific year.

Financial Projections

HVS applied revenue and expense parameters to facility demand to forecast the operations for the proposed MFEC expansion. Revenue and expense parameters were derived from historic MFEC operations and analysis of comparable facility operations.

The figure below compares estimates of financial operations for the proposed MFEC in a base year and a stabilized year of operation. The pro forma statement includes operating revenue and expense and all figures in inflated dollars.



FIGURE 1-8
COMPARISON OF FINANCIAL OPERATIONS (\$ INFLATED)

	Base Year		Stabilized Year	
	CY 2026		CY 2029	
	Amount	% Total	Amount	% Total
Revenue				
Facility Rental	\$575,281	46%	\$927,203	49%
Food & Beverage (Net)	146,513	12%	248,515	13%
Audio Visual	140,553	11%	227,385	12%
Sponsorship	199,875	16%	215,244	11%
Box Office Revenue	179,375	14%	289,751	15%
Other Revenue	2,424	0%	2,610	0%
Total Revenue	\$1,244,021	100%	\$1,910,708	100%
Operating Expense				
Salaries & Benefits	\$2,239,162	180%	\$2,411,333	126%
Contractual Services	112,443	9%	181,908	10%
Administrative & General	62,201	5%	95,535	5%
Repair & Maintenance	74,641	6%	114,642	6%
Supplies & Equipment	68,421	6%	105,089	6%
Insurance	37,321	3%	57,321	3%
Box Office Expense	170,406	14%	275,263	14%
Utilities	49,761	4%	76,428	4%
Other Expense	24,880	2%	38,214	2%
Total Operating Expense	\$2,839,236	228%	\$3,355,735	176%
TOTAL NET INCOME (LOSS)	(\$1,595,215)	-128%	(\$1,445,027)	-76%

HVS projects that the expanded MFEC will generate \$1.2 million in revenue in the first year of operations, increasing to \$1.9 when demand stabilizes. The majority of this revenue comes from the facility rental: however, the food and beverages revenues shown are net of any expenses. Expenses are expected to increase from \$2.8 million to \$3.3 million. The largest area for expense is salaries and benefits, followed by the box office expense of hosting concerts. The operating loss at stabilization is \$1.4 million and the ratio of revenue to expense is 57%.

Annual Economic and Fiscal Impacts

Based on the demand projections presented in this report, HVS identified the new spending that would occur in the local economy due to the proposed expansion of the MFEC. HVS estimated the amounts of income and employment that new visitors, event organizers, and exhibitors would generate in Port St. Lucie, and compared it to the historic level income and employment that the MFEC supports.



The following figure summarizes recurring annual economic and fiscal impacts in a stabilized year and compares it to a do-nothing scenario, which is based on average historic demand.

FIGURE 1-9
SUMMARY OF ECONOMIC AND FISCAL IMPACTS

Summary of Impacts*	Expansion	Do Nothing	Difference
Economic Impact (millions)	\$23.7	\$15.1	\$8.6
Fiscal Impact (thousands)	\$213.9	\$137.7	\$76.2
Jobs	209	131	78
*In a stabilized year.			

The expansion of the MFEC increases the economic impact of the facility by \$8.5 million, the fiscal impact by \$76,000, and generates 78 more full-time equivalent jobs in the local area.

These economic and fiscal impact estimates are subject to the assumptions and limiting conditions described throughout the report. Numerous assumptions about future events and circumstances form the basis for these estimates. Although we consider these assumptions reasonable, we cannot provide assurances that the project will achieve the forecasted results. Actual events and circumstances are likely to differ from the assumptions in this report and some of those differences may be material. The readers should consider these estimates as a midpoint in a range of potential outcomes.

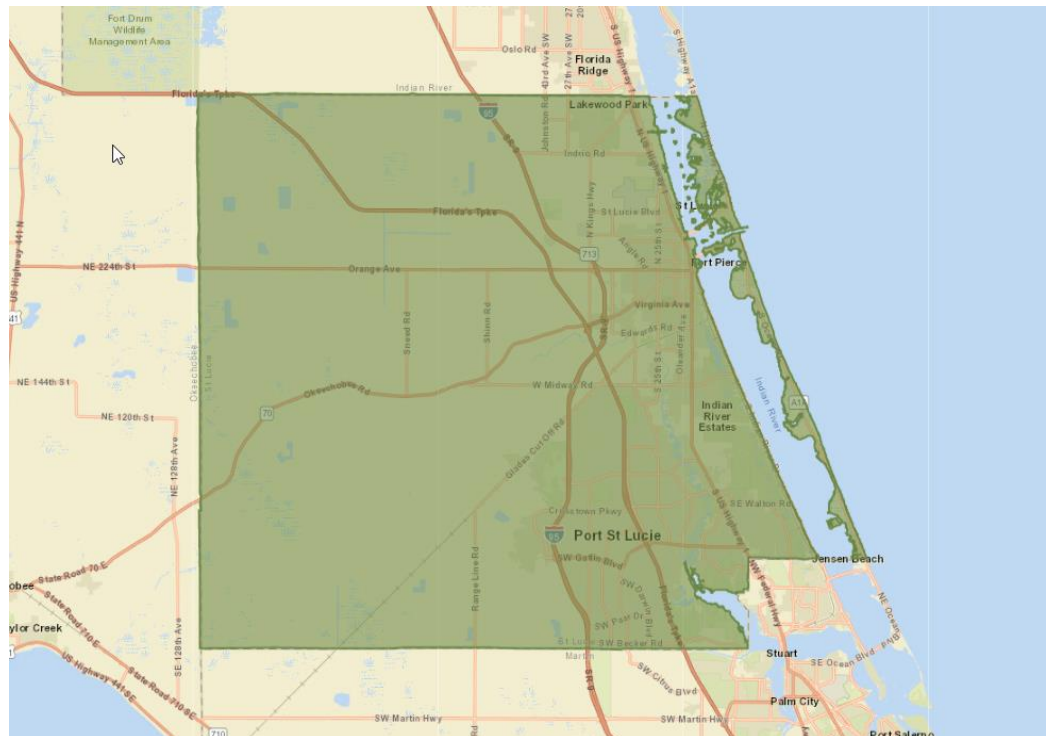
2. Market Area Overview

This market area analysis reviews economic and demographic data that describe the overall condition of the local economy in Port St. Lucie, Florida. The economic trends provide indications of the growth or decline in the performance of the MIDFLORIDA Credit Union Event Center. HVS analyzed the following economic indicators: population, income, sales, work force characteristics, employment levels, major businesses, airport access, transportation, hotel supply, and tourism attractions.

Market Area Definition

The market area for a convention center consists of the geographical region that offers transportation access, lodging, and other amenities to users of the facility. For the purposes of this study, HVS defined the market area as St. Lucie County. The following map shows the market area.

MAP OF MARKET AREA



St. Lucie County is located north of West Palm Beach, approximately halfway between Miami and Orlando along the eastern coast of Florida. The largest city in St. Lucie County is Port St. Lucie, followed by Fort Pierce.

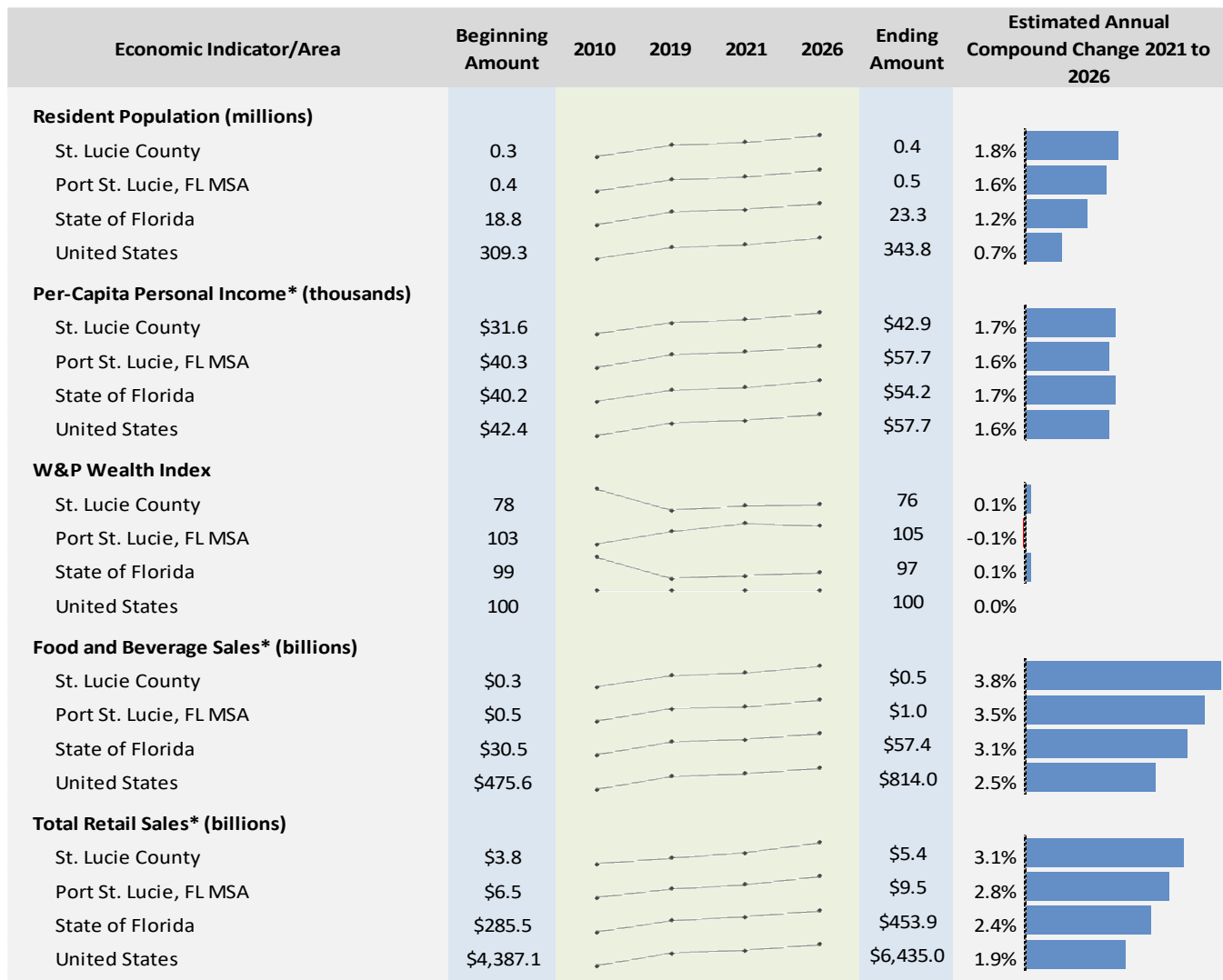
Located in the southeastern U.S., Florida spans approximately 58,560 square miles. The state is bordered by the Atlantic Ocean to the east, Georgia and Alabama to the north, and the Gulf of Mexico to the west. Sunshine is one of the state's most important resources, as Florida's comfortable climate has lured vacationers for more than a century. An interstate highway system exists throughout the state, providing easy access along both the inter-coastal areas and the coastline cities.

Tallahassee is the capital of Florida. It is located in the northern part of the state, roughly midway between Pensacola and Jacksonville. Florida's many metro cities include Orlando (central), Miami (south), and Daytona Beach (central). Historically, agriculture and tourism have provided much of the economic influence throughout Florida. Since World War II, Florida's economy has become more diverse. Tourism, cattle, citrus, and phosphate have been joined by several new industries that have greatly expanded the numbers of jobs in the state. The citrus industry continues to prosper, despite occasional winter freezes, and tourism also remains important, bolstered by large capital investments. Florida attractions, such as the large theme parks in the Orlando area, bring millions of visitors to the state from across the U.S. and around the world.

Economic and Demographic Review

For this analysis, HVS used the Complete Economic and Demographic Data Source published by Woods & Poole Economics, Inc. as a primary source of economic and demographic statistics. Woods & Poole runs a well-regarded forecasting service that uses a database containing more than 900 variables for each county in the nation. Their regional model yields forecasts of economic and demographic trends. Census data and information published by the Bureau of Economic Analysis serve as the basis for historical statistics. Woods & Poole uses these data to formulate projections, and the group adjusts all dollar amounts for inflation to reflect real change.

FIGURE 2-1
ECONOMIC AND DEMOGRAPHIC DATA SUMMARY



* Inflation Adjusted

Source: Woods & Poole Economics, Inc.

The population, per capita income, wealth index food and beverage sales, and total retail sales in St. Lucie County are all growing at rates above the state, and national averages. Per capita income and the wealth index are only projected to grow marginally faster than the state and national averages, but the population, food and beverage and retail sales growth rates are more than 1% above state and national levels.

Workforce Characteristics

The characteristics of an area's workforce indicate the type and amount of transient visitation local businesses would generate. Sectors such as finance, insurance, and real estate (FIRE), wholesale trade, and services produce a considerable number of visitors who are not particularly rate sensitive. Some employers of manufacturers, construction, transportation, communications, and public utilities (TCPU) contribute many visitors to the area.

The following table shows the St. Lucie County workforce distribution by business sector.

**FIGURE 2-2
HISTORICAL AND PROJECTED EMPLOYMENT**

Sector/Geographic Area	Beginning Amount (thousands)	2019	2020	2021	2026	Ending Amount (thousands)
St. Lucie County						
Health Care And Social Assistance	17					21
Retail Trade	14					16
State And Local Government	13					14
Accommodation And Food Services	10					13
Administrative And Waste Services	11					12
Other Services, Except Public Administration	10					12
Real Estate And Rental And Lease	8					10
Professional And Technical Services	8					9
Construction	9					9
Finance And Insurance	5					7
Other	24					27
Total St. Lucie County	129					151
U.S.	203,810					222,948

Source: Woods & Poole Economics, Inc.

Healthcare and social assistance is the largest employment sector in St. Lucie today, and is growing faster than any other employment sector. Retail trade and state and local government make up the next two largest sectors, followed by accommodation and food services. Total employment in the county is estimated to grow more than 22,000 jobs by 2026.

Major Business and Industry

Providing additional context for understanding the nature of the regional economy, the following table presents a list of the major employers in the market area.

**FIGURE 2-3
MAJOR EMPLOYERS**

Firm	Number of Employees
St. Lucie Public Schools	5,564
Indian River State College	2,338
Lawnwood Regional Medical Center & Heart Institute	1,615
Teleperformance	1,600
City of Port St. Lucie	1,164
Walmart Distribution Center	890
Cleveland Clinic Martin Health	850
St. Lucie Medical Center	850
St. Lucie County	797
Florida Power & Light Co.	772

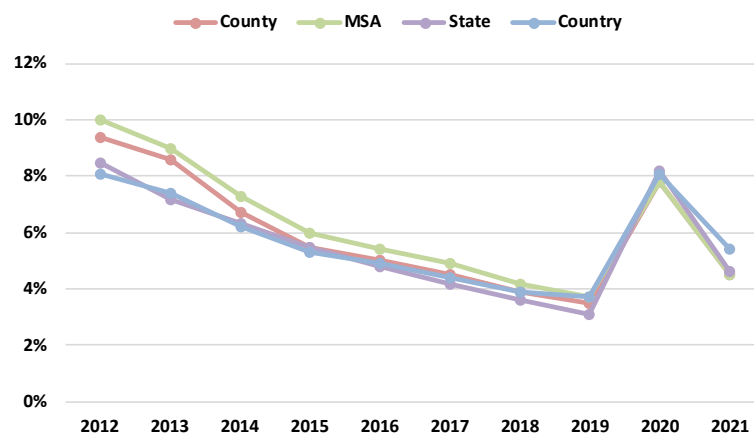
Source: Economic Development Council of St. Lucie County, 2019

Education and healthcare companies make up the majority of the list of the largest employers in St. Lucie County. The public school district and Indian River State College are the two largest employers, although more than 1,500 of the positions at Indian River State College are part-time. The healthcare sector is represented by Lawnwood Medical Center, the Cleveland Clinic, and St. Lucie Medical Center.

Unemployment Statistics

Unemployment statistics measure the health of the local economy. The following table presents historical unemployment rates for the market area.

**FIGURE 2-4
UNEMPLOYMENT STATISTICS**



Like the rest of the country, St. Lucie County experienced a spike in unemployment in 2020 due to the COVID-19 pandemic, however 2021 showed a significant

improvement in unemployment; although, not to pre-pandemic levels. The unemployment in St. Lucie County was slightly above the state and national levels pre-pandemic. Since 2020, unemployment in St. Lucie County has been equal to state and national levels.

Airport Traffic

Airport passenger counts indicate a market's ability to support conference events. Trends in passenger counts reflect local business activity and the area's economic health. Event planners consider airport access when choosing a destination for their conferences and meetings.

Palm Beach International Airport (PBI) is the gateway to Palm Beach County and is located just two and one-half miles west of West Palm Beach, Florida. The 600,000-square-foot terminal includes a concession mall that extends the length of the building and features a putting green, spa, and kids' play area. In 2010, the terminal underwent a \$7.5-million renovation, including new flooring throughout the structure and a complete overhaul of the restaurants and stores. In 2016, construction was completed on a \$42-million overhaul of the baggage-handling and security systems. Other areas of the airport, such as the flooring, alarm systems, passenger terminal, and restaurants, are also being renovated as part of the master plan. Moreover, the local Treasure Coast International Airport & Business Park is currently undergoing a \$19-million master-plan development project to improve multiple areas, including the terminals, taxiways, parking lots, and hangars, among others.

The figure below describes the level of passenger traffic at Palm Beach International since 2012.

FIGURE 2-5
AIRPORT STATISTICS - PASSENGER STATISTICS

Year	Passenger Traffic	Annual Percent Change
2012	5,609,000	
2013	5,692,000	1.5%
2014	5,886,000	3.4%
2015	6,266,000	6.5%
2016	6,264,000	0.0%
2017	6,322,000	0.9%
2018	6,514,000	3.0%
2019	6,900,000	5.9%
2020	3,085,000	-55.3%
2021	5,261,000	70.5%
YTD through Apr		
2021	1,508,496	
2022	2,556,388	69.5%

Pre-pandemic, air traffic at Palm Beach International had been increasing year over year from 2012-2019, except for an incremental decrease in 2016. The pandemic shut down a majority of air travel in 2020, and in 2021 air traffic returned to approximately 75% of what it was in 2019. Through April 2022, air traffic is up nearly 70%.

Lodging Supply

An events center's ability to attract out-of-town groups depends greatly on the availability of nearby hotel rooms within a reasonable distance to the facility. Moreover, event planners have a variety of preferences with respect to the types of hotels that best meet the needs of their delegates and attendees. Most planners of professional conferences and trade shows prefer large blocks of full-service hotel rooms in nationally branded properties. Some consumer show and sporting event attendees prefer less expensive, limited-service hotel options that offer guest amenities such as complimentary breakfast and free internet connections.

Smith Travel Research ("STR") maintains a database of approximately 140,000 hotel properties and 13 million hotel rooms around the world. The figures below show the STR database inventory of all hotel rooms in Port St. Lucie by service level and size. The quality of the hotels also indicates the market's ability to support the events center.

HVS considered the size of market area for hotels in Port St. Lucie that match event planner preferences for lodging properties that are as close to their event venue as possible. Ideally the primary lodging property for a convention event would be attached or immediately adjacent to the event facility.

FIGURE 2-6
LODGING SUPPLY BY SIZE IN PORT ST. LUCIE

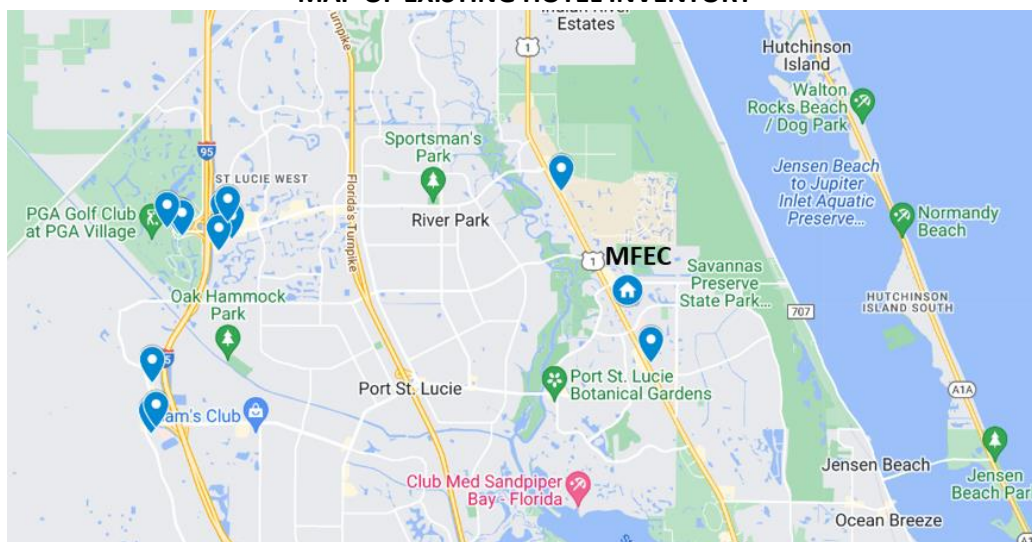
Size (Number of Guest Rooms)	Number of Properties	Number of Guest Rooms
Less than 50	1	17
50 to 99	6	492
100 to 199	6	739
Total	13	1,248

FIGURE 2-7
LODGING SUPPLY BY SERVICE LEVEL IN PORT ST. LUCIE

Chain Scale	Number of Properties	Number of Guest Rooms
Upscale	6	635
Upper Midscale	4	435
Midscale	3	178
Total	13	1,248

Thirteen hotels in Port St. Lucie offer 1,248 rooms. Only one of the hotels has less than 50 rooms, and six of them have more than 100 rooms. Event planners prefer larger hotels that can support event attendees as few hotels as possible. All thirteen hotels are midscale or above, and six of them are upscale. Event planners prefer midscale or above for events.

FIGURE 2-8
MAP OF EXISTING HOTEL INVENTORY



Meeting and Event Infrastructure

The MIDFLORIDA Credit Union Event Center is located off of Highway 1 and is located near two hotel properties. The other 11 properties in Port St. Lucie are in I-95 corridor and approximately 15 minutes away. This is a challenge for the venue as there are only two properties that are a reasonable distance from the venue that can support event attendees.

Beyond from the MFEC, Port St. Lucie only has two other meeting and event facilities: the Town Hall in Tradition and the Port St. Lucie Community Center.

The Town Hall in Tradition was developed as part of the larger Tradition master development. It offers space for approximately 450 attendees in a single ballroom space. They host small exhibit shows as well as banquets and meetings. The facility lacks large function space and breakout rooms. It is surrounded by the larger Tradition development with retail and hotel space nearby.

The Port St. Lucie Community Center offers for rental, an 8,300 square foot banquet hall with a stage. It hosts banquets, shows, seminars, and training sessions. The space is divisible and offers two breakout spaces, as well as a catering kitchen. But this space is a community center, with the level of finishes and service appropriate for such a venue. There are no sales staff booking events in the facility, and limited amenities surrounding the facility.

Tourist Attractions

The market benefits from a variety of tourist and leisure attractions in the area. The peak season for tourism in this area is December to April. During other times of the year, weekend demand comprises travelers passing through en route to other destinations, people visiting friends or relatives, and other similar weekend demand generators. Primary attractions in the area include the following:

- Tradition Field is one of the top attractions in the area. The ballpark hosts the New York Mets during Major League Baseball's spring training and other minor league teams. The facility is a significant draw for fans during the spring months.
- The Everglades is the largest sub-tropical wilderness area within the United States. The ecosystem is home to alligators, panthers, and manatees and has been designated a World Heritage Site by the United Nations Educational, Scientific and Cultural Organization.
- Golf is an important attraction in the area, anchored by the PGA Village. In total, the village includes three public courses designed by notable golf designers, such as Jim Fazio, Sr., Tom Fazio, and Pete Dye.
- The Port St. Lucie Botanical Gardens was built in 2009 on a former residential development site. It offers 20 acres of gardens, fountains, walkways, a pavilion, and a gift shop.

- The area provides nearly 21 miles of white sand beaches that draw visitors for swimming and sunbathing. In addition to beaches, the area's rivers and the Atlantic Ocean are popular with anglers and other ecotourists.

Conclusion

The Port St. Lucie market area is growing faster than the national average in population, median household income, retail sales, and food and beverage sales. Its largest employers are in the education and healthcare sectors and the employment sectors projected to grow fastest in the next five years are healthcare and accommodations. Despite these strong market indicators, the market has not been supported by growth in meeting space availability and hotel development.



3. Comparable Venues

This analysis of comparable venues provides a basis for developing program recommendations and forecasts of event demand. HVS compared the function spaces, adjacent hotel capacities, and characteristics of the markets relevant to the success of a convention center. HVS added the proposed building program for an expanded MIDFLORIDA Event Center ("MFEC"). Please see that Section 4 of this report for a detailed discussion of the building program shown in these charts.

Event planners select host cities for their events based on a wide range of criteria. These factors include attributes of convention facilities, lodging supply, the economic and demographic profile of the community, transportation access, tourism amenities, and overall destination appeal. At a minimum, a city must offer an event venue that meets user needs and for events that require lodging, a sufficient number of hotel rooms near the venue. The price of venue rental and hotel rooms are also important to event planners. Cities that meet these threshold criteria must then compete based on their destination appeal.

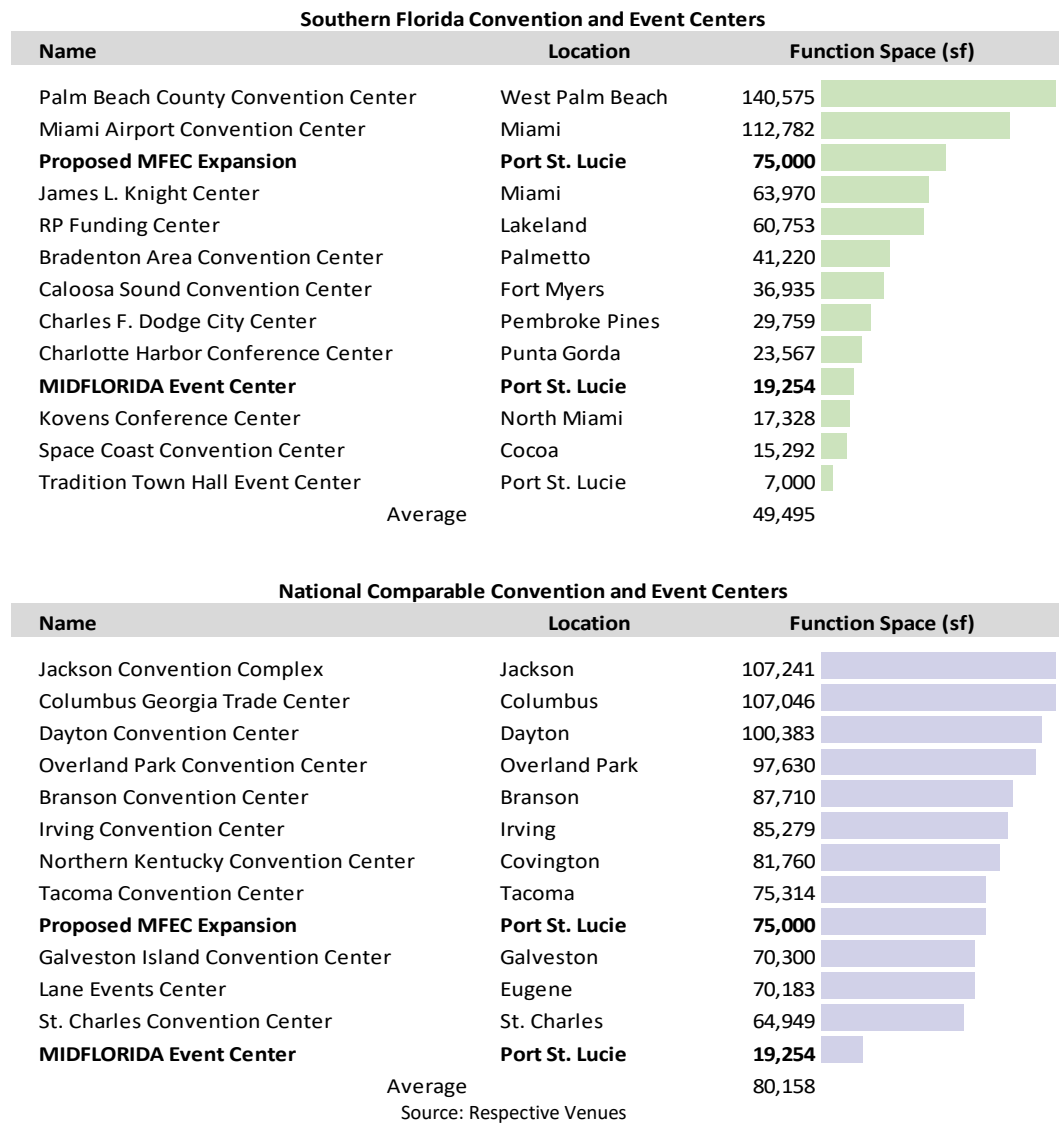
HVS analyzed two sets of venues and destinations.

- Southern Florida Convention and Event Centers, and
- National Comparable Convention and Event Centers.

The venues and their locations are listed in the figure below along with their location and the total amount of rentable function space.



**FIGURE 3-1
COMPETITIVE & COMPARABLE VENUES**



The set of local competitive properties contains 11 existing venues and the proposed expanded MFEC, and ranges from more than 140,000 square feet at the Palm Beach County Convention Center to the 7,000-square foot Tradition Town Hall Event Center. The MFEC is the 10th largest venue among the set.



Exhibition Space Assessment

Among the set of 11 national comparable convention centers, the existing MFEC is the smallest among the set. The comparable facilities were not selected based on the existing program and instead were based on the similarity to the expanded building program. The facilities range in size from the 107,000 square foot Jackson Convention Complex to the 64,000 square foot St. Charles Convention Center.

The amount and quality of exhibition space determines the size and type of events that a venue can accommodate and is critical for several types of events such as conventions, tradeshow, and consumer shows. A comparison of the exhibition space available at each of the selected comparable facilities provides an indication of the appropriate amount of space for Port St. Lucie and whether any exhibition space is warranted.



FIGURE 3-2
TOTAL EXHIBITION SPACE IN COMPETITIVE & COMPARABLE VENUES

Southern Florida Convention and Event Centers				
Name	Location	Exhibit Space (sf)		# Halls
Palm Beach County Convention Center	West Palm Beach	99,300	<div></div>	2
Miami Airport Convention Center	Miami	74,360	<div></div>	2
Proposed MFEC Expansion	Port St. Lucie	45,000	<div></div>	3
Bradenton Area Convention Center	Palmetto	32,400	<div></div>	2
James L. Knight Center	Miami	28,000	<div></div>	3
RP Funding Center	Lakeland	27,848	<div></div>	2
MIDFLORIDA Event Center	Port St. Lucie	0		0
Charlotte Harbor Conference Center	Punta Gorda	0		0
Caloosa Sound Convention Center	Fort Myers	0		0
Space Coast Convention Center	Cocoa	0		0
Kovens Conference Center	North Miami	0		0
Charles F. Dodge City Center	Pembroke Pines	0		0
Tradition Town Hall Event Center	Port St. Lucie	0		0
Average		51,151		
National Comparable Convention and Event Centers				
Name	Location	Exhibit Space (sf)		# Halls
Dayton Convention Center	Dayton	68,532	<div></div>	2
Jackson Convention Complex	Jackson	60,000	<div></div>	2
Overland Park Convention Center	Overland Park	58,494	<div></div>	1
Columbus Georgia Trade Center	Columbus	54,982	<div></div>	3
Tacoma Convention Center	Tacoma	49,500	<div></div>	2
Irving Convention Center	Irving	48,576	<div></div>	2
Branson Convention Center	Branson	47,712	<div></div>	2
Northern Kentucky Convention Center	Covington	46,200	<div></div>	1
Proposed MFEC Expansion	Port St. Lucie	45,000	<div></div>	3
Galveston Island Convention Center	Galveston	43,100	<div></div>	2
Lane Events Center	Eugene	37,000	<div></div>	1
St. Charles Convention Center	St. Charles	35,700	<div></div>	6
MIDFLORIDA Event Center	Port St. Lucie	0		0
Average		49,566		3
Source: Respective Venues				

The existing MFEC does not offer any dedicated exhibit space, as do seven of the local competitive facilities, but instead uses the Emerald Ballroom, as well as the outdoor plaza and lobby to host events that require exhibit space. The proposed MFEC expansion would add 45,000 square feet of exhibit space that could be divided into three separate halls. This is slightly below average among the set of competitive facilities.



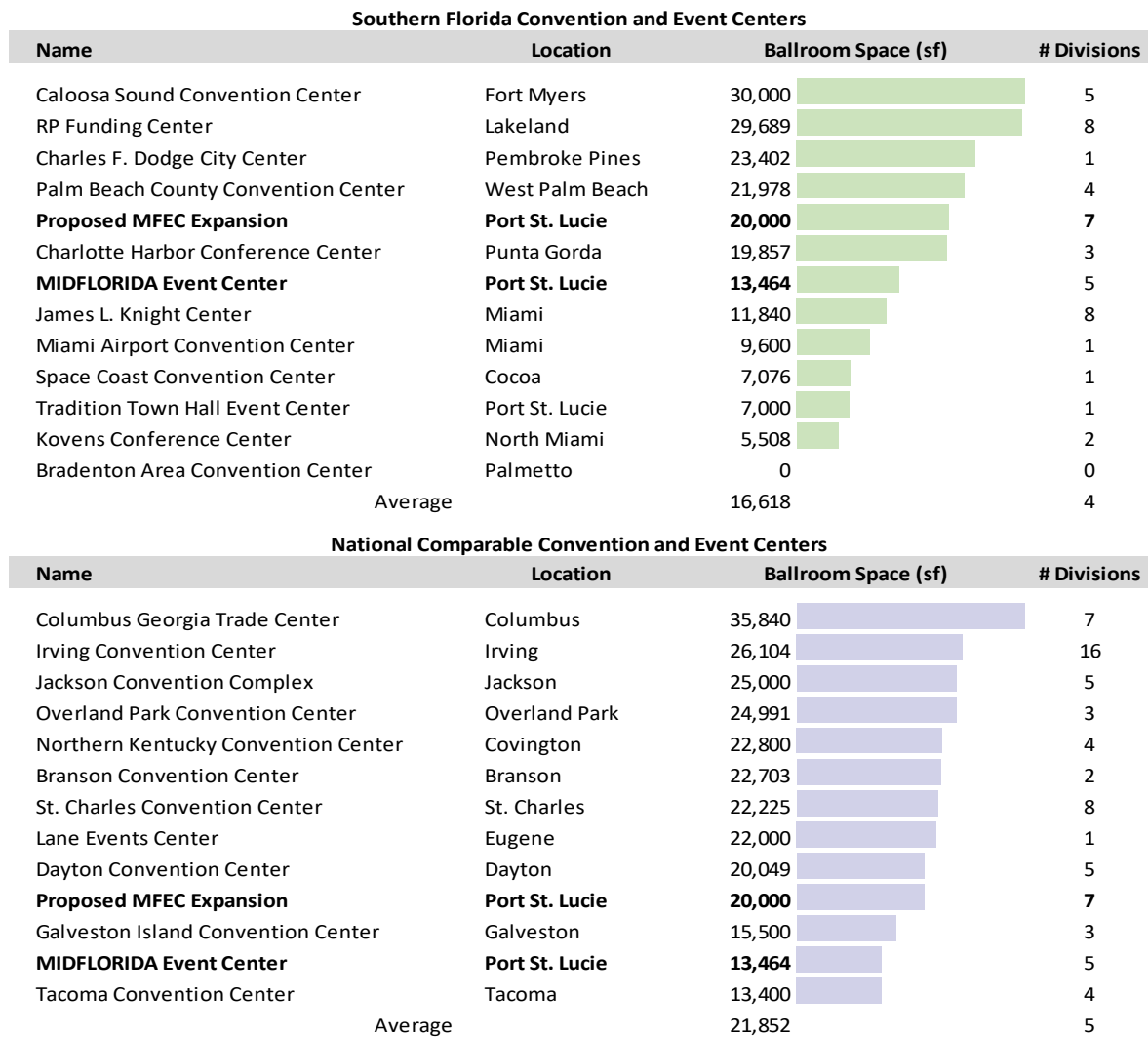
Ballroom Space Assessment

The set of comparable convention centers ranges from 68,000 square feet at the Dayton Convention Center to nearly 36,000 square feet at the St. Charles Convention center. The MFEC expansion would be slightly below average in size among the set for exhibition space.

In addition to social events that host banquets, several other types of events, such as conventions and tradeshow, typically require food services in a ballroom setting. General assemblies at conventions and tradeshow use a ballroom with a theater or banquet set-up. As facility operators attempt to grow food service revenues at their facilities and event planners seek a higher level of service for their attendees, the size of the ballroom often determines a venue's event size capacity. The figure below compares the amounts of available banquet space in comparable and competitive venues.



FIGURE 3-3
BALLROOM SPACE IN COMPETITIVE & COMPARABLE VENUES



Source: Respective Venues

With more than 13,000 square feet of ballroom space, the MFEC ranks sixth among the set of local competitive facilities, which ranges from 30,000 square feet at the Caloosa Sound Convention Center to 5,500 square feet at the Kovens Conference Center. The Bradenton Area Convention Center does not offer any ballroom space.

The comparable facility set ranges from nearly 36,000 square feet of space in Columbus, to 13,000 square feet at the Tacoma Convention Center. The proposed



Meeting Space Assessment

MFEC expansion would offer 20,000 square feet of ballroom space, which is slightly below the set average.

Meeting rooms can accommodate sub-groups as they break out of larger general sessions at conventions and tradeshow. Additionally, these smaller rooms can support self-contained meetings, training sessions, seminars, classes, and a variety of small meeting functions. A facility's meeting rooms are often its most frequently used function spaces. Generally, convention centers should offer meeting space proportionate to the amount of exhibition and ballroom space available at the facility. However, the optimum amount of meeting space can vary depending on type of events that a city may attract and the needs of event planners.

The following figure presents a comparison of available meeting space in the comparable and competitive venues.



FIGURE 3-4
MEETING SPACE IN COMPETITIVE & COMPARABLE VENUES

Southern Florida Convention and Event Centers			
Name	Location	Meeting Space (sf)	# Rooms
James L. Knight Center	Miami	24,130	16
Palm Beach County Convention Center	West Palm Beach	19,297	18
Miami Airport Convention Center	Miami	15,754	17
Kovens Conference Center	North Miami	11,820	10
Proposed MFEC Expansion	Port St. Lucie	10,000	5
Bradenton Area Convention Center	Palmetto	8,820	4
Space Coast Convention Center	Cocoa	8,216	5
Caloosa Sound Convention Center	Fort Myers	6,935	10
Charles F. Dodge City Center	Pembroke Pines	6,357	12
MIDFLORIDA Event Center	Port St. Lucie	5,790	5
Charlotte Harbor Conference Center	Punta Gorda	3,710	5
RP Funding Center	Lakeland	3,216	3
Tradition Town Hall Event Center	Port St. Lucie	0	0
Average		10,337	9
National Comparable Convention and Event Centers			
Name	Location	Meeting Space (sf)	# Rooms
Jackson Convention Complex	Jackson	22,241	22
Branson Convention Center	Branson	17,295	15
Columbus Georgia Trade Center	Columbus	16,224	17
Overland Park Convention Center	Overland Park	14,145	7
Northern Kentucky Convention Center	Covington	12,760	9
Tacoma Convention Center	Tacoma	12,414	11
Dayton Convention Center	Dayton	11,802	14
Galveston Island Convention Center	Galveston	11,700	11
Lane Events Center	Eugene	11,183	4
Irving Convention Center	Irving	10,599	13
Proposed MFEC Expansion	Port St. Lucie	10,000	5
St. Charles Convention Center	St. Charles	7,024	7
MIDFLORIDA Event Center	Port St. Lucie	5,790	5
Average		12,552	11

Source: Respective Venues

Among Southern Florida Convention and Event Centers, the MFEC ranks tenth in the amount of total meeting space, which ranges from 24,000 to venues without any meeting room space.

The set of national comparable facilities ranges from more than 22,000 square feet in the Jackson Convention Complex to 7,000 square feet in the St. Charles



Adjacent Hotel Capacity

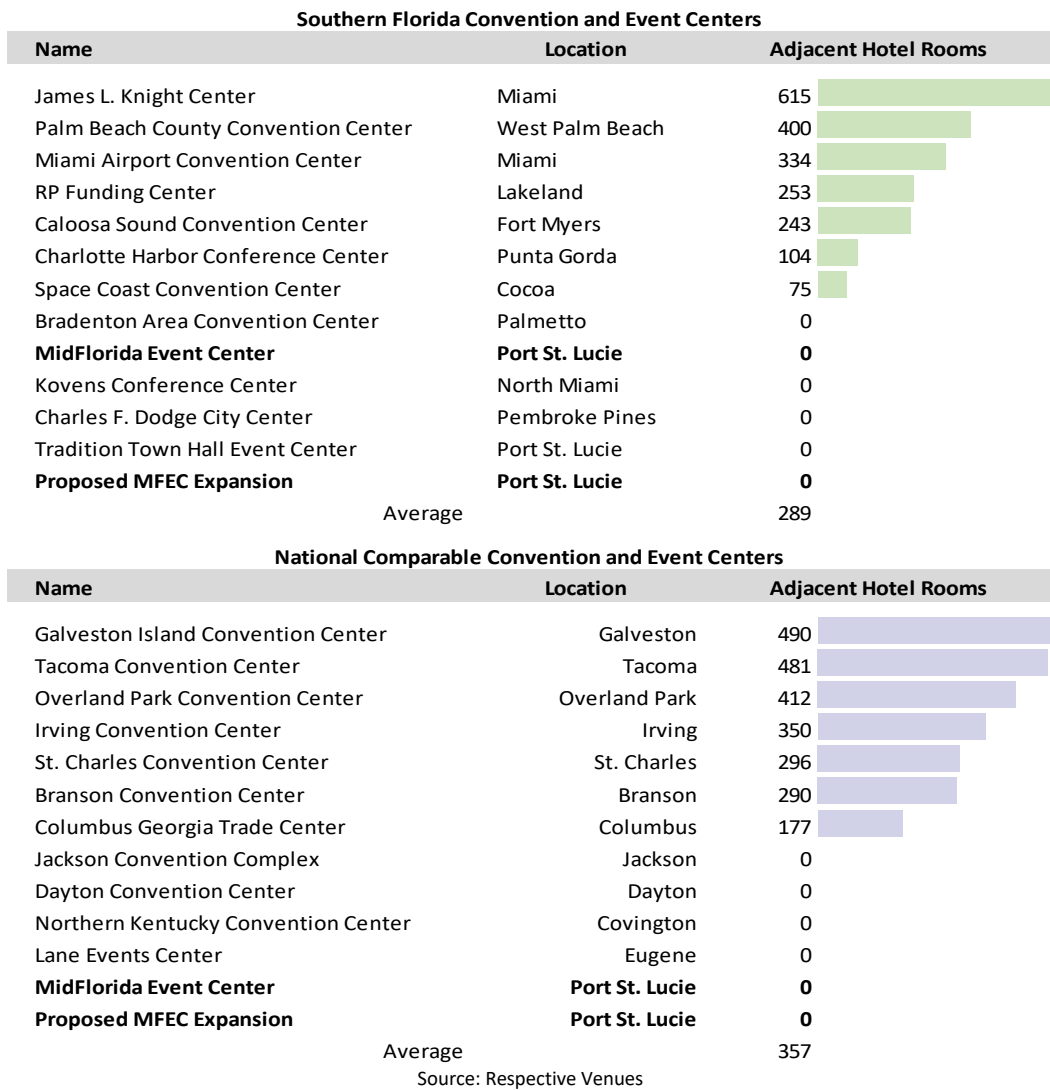
Convention Center. The MFEC expansion would offer 10,000 square feet of meeting space, which is slightly below the average of the set.

The quality and proximity of hotel supply represents one of the most important selection factors for facility users. To attract out-of-town groups, an adequate supply of nearby hotel rooms should support the lodging needs of delegates, exhibitors, and other attendees. Event planners consider proximity and connectivity as critical factors when evaluating the overall hotel package. The number of rooms offered at adjacent or connected hotels is a key point of comparison. Other important factors include hotel brands, service levels, building conditions, quality of service, ease of access, and available meeting and banquet spaces in these hotels.

The figure below compares the number adjacent hotel rooms in the comparable and competitive venues.



FIGURE 3-5
ADJACENT HOTEL ROOMS IN COMPETITIVE & COMPARABLE VENUES



The MFEC does not offer any adjacent hotel rooms, as do four other facilities among the set of competitive facilities. Among the facilities with adjacent hotel rooms, the James L. Knight Center offers 615 while the Space Coast Convention Center only offers 75 rooms. The average of the set is approximately 289 rooms.



Among the national convention center set, four facilities do not offer adjacent lodging. Those that do range in size from 490 rooms in Galveston Island to 177 in Columbus.

Destination Analysis

To maximize attendance, event planners seek attractive destinations for their events. The availability of amenities that support tourist visitation and overall attractiveness of a destination play important roles in event planner decisions. To assess the suitability of a city for convention center events, we defined the destination as an area within a 15-minute walk of the convention center.

HVS used Esri Business Analyst Online (“Esri”) to compare the suitability of an event destination to the set of comparable cities. Esri is a well-regarded forecasting service that applies geographic information system technology (“GIS”) to produce extensive demographic, consumer spending, and business data analyses. Esri employs a sophisticated location-based model to forecast economic and demographic trends. Esri models rely on U.S. census data, the American Community Survey, and other primary research.

Using ESRI data, HVS ranked the competitive and comparable destinations in the comparable venue set and the regionally competitive set on nine indicators of destination quality.

- Hotel and Lodging Businesses (within 15 min.)—The quality and proximity of hotel supply represents one of the most important selection factors for facility users in recent years. To attract out-of-town groups, an adequate supply of nearby hotel rooms should support the lodging needs of delegates, exhibitors, and other attendees.
- Food Service & Drinking Businesses (within 15 min.)—The number of food service and drinking businesses measures the presence of restaurants, bars and other outlets that support local and tourism visitation.
- Arts, Entertainment & Recreation Businesses (within 15 min.)—Arts, entertainment and recreation business enhance the quality and attractiveness of a destination.
- Storefront Businesses (within 15 min.)—A sum of the number of Food and Beverage Stores, Clothing and Accessory Stores, Sports, Hobby and Music stores, General Merchandise and Miscellaneous stores. This indicates the presence of retail shopping, grocery and liquor stores and other destination attractions for visitors.

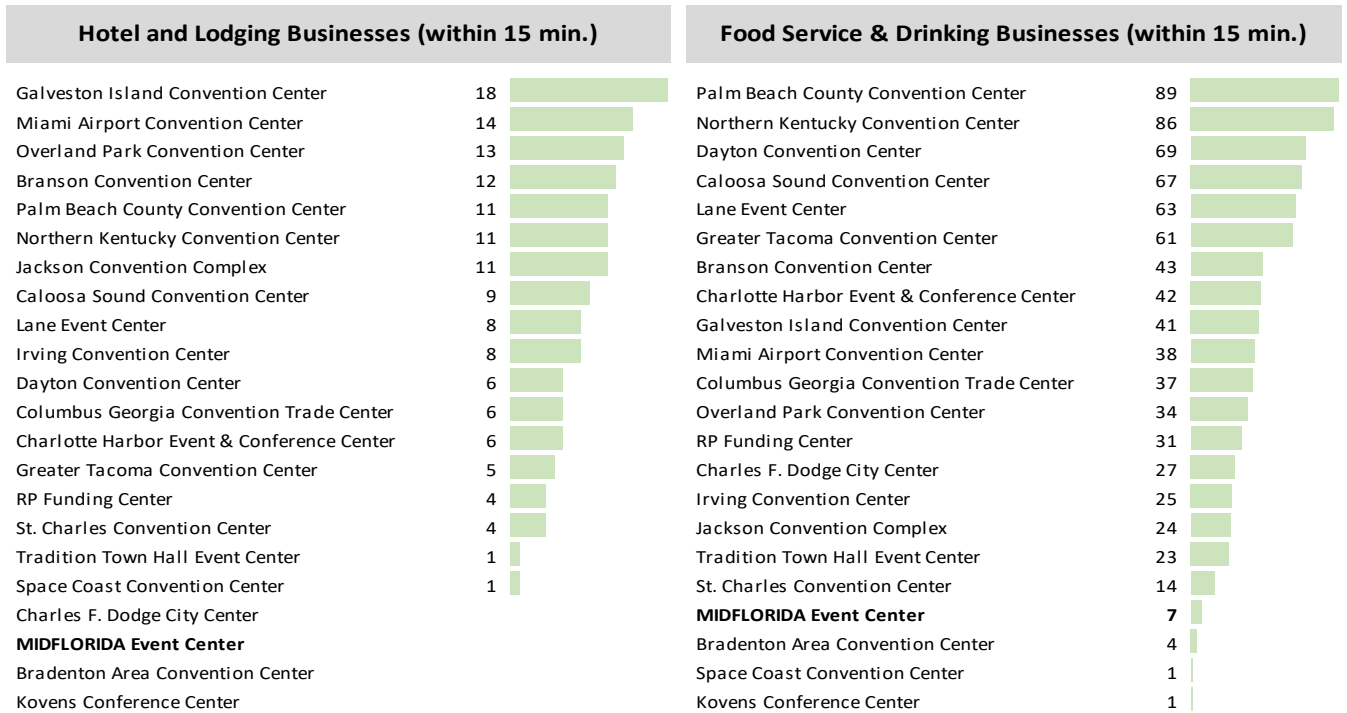


- 2022 Total Population—The size of the local area population provides evidence of a community's ability to support public services and visitor amenities, and potential demand for local events.
- Total Daytime Population—Daytime population indicates the amount of people who are in the area during the day. This includes those who work and those who live in the area but are too young to work, unemployed or not in the labor force. It indicates an area's ability to handle an influx of visitors and provide adequate food, beverage and entertainment options.
- 2022 Median Household Income (\$) Citywide—Median household income provides an overall measure of community's well-being. It indicates the quality of the surrounding neighborhood.
- Occupied Housing (%)—The quality of the neighborhood around the convention center is very important. The more vacant housing indicates a lower quality area and is a large detractor from destination quality.
- Public Transportation Spending Citywide—Total sales of public transportation indexed to enable comparisons between cities. Higher spending on public transportation indicates a more accessible city for visitors.
- Number of Businesses Citywide—The number of businesses indicates the level of corporate and industry presence. The density and breadth of a city's corporate base indicates demand potential in the meetings industry. Businesses generate demand for conventions, conferences, training, and other industry-specific events.

The figures below rank Port St. Lucie among the set of comparable and competitive venue cities as well as the area around the MFEC, on each of the criteria described above. HVS removed the James L. Knight Center from the set due to the large gap between it and the other comparable facilities.

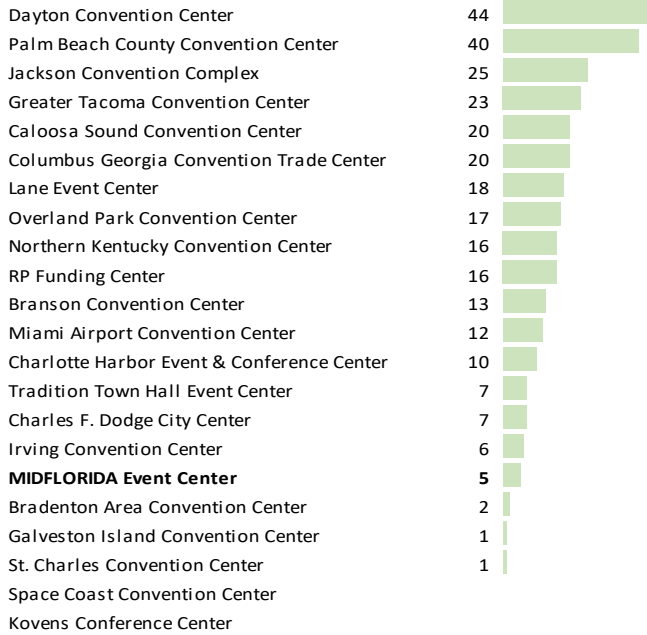


**FIGURE 3-6
COMPARABLE DESTINATION ANALYSIS**

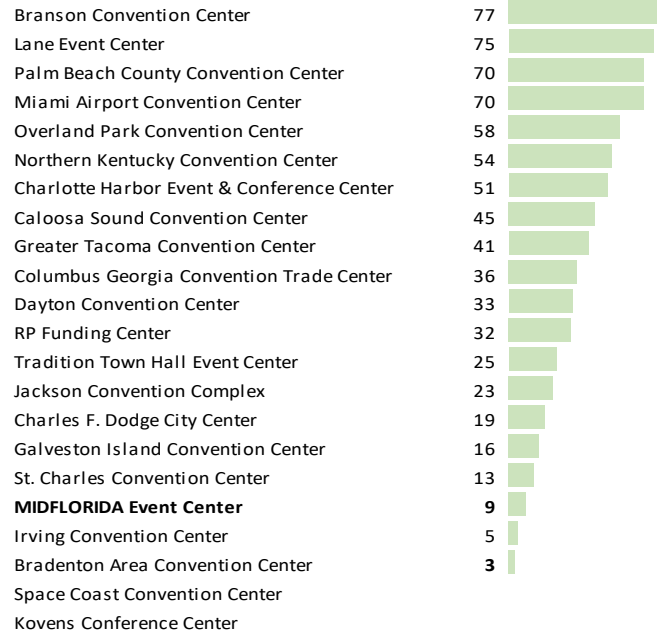




Arts, Entertainment & Recreation Businesses (within 15 min.)



Storefront Businesses (within 15 min.)



2022 Total Population Citywide

Miami Airport Convention Center	455,738	<div></div>
Irving Convention Center	261,915	<div></div>
Greater Tacoma Convention Center	222,535	<div></div>
Tradition Town Hall Event Center	215,989	<div></div>
MIDFLORIDA Event Center	215,989	<div></div>
Columbus Georgia Convention Trade Center	210,344	<div></div>
Overland Park Convention Center	203,709	<div></div>
Lane Event Center	178,788	<div></div>
Charles F. Dodge City Center	172,364	<div></div>
Jackson Convention Complex	151,109	<div></div>
Dayton Convention Center	137,297	<div></div>
Palm Beach County Convention Center	120,241	<div></div>
RP Funding Center	114,770	<div></div>
Caloosa Sound Convention Center	93,628	<div></div>
St. Charles Convention Center	72,649	<div></div>
Kovens Conference Center	59,971	<div></div>
Galveston Island Convention Center	54,952	<div></div>
Northern Kentucky Convention Center	41,920	<div></div>
Charlotte Harbor Event & Conference Center	19,354	<div></div>
Space Coast Convention Center	19,151	<div></div>
Bradenton Area Convention Center	13,207	<div></div>
Branson Convention Center	13,177	<div></div>

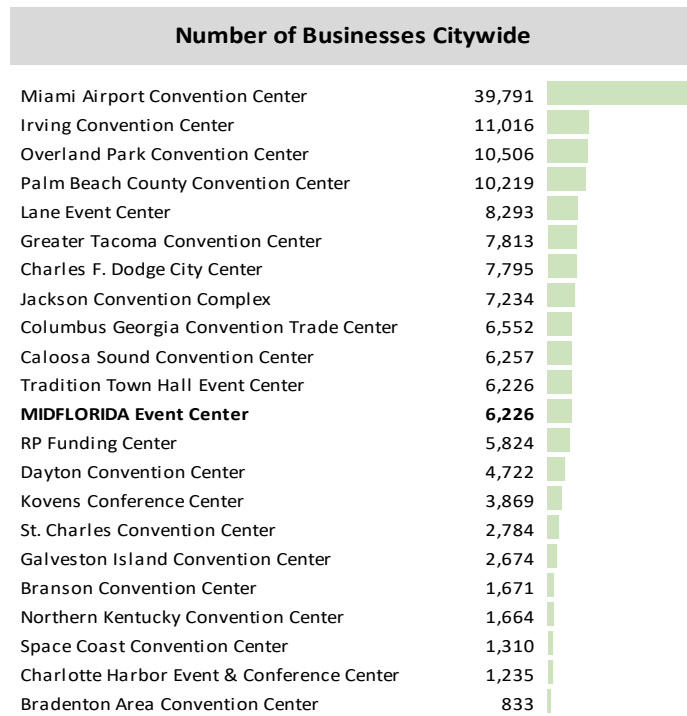
2022 Median Household Income (\$) Citywide

Overland Park Convention Center	97,165	<div></div>
Charles F. Dodge City Center	79,143	<div></div>
Charlotte Harbor Event & Conference Center	77,889	<div></div>
St. Charles Convention Center	76,944	<div></div>
Greater Tacoma Convention Center	75,796	<div></div>
Irving Convention Center	72,093	<div></div>
Tradition Town Hall Event Center	70,508	<div></div>
MIDFLORIDA Event Center	70,508	<div></div>
Palm Beach County Convention Center	64,188	<div></div>
Lane Event Center	61,772	<div></div>
Bradenton Area Convention Center	58,503	<div></div>
Caloosa Sound Convention Center	58,412	<div></div>
Galveston Island Convention Center	55,724	<div></div>
Branson Convention Center	53,361	<div></div>
RP Funding Center	53,162	<div></div>
Miami Airport Convention Center	51,954	<div></div>
Columbus Georgia Convention Trade Center	51,750	<div></div>
Northern Kentucky Convention Center	51,730	<div></div>
Kovens Conference Center	51,278	<div></div>
Space Coast Convention Center	42,610	<div></div>
Jackson Convention Complex	42,045	<div></div>
Dayton Convention Center	37,282	<div></div>



Occupied Housing (%)		
Charles F. Dodge City Center	95	<div></div>
Lane Event Center	95	<div></div>
Greater Tacoma Convention Center	95	<div></div>
St. Charles Convention Center	94	<div></div>
Overland Park Convention Center	94	<div></div>
Irving Convention Center	94	<div></div>
Kovens Conference Center	93	<div></div>
Tradition Town Hall Event Center	92	<div></div>
MIDFLORIDA Event Center	92	<div></div>
Columbus Georgia Convention Trade Center	91	<div></div>
Space Coast Convention Center	90	<div></div>
RP Funding Center	90	<div></div>
Northern Kentucky Convention Center	88	<div></div>
Miami Airport Convention Center	87	<div></div>
Palm Beach County Convention Center	87	<div></div>
Jackson Convention Complex	84	<div></div>
Dayton Convention Center	84	<div></div>
Caloosa Sound Convention Center	79	<div></div>
Bradenton Area Convention Center	78	<div></div>
Charlotte Harbor Event & Conference Center	77	<div></div>
Branson Convention Center	68	<div></div>
Galveston Island Convention Center	68	<div></div>

Public Transportation Spending Citywide		
Overland Park Convention Center	121	<div></div>
Irving Convention Center	108	<div></div>
Miami Airport Convention Center	106	<div></div>
Greater Tacoma Convention Center	105	<div></div>
Palm Beach County Convention Center	103	<div></div>
Kovens Conference Center	97	<div></div>
Lane Event Center	93	<div></div>
St. Charles Convention Center	90	<div></div>
Caloosa Sound Convention Center	86	<div></div>
Galveston Island Convention Center	86	<div></div>
Charles F. Dodge City Center	81	<div></div>
Northern Kentucky Convention Center	78	<div></div>
Space Coast Convention Center	78	<div></div>
Columbus Georgia Convention Trade Center	74	<div></div>
Bradenton Area Convention Center	72	<div></div>
Charlotte Harbor Event & Conference Center	71	<div></div>
RP Funding Center	69	<div></div>
Jackson Convention Complex	67	<div></div>
Tradition Town Hall Event Center	61	<div></div>
MIDFLORIDA Event Center	61	<div></div>
Branson Convention Center	60	<div></div>
Dayton Convention Center	58	<div></div>



Source: ESRI



Summary of National Destination Indicators

There is very little that exists around the MFEC today. The development of that land is part of the reason for this report and project. Due to the lack of development, it scores poorly on the metrics that rank facilities based on amenities within a 15-minute walk of the facility. Once the master plan is completed and development occurs, the MFEC will score higher. The median household income, population, and occupied housing in Port St. Lucie rank relatively high.

As expansion is considered, providing a suitable amount of amenities such as hotels, dining, and retail around the MFEC is crucial to improving how attendees and planners experience the facility.

Destination Ranking

To assess the relative strength of each destination, HVS calculated a score for each convention area's ranking within the criteria. Destination quality criteria were weighted to reflect their importance to event planners. HVS removed the James L. Knight Center from the rankings due its proximity to downtown Miami.

Food service and drinking businesses, storefront businesses, and accommodation businesses were weighted the highest and occupied housing and public transportation index were weighted the lowest. The figures below show the overall rank among the competitive cities. The first shows the score for each city on the criteria as well as the weights assigned and the second shows the aggregate score of the destinations.

FIGURE 3-7
RANK ON ALL DESTINATION CRITERIA

Weight (1 to 5)		4	4	3	4	3	3	1	1	2	Weighted Destination Score
Rank	City	Hotel and Lodging Businesses (within 15 min.)	Food Service & Drinking Businesses (within 15 min.)	Arts, Entertainment & Recreation Businesses (within 15 min.)	Storefront Businesses (within 15 min.)	2022 Total Population Citywide	2022 Median Household Income (\$) Citywide	Occupied Housing (%)	Public Transportation Spending Citywide	Number of Businesses Citywide	
1	Palm Beach County Convention Center	0.61	1.00	0.91	0.91	0.24	0.45	0.70	0.71	0.24	0.671
2	Miami Airport Convention Center	0.78	0.42	0.27	0.91	1.00	0.25	0.70	0.76	1.00	0.658
3	Overland Park Convention Center	0.72	0.38	0.39	0.75	0.43	1.00	0.95	1.00	0.25	0.612
4	Lane Event Center	0.44	0.70	0.41	0.97	0.37	0.41	0.99	0.56	0.19	0.560
5	Greater Tacoma Convention Center	0.28	0.68	0.52	0.53	0.47	0.64	0.97	0.75	0.18	0.518
6	Northern Kentucky Convention Center	0.61	0.97	0.36	0.70	0.06	0.24	0.71	0.32	0.02	0.488
7	Caloosa Sound Convention Center	0.50	0.75	0.45	0.58	0.18	0.35	0.38	0.44	0.14	0.456
8	Dayton Convention Center	0.33	0.77	1.00	0.43	0.28	0.00	0.57	0.00	0.10	0.430
9	Branson Convention Center	0.67	0.48	0.30	1.00	0.00	0.27	0.00	0.03	0.02	0.414
10	Columbus Georgia Convention Trade Center	0.33	0.41	0.45	0.47	0.45	0.24	0.85	0.25	0.15	0.386
11	Irving Convention Center	0.44	0.27	0.14	0.06	0.56	0.58	0.93	0.79	0.26	0.369
12	Charlotte Harbor Event & Conference Center	0.33	0.47	0.23	0.66	0.01	0.68	0.34	0.21	0.01	0.367
13	Jackson Convention Complex	0.61	0.26	0.57	0.30	0.31	0.08	0.59	0.14	0.16	0.345
14	Galveston Island Convention Center	1.00	0.45	0.02	0.21	0.09	0.31	0.00	0.44	0.05	0.339
15	RP Funding Center	0.22	0.34	0.36	0.42	0.23	0.27	0.78	0.17	0.13	0.308
16	Charles F. Dodge City Center	0.00	0.30	0.16	0.25	0.36	0.70	1.00	0.37	0.18	0.302
17	Tradition Town Hall Event Center	0.06	0.25	0.16	0.32	0.46	0.55	0.89	0.05	0.14	0.290
18	St. Charles Convention Center	0.22	0.15	0.02	0.17	0.13	0.66	0.95	0.51	0.05	0.247
19	MIDFLORIDA Event Center	0.00	0.07	0.11	0.12	0.46	0.55	0.89	0.05	0.14	0.213
20	Kovens Conference Center	0.00	0.00	0.00	0.00	0.11	0.23	0.92	0.62	0.08	0.108
21	Bradenton Area Convention Center	0.00	0.03	0.05	0.04	0.00	0.35	0.35	0.22	0.00	0.083
22	Space Coast Convention Center	0.06	0.00	0.00	0.00	0.01	0.09	0.79	0.32	0.01	0.066



Port St. Lucie and the MFEC rank 19th among the set of comparable and competitive destinations and facilities. It is slightly behind the St. Charles Convention Center in Missouri, and well ahead of Bradenton, North Miami, and Cocoa. Offering more amenities like hotels, retail, and restaurants near the facility will move the MFEC closer to the middle of the set above.



4. Building Program Recommendations

The building program recommendations presented herein describe the floor areas of various types of function spaces as well as other important amenities for the existing MIDFLORIDA Credit Union Event Center ("MFEC"). To formulate these recommendations for the proposed venue, HVS relied on a site inspection, interviews with facility users, an analysis of meeting space programming in competitive venues and comparable markets, other market research, and knowledge of standard industry practices. This building program should serve as a guide for subsequent physical planning aimed at providing the desired facility program elements.

Currently, the MFEC houses approximately 19,000 square feet of total function space. Function spaces include the Emerald Ballroom and Ruby Hall. The following figure presents a summary of existing MFEC function and pre-function spaces.

**FIGURE 4-1
EXISTING FUNCTION SPACES**

Event Space	Total Area (SF)	Capacities		
		Theatre	Banquet	Classroom
Function Spaces				
Emerald Ballroom	13,501	1,500	771	931
Emerald 1	5,406	601	309	373
Emerald 2	3,557	395	203	245
Emerald 3	1,377	153	79	95
Emerald 4	1,784	198	102	123
Emerald 5	1,377	153	79	95
Ruby Hall	5,790	643	331	399
Ruby 1	986	110	56	68
Ruby 2	918	102	52	63
Ruby 3	1,972	219	113	136
Ruby 4	986	110	56	68
Ruby 5	918	102	52	63
Pre-Function Areas				
Lobby	6,420			
Art Gallery	1,901			
TOTAL FUNCTION SPACE	19,291			

Source: MFEC

The MFEC hosts approximately 125 group events per year. Event organizers include corporations and associations, social groups, and families. The function spaces at the MFEC host a variety of events, including festivals, consumer shows, assemblies, banquets, and meetings. In addition to these indoor function spaces, the MFEC also uses an outdoor stage and plaza area to host outdoor concerts, festivals, and other events.

User Interviews

HVS interviewed more than 15 event planners who use the MFEC for their events. These events range from large consumer shows and festivals to smaller sporting and meeting events. The user interviews clearly indicate several key factors which influence meeting planners' selection processes when considering Port St. Lucie and MFEC as an event destination.

- The dual purpose of the facility, with the recreation facilities sharing the same lobby as the MFEC, was a common issue. Event planners do not want



gala or banquet attendees to share the lobby with recreational users. Moving the recreation facility entrance, or the entire facility to another location on the site would make the MFEC a much more attractive venue to nearly all event planners.

- Adding more function space, and larger function spaces is necessary to accommodate events that are starting to outgrow the facility. A number of event planners indicated they had to turn away attendees or vendors due to a lack of function space. Expanding the Emerald Ballroom or adding an additional exhibit hall would be necessary to ensure these events do not leave the MFEC due to lack of space.
- Increasing the number of breakout rooms would make it easier for smaller meetings and events to use the MFEC. The Ruby Hall, and its five divisions, are the smallest spaces in the MFEC and lack appropriate meeting room finishes. These rooms could also serve as breakouts for conferences or consumer shows that offer training sessions.
- The lack of visibility and event advertising opportunities is of concern to some event planners. The City of Port St. Lucie does not allow signage on public land, and while the MFEC has a large marquee videoboard on US-1, event planners would prefer further signage and wayfinding around the area to further market their events and the MFEC.
- Some event planners said that increased hotel room availability was crucial. But many local event planners do not require any hotel rooms. An adjacent hotel development would likely need substantial support from the leisure and business sector, as the expanded MFEC would not consistently generate enough room night demand to support the hotel operation. Further study for potential hotel development beyond the scope of this study is required.
- The art gallery was recognized as attractive pre-function and registration space by some event planners. Others complained about the need to cover up the art for some events.
- The pavers outside the facility, especially in the entry plaza, are unpleasant and create a trip and fall hazard for event attendees. Improving the finishes on the plaza is important to make it a more pleasant space for event attendees.
- The loading dock is difficult to access and loads directly into the Emerald Ballroom creating problems for loading and storage. Making the loading dock easier to access, creating adjacent to service hallways, and adding back of house storage are much-needed improvements.
- Event planners considered the proximity of the parking garage and surface lots highly beneficial for their event attendees.



Facility Program Recommendations

- The lack of adequate bathrooms capacity is problematic. Event planners do not like event attendees using the same bathroom facilities as recreational users. More and better located bathroom facilities are needed.
- The staff of the MFEC was widely recognized as being a major asset to the facility. Almost every event planner highlighted the staff's flexibility, communication skills, and willingness to accommodate their event needs.

The Port St. Lucie Civic Center, the building that houses the MFEC also is home to a Port St. Lucie Parks and Recreation Center. This dual purpose is appropriate for a facility that operates as a Civic Center, hosting local events and festivals, along side recreational space for residents. The expectations and goals for the MFEC operations changed from civic purposes to attracting events that create new visitation of non-residents to Port St. Lucie. However, the building was not remodeled or altered, so the staff operates a Civic Center building with convention center expectations. This has led to a variety of challenges and limitations in the facility that need to be rectified in expansion.

Relocation of the parks and recreation facilities to a different building on or near the MFEC site would allow for conversion of the existing spaces to meet convention center needs. A variety of locations near the MFEC in the City Center could be reserved for a fitness center and gym run by Parks and Recreation that would operate as it does today. The space left vacant by Parks and Recreation could then be turned into function space for the MFEC, and the MFEC would be able to control all activity under its roof. Event attendees would not be sharing the same entrance as recreational users.

Increasing the amount of function space and adding a larger exhibit hall would enable the MFEC to host events that are beginning to outgrow its current facilities. It would also improve the simultaneous event capability of the MFEC because one event could use the new exhibit hall while another event uses the ballroom space and meeting space. With the expansion of exhibit space at the MFEC, a proportionate amount of ballroom and meeting space is needed to support the facility. The ballroom expansion could be done by expanding the existing Emerald Ballroom and adding new construction to the southwest of the existing Ruby Hall.

A relocated plaza area and stage would better accommodate the concert and festival events. Moving the stage closer to Main Street, to the half circle turnout would create more seating area for concert events. Stage loading needs to be simplified. The current stage must be loaded from the front at times due to the small ramp at the back of the stage. Stage relocation would also create more space for festivals and events to occur in between the stage and the MFEC. Replacing the pavers in front of the facility will also make the facility more attractive and safer.



Program Recommendations

The final set of recommendations involve the back of house space that supports the rentable function areas. The current loading dock is difficult to access and loads directly into the Emerald Ballroom. Moving the loading dock to a location that is easier to access, and that connects to a loading area and service corridor would make staging events at the MFEC much easier and reduce labor requirements. The outdoor area where the current loading dock exists could then be used as outdoor event space.

HVS recommends new building infrastructure such that the expanded MFEC's total convention facility package includes a total of approximately of function space comprised of the following:

- A 45,000 square foot exhibit hall that could be split into three separate halls,
- Expanding the Emerald Ballroom to 20,000 square feet, and improving the divisibility into six separate spaces,
- Adding 10,000 square feet of meeting space, through either expansion and remodeling of Ruby Hall, or new construction,
- Adding additional loading and back of house space, including service corridors and staging areas,
- Moving the outdoor stage southwest, closer to Main Street to increase the amphitheater and festival space in front of the MFEC.

The following site maps identify the location of the renovation and expansion of MFEC. While site conditions and other issues will dictate the actual layout, HVS recommends that the facility renovate and expand its existing function spaces, and convert the Parks and Recreation side of the building to add an exhibit hall.



EXISTING SITE OF MFEC



PROPOSED EXPANSION OF MFEC



The following figure shows the recommended amounts and capacities of event function spaces in the renovation and expansion of MFEC.

**FIGURE 4-2
BUILDING PROGRAM RECOMMENDATIONS**

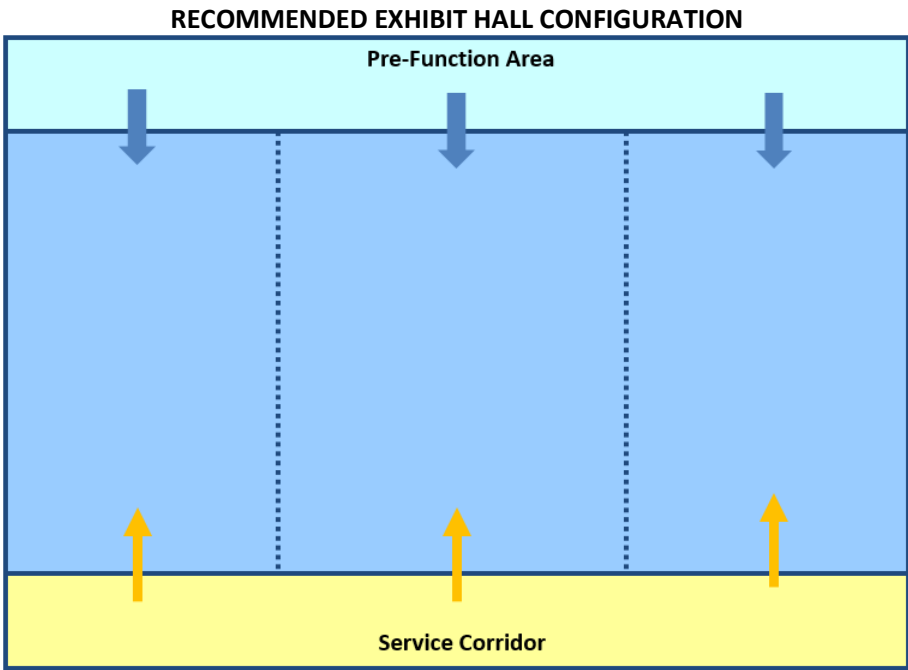
Event Space	Total Area (SF)	Capacities			Exhibit Booths (10'x10')
		Theatre	Banquet	Classroom	
Exhibit Hall	45,000	5,000	2,571	3,103	260
Sub-Divisions					
Division 1	15,000	1,667	857	1,034	
Division 2	"	"	"	"	
Division 3	"	"	"	"	
Grand Ballroom	20,000	2,220	1,140	1,380	
Sub-Divisions					
Division 1	2,222	250	130	150	
Division 2	"	"	"	"	
Division 3	"	"	"	"	
Division 4	6,667	740	380	460	
Division 5	2,222	250	130	150	
Division 6	"	"	"	"	
Division 7	"	"	"	"	
Meeting Rooms	10,000	1,110	570	690	
Meeting Room Block 1	9,000	1,000	510	620	
Divisions (3)	3,000	330	170	210	
Board Rooms (2)	1,000				
TOTAL FUNCTION SPACE	75,000				

The 45,000 square foot exhibit hall could be divided into three separate halls based on event needs and accommodate approximately 260 exhibit booths. The grand ballroom would be divisible into seven separate spaces, for breakout or training sessions. The meeting room block should divide into three separate spaces. Two boardrooms would provide space for small meetings.

While site constraints and other design issues will affect the final layout of the function space, a description of each of the proposed function spaces follows. Further space planning studies will be necessary to determine whether the recommended configurations and expansion of space are physically possible given the constraints of the existing building and site.

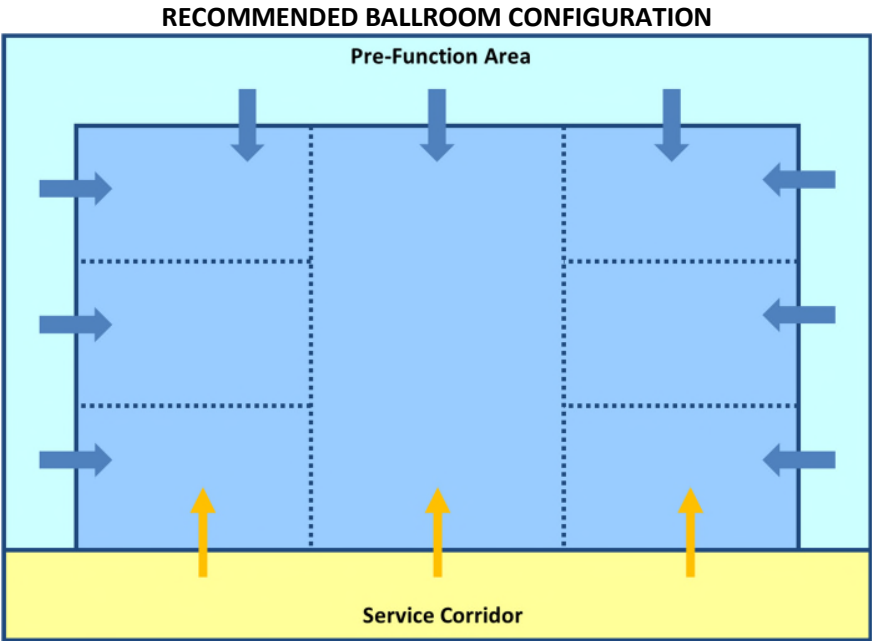
Exhibit Hall

Three 15,000-square foot divisions for the exhibit halls be supported by service loading corridors and pre function space. The hall can be loaded from the rear while the pre-function area can host registrations.



Ballroom

The figure below shows the appropriate divisibility of the ballroom.



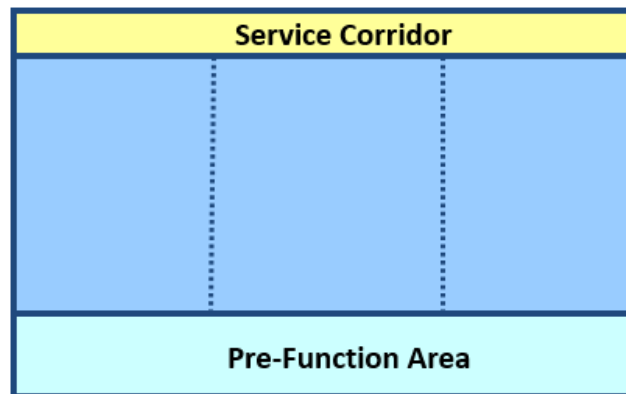


The recommended ballroom is 20,000 square feet and divisible into seven separate spaces. HVS recommends that the ballroom be well-lit, with high-quality finishes, as well as a high-level of AV and audio capabilities to support banquet events. The divisibility enables the ballroom space to serve as breakout space as well.

Meeting Spaces

Meeting space is essential to provide breakout space for larger conference and convention events and to support stand-alone meetings as well as food and beverage functions. Meeting room blocks in areas should maintain a separation of attendee and service access. The meeting room block would offer three spaces of 3,000 square feet each, as well as two 500 square foot boardrooms.

RECOMMENDED MEETING ROOM CONFIGURATION



Ancillary and Support Spaces

In addition to the function spaces provided above, the gross floor area included in the proposed renovation and expansion of MFEC would include the following elements:

- **Lobby and Pre-function Areas** – A well-appointed lobby and pre-function areas should provide event planners areas for greeting and registration, social gatherings, and well-defined public access to the multipurpose ballroom and meeting rooms. This space is also appropriate for stand-alone receptions, meals, and other community events.
- **Circulation** – Circulation space should provide for the movement of attendees into and through the venue. These areas would include and hallways, connecting walkways, and bridges as required. Depending on the concept plan, these areas could also include vertical circulation (stairwells, elevators, and escalators).



- Service access – Service corridors should provide non-public access to the event hall and meeting rooms as well as connection to the facility’s loading docks, mechanical rooms, and storage.
- Drop-off zone – The venue should have a well-defined vehicular drop-off area and pedestrian access solely for the uses of event attendees.
- Loading areas – Service access separate from the drop-off zone, truck docks, and waste disposal areas necessary to support the venue.
- Kitchen – Further investigation should determine the extent to which the main production kitchens could also serve the needs of the venue. At a minimum, the space should incorporate a pantry kitchen capable of accommodating [a single meal of 1,200 guests].
- Storage – Adequate and convenient equipment storage is important to the efficient operation of the facility.
- Facility Operations – Spaces needed to support the facility’s physical plant, including HVAC, plumbing, electrical and fire protection systems.
- Parking – the on-site capacity for parking should be determined in view of the amount of available off-site parking that could service the Convention Center.

Stage and Plaza Area

Currently, the MFEC uses the stage and plaza area in front of the facility to host concert events, as well as festivals, and other events that prefer the outdoor space. The stage is located in the middle of the block, with a splash pad and some back of house space between the stage and Main Street, further from the MFEC. This limits the amount of seating and space that can fit between the stage and the MFEC. Loading the stage is also difficult, because the ramp at the back is too small to load most stage equipment. Stagehands have had to load the stage from the front instead. Performers also must either use their tour buses as green rooms or a room in the MFEC and be shuttled to the stage to perform. HVS is recommending moving the stage southwest, closer to Main Street, and further from the MFEC. The splash pad could also be relocated to an area on the site. See the figure below.

RECOMMENDED NEW STAGE LOCATION

This new location would create more space between the stage and the MFEC, increase the seating capacity for concert events and improve the loading access from Main Street. Relocation has the further advantage of creating more open green space for festivals and markets in front of the MFEC. Green open space is a crucial consideration for the master plan development because the MFEC uses the plaza area regularly for its largest festival events. Ensuring those events have open space to host vendors and entertainment will keep those events in the new development. Green rooms can be added near the new stage location, or the shuttling of performers can continue, as the connection to the MFEC is easier off Main Street.

Hotel Development

As discussed in the market section of this report, the MFEC is supported by two smaller, lower scale hotels that are along US-1. The rest of the hotels in Port St. Lucie are further west of the site, closer to I-95. The development of a hotel on the city center site would increase the types of events that the MFEC could host, as conferences and small conventions prefer to lodge their attendees in a property adjacent or attached to the event venue. Currently, most conference event planners do not consider the MFEC as an appropriate venue for their events because of the lack of adjacent lodging. Some event planners who were interviewed indicated that they could host more events with larger attendance, if the venue offered an adjacent hotel.



A hotel requires a consistent stream of demand throughout the week to generate a profit. Sources of hotel demand include individual leisure travelers, meeting and group, and individual business travelers. The MFEC could induce new group demand at a proposed hotel, but not consistently enough to achieve the necessary occupancy. The success of a hotel attached or adjacent to the MFEC would rely on the level of leisure and commercial demand that the property could capture to fill the times when the MFEC is not hosting an event that generates room nights.

Further study, which is beyond the scope of this report, would be necessary to determine the feasibility of adjacent hotel development.

Conclusions

Renovation and expansion of the MFEC is needed. Event planners are not pleased with having to share space with a recreational facility and would like a dedicated convention center space in Port St. Lucie. Adding additional space, including an exhibit hall, expanding the ballroom space, and increasing the concert and festival capacity outside the MFEC are crucial to increasing event activity and its positive impact on the community.

A more precise determination of the floor areas would require a concept plan created by a design firm that illustrates how the proposed venue alterations would fit on the site. The process of concept planning would likely require adjustments to the recommended floor areas.



5. Demand Analysis

HVS based event demand projections at the MIDFLORIDA Credit Union Event Center (“MFEC”) on the following research and analysis:

- The general program recommendations presented in Section 4,
- Historical MFEC demand data,
- Key market and economic indicators outlined in Section 2,
- Interviews with event planners,
- Comparable venue program and demand data, and
- Discussions with representatives from the current MFEC management.

In developing the demand projections, HVS assumes that all recommendations throughout this report are completed by January 1, 2026. This opening date is a necessary assumption made for modeling purposes and does not reflect an actual design and development schedule. HVS estimates that event demand would stabilize in the fourth year of operation—2029. Demand projections also assume the continued presence of a highly qualified, professional sales and management team for the MFEC.

Historical Demand

The MFEC provided HVS with a summary of the number of events and corresponding attendance that occurred at the facility from calendar years 2017 through 2021. HVS reclassified event types into standard event categories to allow comparisons with other venues and for the projection of financial operations.

HVS classified all events into one of the following categories.

Conference—require a mix of banquet and breakout space set-up as well as occasional assembly space, but do not require any exhibit set-up. Conferences can be conducted by any organization type, but always require attendees to be registered.

Consumer Show—public, ticketed events featuring the exhibitions of merchandise for sale or display. Exhibition companies produce consumer shows, as they provide a means of product distribution and advertising. They only require exhibit space set-up. Food and beverage service is limited to concessions.



Banquet—only require a banquet set-up for food and beverage meal service. These events also can be produced by any organizational type, and are either are held privately or require guests to register.

Meeting—only require breakout space set-up. Like conferences, they can be produced from any of the organization types, but unlike conferences, they are private events to which one must be invited. Food service is limited to coffee breaks, breakfasts, or luncheons in breakout rooms.

Sports—typically require the set-up of a competition area in a large function space. Attendees to sporting events, which are usually organized by sports enterprises, may be public or registered. Some sporting events have both a registered and public aspect to the event over the span of a few days.

Assembly—usually involve a ceremony, a speech, or another similar activity that attracts a crowd of spectators. Produced by any type of organization, assemblies are always public events. Additionally, assemblies only require a plenary set-up.

Concert—usually a concert or some form of live entertainment, owned and organized by an event promoter for the public. Entertainment events only require production set-up. Concerts include small acts like comedy improv groups, high school music performances, and dance recitals, as well as large concert acts like STYX and Little River Band.

Festival—usually involve an exhibit booth set-up for a public event in which a number of organizations or companies represent themselves and/or a product or service, with a similar theme or purpose uniting the event. These events can be produced from any organization type.

The following figure presents the event and attendance history at the MFEC for the past five years.

**FIGURE 5-1
SUMMARY OF DEMAND HISTORY**

	2017	2018	2019	2020	2021
Event					
Conference	9	4	4	1	3
Consumer Show	21	10	16	12	11
Banquet	26	37	41	20	42
Meeting	48	23	89	23	18
Sports	na	2	12	2	10
Assembly	20	21	48	12	10
Concert	9	9	8	10	4
Festival	6	11	9	2	19
Total	139	117	227	82	117
Attendee					
Conference	4,291	920	3,780	100	2,450
Consumer Show	11,649	6,745	12,768	12,465	22,450
Banquet	7,107	8,403	11,843	3,307	9,470
Meeting	1,787	2,540	6,128	1,928	1,325
Sports	na	373	10,455	770	9,330
Assembly	7,164	5,290	10,472	1,830	3,425
Concert	2,689	2,159	2,306	4,840	1,344
Festival	7,748	14,500	45,675	2,700	45,770
Total	42,435	40,930	103,427	27,940	95,564

Source: MFEC

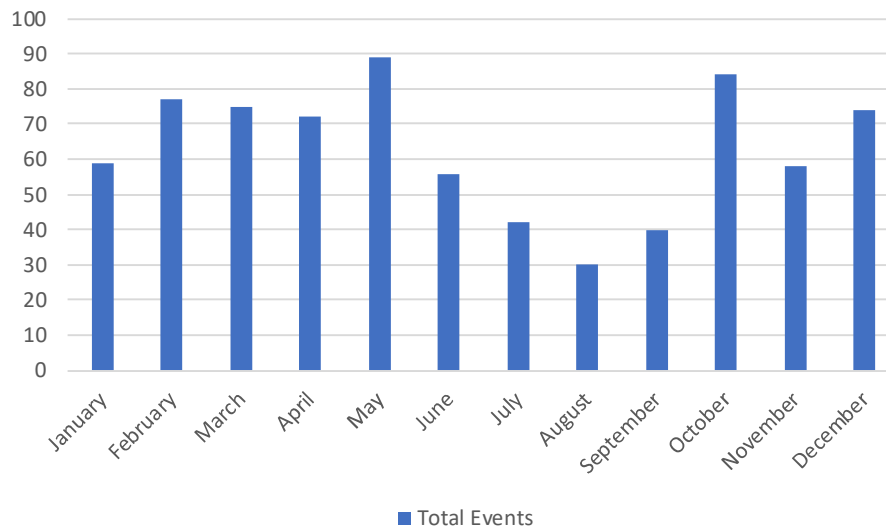
The demand profile for the MFEC consists of a mixture of local consumer shows and festivals, like the Home and Spa Shows and Strawberry Festival, as well as local meetings and banquets. The facility hosted between 117 and 227 event pre-COVID. This number dropped in 2020 as event restrictions were put in place, but demand bounced back to pre-COVID levels in 2021. Festivals generate the most attendance at the facility, followed by consumer shows and banquets.

Seasonal Trends

To further evaluate the seasonality of the MFEC, HVS also analyzed overall facility demand by month and by day of the week. The following figure presents the same historic demand data shown above but by event type and by month or day of the week. This shows the peak seasons for events at the MFEC and the seasons where demand drops, as well as peak days during the week. See the figures below.

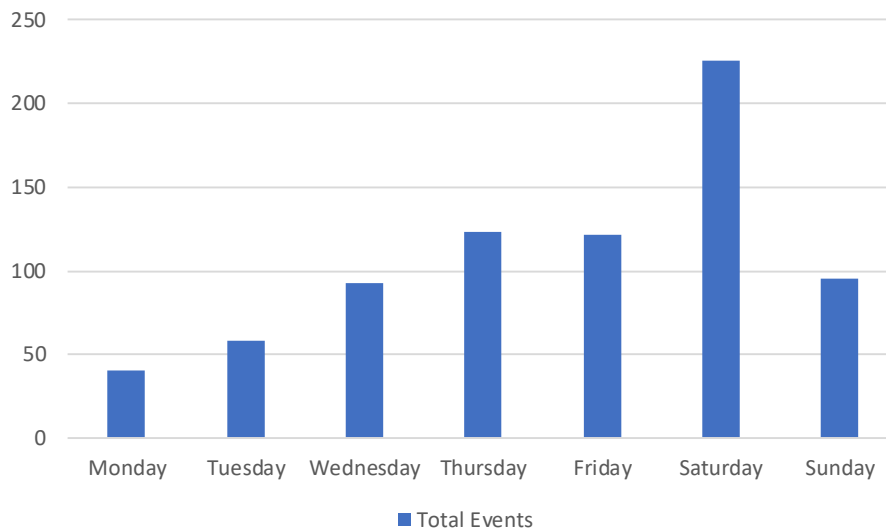


FIGURE 5-2
HISTORIC EVENT DEMAND BY MONTH (2017-2021)



Sources: MFEC and HVS

FIGURE 5-3
HISTORIC EVENT DEMAND BY DAY OF THE WEEK (2017-2021)

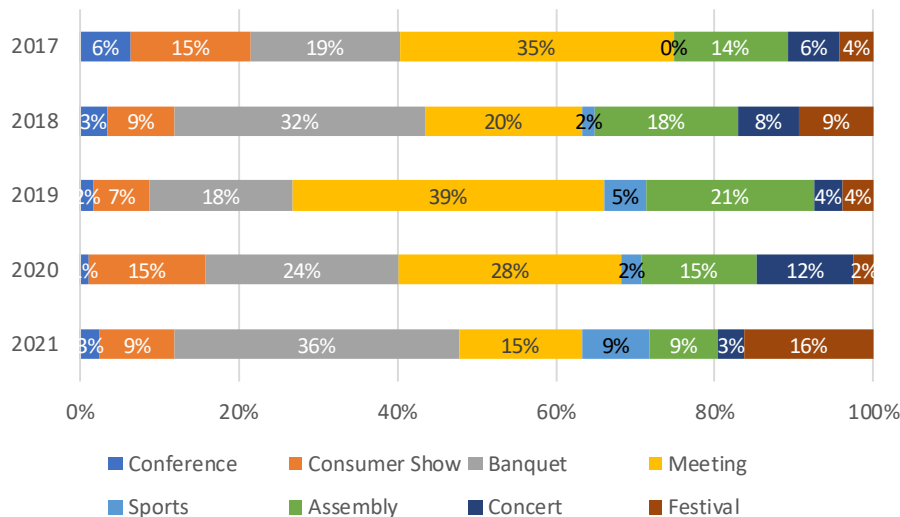


Sources: MFEC and HVS



Demand peaks in the months of May and October, but generally the spring season is when demand is the highest. Demand drops off in the summer, which is typical for a facility like the MFEC, and is due to a decrease in banquets and meetings, as well as festivals. Saturdays are the most common day for events at the MFEC, with nearly double the number of events than Thursday, the next most common event day. During the week, meetings are the primary source of demand for the MFEC, followed by some banquets.

FIGURE 5-4
DEMAND SEGMENTATION (PERCENT OF EVENTS FROM 2017-2021)



Sources: MFEC and HVS

Banquets have been increasing as a proportion of total events at the MFEC since 2017, while meetings and assemblies have been decreasing. Banquets are generally more profitable than assemblies or meetings because they generate significantly more food and beverage revenue. Sports have also been increasing marginally, but still only represent 9% of event demand in 2021.

Lost Business Analysis

The MFEC provided HVS with a summary of lost business for events that were lost from 2021 through July 2022. Events are counted as lost if they tentatively reserved dates but ultimately decided not to book the MFEC or received a bid from the MFEC to host an event and ultimately chose another venue. The summary contains lost event data for approximately 250 events. The data includes the event, date, and reason lost. HVS summarized all lost business into the categories provided, including not enough space, price, COVID-19, and F&B preferences. For more than



half of all events, planners did not indicate a reason for not choosing the MFEC. The following figure presents the number of events lost in each category.

FIGURE 5-5
2021-JULY 2022 EVENTS LOST BY CATEGORY

Reason Lost	Events	
	Number	% of Sub-Total
Reason Known		
Not Enough Space	45	38%
Price	32	27%
Event Cancelled or Postponed	27	23%
F&B Policies	13	11%
COVID-19	1	1%
Sub-Total	118	
No Response	133	
Total	251	

The most commonly known reason for the MFEC to lose an event was the lack of space in the facility (38%), followed by the cost of the space (27%). The lack of space will be directly addressed by the proposed building program. The second most common cause of lost business was the price of the MFEC—a frequent complaint among event planners across the country. Only 11% of the events that were lost for a listed reason were due to the food and beverage policies at the MFEC and only one event moved due to COVID-19.

Event Demand Forecast

HVS projected demand for a base year with the expanded MFEC opening January 1, 2026. HVS estimates that incremental event demand would ramp up following the completion of the renovation and expansion and stabilize in 2029.

The figure below breaks out event projections by type of event. Total and average attendance figures represent individual event attendees.



FIGURE 5-6
SUMMARY OF DEMAND PROJECTIONS

	Base Year			Stabilized
	2026	2027	2028	2029
Events				
Conference	5	7	9	10
Consumer Show	15	16	18	20
Banquet	45	53	60	65
Meeting	50	65	80	100
Sports	8	10	11	12
Assembly	20	23	27	30
Concert	10	12	13	15
Festival	15	17	19	20
Total	168	203	237	272
Attendees				
Conference	3,500	4,900	6,300	7,000
Consumer Show	18,000	19,200	21,600	24,000
Banquet	11,300	13,300	15,000	16,300
Meeting	3,800	4,900	6,000	7,500
Sports	4,000	5,000	5,500	6,000
Assembly	5,500	6,300	7,400	8,300
Concert	7,000	8,400	9,100	10,500
Festival	37,500	42,500	47,500	50,000
Total	90,600	104,500	118,400	129,600

The addition of a new large exhibition hall will enable the MFEC to host more consumer shows, while the additional ballroom and meeting space will increase the number of banquet and meeting events. Event demand is projected to begin at slightly below 175 events in 2026 when the facility opens and increase to 272 events by stabilization in 2029. Attendance is projected to increase from nearly 93,000 attendees to nearly 130,000 by stabilization.

The following figure compares the historic demand at the MFEC to the projected stabilized demand of the expanded facility. This shows the changes in demand and attendance that are caused by expansion, relative to today. See the figure below.



FIGURE 5-7
HISTORIC AND PROJECTED DEMAND COMPARISON

Events	Historic Average (Without 2020)	Stabilized Demand (2029)	Difference
Conference	5	10	5
Consumer Show	15	20	6
Banquet	37	65	29
Meeting	45	100	56
Sports	6	12	6
Assembly	25	30	5
Concert	8	15	8
Festival	11	20	9
Total	150	272	122
Attendees			
Conference	2,860	7,000	4,140
Consumer Show	13,403	24,000	10,597
Banquet	9,206	16,300	7,094
Meeting	2,945	7,500	4,555
Sports	5,040	6,000	961
Assembly	6,588	8,300	1,712
Concert	2,125	10,500	8,376
Festival	28,423	50,000	21,577
Total	70,589	129,600	59,011

Relative to the MFEC today, the expanded facility would host more of all event types. This is due to the increase in the number of function spaces, which expands the simultaneous event capability at the MFEC. With more flexible space, a consumer or exhibit show can occur in the exhibit hall, while a banquet or assembly occurs in the ballroom and a meeting happens in the meeting block. Currently, only two events could occur at once, and one had to fit in the smaller Ruby Hall.

The largest increase in events comes from meetings, which is based on the large increase in meeting space and flexibility in the expanded facility. Banquets are also projected to increase significantly. In terms of attendance, festivals grow the most, followed closely by consumer shows. The anticipated site improvements and development will make the plaza outside the MFEC a more pleasant space to be with more supporting amenities, making the already successful festival program at the MFEC even more successful and popular.



Comparable Demand
Analysis

While the primary indicator of demand is the ability to expand a venue’s established base of business, a good test for the reasonableness of these demand projections is an analysis of demand at comparable facilities and markets. HVS used confidential data on three comparable facilities to compare the demand at the MFEC. These facilities are of a similar size and in similar sized markets to the MFEC, but there are some differences in demand related to venue operations. See the figure below.

FIGURE 5-8
COMPARABLE DEMAND ANALYSIS

	Comparable Facility 1	Comparable Facility 2	Comparable Facility 3	Comparable Set Average	Expanded MFEC
Total Events	220	365	228	271	285
Total Attendees	147,286	238,657	178,571	188,171	137,100

The first comparable facility in the set hosts fewer events but generates more attendees than the MFEC. This is due to the facility having a larger exhibit hall and hosting more conventions, tradeshow, and consumer shows than the MFEC. It also features a hotel with more than 200 rooms within a block from the facility. The second comparable facility hosts more events and more than 100,000 attendees than the MFEC, but more than half of the events are meetings. These smaller meetings are supplemented by a larger number of consumer shows and conventions that generate the large number of attendees, which are attracted by the nearly 300-room hotel adjacent to the facility. The final comparable facility is similar to the second, with more than 50% of events being meetings, with large consumer shows and tradeshow generating a majority of the attendance. It is supported by a 200-room hotel that is attached to the facility via an overhead walkway. HVS projects that more than one-third of events at the expanded MFEC would be meetings but did not project more due to the limited demand for meetings today.

HVS intends for demand projections to show the expected levels of event numbers and attendance. Projections show smooth growth over time. However, event demand and booking cycles do not always run smoothly. Unpredictable local and national economic factors can affect businesses. Event demand often moves in cycles based on rotation patterns and market conditions. Therefore, HVS recommends interpreting the demand projections as a mid-point of a range of possible outcomes and over a multi-year period, rather than relying on projections for any one specific year.



6. Financial Analysis

HVS uses a proprietary financial operating model to estimate revenues and expenses at convention and event centers. This model quantifies the key variables and operating ratios that determine revenue potential and expense levels. Unless otherwise indicated, HVS assumes an annual inflation rate of 2.5% applies to both revenues and expenses.

The industry does not use a standardized set of accounting practices for reporting financial performance and operators employ a variety of accounting methods. However, a few major revenue and expense categories are common to most venues. HVS relied on the proposed MFEC's organization of revenue and expenses but condensed certain line items and restated its financial operations.

Organization of Financial Statements

HVS obtained data on historical MFEC operations for the calendar year 2016 through 2021 and restated that information as line items organized into two general categories: 1) Revenue and 2) Operating Expense. HVS uses this same categorization of revenue and expense for the financial projections to follow. The following figure presents a restatement of historical financial operations.

**FIGURE 6-1
HISTORICAL OPERATIONS**

	2016	2017	2018	2019	2020	2021
Revenue						
Facility Rental	\$485,774	\$357,796	\$352,805	\$370,137	\$236,267	\$263,433
Food & Beverage	341,159	219,963	346,572	364,466	306,398	159,333
Audio Visual	11,252	15,706	11,632	17,248	10,191	9,590
Sponsorship	17,401	0	0	0	232,700	224,780
Box Office Revenue	24,918	22,838	20,121	16,474	130,310	21,039
Other	744	2,445	3,557	2,713	1,430	140
Total Revenue	\$881,248	\$618,748	\$734,687	\$771,038	\$917,297	\$678,314
Operating Expense						
Salaries & Benefits	\$1,099,176	\$1,335,776	\$1,752,035	\$1,651,820	\$1,549,184	\$1,350,203
Food & Beverage Costs	304,679	233,541	485,479	373,588	274,977	57,584
Contractual Services	96,651	87,123	126,966	205,687	230,608	173,696
Administrative & General	22,427	32,440	40,404	42,097	41,753	63,421
Repair & Maintenance	298,746	1,279,083	1,368,088	252,165	169,079	105,038
Supplies & Equipment	118,574	220,354	135,474	161,796	254,485	117,727
Insurance	120,479	93,079	101,013	112,359	110,561	111,427
Box Office Expense	18,956	27,720	24,420	42,668	182,766	233,410
Utilities	217,229	122,025	117,316	113,765	104,693	108,944
Other	25,819	23,622	12,359	23,056	18,690	10,776
Total Operating Expense	\$2,322,736	\$3,454,764	\$4,163,555	\$2,979,001	\$2,936,796	\$2,332,226
TOTAL NET INCOME (LOSS)	(\$1,441,488)	(\$2,836,017)	(\$3,428,868)	(\$2,207,963)	(\$2,019,499)	(\$1,653,912)

Source: MFEC

The MFEC has historically generated an operating loss between \$1.4 and \$3.4 million. Revenues vary between \$618,000 and \$917,000, generated by the rental of the facility and the sale of food and beverages. The five-year sponsorship deal with the MIDFLORIDA Credit Union began in 2020. Food and beverage costs have been decreasing consistently as the facility operator switches from an in-house operation to a contract-only basis. Repair and Maintenance spiked in 2017 and 2018 because of an agreement with the City to provide \$1 million in repair and maintenance work in 2017 and 2018. Current facility operators terminated that agreement in 2019. Box office expenses have changed in proportion with the size of shows that the facility hosts.

Projection of Financial Operations

HVS projected revenue and expenses for a base year (2026) for the expansion of the MFEC as described in the building program recommendations section of this report. For the purposes of this analysis, we assume that the expansion and renovation of the MFEC is completed by January in 2026. As discussed in our demand analysis, a three-year ramp-up period would be necessary to stabilize the operation in 2029.



We initially project financial operations in uninflated 2026 dollars for the base year and the stabilized year, then apply an inflation rate of 2.5% to all line items (unless otherwise stated).

Revenue

Revenue is the income derived from business operations and other business activities. MFEC revenue line items include Facility Rental, Food and Beverage, Audio Visual, Sponsorship, Box Office Revenue, and Other. HVS estimates operating revenues as fixed amounts (subject to inflation) or as amounts per unit of demand. In this analysis, we used events and attendee days as units of demand. To formulate the revenue parameters (amounts per unit of demand), HVS relied on historic operations of the MFEC, interviews with MFEC staff, industry information, knowledge of the performance of comparable venues, and information on price levels from local area sources. We adjusted the assumptions for inflation and other anticipated trends in price levels.

The figure below summarizes the Revenue parameters for each unit of demand and by type of event.



FIGURE 6-2
REVENUE PARAMETERS (\$2026)

Revenue Line Item and Demand Source	Revenue Estimation Unit	Amount per Unit	
		Pre-Opening	Post Opening
Facility Rental			
Conference	Event Days	\$2,500	\$2,500
Consumer Show	Event Days	5,000.00	5,000.00
Banquet	Event Days	2,500.00	2,500.00
Meeting	Event Days	1,500.00	1,500.00
Sports	Event Days	5,000.00	5,000.00
Assembly	Event Days	3,000.00	3,000.00
Festival	Event Days	3,000.00	3,000.00
Food & Beverage			
Conference	Attendee Days	\$5.01	\$5.01
Consumer Show	Attendee Days	0.63	0.63
Banquet	Attendee Days	5.64	5.64
Meeting	Attendee Days	1.25	1.25
Sports	Attendee Days	0.63	0.63
Festival	Attendee Days	0.31	0.31
Audio Visual			
Conference	Event Days	\$1,000	\$1,000
Consumer Show	Event Days	500	500
Banquet	Event Days	1,500	1,500
Meeting	Event Days	250	250
Sports	Event Days	500	500
Assembly	Event Days	500	500
Festival	Event Days	750	750
Sponsorship	Fixed	195,000	195,000
Box Office Revenue			
Concert	Attendee	25.00	25.00
Other	Fixed	2,365	2,365

The revenue parameter estimates shown above are based on analysis of historical operations and knowledge of the operation of comparable venues. HVS calibrated revenue parameters in the HVS VenueModel® so that they generate revenue estimates for a base year that reflect average operating revenues in comparable facilities.

A brief description of each line item follows.



Facility Rental—Facility rental revenue includes the revenue venues receive from clients that reserve one or more function areas in the facility. Despite having published rates, convention centers typically charge rental fees based on negotiated daily rental fees. Not all events incur a facility rental fee. Management may reduce or waive the exhibit rental charges to book an event that generates significant food and beverage revenue or has a positive economic impact.

Food and Beverage (Net)—Most events that use a venue's function space will arrange for food service for their attendees during their events. This food service includes catering which can range from coffee breaks associated with a meeting to a full dinner associated with a convention or banquet. Consumer shows, sporting events, and other events may generate concessions revenue. Most conventions and conferences generate demand for multiple meals during these multi-day events. Meetings and banquets generally include a single meal or refreshment services. Events like conventions and tradeshow typically spend the most per attendee. Consumer shows have lower per capita spending. The MFEC charges a fee for any event using food and beverage, 15% for alcohol, 12% for catering, and 10% for other items. This operating model is common in smaller facilities that do not generate enough food and beverage activity to run their own food and beverage department. The increase in business from the expansion will enable the MFEC to attract larger caterers than they currently use, however the operating model is expected to stay the same, regardless of catering company.

Event Services—Audio visual revenue includes the costs of sound and video system used for presentations and productions during events.

Sponsorship—Revenue generated from the naming rights agreement with MIDFLORIDA Credit Union, as well as the sponsorship of the concert series at the MFEC.

Box Office Revenue—Revenue generated from the sale of tickets for MFEC events and concerts. This includes taxable and non-taxable box office revenues.

Other—Other revenue includes miscellaneous and non-recurring revenue sources. These include ATM revenue and revenue from art sales.

Operating Expenses

HVS estimates operating expenses as a blend of fixed and variable costs. Expenses have 1) a fixed component that changes with inflation, and 2) a variable component that depends on the level facility utilization. Fixed expenses may also increase or decrease due to changes in operating conditions or management decisions. For example, the addition of staff could increase fixed salary expenses. All fixed expenses are adjusted for inflation. HVS estimates variable expenses using a ratio-



to-sales analysis, or based on amounts per unit of utilization, such as the number of events, attendees, or some other factor.

FIGURE 6-3
EXPENSE PARAMETERS (\$2026)

Expense Line Item	Estimation Method	Unit	Amount Per Unit		Fixed %
			Base Year	Stabilized Year	
Operating Expense					
Salaries & Benefits	Fixed Amount		\$2,184,548	\$2,184,548	100%
Contractual Services	Ratio to Sales	Audio Visual	80.00%	80.00%	100%
Administrative & General	Ratio to Sales	Total Revenue	5.00%	5.00%	100%
Repair & Maintenance	Ratio to Sales	Total Revenue	6.00%	6.00%	100%
Supplies & Equipment	Ratio to Sales	Total Revenue	5.50%	5.50%	100%
Insurance	Ratio to Sales	Total Revenue	3.00%	3.00%	75%
Box Office Expense	Ratio to Sales	Box Office Revenue	90.00%	90.00%	100%
Utilities	Ratio to Sales	Total Revenue	4.00%	4.00%	100%
Other	Ratio to Sales	Total Revenue	2.00%	2.00%	100%

The expense parameter estimates shown above are based on analysis of historical operations. HVS calibrated parameters in the VenueModel® so that they generate expense estimates for a base year that reflect average or recent operations. In aggregate, these parameters produce expense estimates that reflect historic operations as well as the operations of similar facilities.

Expenses

Operating expenses are incurred to maintain the normal business operations of the venue. Many of these expenses vary with the level facility utilization.

A brief description on each expense line item follows.

Salaries & Benefits—Salaries and associated benefits include compensation for permanent full and part-time employees dedicated to administration, marketing, building operations, and other functions. The increase in salaries and benefits is based on conversations with the current leadership of the MFEC.

Contractual Services—Contractual services include outsourced operations and maintenance services as well as professional services necessary to conduct venue operations such as legal, accounting, tax, consulting, or other advice.

Administrative & General—Office and administrative operations incur day-to-day facility expenses. Such expenses typically include travel, telephone, printing, permits, and other miscellaneous services.



Supplies & Equipment—This category includes items such as computers, office machines, furniture, consumables, and chemicals that are required to support and maintain the operations of the facility.

Insurance—Insurance costs include property insurance, casualty loss, and other liability insurance required for facility operations.

Utilities—The consumption of various utilities takes several forms, including water and space heating, air conditioning, lighting, cooking fuel, and other miscellaneous power requirements. The most common utilities costs include electricity, natural gas, fuel oil, water, and steam.

Box Office Expense—Includes services fees or handling charges on all tickets sold to events presented internally by the facility. Also includes talent fees for concert events as well as production costs for concert and entertainment events.

Utilities—The consumption of various utilities takes several forms, including water and space heating, air conditioning, lighting, cooking fuel, and other miscellaneous power requirements. The most common utilities costs include electricity, natural gas, fuel oil, water, and steam.

Other—Other expenses incurred in the operations of the MFEC. These include credit card fees and interest.

Operating Pro Forma

The figure below compares inflated projections for the base year (2026) with inflated projections for a stabilized year of operations (2029).



FIGURE 6-4
FINANCIAL OPERATING PROJECTS (\$ INFLATED)

	Base Year		Stabilized Year	
	CY 2026		CY 2029	
	Amount	% Total	Amount	% Total
Revenue				
Facility Rental	\$575,281	46%	\$927,203	49%
Food & Beverage (Net)	146,513	12%	248,515	13%
Audio Visual	140,553	11%	227,385	12%
Sponsorship	199,875	16%	215,244	11%
Box Office Revenue	179,375	14%	289,751	15%
Other Revenue	2,424	0%	2,610	0%
Total Revenue	\$1,244,021	100%	\$1,910,708	100%
Operating Expense				
Salaries & Benefits	\$2,239,162	180%	\$2,411,333	126%
Contractual Services	112,443	9%	181,908	10%
Administrative & General	62,201	5%	95,535	5%
Repair & Maintenance	74,641	6%	114,642	6%
Supplies & Equipment	68,421	6%	105,089	6%
Insurance	37,321	3%	57,321	3%
Box Office Expense	170,406	14%	275,263	14%
Utilities	49,761	4%	76,428	4%
Other Expense	24,880	2%	38,214	2%
Total Operating Expense	\$2,839,236	228%	\$3,355,735	176%
TOTAL NET INCOME (LOSS)	(\$1,595,215)	-128%	(\$1,445,027)	-76%

HVS projects that the expanded MFEC will generate \$1.2 million in revenue in the first year of operations, increasing to \$1.9 when demand stabilizes. The majority of this revenue comes from the facility rental, however the food and beverages revenues shown are net of any expenses. Expenses are expected to increase from \$2.8 million to \$3.3 million. The largest area for expense is salaries and benefits, followed by the box office expense of hosting concerts. The operating loss at stabilization is \$1.4 million and the ratio of revenue to expense is 57%.

The figure below presents the ten-year financial projections for the MFEC. The projections are in inflated dollars beginning in 2026, the base year of HVS projections.

FIGURE 6-5
TEN-YEAR FINANCIAL OPERATING PROJECTIONS

	Base Year		Stabilized							
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Revenue										
Facility Rental	\$575,281	\$684,745	\$807,937	\$927,203	\$950,383	\$974,142	\$998,496	\$1,023,458	\$1,049,045	\$1,075,271
Food & Beverage (Net)	124,798	155,444	186,329	209,702	214,945	220,318	225,826	231,472	237,259	243,190
Audio Visual	140,553	170,070	200,705	227,385	233,070	238,897	244,869	250,991	257,266	263,697
Sponsorship	199,875	204,872	209,994	215,244	220,625	226,140	231,794	237,589	243,528	249,616
Box Office Revenue	179,375	220,631	244,993	289,751	296,995	304,420	312,030	319,831	327,827	336,022
Other	2,424	2,484	2,547	2,610	2,675	2,742	2,811	2,881	2,953	3,027
Total Revenue	\$1,222,306	\$1,438,246	\$1,652,505	\$1,871,895	\$1,918,692	\$1,966,660	\$2,015,826	\$2,066,222	\$2,117,877	\$2,170,824
Operating Expense										
Salaries & Benefits	\$2,239,162	\$2,295,141	\$2,352,520	\$2,411,333	\$2,471,616	\$2,533,406	\$2,596,742	\$2,661,660	\$2,728,202	\$2,796,407
Contractual Services	112,443	86,572	133,104	181,908	186,456	191,117	195,895	200,793	205,813	210,958
Administrative & General	61,115	44,542	68,484	93,595	95,935	98,333	100,791	103,311	105,894	108,541
Repair & Maintenance	73,338	53,451	82,181	112,314	115,122	118,000	120,950	123,973	127,073	130,249
Supplies & Equipment	67,227	48,997	75,332	102,954	105,528	108,166	110,870	113,642	116,483	119,395
Insurance	36,669	42,761	54,787	56,157	57,561	59,000	60,475	61,987	63,536	65,125
Box Office Expense	170,406	262,000	268,550	275,263	282,145	289,199	296,429	303,839	311,435	319,221
Utilities	48,892	71,268	73,050	74,876	76,748	78,666	80,633	82,649	84,715	86,833
Other	24,446	17,817	27,394	37,438	38,374	39,333	40,317	41,324	42,358	43,416
Total Operating Expense	\$2,833,699	\$2,922,548	\$3,135,400	\$3,345,838	\$3,429,484	\$3,515,221	\$3,603,101	\$3,693,179	\$3,785,508	\$3,880,146
TOTAL NET INCOME (LOSS)	(\$1,611,393)	(\$1,484,302)	(\$1,482,896)	(\$1,473,943)	(\$1,510,791)	(\$1,548,561)	(\$1,587,275)	(\$1,626,957)	(\$1,667,631)	(\$1,709,322)



The expansion of the MFEC is expected to decrease the operating loss of the facility and increase the economic impact of the facility.

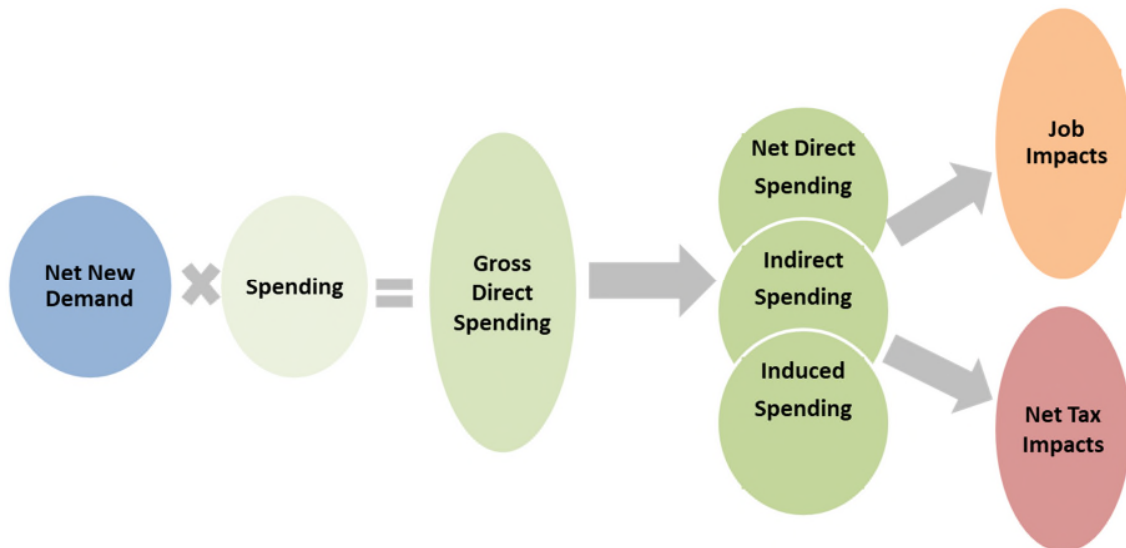
HVS intends for financial projections to show the expected levels of revenues and expense. Projections show smooth growth over time. However, event demand and booking cycles are not always smooth. Unpredictable local and national economic factors can affect business. Event demand is often cyclical, based on rotation patterns and market conditions. Therefore, HVS recommends interpreting the financial projections as a mid-point of a range of possible outcomes and over a multi-year period rather than relying on projections for any one specific year.

7. Economic Impact

Based on the demand projections presented in this report, HVS identified the new spending that would occur in the local economy due to the proposed renovation and expansion of the MIDFLORIDA Credit Union Event Center (“MFEC”). HVS estimated the amounts of income and employment that new visitors, event organizers, and exhibitors would generate in St. Lucie County if the MFEC were expanded. HVS also estimated the income and employment that would be supported by events at the MFEC if it were not expanded, in a do-nothing scenario. HVS studied the project area of St. Lucie County.

The figure below demonstrates our methodology.

FIGURE 7-1
METHODOLOGY FOR ECONOMIC AND FISCAL IMPACT ANALYSIS



Direct, Indirect, and Induced Spending

Spending falls into three categories:

- **Direct spending** includes the new spending of event attendees and organizers. For example, an attendee’s expenditure on a restaurant meal is a direct spending impact. Direct spending includes only new spending that originates from



outside St. Lucie County. Spending by attendees who live within the market area is a transfer of income from one sector of the area's economy to another; therefore, this analysis does not count spending by local residents as a new economic impact. Net direct spending is the amount of direct spending that falls into the local economy.

- **Indirect spending** follows from the business spending resulting from the initial direct spending. For example, an event attendee's direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that remain within St. Lucie County count as indirect impacts.
- **Induced spending** represents the change in local consumption due to personal spending by employees whose incomes change from direct and indirect spending. For example, a waiter at a local restaurant may have more personal income as a result of an event attendee dining at the restaurant. The amount of the increased income that the waiter spends in the local economy is an induced impact.

To generate direct spending estimates, HVS applied assumptions about the amounts of new spending generated by MFEC event attendees and sponsors. HVS used the IMPLAN input-output model of the local economy to estimate net direct, indirect, and induced spending. The sum of net direct, indirect, and induced spending estimates makes up the total estimated spending impact of the MFEC.

Some refer to indirect and induced impacts as multiplier effects. The relationship between direct spending and the multiplier effects varies based upon the specific size and characteristics of a local area's economy.

Sources of Direct Spending

HVS identified four sources of new direct spending impact:

- **Overnight Guests:** Visitors to Port St. Lucie who require overnight lodging, including convention delegates, meeting attendees, and attendees at other MFEC events. Overnight delegate spending includes the spending on meals, shopping, local transportation, recreation and entertainment, and other goods and services while in town.
- **Daytrip Attendees:** Visitors to the MFEC who do not require paid lodging. In most markets, day-trippers typically spend money on meals, shopping, local transportation, recreation and entertainment, and other goods and services while in town.
- **Event Organizers:** Individuals, associations, or other organizations that plan, sponsor, organize, and coordinate events that take place at MFEC facilities. In addition to facility spending, event organizers also spend on



lodging, meals, local transportation, facility rentals, equipment rentals, and other goods and services required to plan and organize a successful event.

- **Exhibitors:** Individuals or companies that rent exhibition space, typically from event organizers, to display information or products at events. In addition to spending at the facility, exhibitors purchase lodging, meals, local transportation, vendor services, meeting room rentals, equipment rentals, and other goods and services.

Estimation of new spending of each of these sources involves three sets of assumptions: 1) the number of new visitors to the market, 2) the geographic location of their spending, and 3) the amounts typically spent by each of the sources.

New Visitors

HVS estimated the percentage of each visitor type that would come from outside the market rather than from the local area. The spending estimates only include new visitor spending because non-residents import income, whereas residents transfer income already in the market area. See the figure below

FIGURE 7-2
NEW SPENDING PERCENTAGE BY EVENT TYPE

Geographic Area/Visitor Type	Overnight Guests	Day Trips	Exhibitor Attendees	Event Attendees
City of Port St. Lucie				
Conference	95%	73%	75%	90%
Consumer Show	50%	73%	90%	90%
Banquet	20%	5%	0%	75%
Meeting	50%	5%	0%	50%
Sports	98%	75%	0%	80%
Assembly	5%	5%	0%	50%
Concert	75%	25%	0%	90%
Festival	5%	5%	5%	75%

- **Overnight Guests** – HVS assumes that the percentage of overnight guests that are new to Port St. Lucie varies between 95% and 5% by event type. Conferences and sports generate the most impact as there is not a comparable facility to host those events in Port St. Lucie. Assemblies generate the least as they usually attract local audiences and can occur in Tradition as well as the Community Center. Some overnight guests may stay with friends and family or outside the market.
- **Day Trips** – Estimates are based on the percentage of the population for the market area as a percentage of the total drive time population within various drivetimes.



- Exhibitor/Organizer spending on Event Attendees/Delegates – HVS based estimates on the percentage of attendees by events organized and exhibited by companies that would otherwise not hold or participate in an event in Port St. Lucie.

The product of the visitor forecasts and the percentage of demand new to the market yields an estimate of the sources of impact shown in the table below. That is:

$$\text{Total Overnight Guests} \times \text{Percent New} = \text{New Overnight Stays}$$

$$\text{Total Day Trips} \times \text{Percent New} = \text{New Day Trips}$$

$$\text{Total Delegate Days} \times \text{Percent New} = \text{New Delegate Days}$$

The figures below shows the number of new visitors to Port St. Lucie that generate new spending in a do-nothing scenario, and under the recommended expansion.

FIGURE 7-3
SUMMARY OF DIRECT SPENDING- MFEC EXPANSION

Demand Type	Overnight Visitor Days	Day Trips	Attendee- Days*
City of Port St. Lucie			
Conference	10,600	2,500	12,600
Consumer Show	600	16,700	32,400
Banquet	0	700	12,225
Meeting	800	300	4,500
Sports	6,600	1,100	7,200
Assembly	0	400	4,150
Concert	500	2,500	9,450
Festival	100	2,400	56,250
Total	19,200	26,600	138,775
*Used to estimate organizer and exhibitor spending.			



FIGURE 7-4
SUMMARY OF DIRECT SPENDING- MFEC DO NOTHING

Demand Type	Overnight Visitor Days	Day Trips	Attendee- Days*
City of Port St. Lucie			
Conference	1,200	2,100	3,400
Consumer Show	600	15,700	22,300
Banquet	200	0	7,100
Meeting	100	0	700
Sports	6,900	3,500	7,400
Assembly	0	0	1,700
Concert	100	300	1,200
Festival	100	2,200	34,400
Total	9,200	23,800	78,200
*Used to estimate organizer and exhibitor spending.			

Spending Parameters

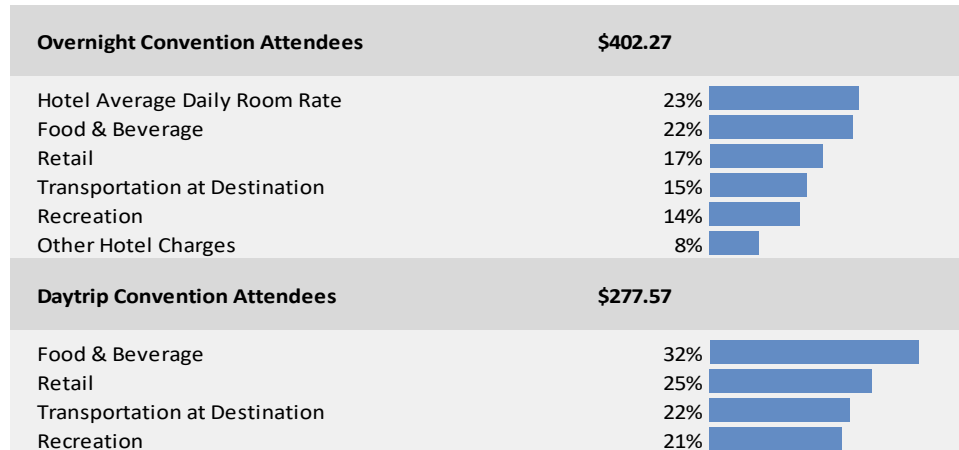
Delegates, attendees, event organizers, and exhibitors spend locally on lodging, meals, local transportation, facility rentals, vendor services, meeting room rentals, equipment rentals, and other goods and services.

To estimate the spending for overnight and day trip visitors, HVS used results from several tourism spending data sources. Our primary source is Travel USA study by Longwoods International. This survey is conducted annually with a sample size of approximately 350,000 trips and assesses origin, spending, party size, and primary purpose of the trip. HVS supplements this with the Destination International ("DI") Convention Expenditure & Impact Study which surveyed event organizers across over 1,000 events to gather daily spending parameters on overnight convention attendees, day-trip event attendees, exhibiting companies, and event organizers. HVS applies parameters from the Corporate Travel Index ("CTI") to account for local spending patterns. Adjusted data from DI provides estimates of organizer spending per visitor day.

All spending parameters are stated as the daily spending by individual overnight guests and day-trippers in 2022 dollars. The following figures present the direct spending estimates for each spending category.

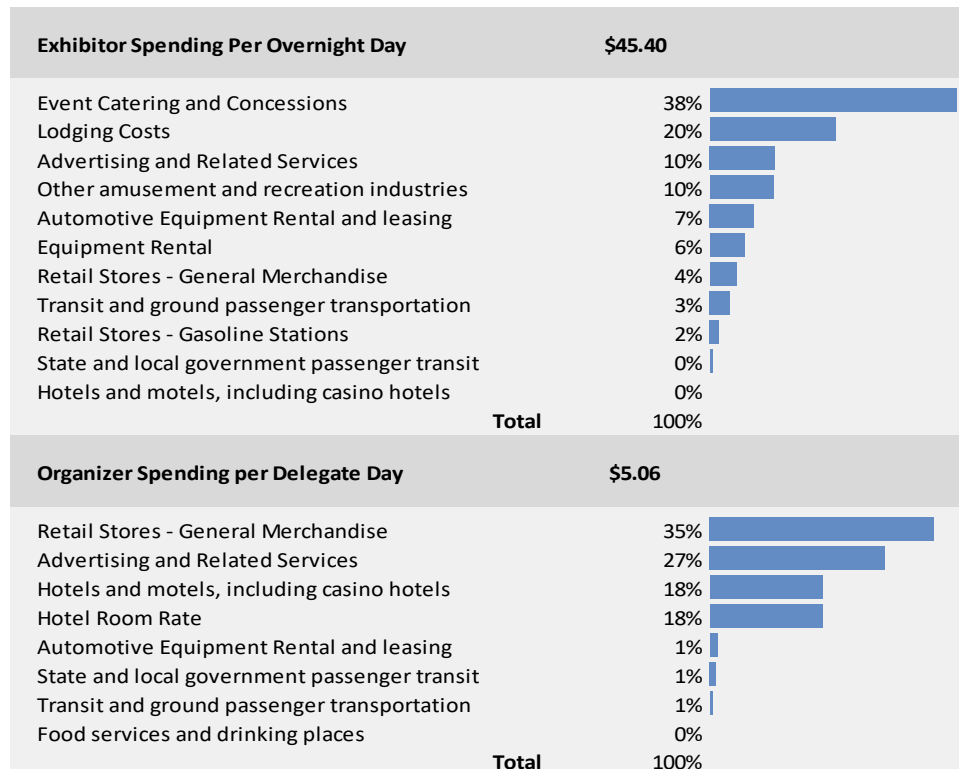


FIGURE 7-5
CONVENTION ATTENDEE SPENDING



Sources: Longwoods International, STR, CTI

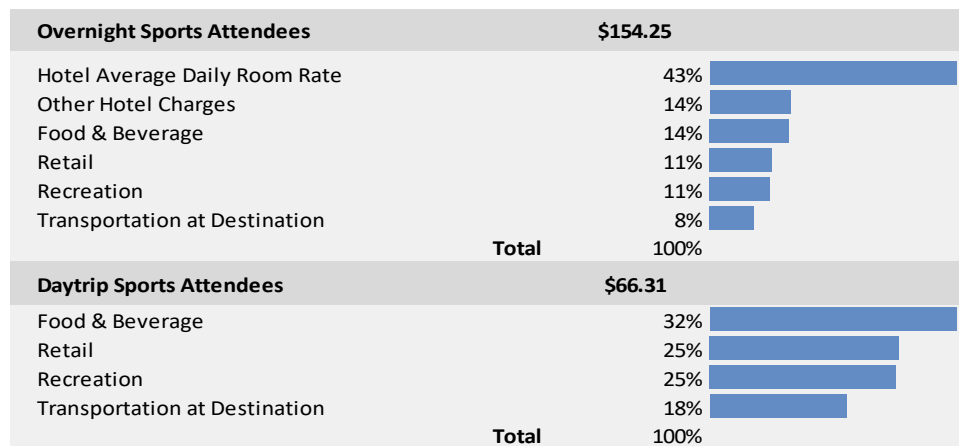
FIGURE 7-6
EXHIBITOR AND ORGANIZER ATTENDEE SPENDING



Sources: Destinations International, CTI

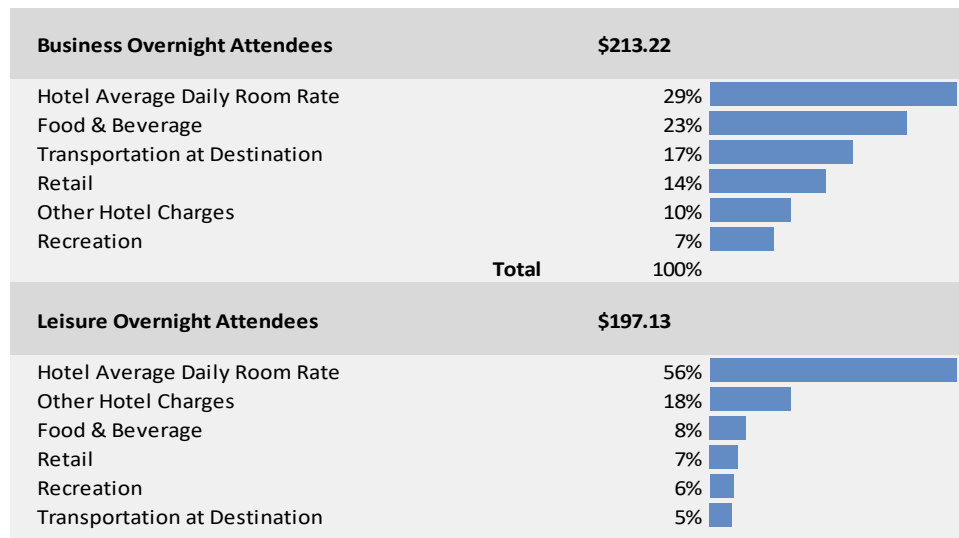


FIGURE 7-7
SPORTS ATTENDEE SPENDING



Sources: Longwoods International, STR, CTI

FIGURE 7-8
BUSINESS AND LEISURE SPENDING



Sources: Longwoods International, STR, CTI



Facility Revenue from Outside Spending

Event organizers and exhibitors create additional impacts through spending at the MFEC through facility rentals, the purchase of event food and beverage services, and other spending at the venue. Using operating revenue histories, HVS estimated future spending by exhibitors and event organizers at the MFEC including:

Facility Rental—Facility rental revenue includes the revenue venues receive from clients that reserve one or more function areas in the facility. Despite having published rates, convention centers typically charge rental fees based on negotiated daily rental fees. Not all events incur a facility rental fee. Management may reduce or waive the exhibit rental charges to book an event that generates significant food and beverage revenue or has a positive economic impact.

Food and Beverage (Gross)—Most events that use a venue's function space will arrange for food service for their attendees during their events. This food service includes catering which can range from coffee breaks associated with a meeting to a full dinner associated with a convention or banquet. Consumer shows, sporting events, and other events may generate concessions revenue. Most conventions and conferences generate demand for multiple meals during these multi-day events. Meetings and banquets generally include a single meal or refreshment services. Events like conventions and tradeshow typically spend the most per attendee. Consumer shows have lower per capita spending.

Event Services—Audio visual revenue includes the costs of sound and video system used for presentations and productions during events.

Sponsorship—Revenue generated from the naming rights agreement with MIDFLORIDA Credit Union, as well as the sponsorship of the concert series at the MFEC.

Box Office Revenue—Revenue generated from the sale of tickets for MFEC events and concerts. This includes taxable and non-taxable box office revenues.

Other—Other revenue includes miscellaneous and non-recurring revenue sources. These include ATM revenue and revenue from art sales.

Gross Direct Spending

HVS applied the previous sources of spending impacts and spending parameters to estimate gross direct spending for a stabilized year. See the figure below.

FIGURE 7-9
GROSS DIRECT SPENDING – MFEC EXPANSION

Visitor Type	Number of New Visitors			Daily Spending	Total Spending (Millions)
Convention Delegate Overnight Spending =	11,299	overnight visitors	x	\$402.27 =	\$4.55
Convention Delegate Daytrip Spending =	25,600	daytrip visitors	x	277.57 =	7.11
Exhibiting Company Spending per attendee =	46,700	attendees	x	45.40 =	2.12
Event Organizer Spending per attendee =	138,800	attendees	x	5.06 =	0.70
Overnight Sports Attendees =	6,600	overnight visitors	x	154.25 =	1.02
Daytrip Sports Attendees =	1,100	daytrip visitors	x	66.31 =	0.07
Business Overnight Attendees =	800	overnight visitors	x	213.22 =	0.17
Leisure Overnight Attendees =	500	overnight visitors	x	197.13 =	0.10
				Facility Revenue =	1.64
				Total Gross Direct Spending =	\$17.48

FIGURE 7-10
GROSS DIRECT SPENDING – MFEC DO NOTHING

Visitor Type	Number of New Visitors			Daily Spending	Total Spending (Millions)
Convention Delegate Overnight Spending =	1,882	overnight visitors	x	\$395.84 =	\$0.74
Convention Delegate Daytrip Spending =	20,300	daytrip visitors	x	277.57 =	5.63
Exhibiting Company Spending per attendee =	25,200	attendees	x	45.40 =	1.14
Event Organizer Spending per attendee =	78,200	attendees	x	5.06 =	0.40
Overnight Sports Attendees =	6,900	overnight visitors	x	147.74 =	1.02
Daytrip Sports Attendees =	3,500	daytrip visitors	x	66.31 =	0.23
Business Overnight Attendees =	300	overnight visitors	x	252.85 =	0.08
Leisure Overnight Attendees =	200	overnight visitors	x	148.27 =	0.03
				Facility Revenue =	1.66
				Total Gross Direct Spending =	\$10.94

IMPLAN Impact Modeling

HVS uses the IMPLAN input-output model to estimate indirect and induced spending and employment impacts. IMPLAN is a nationally recognized model developed at the University of Minnesota and commonly used to estimate economic impacts. An input-output model generally describes the commodities and income that normally flow through the various sectors of a given economy. The indirect and induced spending and employment effects represent the estimated changes in the flow of income, goods, and services caused by the estimated direct spending. The IMPLAN model accounts for the specific characteristics of the local area economy and estimates the share of indirect and induced spending that it would retain.



HVS categorized new direct expenditures into spending categories that we provide inputs into the IMPLAN model. Specifically, the IMPLAN model relies on spending categories defined by the U.S. Census according to the North American Industry Classification System (“NAICS”). Because the spending data from the spending surveys used by HVS do not match the NAICS spending categories, HVS translates the spending categories into the NAICS spending categories that most closely match.

Annual Net Direct Spending

Not all of the gross direct spending counts as an economic impact because some of the spending does not generate income within the market. HVS adjusts gross direct spending to account for income that leaks out of the local economy by estimating retail margins and local purchase percentages. As a result, the realized direct spending (“net direct spending”) is lower than the gross direct spending in the market area.

Retail Margins

Spending at retailers creates a smaller economic impact compared to spending in other industries. Retailers add value equal to the margin or price increase of the good above the original price paid to obtain the good. The IMPLAN model is product based, so HVS uses IMPLAN margin numbers to account for the discrepancy between retail purchaser prices and producer prices.

Local Purchase Percentage

To accurately measure spending impacts, HVS counts spending on products and services located in the market area. Some of the direct spending demand in the market area cannot be accommodated. For example, an event organizer may need to buy novelty items for all attendees but finds that the market area does not produce these items. This effect occurs for direct, indirect, and induced spending. HVS uses the IMPLAN SAM model values to track the percentage of a good purchased within the market area.

Indirect and Induced Spending

The relationship between direct spending and the multiplier effects can vary based on the specific size and characteristics of a local area’s economy. HVS enters the gross direct spending estimate into the IMPLAN input output model of the local economy to estimate the net direct, indirect, and induced spending. HVS obtained the most recent available data from IMPLAN for Port St. Lucie.

The following figures present the output of the IMPLAN model – the net new direct, indirect, and induced economic impacts and that are attributable to the proposed renovation and expansion of the MFEC. HVS also used IMPLAN to estimate the jobs created based on the direct, indirect, and induced spending estimates.

Annual Net Spending Impacts

The figure below shows the annual net direct, indirect and induced spending generated for Port St. Lucie in the expansion scenario as well as the do nothing scenario.



FIGURE 7-11
ANNUAL ECONOMIC IMPACT ESTIMATES

Impact (\$ millions)	Expansion	Do Nothing	Difference
Spending Estimates			
Net Direct	\$15.3	\$9.6	\$5.7
Indirect	5.1	3.5	\$1.6
Induced	3.3	2.0	\$1.2
Total	\$23.7	\$15.1	\$8.6

Employment Impacts

HVS calculated the full-time equivalent jobs supported by the spending in each economic sector. The figure below summarizes the results.

FIGURE 7-12
EMPLOYMENT IMPACT IN A STABILIZED YEAR

Full-Time Equivalent Jobs	Expansion	Do Nothing	Difference
Direct	158	97	61
Indirect	31	21	10
Induced	19	12	7
Total Permanent Jobs	209	131	78

By a stabilized year of operation, the expansion project would support approximately 75 permanent full-time equivalent jobs. This does not include employment in the MFEC itself.

Fiscal Impacts

Fiscal impacts are the public sector share of the economic impacts generated by tax collections on new spending. The previously discussed spending estimates provide a basis for estimating potential tax revenue, as certain existing St. Lucie County taxes would apply to some of the spending.

The IMPLAN analysis generates net-direct, indirect, and induced outputs, which fall into various NAICS categories. HVS determined which taxes would apply to which category of output. HVS then used the appropriate tax rates to estimate the amount of tax revenue.

HVS applied these nominal tax rates to a detailed breakdown of spending and income categories that result from direct, indirect, and induced spending through operation of the MFEC. HVS then estimated the potential annual revenue from each tax source as shown in the following figures.



FIGURE 7-13
FISCAL IMPACT EXPANSION – ST. LUCIE COUNTY

Tax Category	Tax Base	Effective Tax Rate	Estimated Tax Revenue
Local Sales & Use Tax	\$21,394,336	1.00%	\$213,900

Sources: IMPLAN and HVS

The sales and use tax would generate approximately \$214,000 in annual tax revenue to St. Lucie County in a stabilized year of operation, if the expansion project occurs.

FIGURE 7-14
FISCAL IMPACT DO NOTHING – ST. LUCIE COUNTY

Tax Category	Tax Base	Effective Tax Rate	Estimated Tax Revenue
Local Sales & Use Tax	\$13,768,562	1.00%	\$137,700

Sources: IMPLAN and HVS

In a do-nothing scenario, the MFEC generates \$138,000 in local sales and use tax revenue for St. Lucie County. The expansion increases this annual fiscal impact by \$76,000

The following figure summarizes recurring annual economic and fiscal impacts in a stabilized year, as well as the difference between scenarios.

FIGURE 7-15
SUMMARY OF ECONOMIC AND FISCAL IMPACTS

Summary of Impacts*	Expansion	Do Nothing	Difference
Economic Impact (millions)	\$23.7	\$15.1	\$8.6
Fiscal Impact (thousands)	\$213.9	\$137.7	\$76.2
Jobs	209	131	78
*In a stabilized year.			

The expansion of the MFEC increases the economic impact of the facility by \$8.5 million, the fiscal impact by \$76,000, and generates 78 more full-time equivalent jobs in the local area.

These economic and fiscal impact estimates are subject to the assumptions and limiting conditions described throughout the report. Numerous assumptions about



future events and circumstances form the basis for these estimates. Although we consider these assumptions reasonable, we cannot provide assurances that the project will achieve the forecasted results. Actual events and circumstances are likely to differ from the assumptions in this report and some of those differences may be material. The readers should consider these estimates as a midpoint in a range of potential outcomes.



8. Statement of Assumptions and Limiting Conditions

1. This report is to be used in whole and not in part.
2. No responsibility is assumed for matters of a legal nature.
3. We have not considered the presence of potentially hazardous materials on the proposed site, such as asbestos, urea formaldehyde foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyls, pesticides, or lead-based paints.
4. All information, financial operating statements, estimates, and opinions obtained from parties not employed by HVS are assumed to be true and correct. We can assume no liability resulting from misinformation.
5. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
6. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per-diem fees and travel costs are paid prior to the appearance.
7. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
8. We take no responsibility for any events or circumstances that take place after the date of our report.
9. The quality of a facility's on-site management has a direct effect on a facility's economic performance. The demand and financial forecasts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results.
10. The impact analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines. Over the projection period considered in our analysis, wages and other operating expenses may increase or decrease due to market volatility and economic forces outside the control of the facility's management.
11. We do not warrant that our estimates will be attained, but they have been developed based on information obtained during our market research and are intended to reflect reasonable expectations.



12. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.
13. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
14. Although this analysis employs various mathematical calculations, the final estimates are subjective and may be influenced by our experience and other factors not specifically set forth in this report.
15. HVS, is not a municipal advisor and HVS is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financial product or issuance of municipal securities. The reader is advised that any actual issuance of debt would be done under the advice of its bond counsel and financial advisors. Financial advisor would provide advice concerning the specific structure, timing, expected interest cost, and risk associated with any government loan or bond issue. Potential investors should not rely on representations made in this report with respect to the issuance of municipal debt.
16. This report was prepared by HVS Convention, Sports & Entertainment Facilities Consulting. All opinions, recommendations, and conclusions expressed during this assignment are rendered by the staff of this organization, as employees, rather than as individuals.
17. This report is set forth as a market and feasibility study of the subject facility; this is not an appraisal report.



9. Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

1. the statements of fact presented in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. we have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
4. HVS is not a municipal advisor and is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financial product or issuance of municipal securities;
5. we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
6. our engagement in this assignment was not contingent upon developing or reporting predetermined results;
7. our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report;
8. Anthony Davis personally inspected the property described in this report.

Thomas Hazinski, MPP
Managing Director

Anthony Davis, MPP
Project Manager