

Presentation to the Mayor's Development Roundtable

Summary of Findings Relative to Future
Convention Center Needs in Oklahoma City

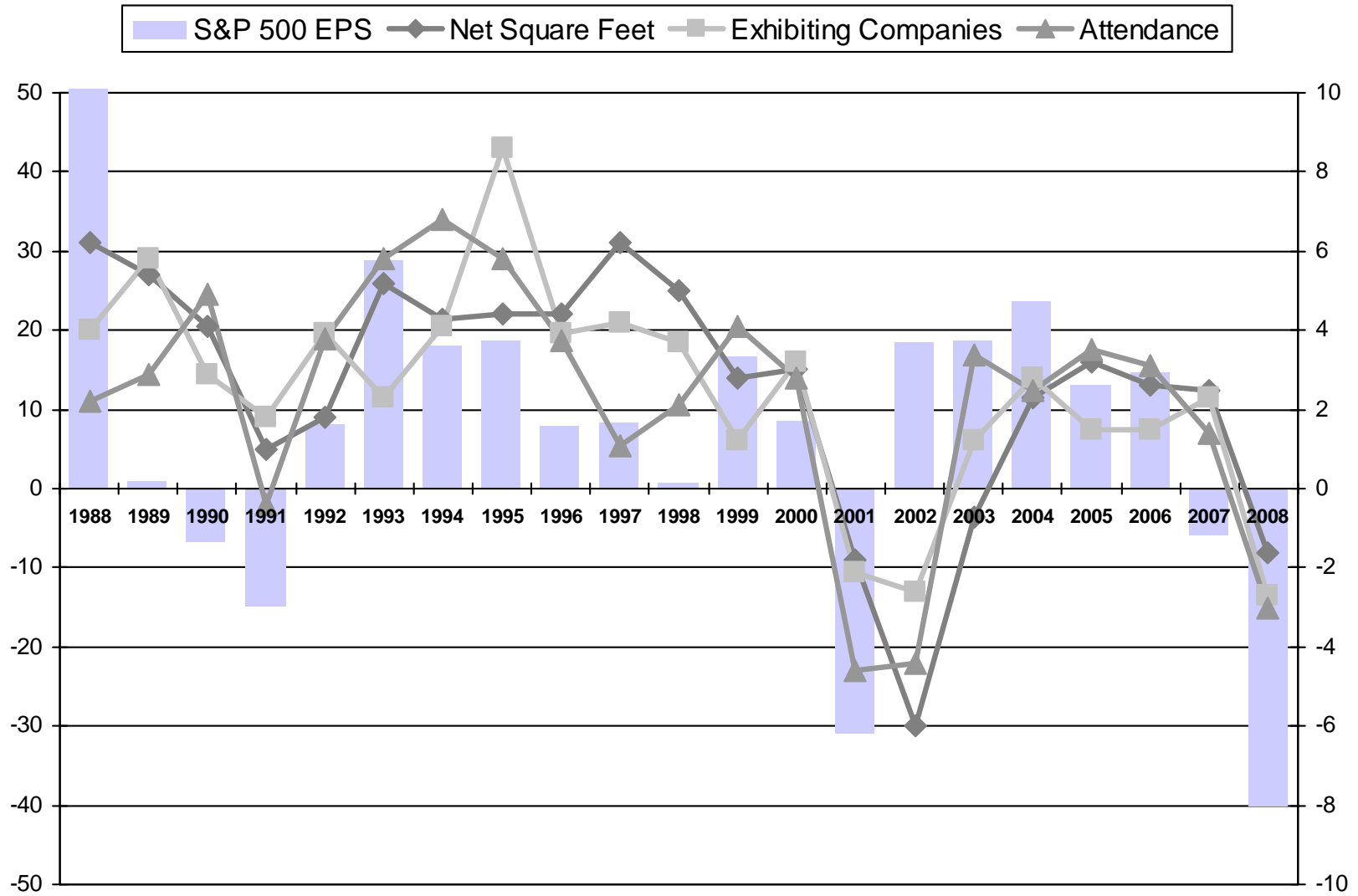
May 13, 2009



Discussion Topics

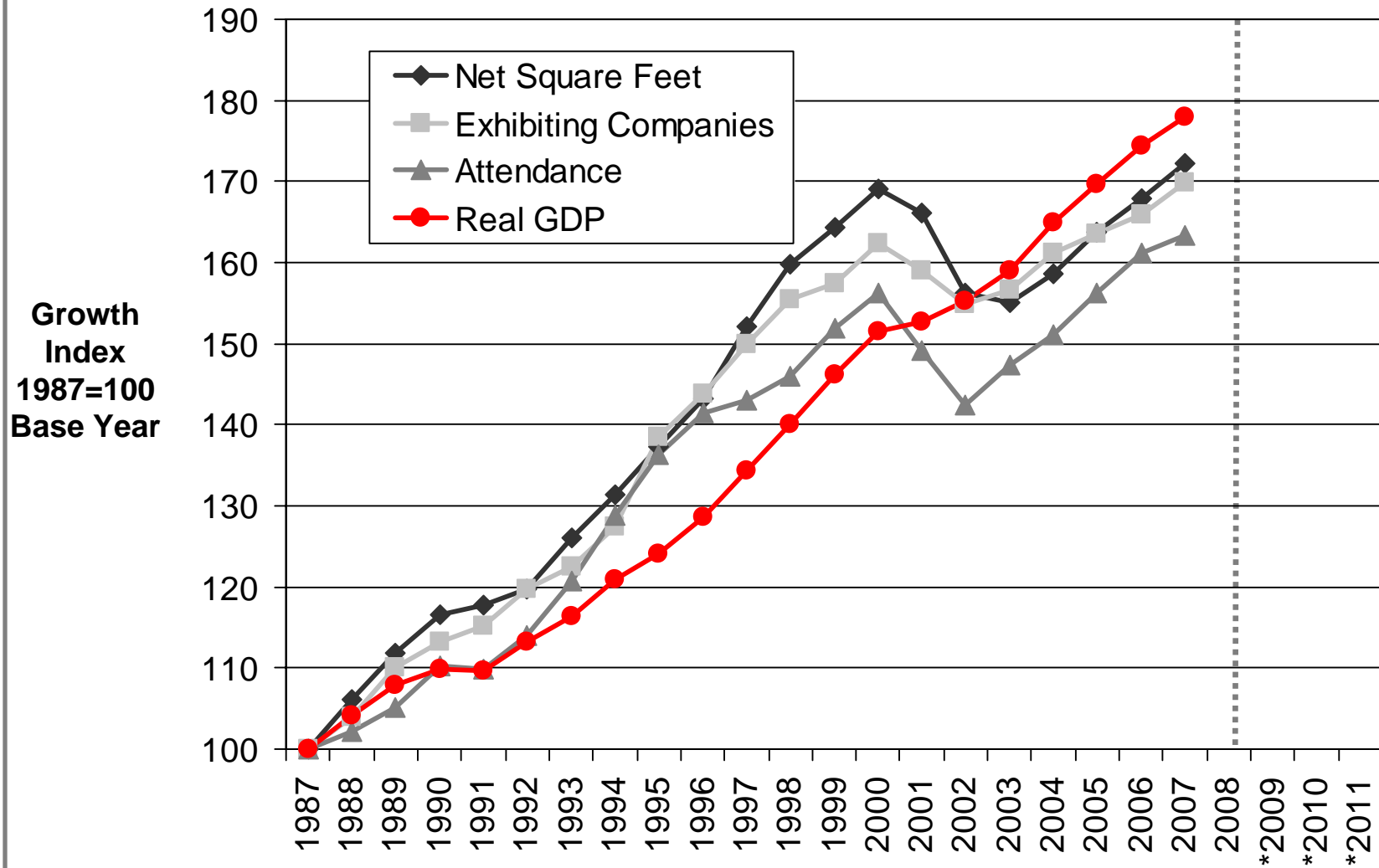
- Industry Trends
- Local Market Conditions Analysis
- Competitive & Comparable Markets & Facilities
- Historical Cox Center Operations
- Meeting Planner Surveys
- Evaluation of Future Convention Center Program

Linkages Between Economy and Convention Industry



Source: Tradeshow Week, Standard & Poor's, 2009

Future Growth Projections – Economy and Convention Industry

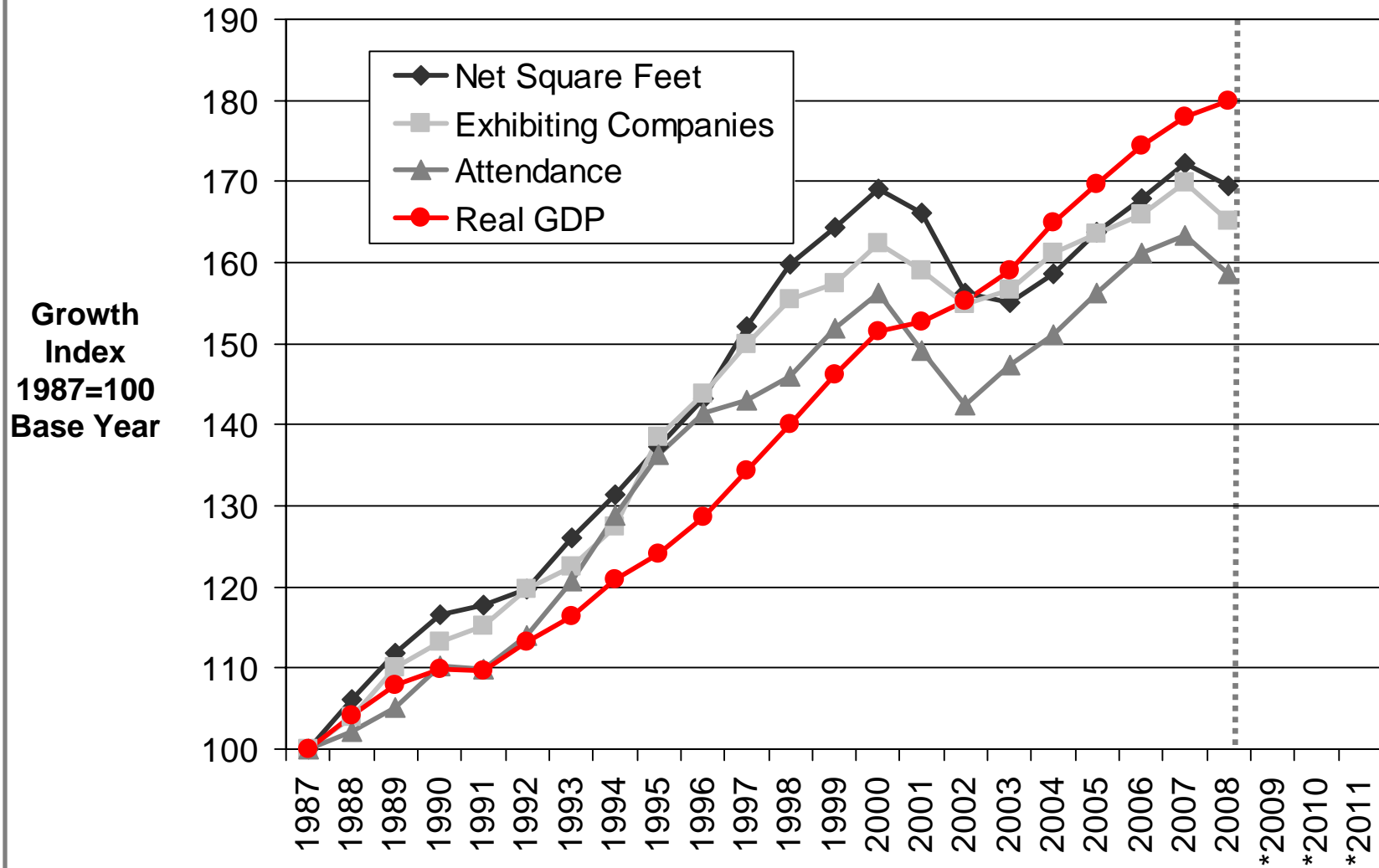


* Projected

Source: Tradeshow Week, US Bureau of Economic Analysis



Future Growth Projections – Economy and Convention Industry

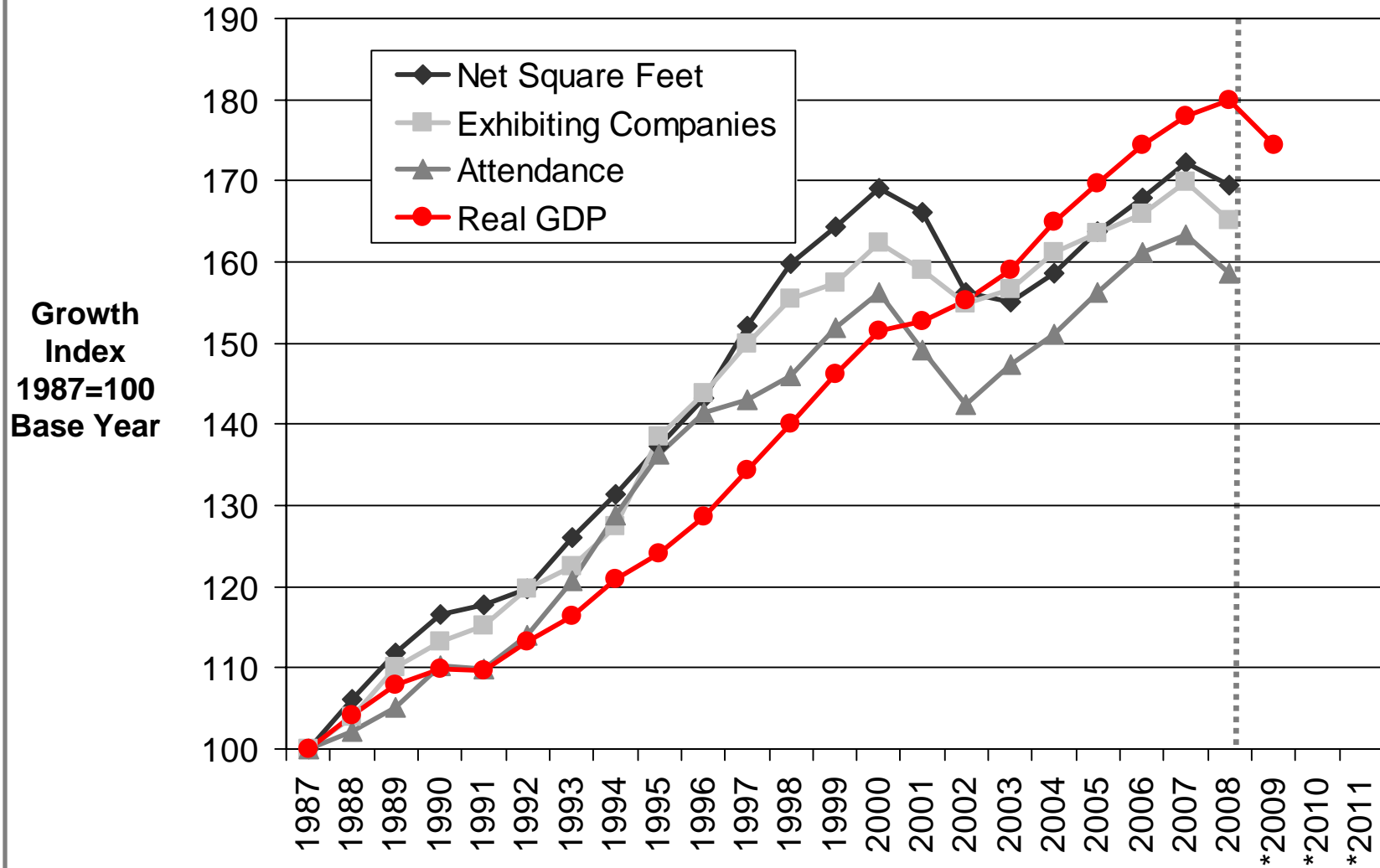


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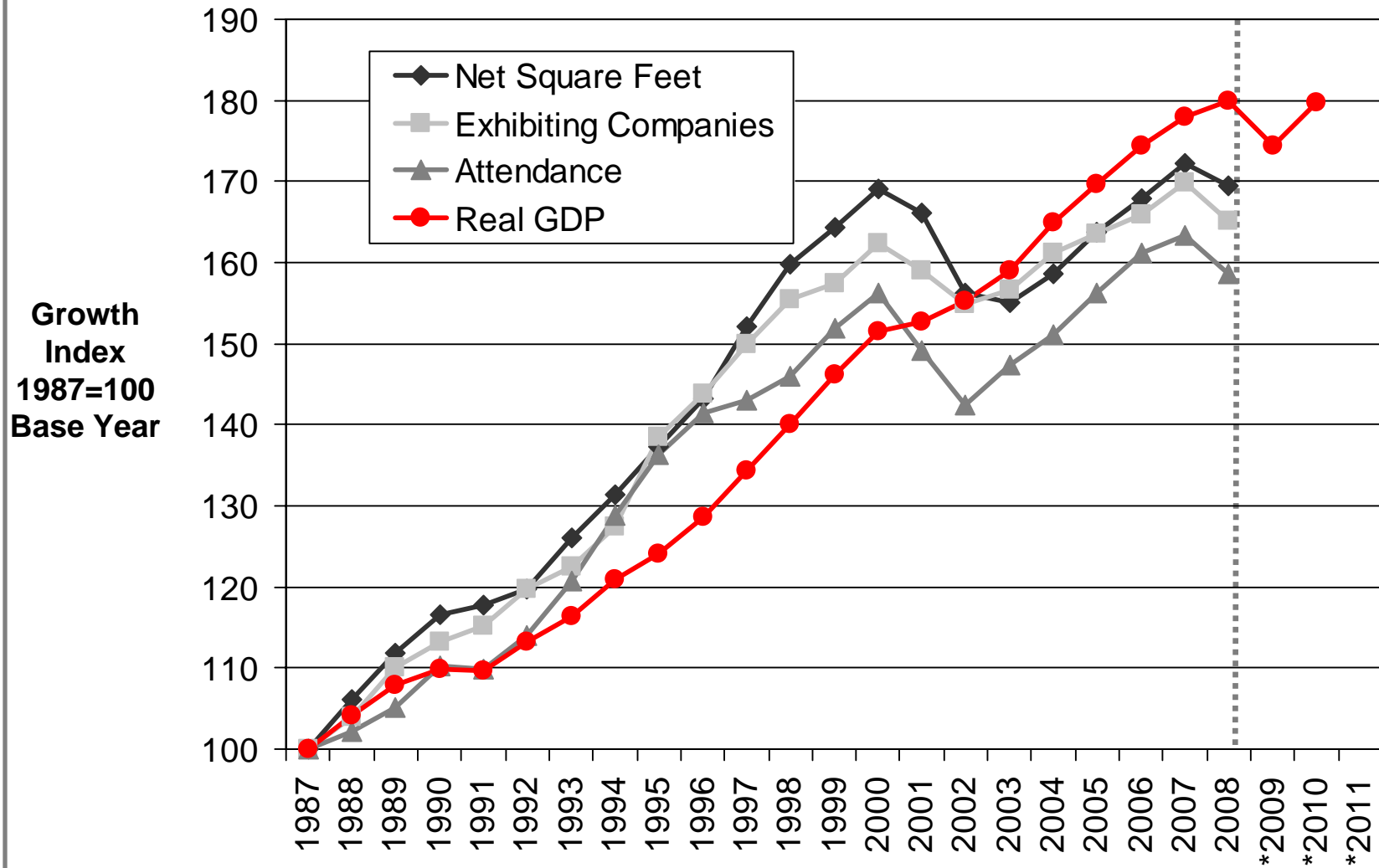
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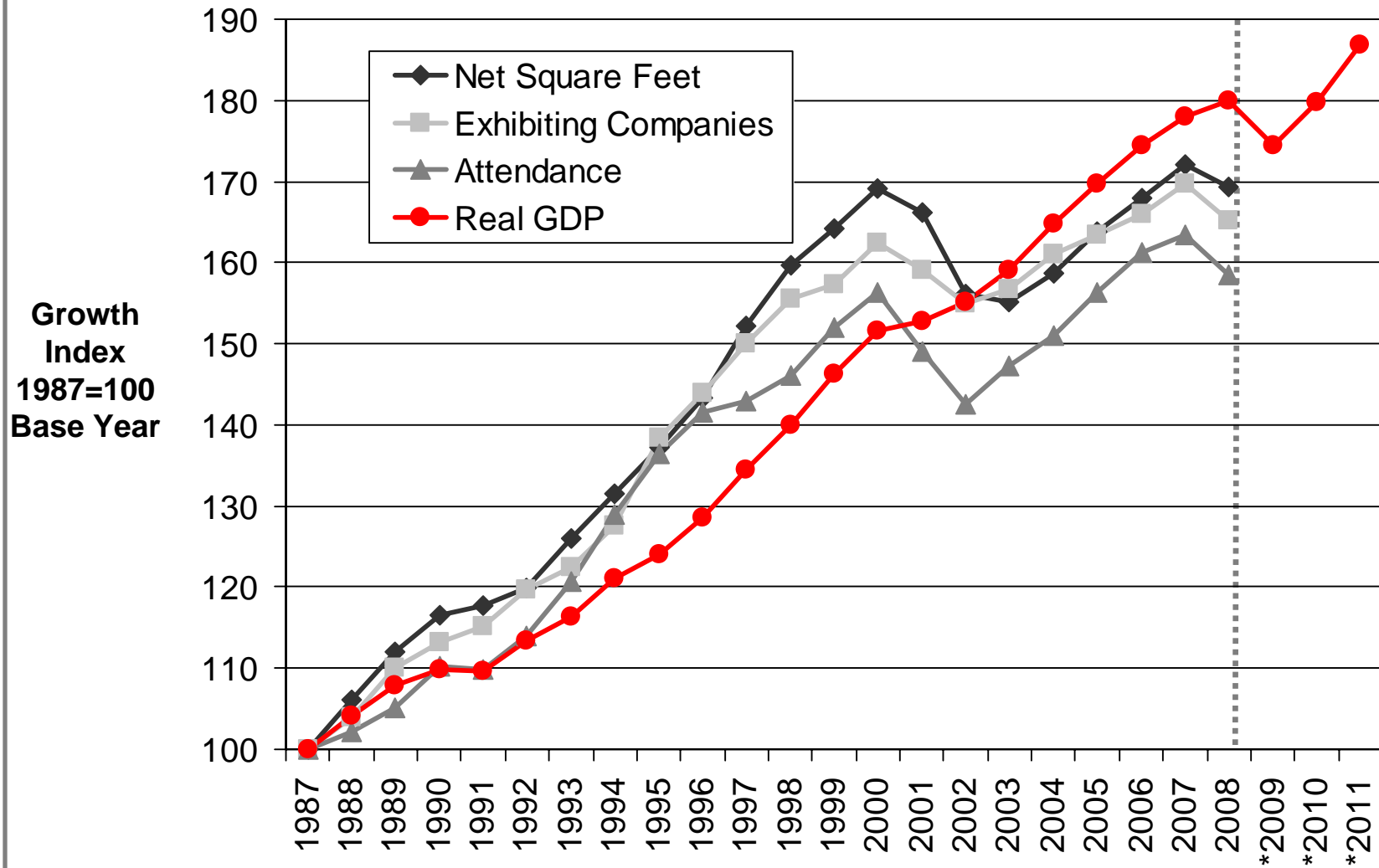
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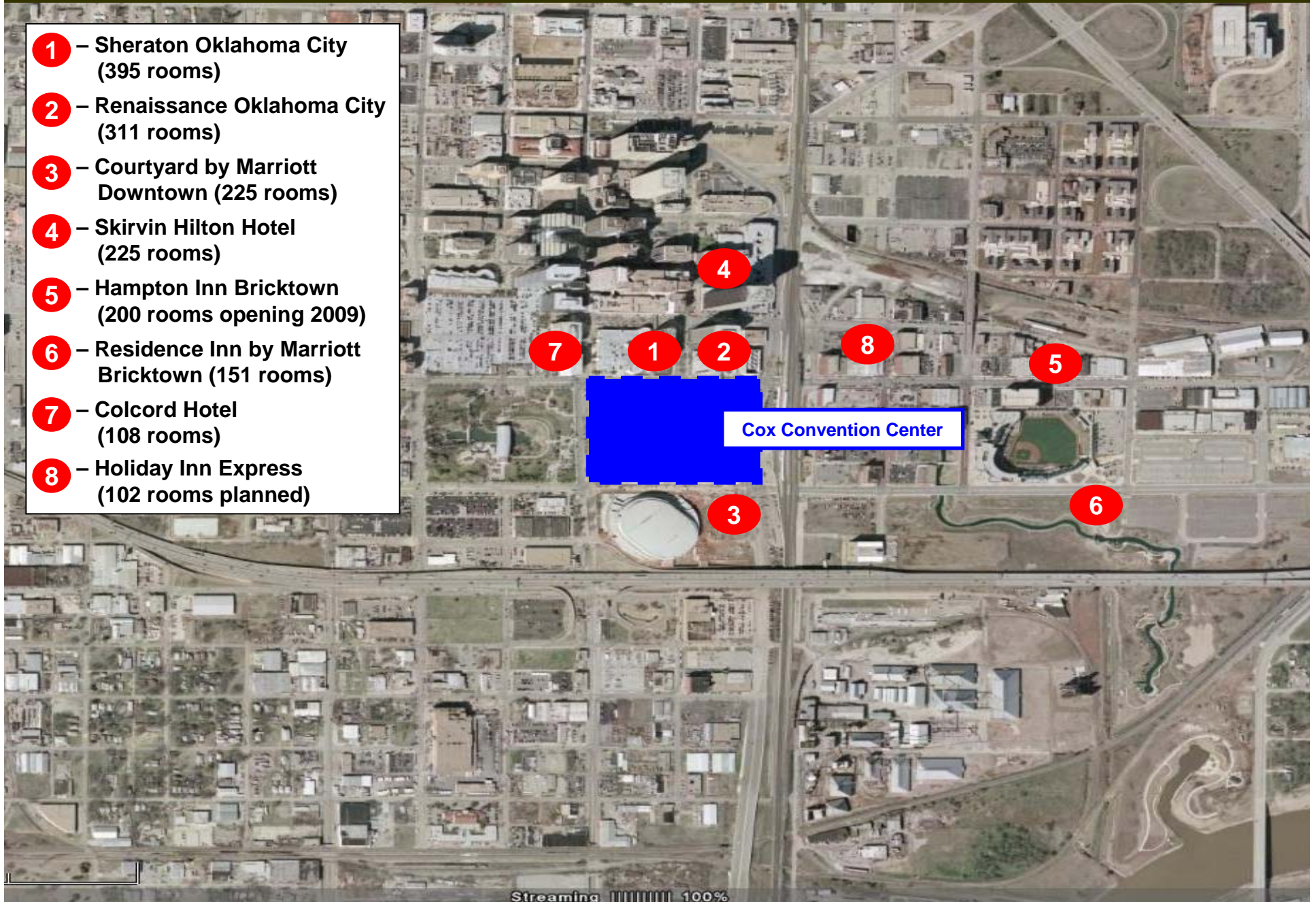


Oklahoma City Visitor Industry Assets

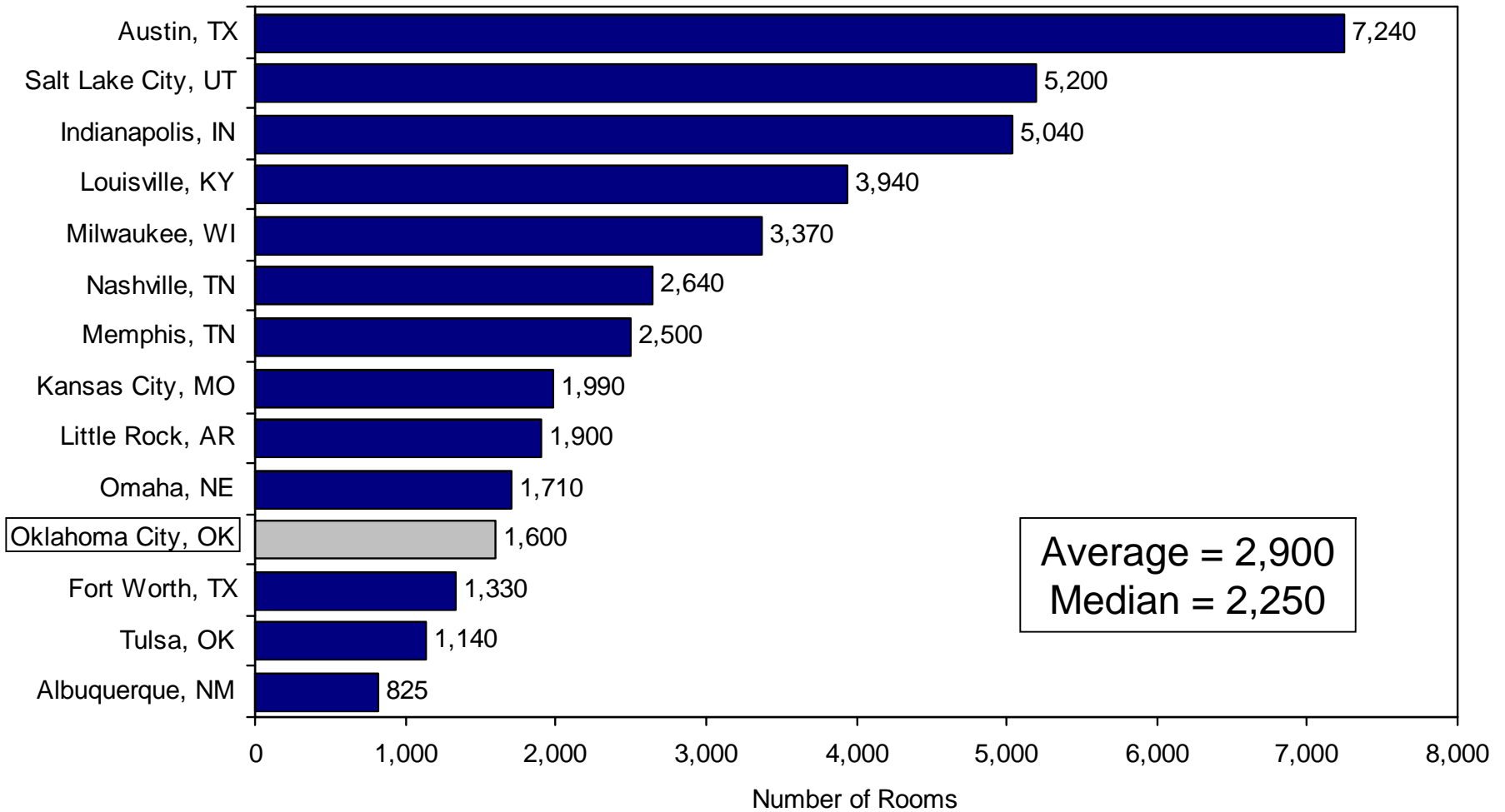
- Bricktown/Myriad Gardens
- National Memorial
- Ford Center Improvements/NBA Thunder
- Chesapeake Boathouse/Riverfront Development
- World Class Museums
- State Fair Park
- Stockyards City
- Core to Shore
- Maps programs
- Truly unique and authentic culture and industry

Primary Downtown Oklahoma City Hotels

- 1 – Sheraton Oklahoma City (395 rooms)
- 2 – Renaissance Oklahoma City (311 rooms)
- 3 – Courtyard by Marriott Downtown (225 rooms)
- 4 – Skirvin Hilton Hotel (225 rooms)
- 5 – Hampton Inn Bricktown (200 rooms opening 2009)
- 6 – Residence Inn by Marriott Bricktown (151 rooms)
- 7 – Colcord Hotel (108 rooms)
- 8 – Holiday Inn Express (102 rooms planned)

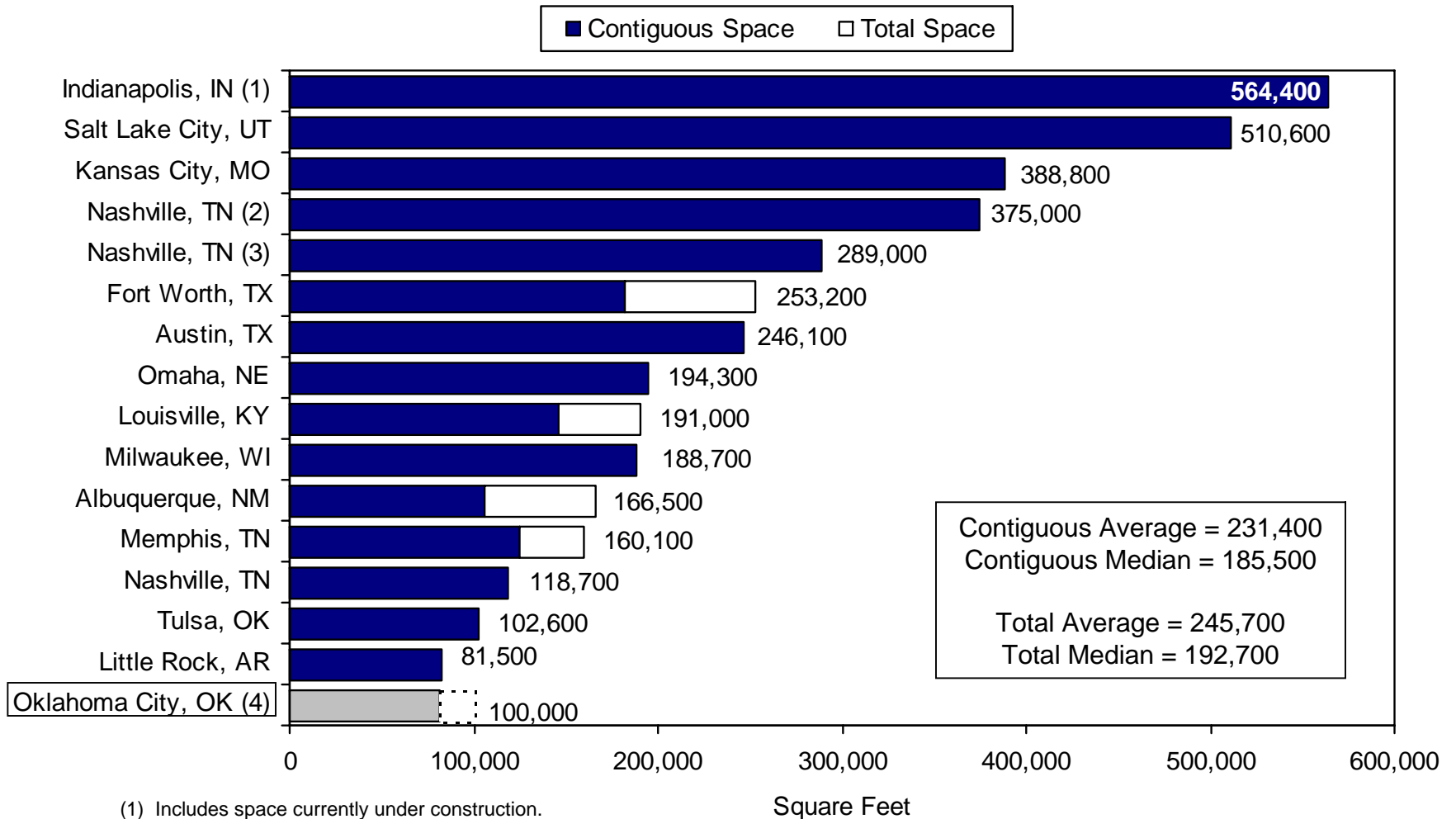


Comparison of Hotel Rooms Within ½ Mile of the Convention Center – Competitive and Comparable Markets



Source: Destination Marketing Association International CVB Organizational & Financial Profile, 2007; Convention and Visitors Bureaus, 2008.

Comparison of Prime Exhibit Space – Competitive and Comparable Facilities



(1) Includes space currently under construction.

(2) Proposed new Nashville Convention Center

(3) Gaylord Opryland Resort and Convention Center

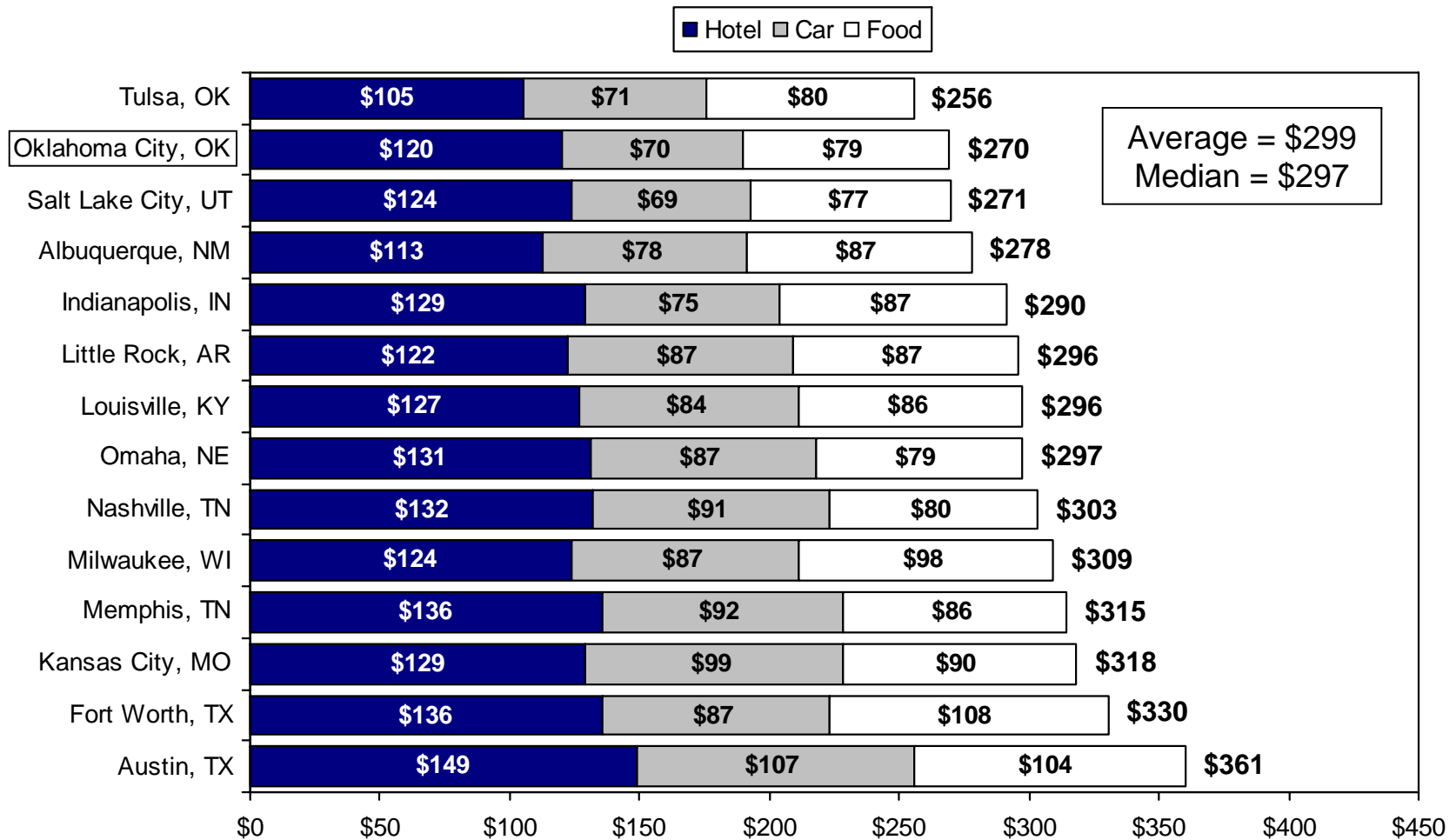
(4) There is approximately 100,000 square feet of contiguous exhibit space used at the Cox Business Services Convention Center; however only approximately 81,500 square feet is considered "prime" exhibit space.

Source: facility floorplans, management, and industry publications, 2008

Cox Convention Center Deficiencies

- Ceiling height restrictions (14 to 24.5 feet)
- Columns
- Lack of registration areas and pre-function space
- Level of finish throughout
- Loading dock space
- Floor boxes/utility grids
- Restroom facilities
- Signage

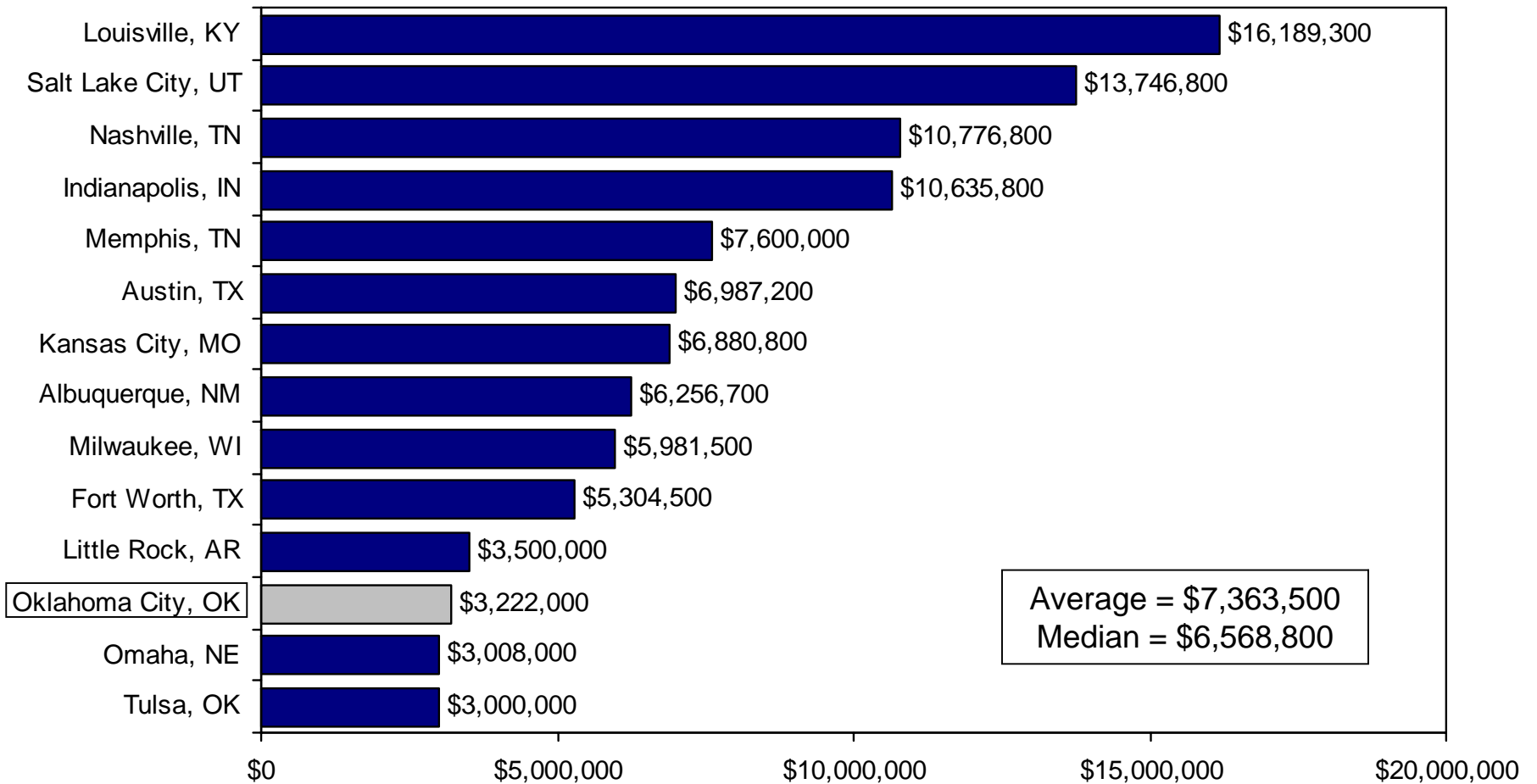
Comparison of Average Per Diem – Competitive and Comparable Markets



Source: Business Travel News, 2008 Corporate Travel Index



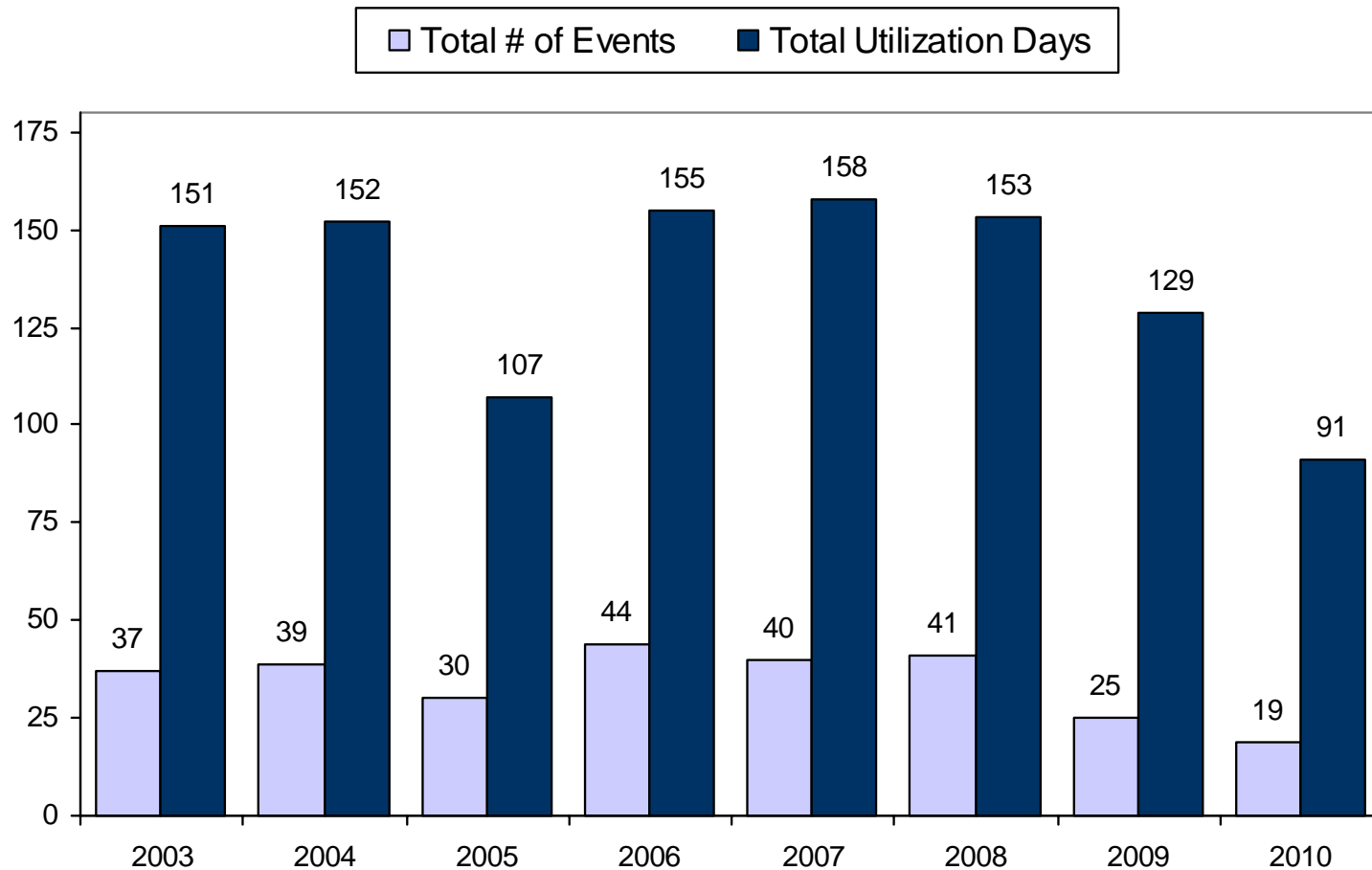
Comparison of CVB Budgets – Competitive and Comparable Markets



Source: Destination Marketing Association International CVB Organizational & Financial Profile, 2007



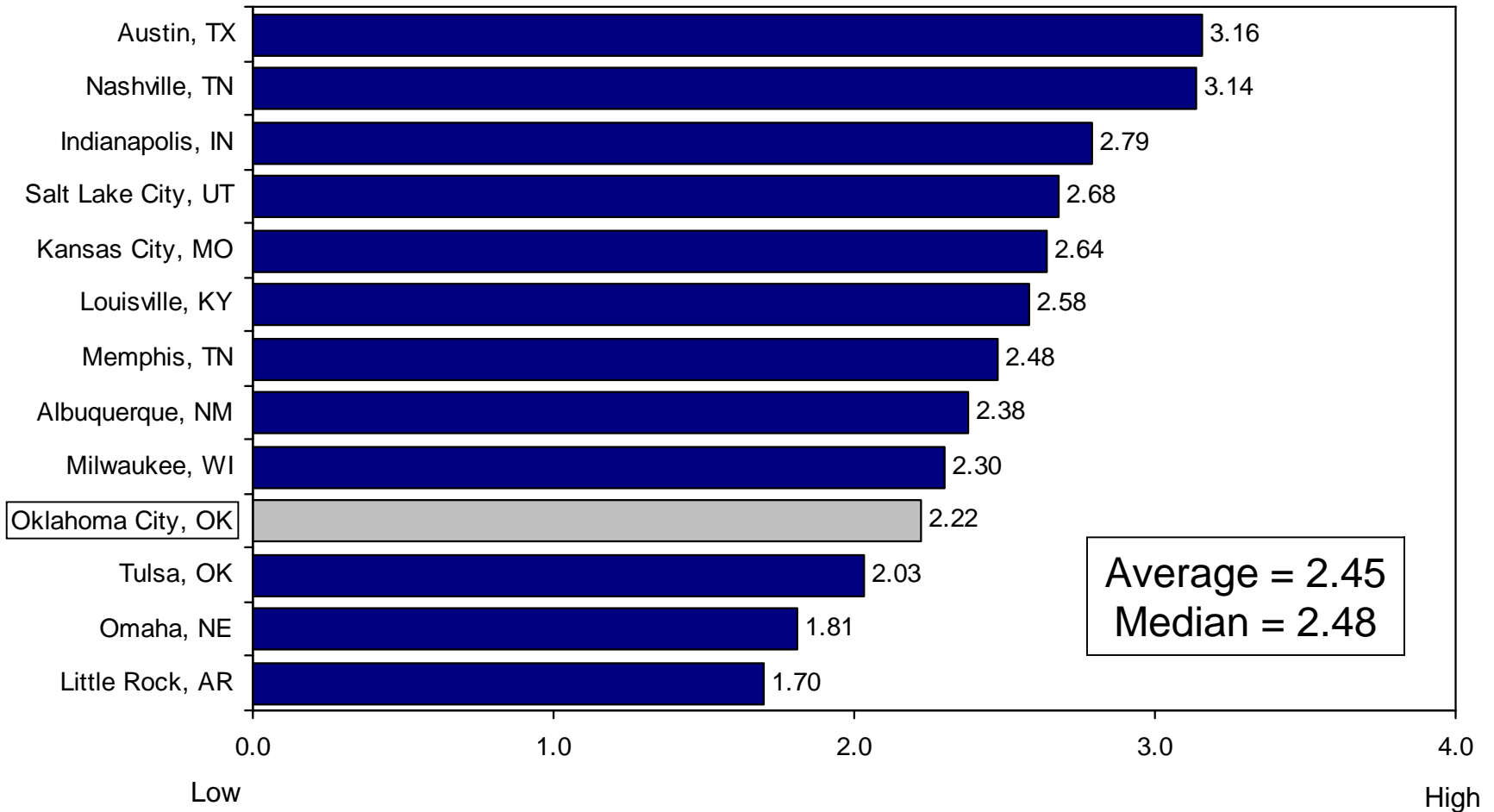
Summary of Exhibit Hall Event Activity (2003 – 2010)



Note: Figures include all events held at the Center that utilized exhibit space. Data for 2008 – 2010 include both definite and tentative facility bookings. In 2005, the facility underwent construction for more than three months (9/25-12/31).

Source: CSL International, facility management, 2008

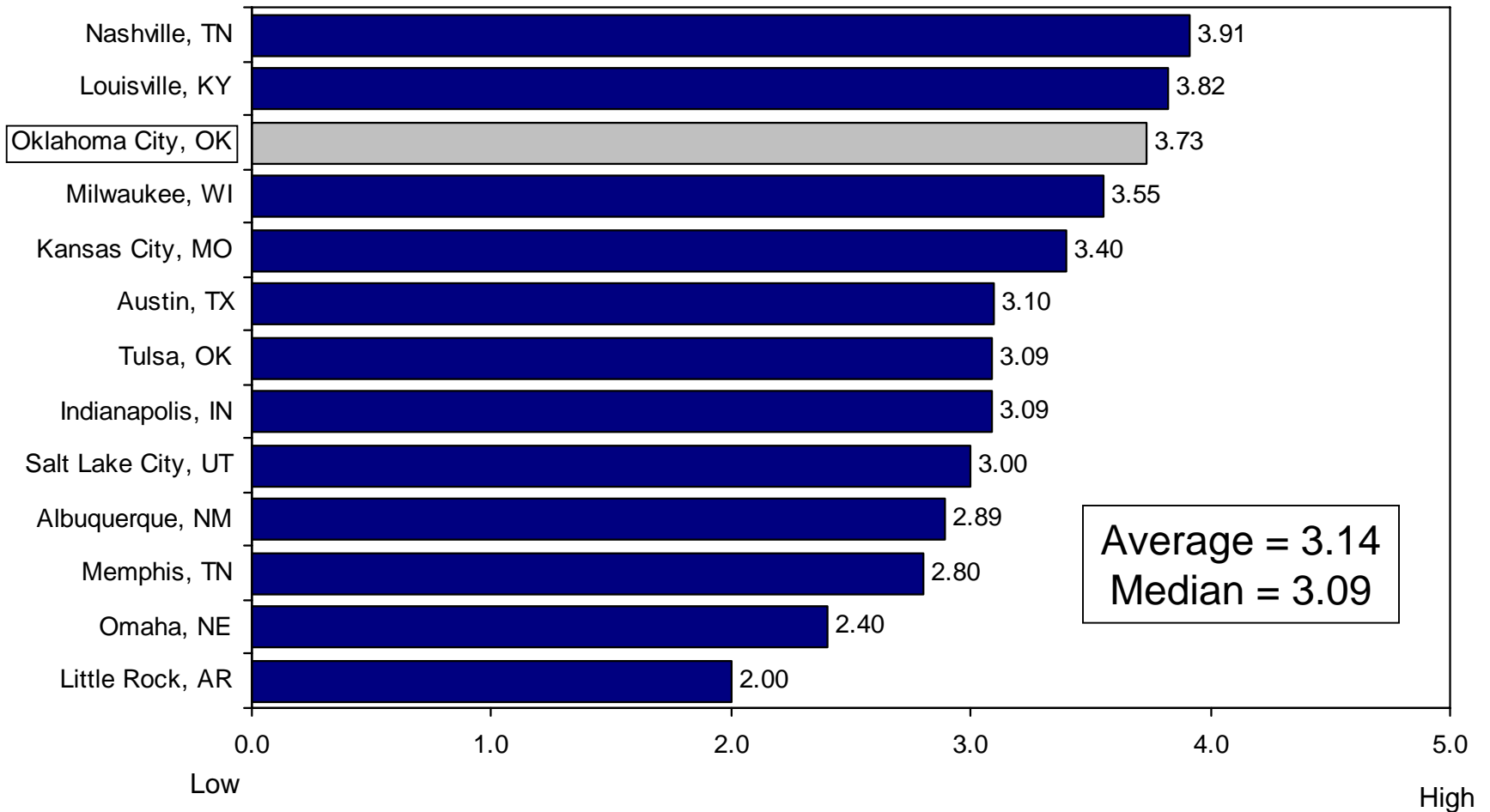
Ranking Competitive/Comparable Markets (All Respondents) – National Conventions Tradeshows



Note: Data represented includes all organizations interviewed
Source: CSL Interviews, 2008



Ranking of Competitive/Comparable Markets (Positive Respondents) – National Conventions and Tradeshows



Note: Data represented includes all organizations with a potential interest in Oklahoma City convention facilities.
Source: CSL Interviews, 2008

Reasons for a Lack of Future Interest in the Oklahoma City Convention Facilities

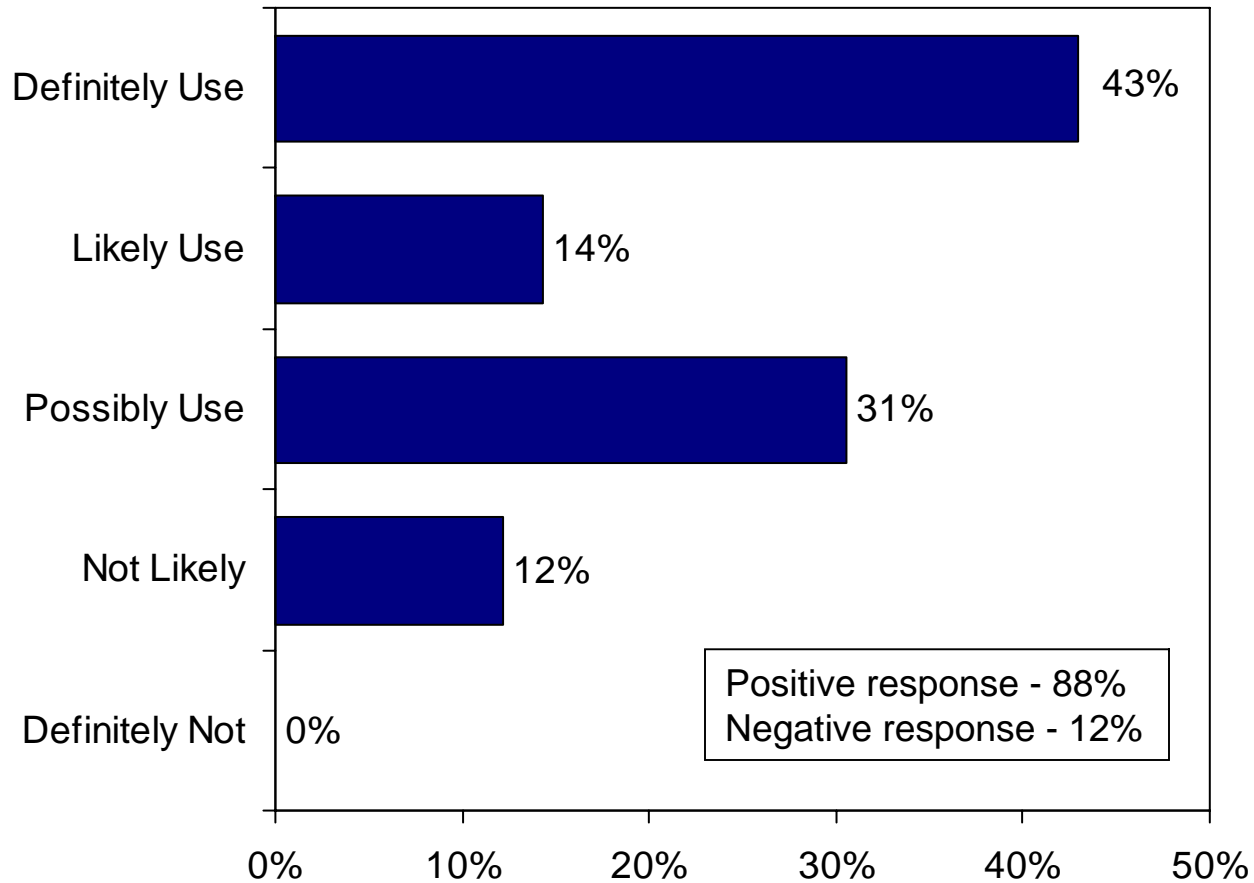
- “I don't think it's a destination our attendees would go to because it **does not exude the image of being fun and there is no main attraction**. It's not like a first tier city or like a Vegas; there's nothing exciting and it doesn't spark people as a great place.”
- “It's **not popular enough** for us or a first tier market. Also, it's an **unknown market** to us; they need to advertise.”
- “It's **too small and has no appeal**; i.e. restaurants, activities, or just plain fun. I think attendance would suffer, making it less cost effective.”
- “No market appeal for our company. **Our products are too trendy for that area**, and there is no interest from people in that area.”
- “A destination needs to be inviting to attendees with an attractive draw and convenient access to airports and flights. We're **afraid our attendance would drop** in Oklahoma City, since most people use this as a vacation.”
- “Oklahoma City **does not portray an image of a city in which there are a lot of things to do**.”
- “Because I have a combination of members from the US and Canada, and it wouldn't interest the members from Canada.”

Travel Writer Comments – How their readers might perceive of Oklahoma City

*Comments from Respondents who **HAVE** visited Oklahoma City include:*

- I think the **perception has improved drastically**.
- Oklahoma City is an **under-rated gem** that not enough people know about.
- It's a **very cool place** to visit with a lot to do.
- Very **friendly and clean**.
- Visitors are always surprised at how much there is to do and the availability of **“big city” amenities**.
- I'm so happy I went as it **completely changed my opinion**.
- Since going there I would agree that the **perception of the city is wrong**.
- If you've never been before, I don't think you realize all the culture, the museums, Bricktown and everything else the city has to offer. I think most people identify it as a cowboys and Indians city.

Likelihood of returning to the Cox Convention Center – Current and Past Users



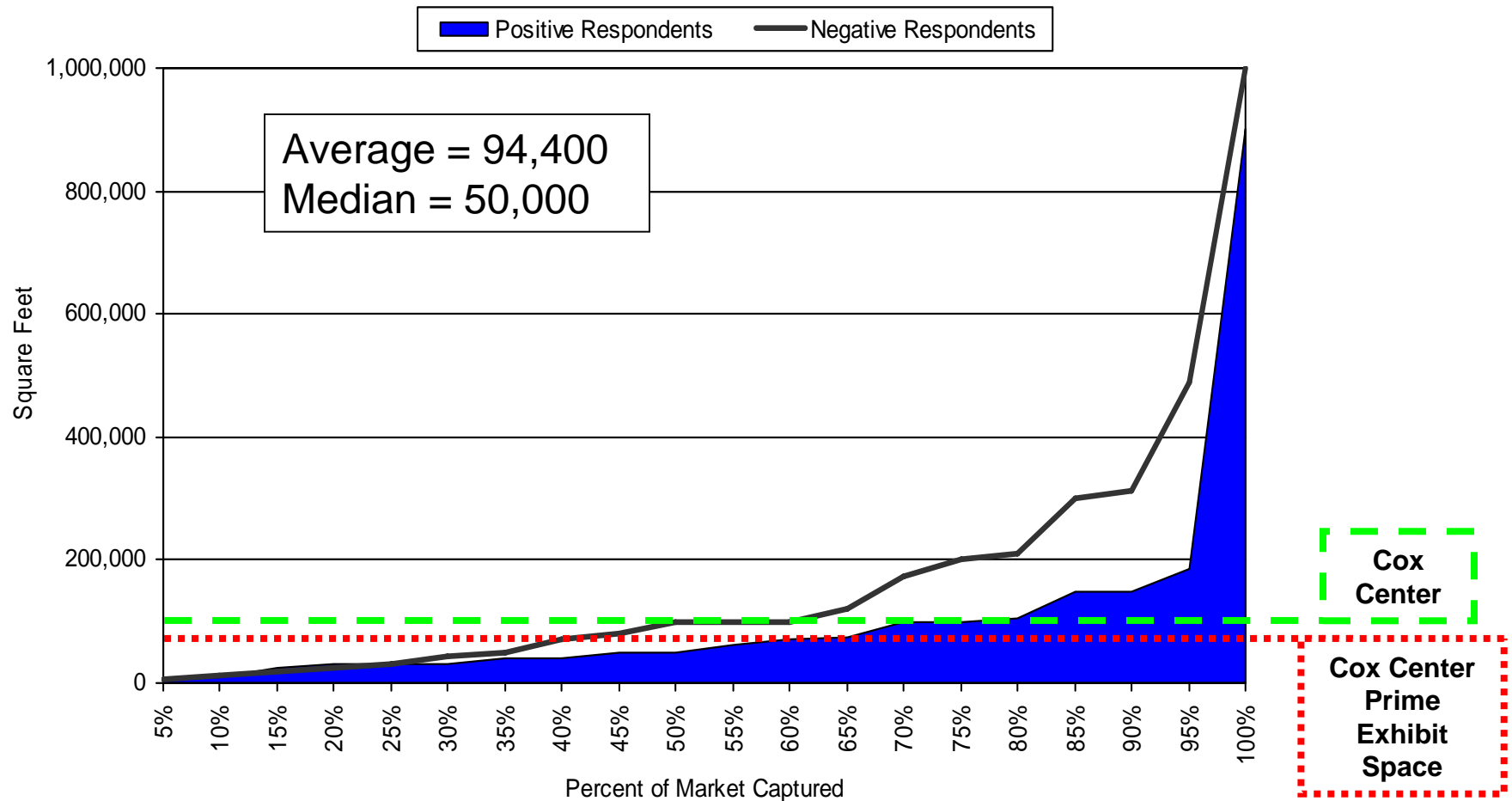
Note: Data represented includes all organizations interviewed.
Source: CSL Interviews, 2008

Market Demand Elements to Consider

- Existing Center space is of poor quality
- Hotel inventory is not up to competitive standards
- Bifurcated management causes challenges
- Destination appeal perceptions don't match reality
- The fundamental question:

Is Oklahoma City lacking the amenities to generate convention activity on par with Omaha, Louisville, Milwaukee and other mid-tier destinations?

Summary of Exhibit Space Demand – National Conventions and Tradeshow



Note: Data represented includes all organizations with a potential interest in Oklahoma City convention facilities.
 Source: CSL Interviews, 2008



Evaluation of Potential Convention Center Program Characteristics

	Current	Phase 1	Expanded
Prime Exhibit Space	81,500 sf	200,000 sf	300,000 sf
Meeting Space	28,600 sf	50,000 sf	75,000 sf
Ballroom/Multi-use Space	25,000 sf	35,000 sf	50,000 sf
Total Sellable Space	153,600 sf	285,000 sf	425,000 sf
Headquarter Hotel Rooms	311 rooms	650 rooms	650 rooms

Evaluation of Potential Convention Center Program Characteristics

Other Planning/Development Priorities

- Explore alternative re-use of existing exhibit space.
- Creating a convention, sports and entertainment “campus” will provide a competitive advantage.
- Develop a new headquarters hotel (target of 600 rooms minimum).
- Provide sufficient marketing dollars to overcome perception issues.
- Continue development of brand-specific entertainment investment.