
Chapel Hill / Orange County Public Facility RFP #5216 Response

Proposed for



By



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Original

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I.) Project Objectives, Scope & Approach Description

Access Intelligence Research & Consulting and Vanguard Leisure Consulting would be pleased to conduct the required in-depth market feasibility study to analyze the demand for a new Public Assembly Facility and additional hotel capacity in Chapel Hill and Orange County, North Carolina. This proposal outlines the response to the RFP and our approach to major public facility, convention center, hotel and meeting industry demand and competitive set studies.

Tourism and Government Officials and key stakeholders in Chapel Hill and Orange County are interested in exploring how investment in a new public assembly facility, and specifically a convention or conference center, can help expand the region's visitor economy. The region would most likely also need increased hotel capacity, especially convention hotel(s) developed in conjunction and ideally connected to or close by the new convention and conference facility.

In response, Chapel Hill and Orange County tourism and Government stakeholders need market-based recommendations for the most optimal type, service level and capacity of a new convention and conference facility and hotel development based on an assessment of the demand potential from local, regional and national event and meeting planners.

Information from the RFP outlining the current situation and scope of services goals from the study is provided below.

Background from the RFP:

Introduction/Project Scope -- Intent: "The Chapel Hill/Orange County Visitors Bureau requests proposals from recognized travel/hospitality consulting firms experienced with convention centers/public assembly facilities, visitor-oriented development and the travel/hospitality industry to submit a proposal to conduct an inventory of current meeting spaces available within a 30-mile radius and: Identify and evaluate options for a Public Assembly Facility and provide preliminary costing, sizing, test preforms, scenarios for evaluation. Identify and evaluate other options for consideration that would generate the same or greater impact for visitor-oriented development."

Project Scope: "Like all destinations, Chapel Hill/Orange County seeks to grow its visitor economy. For many of the reasons outlined above, the renowned Research Triangle region is posed for continued economic growth and Orange County must invest in the appropriate travel/hospitality infrastructure to remain a viable destination choice for all potential visitors. The two-part project scope specified (in the RFP) is intended to provide a road map for potential development over the next decade."

Access Intelligence Research & Consulting and Vanguard Leisure Consulting propose to execute the exact scope of work required to fulfill the goals outlined in the RFP.

Project Scope and Approach

This section of the RFP response outlines the goals and requirements. It also provides the research and consulting team's approach and methods to provide the following:

1. New Market Demand Analysis (Part One of RFP)
2. New Facility Demand Analysis (Part One)
3. Financial Feasibility Analysis (Part One)
4. Economic Impact Analysis (Part One)
5. Other Options (Part Two)

The recommended research, sources and analytical response to each of the five areas outlined are provided below. This section provides the tools, techniques, procedures and methodologies to develop the report and recommendations. The Access Intelligence Research & Consulting and Vanguard Leisure Consulting approach is to access as much critical and insightful market and client data and information as possible and make recommendations based on this quantitative information.

The research and analytical recommendations for each of the five required study areas are outlined on the next pages.

1. New Market Demand Analysis

Requirements from the RFP:

“1. Conduct an analysis of Orange County (Chapel Hill, Carrboro, and Hillsborough) hotel and meeting space available for the use of convention, meeting, and trade and exhibition business. 2. Conduct an analysis of the Durham area (Durham County) hotel inventory and locations for the use of convention, meeting, trade and exhibition business. 3. Determine the current and future market potential for hotel growth (current, planned, approved or new hotels/motels under construction) in Orange County. Analysis will include a survey of hotel/motel statistics to include and forecast available rooms, occupancy rates and room rates.”

Access Intelligence Research & Consulting and Vanguard Leisure Consulting Response:

This component of the analysis will largely be driven by Vanguard Leisure Consulting. The first part of the analysis will cover Orange County and a second will provide hotels and event and meeting facilities in Durham County. The following will be provided for the supply of lodging accommodations and MICE¹ facilities available in the Counties:

- Property or facility type and service level
- Location of hotel and meeting space property
- Number of hotel rooms
- Total MICE meeting and exhibit space with breakout by square foot
- Number of meeting rooms by type and maximum capacity
- Total building size
- Year built
- Expansion or related development information
- Group and event bookings information
- Ownership (i.e., stand-alone meeting facilities and branded hotels)
- Additional information as outlined below and throughout the analysis process

This data will largely be obtained through data providers such as Smith Travel Research as well as data sources such as the Economic Development Authority. Our next step will be to evaluate the current hotel operating factors in Orange and Durham county and determine future market potential. Along with our previously noted data sources, much of this information will be identified through site visits, tours and interviews as well as proprietary databases maintained by Access Intelligence. The end result will provide a summary of hotel operating performance in the region including, but not limited to occupancy rates, ADR, RevPar, Supply Trends and

¹ Meetings, Incentives, Conferences and Exhibitions (MICE).

overall Revenue. This historical data will be used to perform a 10-year forecast on the lodging market with consideration for any properties that have been proposed, developed or discussed.

Methodologies & Sources

- Site visits to Chapel Hill and Orange County that will include full analysis of the region including existing meeting space and relative hotel properties (with meeting space) with identification of any ideal locations for the proposed property, given consideration to proximity to other hotel as well as restaurants and after-hours entertainment which are important components to meeting planners.
- As a part of site visit, we will shop meeting space competitors to determine average pricing for meeting space, catering and other associated fees in the region as well as any unique offerings that may serve an opportunity niche for the proposed facility.
- Description of the current overall hotel supply in Chapel Hill and separately Orange County identifying many of the factors noted above. Overall hotel performance for hotels in each region (Occupancy, ADR, RevPar) will be highlighted.
- Description of current meeting and convention space in each County with consideration for major factors such as overall square footage, breakdown of space (SF ballroom, versus breakout space, or exhibition space), adjacent hotel, room count, proximity to airport, to name a few examples. This analysis will pay especially close attention to facilities noting items like their pool area or restaurants included as a part of their ‘dedicated’ meeting space. Wherever available annual attendances, generated room night demand and the number of events (by type) will be noted.
- A breakdown of demand, or guest, segmentation for hotels in the Counties will also be provided (i.e., percentage of business, leisure, group, other). Determination of historical growth trends amongst each will be provided to help support the need for additional meeting space and/or identify issues in current meeting space to help mitigate any stagnant growth.
- As a part of this process, formal interviews will be conducted with key members of the Chapel Hill and Orange County Visitors Bureau on meeting business trends in each region and niche opportunities in terms of certain types of available space, or certain locations in the County in need of meeting space. In addition, the team will identify the overall relationship and supportive role that current meeting facilities have with the CVB, particularly in the form of statistics (i.e., number of attendees, overnight room night demand, and lost business, etc.) which will be used in analysis.
- Any formal interviews will also be completed with other related tourism organizations and related officials, partners and stakeholders in each County.

2. New Facility Demand Analysis

Requirements from the RFP:

“1. Evaluate the market potential for a proposed convention facility. Identify trends such as event growth, usage and market share that would impact the feasibility of this facility within Chapel Hill. 2. Re-assess needs of local corporate market. 3. Evaluate comparable facilities in similar towns/destinations regarding operational characteristics. 4. Determine optimal size, amenities and desired use for convention center. 5. Forecast the convention market demand and market share by market segment/type of event for the proposed facility. i. Identify utilization potential for primary demand. ii. Identify secondary utilization. 6. Compare proposed facility with facilities already existing or expanding (in the market, region, state and national region) and facilities under construction or facilities far enough along in their planning to be considered a relative certainty.”

Access Intelligence Research & Consulting and Vanguard Leisure Consulting Response:

This component of the analysis will largely be driven by Access Intelligence Research & Consulting. The study will quantify the need for new public assembly facility capacity in specifics based on in-depth analysis of a range of historical and recent bookings data, forecasts, industry sectors, data sets and stakeholders -- but most importantly, from both regional and national group and meeting clients and prospects.

The critical demand analysis will require a number of methodologies and data sources. These include but may not be limited to the following:

- Regional hotel historical and recent occupancy rates, ADR and segmentation as well as discussions with hotel management and/or hotel association executives and members as available.
- Competitive properties benchmarking analysis.
- Surveys and interviews of local and regional groups including association conventions, exhibitions, conferences, corporate meetings, colleges and universities, government agencies, religious organizations with events, and other groups.
- Surveys of national groups including association conventions, exhibitions, conferences, corporate meetings, government agencies, religious organizations with events, and other groups.
- Surveys and interviews with leading regional companies, government agencies and organizations and/or other groups that drive significant transient business bookings at the hotels.

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- Regional and national hotel investment trends and requirements in terms of guest needs particular to conventioners and meeting attendees.
 - Current property visits/tours.
 - Competitive city property visits/tours.
 - Leading City, State and Regional economic analysis and forecasts.
 - Detailed online research and other sources including any and all relevant information from the Chapel Hill and Orange County Visitors Bureau and relevant partners and stakeholders -- or other relevant local sources.

It will be helpful to access as much information from the Chapel Hill and Orange County region and the key venues and hotels in the area as is available. Also required will be detailed occupancy data from providers such as Smith Travel Research and the key hotel properties in Chapel Hill and Orange County. The facility size and service level preference analysis will primarily come from the detailed surveys of convention, meeting and group event planners. The recommendations will be based on the data and insights from the entire process, with ranked optimal scenarios with advantages/disadvantages and strengths/weaknesses outlined in detail.

Recommendations on the size and service levels for the following convention and conference center elements will be provided:

- Exhibit halls
- Meeting rooms
- Ballroom(s)
- Pre-function spaces
- Loading dock and related areas
- Kitchen(s)
- Client-facing food service areas and restaurants
- Other concession areas and store-fronts
- Technology infrastructure and services
- Business center
- Signage
- Outdoor, outside areas
- Parking capacity
- Venue connections and links to transportation, such as shuttle bus and taxi areas
- Venue connections and links to hotels or other key buildings
- Other key areas and services

The types of events, groups and market segments applicable for the facility and related marketing to be analyzed and quantified include:

- Associations and societies
- Exhibition and tradeshow organizers
- Conference producers
- Corporate meeting planners
- Independent meeting planners
- Government agencies with events and meetings
- Academic groups with events and meetings
- Religious groups with events and meetings
- Entertainment groups
- Festival and other event organizers
- Other groups and sectors that book Public Assembly Facilities

Information on the Quantitative Survey Process:

The survey process includes the following tasks:

- Drafting the questionnaires with the Chapel Hill and Orange County Visitors Bureau.
- Finalizing the questionnaires.
- Programming the questionnaires online.
- Working with Access Intelligence and other lists of applicable top event producers and meeting planners, as well as other key groups to survey.
- Launching the surveys.
- Sending up to three survey reminders to non-respondents over a three-week period.
- Monitoring the survey response, and preliminary data submission.
- Data tabulation and analysis.

Access Intelligence maintains excellent listings of regional, national and international convention, exhibition, conference, corporate meeting producers and planners and other key groups with event and meeting programs. We survey these professionals regularly and receive excellent response rates.

Additional relevant thoughts on various issues and opportunities impacting event producers, meeting planners, venue managers, CVBs and Governments will be provided. We suggest including other key information to help the Chapel Hill and Orange County convention and meetings sector better understand the market and the competitive set via the group and meeting planner surveys and interview feedback. This will cover ways to book more events and meetings and gauge the strengths and challenges related to Chapel Hill and Orange County as an event and group meeting destination. Primary and secondary bookings and facility uses will be forecast and explained including the impact on room night estimates. *It is also important to note that the research will result in determining the ideal location (or locations) for the proposed facility site and rationale.*

3. Financial Feasibility Analysis

Requirements from the RFP:

“1. Identify and analyze the economic impact and projected operating expenses and revenues of the facility as proposed. 2. Identify 10-year Hotel Occupancy Tax projections, and provide comparison to original projections. 3. Recommend Operating Model and 10-year Business Plan (construction through stabilization and beyond). 4. Determine cost projections and financing models. 5. Project operating expenses and revenues for the facility.”

Access Intelligence Research & Consulting and Vanguard Leisure Consulting Response:

This section will be a shared process between both Access Intelligence and Vanguard Leisure. A summary 10-year operating pro forma will be developed for the proposed facility including Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) and eventual Net Income. This process will include accessing comparable convention and conference center operating statements and analysis of benchmarks maintained by Access Intelligence on a per square foot basis in order to provide a vis-à-vis comparisons of anticipated revenue and expenses for the proposed facility. Information will also be accessed from other leading venues and venue management companies to help with the modeling approach and forecasts for each scenario. Consideration for local factors such as current labor expenses and State, County and City-level taxes will be acknowledged in our analysis.

A sample of facility revenue and expenditure benchmarks that will be provided for the proposed public facility include, but may not be limited to:

Revenues

- Exhibit and meeting space rent
- Food and beverage
- Exhibitor and event services
- Audio-Visual services
- Telecommunication and internet
- Signage and advertising
- Parking
- City, County or State tax or other payments
- Other

Expenditures

- Salaries and benefits
- General expenses
- Utilities
- Repair and maintenance

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- Depreciation
 - Insurance
 - Sales and marketing
 - Other

A 10-year Business Plan for the facility will be provided with details on revenue, expenditures and funding best practices. It should be noted that many, but not all, municipal convention centers in the U.S. often lose money on an operational basis and are used as engines to generate economic impact. Benchmarks on staffing, marketing and relations with Convention and Visitor Bureaus will also be provided.

In addition, up-to-date public assembly facility development financial models, venue management trends and benchmarks will be provided with recommendations for Chapel Hill and Orange County.

The focus will be on potential new event bookings resulting from additional convention and conference space capacity, and catering/banquet services, as well as incremental hotel demand (although the latter will be addressed in more detail in the next section). Overall the study will quantify likely induced demand scenarios based on different levels of convention and meeting space. Key methods and sources for this analysis will be lost business reports and surveys and interviews with past and current group clients and qualified prospects, both regional and national. The estimates will focus on the following:

- Number of event and group bookings opportunities, by type and industry sector
- Event size
- Event attendance
- Event revenue
- Room night demand
- Estimated convention center revenue
- Other related information with a focus on the convention center

Additional information and recommendations will cover:

- Venue management options and models
- Business plan options
- Marketing during the construction period
- Various marketing and business approaches to different event and meeting market sectors
- 10-year tax projections

In addition to this, we will construct a preliminary budget for the proposed public facility in order to determine overall cost and potential ROI. Categories for this analysis shall include soft and hard costs associated with project as well a potential preopening fees. The main source for

this analysis will be best practices and industry benchmarks provided by third-party construction firms as well as comparable construction budgets for comparable sized facilities with consideration for their location, internal structure and demand mix. All analysis will be based on a gross square foot (GSF) basis.

Methodologies & Sources

- Event and meeting planner surveys and interviews.
- Analysis of comparable and competitive regional and national public assembly and convention center facility data, particularly on a GSF stats basis
- Evaluation regional hotel data as obtained in previous section
- Research and Analysis of related Industry benchmarks
- Primary Research and insight from local and nearby CVBs.
- Other applicable data sets listed in the proposal.

4. Economic Impact Analysis

Requirements from the RFP:

“1. Incremental room nights, and associated economic impact, generated by project. 2. Incremental room nights, and associated economic impact, generated by project with NO new headquarters hotel development and no room block agreements. 3. Incremental room nights, and associated economic impact, generated by project.”²

Access Intelligence Research & Consulting and Vanguard Leisure Consulting Response:

The following component of the study will largely be driven by Vanguard Leisure Consulting. Economic impact analysis provides a quantitative method to estimate the economic benefits that a particular project or industry brings to the economies and surrounding communities depending on where the project is located. Specific to tourism-related projects, this analysis will help track the flow of spending associated with attendees’ activities in order to identify incremental changes in sales, tax revenues, income, and jobs as a result of the proposed development. This analysis typically involves the evaluation of output produced on a Local, County and State level.

The total economic impact process can typically be broken down into three main components:

- **Direct Impacts** – Direct impacts result from direct and new spending (expenditures) associated with the construction of the proposed public assembly facility and ongoing operations from incoming attendees. Major highlight items here include job creation, salaries/wages, tax revenue and direct tourist spending. (Often called “1st round” impact).
- **Indirect Impacts** – Indirect impacts represent the production changes resulting from various rounds of re-spending of the convention and meetings industry receipts in other back-linked industries such as hotels, restaurants, and typically other forms of tourist-related entities. (Often called “2nd round impact”).
- **Induced Impacts** – Induced impacts resulting from changes in household income spending from those residing in town as result of the development of the new facility and spending funds on goods and services in the surrounding region.

Methodologies & Sources

- Reliance on results from demand and revenue forecasted as conducted in Sections I, II and III to help determine overall impacts of the proposed property’s facility on visitor spend and revenue metrics.

² #1 and #3 in the RFP are the same.

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- Attendee spending broken out into various categories such as area hotels, restaurants, retail and other visitor industry establishments.
 - Utilization of quantitative analysis on tourism (i.e., types of guest coming to the area now), population (i.e., overall increase or decrease to figures), and economic trending (i.e., labor force statistics and percentage of those working in the Counties, but living in other regions and vice versa) and other related items specifically related to potential impact of proposed facility.
 - Accessing spending benchmarks and multipliers from industry associations, Governments and other organizations.
 - Assessment of the estimated percent of materials and attendees, as well as employees residing outside the region.
 - Reliance on third-party resources from State, County and local data such as the U.S. Bureau of Economic Analysis and U.S. Bureau of Labor and Statistics, to name a few.

A model will be constructed using input and output tables that will consider multipliers to determine the overall impact of the proposed facility. The major focus and consideration in this section will be on the facility's future incremental attendee spending benchmarks and induced tax revenue to provide an overall picture of economic impact results. As per the RFP, we will specifically identify:

1. Incremental room nights, and associated economic impact, generated by project.
2. Incremental room nights, and associated economic impact, generated by project *with NO new headquarters hotel development and no room block agreements.*

5. Other Options (Part Two)

Requirements from the RFP:

“Evaluate other options for consideration that would generate the same or greater impact for visitor-oriented development. Provide preliminary costing, sizing, test proformas, scenarios for evaluation in comparison to the original project. These scenarios are not limited to the site that has been purchased, or to “traditional” Public Assembly Facility or Convention Center development. Because it is anticipated that any visitor-oriented development in Chapel Hill would be funded via hotel occupancy taxes, recommendations must fall within the legal uses of the Hotel Occupancy Tax, and Umstead Act, as currently defined. Scenarios are not limited to the meetings/convention market, and may be evaluated for leisure market impact.

Options may include, but are not limited to: Exhibit halls only; “Conference Center” format; Ballroom space only; Market-segment-focus to develop niche opportunities (for example, expanded breakout space to meet needs specific to medical meetings, aviation or some other configuration derived to meet a specific market’s needs); Other options as identified by the study consultant. Other considerations: Through adaptive re-use, can Friday Center be utilized for visitor development, to what projected return-on-investment?; Is there an emerging demographic market segment (i.e., “zoomers” {40+ years, no children}, multi-generational travelers) currently underserved with travel and entertainment options, both in the nearby Research Triangle Park and elsewhere?; What is missing in the Research Triangle region that Chapel Hill can offer, that will enhance the county’s visitor industry and thus the overall economy? Other options as identified by the study consultant.”

Access Intelligence Research & Consulting and Vanguard Leisure Consulting Response:

A separate but related analysis will provide a detailed overview of other strategies and options for increasing leisure and business visitation and resulting economic impact in the Chapel Hill and Orange County region. The focus will be on other investment opportunities with potential for the same or greater impact of visitor-oriented development. The other options will be considered in light of the need to support these investments via hotel occupancy taxes. Event and convention impact analysis will largely be driven by Access Intelligence while non-convention and amenity driven analysis will be provided primarily by Vanguard Leisure.

A key focus of this section of the project will provide in-depth analysis, pros/cons and recommendations related to various Public Assembly Facilities, including:

- Full-Service Convention Centers
- Full-Service Conference Centers
- Smaller, Limited Service Convention and Conference Centers
- Exhibit / Exposition Halls with limited meeting spaces and services
- Venues with an Industry or Sector Focus such as medical and technology

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- Executive Briefing Centers
 - Mixed-Used Facility that provides flexible enough space to cater to convention as well as entertainment and/or sports-related events depending on the overall results of our findings and influence of the University of North Carolina and UNC Health Care.
 - Evaluation of Friday Center as potential site/location for proposed Public Assembly Facility.
 - Other options

This important section of the report will also cover various cost, size, performance estimates, development issues, revenues and visitation estimates for other visitor-oriented development opportunities and scenarios. These will be in comparison to the Public Assembly Facility opportunity. These will include the full range of public and private development opportunities with relevant examples.

Lastly, we will evaluate non-convention related amenities for the County to consider as on-site components in conjunction with the public assembly facility in order to make it a more attractive and unique space to meeting planners whose primarily goal is to identify convention and meeting locations that offer attendees a convenient and entertaining experience. In addition, these amenities can ultimately help drive incremental revenue and taxes to support the facility's operations. Samples of this include:

- Themed F&B/restaurants
- Retail Promenade
- Outdoor sporting venue
- Recreation center
- Smaller entertainment lounge or venue

Methodologies & Sources

- Case Studies.
- Benchmarks, data and project model descriptions maintained by the research and consulting team.
- Other relevant local sources.

Final Deliverables

The final report content will provide full data analysis, key insights, recommendations and methodology statements. The report will have the following information:

- Executive Summary
- Recommendations
- Hotels and Venues Market Listings and Analysis
- Demand Estimates
- Key Research Findings
- Full Analysis of Sections 1-5 (as outlined in the proposal)
- Business Plan and Models
- Financials and Economic Impact Analysis
- Methodology Statements
- List of Interviews and Responding Organizations and Groups

All relevant sources, full research data sets and other information will be provided in separate files. The key findings and recommendations can also be presented in various meetings and forums if required.

II.) Consulting Team Biographies & Contact Information

Below is the contact information for the consulting team members along with their biographies.

Individuals Authorized to Represent the Consultants in Dealings with Orange County and Visitors Bureau

Michael Hughes, Managing Director Research & Consulting
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321 Montgomery Road
Orlando, FL 32716
T: (407) 906-0930
E: rjohnson@vanguardleisure.com

The team qualifications and responsibilities are outlined in the next sections of the proposal.

III.) Access Intelligence Research & Consulting Qualifications & Experience

The Access Intelligence Research & Consulting team is listed here.

- Michael Hughes, Managing Director of Research & Consulting will lead the project and conduct the majority of the research work and analysis.
- Kerry Smith, Senior VP with Access Intelligence will review the project scope and plan, methodologies, final report and recommendations submissions.
- Our team also includes a database administrator to access lists and data sets, graphic designers and various editorial teams that will also assist with the project.

More information is provided below.

[Michael Hughes, Managing Director of Research & Consulting, Access Intelligence, LLC](#)

www.linkedin.com/in/michaelhughesiv

Michael Hughes manages Access Intelligence's Research & Consulting group, which provides information, analysis and recommendations to leaders in the event and venue industries. Michael is a recognized event and venue industry expert and produces a wide range of proprietary research and consulting projects for leading organizations around the world. He is frequently quoted by major media outlets such as *The New York Times* and *The Wall Street Journal* on convention centers and event issues. Over his career, he has managed more than 2,000 studies and assignments and been a presenter at over 200 industry conferences and meetings. He was previously Vice President of Research & Consulting at *Tradeshaw Week/Reed Business Information*, where he founded and ran the magazine's research and consulting group for 15 years. Michael has been a member of the International Association of Exhibitions and Events Future Trends Committee since 2013. He is a graduate of Bradford College.

Michael has been a main presenter at the International Association of Venue Management's International Convention Center Conference in 2000, 2001, 2002, 2004, 2005, 2006, 2007, 2009, 2010, 2012 and 2014. He has also been a speaker at the International Association of Congress Centres' Annual Conference in 2010 in Liverpool, 2011 in San Diego, 2012 in Amsterdam, 2013 in Cape Town, 2014 in Berlin, 2015 in Boston, and is scheduled for the Nantes Conference in 2016.

Some of his current or recent clients include:

- AARP
- Advanstar
- AIPC / International Association of Congress Centres
- Air National Guard
- Borgata Hotel Casino & Spa
- C.H. Johnson Consulting
- Calgary Stampede

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- Calgary TELUS Convention Centre
 - Cobo Center
 - Convention Centres of Canada Association
 - David L. Lawrence Convention Center
 - Dell
 - Destination & Travel Foundation / DMAI
 - Dublin Convention Centre
 - Emerald Expositions / Internet Retailer Conference and Exhibition
 - Experient
 - Fitch Ratings
 - Freeman
 - Gartner
 - Gaylord Entertainment
 - Genting
 - George P. Johnson
 - GES
 - Innovation Group
 - International Association of Venue Managers
 - Isle of Capri Casinos
 - Las Vegas Convention & Visitors Authority
 - LEK Consulting
 - Lightfair International
 - McCormick Place
 - McKinsey & Company
 - Metro Toronto Congress Centre
 - Microsoft
 - New Orleans Morial Convention Center
 - Nth Degree
 - Oaktree Capital Management
 - Palais des congrès de Montréal
 - Pennsylvania Convention Center Authority
 - Philadelphia Convention & Visitors Bureau
 - Portman Holdings / Atlanta Market Center
 - Professional Convention Management Association
 - Saatchi & Saatchi LA
 - San Diego Convention Center Corporation
 - SEMI / Semicon
 - Smart City Networks
 - SMG
 - Spectrum Gaming Group
 - Texas Society of Association Executives
 - Toyota
 - UPS
 - VenuWorks
 - Visit Baltimore
 - Visit Denver
 - Visit Orlando
 - Watt Global Media
 - World Market Center Las Vegas

Over his 20 years in the industry, Michael has provided research, consulting, data or marketing services to the majority of the leading convention centers or destinations in North America.

Michael has been a facilitator and presenter for the following organizations and conferences:

- AARP
- American Business Media
- Association of Convention Management Executives Annual Convention
- Business Marketing Association
- Calgary Convention Centre
- Computer Event Marketers Association
- Convention Centres of Canada Association
- dmg world media Marketing Executives Meeting
- ECEF – Exhibition and Convention Executives Forum
- Expo City / Oaktree Capital Management
- FedEx
- Gartner Corporate Meeting
- HNTB Architecture Strategic Planning Meeting
- HOK Architecture Imagine That Conference
- IAEM ExpoExpo
- International Association of Assembly Managers Annual Convention
- International Association of Congress Centres
- International Association of Venue Managers Region 4 Annual Conference
- International Economic Development Council
- Lightfair International
- Merrill Lynch Gaming & Lodging Investors Teleconference
- Metro Toronto Congress Centre
- Michigan Society of Association Executives
- Midwest Jewelry Association
- PCMA
- Philadelphia Convention & Visitors Bureau
- San Diego Convention Center Corporation

- Skyline Exhibits Annual Corporate Meeting
- SMG Annual Meeting
- Society of Independent Show Organizers Executive Conference
- Tourism Toronto
- Visit Baltimore
- Visit Orlando
- Walt Disney Company
- Watt Global Media
- World Trade Centers Association General Assembly
- World Trade Centre Halifax

Michael has been quoted in the following publications:

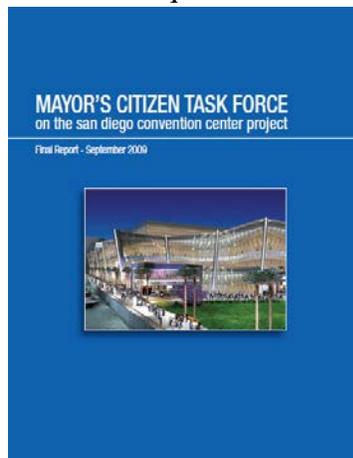
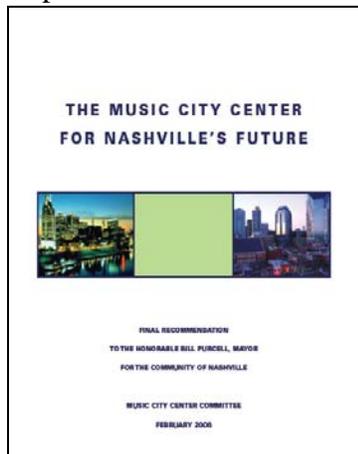
- Arizona Republic
- The Bond Buyer
- Boston Globe
- Boston Herald
- Business Week
- Chicago Tribune
- Dallas Morning News
- Federal Reserve Bank Newsletter
- Inc. Magazine
- Investor’s Business Daily
- Los Angeles Times
- Miami Herald
- The New York Times
- Newsweek
- San Francisco Chronicle
- San Jose Mercury News
- Smithsonian magazine
- Tennessean
- USAToday
- The Wall Street Journal
- WNYC Radio
- And many other outlets

Information on Other Convention Center Expansion and Public Involvement Projects

Michael Hughes has significant experience with city, venue and hotel development projects over his career. Major projects and initiatives have included developing important studies, reports and presentations to government agencies and communities on the need for new convention facility related investments as well as major strategy and policy programs. In particular, Michael Hughes authored important studies for the following groups:

- Nashville, related to the new Music City Center convention center.
- San Diego, related to Convention Center expansion opportunities and planning.
- New York City Economic Development Corporation, related to how the City can foster a stronger wholesale fashion showroom and exhibitions industry.

Copies of these studies can be provided on request.



Kerry Smith, Senior VP, Access Intelligence Event, Media & Communications Group

Kerry founded Red 7 Media, a leading media group, event producer and information provider in the events and venues industries in 2002; this company was sold to Access Intelligence, LLC in 2011. Kerry's bio is provided here: <https://www.linkedin.com/pub/kerry-smith/6/839/276>

About Access Intelligence, LLC: Access Intelligence Research & Consulting is a part of the Access Intelligence Events, Media and Communications unit (formerly Red 7 Media) which is a division of our parent company, Access Intelligence, LLC. Access Intelligence, LLC is a leading information provider, business media company, event producer, and research and consulting group. Years in Business: 39 years; Number of Employees: 250; *Main Corporate Address*: 9211 Corporate Boulevard, Fourth Floor, Rockville, MD 20850; T: (301) 354-2000; www.accessintel.com

Access Intelligence Team Experience: Project Examples

Five similar recently conducted convention center, hotel and meeting related studies and consulting assignments are outlined here. We conduct dozens of major event and venue research and consulting projects and assignments annually.

1.) Las Vegas Convention and Visitors Authority / Las Vegas Convention Center -- Market Analysis, Competitive Benchmarking and Business Case Analysis for Major Expansion and New Services Planning

Access Intelligence Research & Consulting has provided a number of studies and reports as part of the Las Vegas Convention and Visitors Authority / Las Vegas Convention Center planning for a \$2 billion expansion and master plan. The goals have been to provide the most up-to-date client, competitor and other market data and analysis to help the Las Vegas Convention and Visitors Authority / Las Vegas Convention Center make important decisions related to the expansion planning and new facility service offerings and business plans. Access Intelligence Research & Consulting provided full service research, consulting and reporting related to the following areas:

- Event Producer and Client Surveys on Expansion Requirements and Recommendations
- North American Convention Center Investment Funding Sources Analysis
- Major North American Cities Hotel Capacity Study
- North American Convention Center Naming Rights Management and Revenue Study
- North American Convention Center Food & Beverage Management Benchmarks Study
- Other reports and studies

2.) Morial Convention Center / City of New Orleans -- National Association Convention and Meetings Market Hotel Demand Study

Access Intelligence Research & Consulting provided detailed analysis of major association convention, exhibition and meeting hotel demand and economic impact. The study focused on the importance of the proximity of convention hotels to convention centers, and the impact of headquarter hotel distance to the convention center on host city selection decisions. The goal was to help the Convention Center management team, key hotel and tourism stakeholders, and the City of New Orleans understand the importance of developing new hotel capacity close to or connected to the convention center. The project helped provide information to move legislation forward to develop and revitalize and Convention Center Corridor with new hotel development.

3.) Borgata Resort Atlantic City -- Major Hotel Investment and Feasibility Study Focused on Convention and Group Meeting Demand in the Northeast and Mid-Atlantic States

Access Intelligence Research & Consulting was the prime consultant to provide research-based recommendations on demand for new hotel convention and meeting space and the optimal

location for this investment and development at the property. The project included detailed market surveys and historical demand analysis, competitive set benchmarking, business case analysis and site visits.

4.) Isle of Capri Casinos, Inc. -- Hotel Investment and Feasibility Study Focused on Convention and Group Meeting Demand Focused on the Midwestern U.S.

Prime consultant to provide detailed convention, exhibition and corporate meeting demand and requirements related to new hotel convention and meeting space development in the Midwestern U.S. The study included detailed surveys of leading association conventions, exhibitions, conferences and corporate meeting planners as well as competitive set data. The focus was on helping the company assess new convention center and hotel capacity investment.

5.) International Association of Congress Centres -- Annual Membership Survey and Trends Analysis

The International Association of Congress Centres is the leading international association of convention and congress centers managers. The group has approximately 180 members representing the majority of the largest and most important public facility venues for conventions, exhibitions, conferences and corporate meetings in the world. Annually since 2010, Access Intelligence Research & Consulting has developed the association's Member Survey and Michael Hughes has presented key findings as well as important issues impacting event producers and meeting planners at the association's Annual Conference in various member locations around the world.

IV.) Vanguard Leisure Consulting Qualifications & Experience

FOREFRONT. CUTTING EDGE. TRENDSETTING.

All of these adjectives are synonymous with the word Vanguard

At Vanguard Leisure Consulting, we provide top quality advisory services to fit client needs through the utilization of cutting edge techniques that help drive key strategic business decisions. With a focus in Hospitality, Leisure and Entertainment/Gaming, Vanguard understands the importance of changing market dynamics and industry trends that can impact key business decisions and overall strategic planning. Our leadership has over 15 years of hands-on experience in both industry-related operations as well as investment & advisory services. As such we are able to provide customized analysis with expedited results that serve to increase client's confidence in the decision-making process. As a part of this, we also incorporate innovative internet market tools to get up-to-the-minute industry data and trends to drive our analysis, identify opportunities and risks, and/or bring about greater exposure to a client's project. Our work background and broad industry knowledge afford us the ability to provide top quality results comparable to that of larger firms but with more competitive pricing.

Our mission is to bridge the gap between business concepts and market potential by relying on our extensive experience as well as various industry resources and trendsetting methodologies. Through this, we seek to develop strong and lasting client relationships, keeping their initiatives at the forefront of our analysis while providing quality work with objective results. As part of this, we pride ourselves on being adaptable and strive to stay at up-to-the-minute on changing dynamics in related industry and market trends. With a passion for continuous evolution in our approach to our analysis, we are able to create personalized, strategic results to organizations and business in need.

At Vanguard Leisure Consulting, we strive to stay true to our brand by providing cutting edge service. We apply unique analytical techniques and latest social media strategies to help businesses identify and connect with their target markets, determine project viability and measure profitability. Through in-depth research and access to various resources, we evaluate an array of relatable market factors to provide a 360 degree view of both qualitative and quantitative factors in support of the business decision making process. Our services expand a wide array of hospitality, leisure and entertainment/gaming related fields. This includes but is limited to:

- Hotels/Resorts
- Casinos/Gaming
- Conventions/Meeting Space
- Retail Venues
- Entertainment/Event Centers
- Amusement Attractions and Theme Parks
- Water Parks

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- Timeshares
 - Marinas
 - Family Entertainment Centers
 - Water Sports
 - Spas
 - Movie Theaters
 - Medical Tourism
 - Food & Beverage

Through our process, we work directly with public and private organizations to understand their objectives with consideration for the unique characteristics of a given market, consumer and/or development. We hold ourselves accountable to a high level of excellence in terms of the work we produce having directly worked with (and for) some of the largest and/or most premiere hospitality and leisure based companies in the world. This affords us the ability to provide quality assessment with a cost-to-value ratio that can often meet or exceed that of our competitors. The output of results cater to the client: We can produce high quality, polished reports to be presented to other potential private or public entities or we can create simple tool of results for internal strategic to support clients on future business initiatives.

As a part of what we do, Vanguard Leisure has a vested interest in continuously learning to better capitalize on our leadership's 15 years of industry experience. We believe this helps set us apart from others by applying best business practices of traditional advisory service combined with utilization of evolving techniques and resources to drive up-to-minute insight on a qualitative and quantitative level.

Team: Renese Johnson, President and CEO

Recently recognized as 1 of the Top 10 Women to Watch in Central Florida by the Orlando Business Journal, Renese is President and CEO of Vanguard Leisure Consulting, an advisory firm focused on the Leisure, Hospitality & Entertainment/Gaming industries. She has 15 years of hands on experience in operations, investment & advisory services in these realms and applies this diverse background to drive cutting edge financial analysis with results equal in part to that of larger firms at a more affordable budget. Whether an investor, developer, operator, financial institution or government entity, Renese has worked all across the globe to help clients' drive key strategic business decisions through quantifiable metrics for optimizing revenue, enhancing profits/ROI & mitigating risk. She has extensive experience evaluating various market dynamics, with consideration for items such as the economic & political climate as well as tourism trends. Her work has spanned regions like the U.S., Europe & Asia, with a specialization in the Caribbean & Latin America. There, she has worked on various projects from Panama to Puerto Rico & Paraguay to Jamaica. Core competencies include (but are not limited to) feasibility studies, market research, financial analysis & forecasting, operations/profit & loss reviews & consumer survey analysis.

Prior to become CEO of Vanguard Leisure, Renese served as Vice President and Associate at The Innovation Group where she evaluated various gaming and leisure projects across the Globe

for seven years. One of many main goals was to serve as the main liaison for evaluating convention and meeting space assessment, both on high-level and in-depth basis. She has also worked at boutique investment banking firm where she harnessed expert excel skills which have only been out done by her database and financial analysis while working for the Seminole Tribe of Florida. There she started with their corporate office right during the developments of the two Hard Rock properties. There she was a trailblazer for modernizing a number of standard operating procedures for financial and business analytics to help increase revenue and mitigate expenses which helped lead to the Native American Tribes purchase of the Hard Rock Enterprise in 2007. Lastly Renese has had hands-on hotel operations experience working as Resort Assistant Manager for the Four Seasons in Palm Beach back in 2002.

Renese holds a Bachelor's Degree from Cornell University's School of Hotel Administration & an MBA at Nova Southeastern University. As an avid traveler with a passion for continuous personal & professional growth, she incorporates her travels with trends in the industry & has a continued passion for learning to drive her business. She is currently an active member of various industry-related organizations & serves as a guest columnist for Orlando Business, Yogenet International and Cuba Journal.

Vanguard Leisure Consulting: Project Examples

For the purpose this section, these legitimate projects provided below represent work conducted prior to the development of Vanguard Leisure. At this time client names must remain confidential until May 2016. These projects not only showcase our experience in convention and meeting assessments, but also a myriad of other tourist related projects such as hotels, retail , entertainment and amusement parks to support.

- Location: Atlantic City, New Jersey
- Client Type: Multinational Entertainment Corporation
- Work: Selected through RFP process to provide a more refined, updated analysis for a proposed 100,000 square foot Conference Center in Atlantic City. Analysis included third party Meeting Planners survey and utilization of propriety client-driven database of existing meeting planners, historical events and attendance and RND history across various other existing facilities in order to identify ideal market niches opportunities for proposed facility to drive business and organize marketing strategy. Analysis also included the identification of optimal location and building program with details (i.e. Square foot and capacity) for proposed facility. Supplied detailed evaluation of corporations along northeast coast as potential to serve as main suppliers to sustainable business with other recommendations that level to overall revenue potential and positive income forecast.

- Location: Tunica, Mississippi
- Client Type: Private Investor
- Work: Selected by Client to evaluate the potential for a Convention Center with an option for Exhibition space situated in the heard of Tunica approximately 20 minutes from Memphis, Tennessee. Through third party meeting planning survey, preliminary analysis

provided insight into the level of interest for hosting events in the area and what type of attraction, amenities and components would be needed to optimize operations. A detailed analysis and Index-based ration analysis was conducted on several comparable regions with across the U.S. to identify Tunica's placement in various categories including, but limited to, labor statistics, hotel supply, airport proximity, entertainment offerings and tax revenue supplied via Convention Visitor Bureau. This data was used to determine the necessary environment and ideal venue to development with projections on potential events that would most likely be hosted at the site, revenue potential, a 10-Year Operating Pro forma and various subsidiary packages.

- Location: Costa Rica
- Client Type: Government Entity
- Work: Selected through RFP process to conduct a full scale, in-depth Convention and Meeting Space assessment for a proposed 100,000+ Square foot facility with adjacent hotel near the heart of the San Jose. Analysis included third party Meeting Planners survey from varies international markets both in the Western and Eastern Hemisphere in order to determine overall perception of the Host Country as a convention and business center as well as sizing needs (i.e. external and internal space breakdown) to support a viable business strategy. Analysis also helped identify target market groups to pursue and overall revenue potential. Study included 5 Year Operating Pro forma, ROI Analysis and high-level economic impact findings.
- Location: Memphis, Tennessee
- Client Type: Entertainment Corporation/Museum
- Work: Noted in the National Registry of Historic Places, assisted in the iterative process of evaluating various scenarios to determine an ideal expansion program. Primary goals included increasing in with the delicate balance of optimizing ROI while maintaining the integrity of overall facility. Sample analysis included evaluations for a hotel, convention/meeting space, museum, RV Park, wedding chapel and a live entertainment venue.
- Location: New Jersey Area, approximately 30 miles from New York City
- Client Type: Multinational Diversified Conglomerate
- Work: Conducted multi-level comprehensive assessment evaluating the market potential for one of the largest proposes mix-used retail developments in the United States. Analysis includes but is not limited to an amusement park, water park, hotel, ice skating rink, live entertainment venues, and a family entertainment center. Analysis of demand was individually assessed based of sublevel target markets including locals, domestic tourist and international visitors and combined through an iterative process that led to one cohesive study that determined not only the project's overall market potential bur cross business potential amongst each amenity.
- Location: Puerto Rico
- Client Type: Government Entity
- Re-evaluated and managed highest and best-use analysis of a 3,000+ acre site in the southeast coastal region of the country based on original plans developed in 2004 in order to identify new site opportunities. Analysis included comparative analysis to original

scope, evaluation of various ‘regions’ on site to cater target different clientele in order to maximize revenue and determine overall valuation of site. Formerly a military base, this evaluation specifically included, but was not limited the review of multi-style hotels (i.e. large scale resort, boutique hotel , eco-tourism lodging), a casino, a recreation and sports center, various retail venues, a unique aquatic attraction with consideration for surrounding elements and various other minor amenities. Scenarios were evaluated in collaboration with other private and public entities to determine an optimized scope to drive investor interest. Results of this assessment later became a part of the formal RFP process for the site which helped lead to the selection a Major U.S. Developer.

V.) Proposed Schedule

The project will take four months and will be completed and delivered before Friday, May 6th, 2016. A detailed schedule will be provided at the start of the process. We recommend twice monthly or more frequent update calls with the Client Contact Leader or Team to discuss the project status, give updates, and ask and answer questions. A detailed scope of work plan and schedule with additional information will be provided during the contractual process.

VI.) References

Access Intelligence Research & Consulting References

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