

Pasco County



MARKET ASSESSMENT REGARDING A PROPOSED MULTIPURPOSE FACILITY IN PASCO COUNTY

Final Report
June 2001



**MARKET ASSESSMENT REGARDING A PROPOSED
MULTIPURPOSE FACILITY IN PASCO COUNTY**

1	Report Letter	1
2	Introduction	3
3	Market Assessment	8



**MARKET ASSESSMENT REGARDING A PROPOSED
MULTIPURPOSE FACILITY IN PASCO COUNTY**

1	Report Letter	1
2	Introduction	3
3	Market Assessment	8



June 7, 2001

Mr. John Gallagher, County Administrator
Pasco County, Florida
8919 Government Drive
New Port Richey, FL 34654

Dear Mr. Gallagher:

Per our agreement dated January 24, 2000, we have completed our Phase I analysis that addresses the market issues related to a proposed new multipurpose facility in Pasco County. The report presented herein includes the summary of findings and principal conclusions from our research.

The accompanying analysis was prepared for Pasco County's internal use for its consideration of plans for a proposed new multipurpose facility. Neither this report, nor any portion thereof, may be used for any other purpose without the prior written consent of KPMG LLP.

The findings contained in the report reflect analysis of primary and secondary sources of information. We have utilized sources that are deemed reliable but cannot guarantee their accuracy. Moreover, estimates and analysis regarding the proposed facility are based on trends and assumptions and, therefore, there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. In accordance with the terms of our engagement, the accompanying analysis is restricted to internal use and may not be shown to any third party for any purpose including financing. We have no obligation, unless subsequently engaged, to update this report or revise this analysis as presented due to events or conditions occurring after the date of this report.

Because the procedures we performed do not constitute an examination of prospective financial statements in accordance with standards established by the American Institute of Certified Public Accountants, we do not express an opinion or any other form of assurance on whether the prospective financial statements are presented in conformity with AICPA presentation guidelines or on whether the underlying assumptions provide a reasonable basis for the presentation.

We have enjoyed working on this engagement and our relationship with Pasco County and look forward to the opportunity to provide you with continued service.

Sincerely,

KPMG LLP



**MARKET ASSESSMENT REGARDING A PROPOSED
MULTIPURPOSE FACILITY IN PASCO COUNTY**

1	Report Letter	1
2	Introduction	3
3	Market Assessment	8



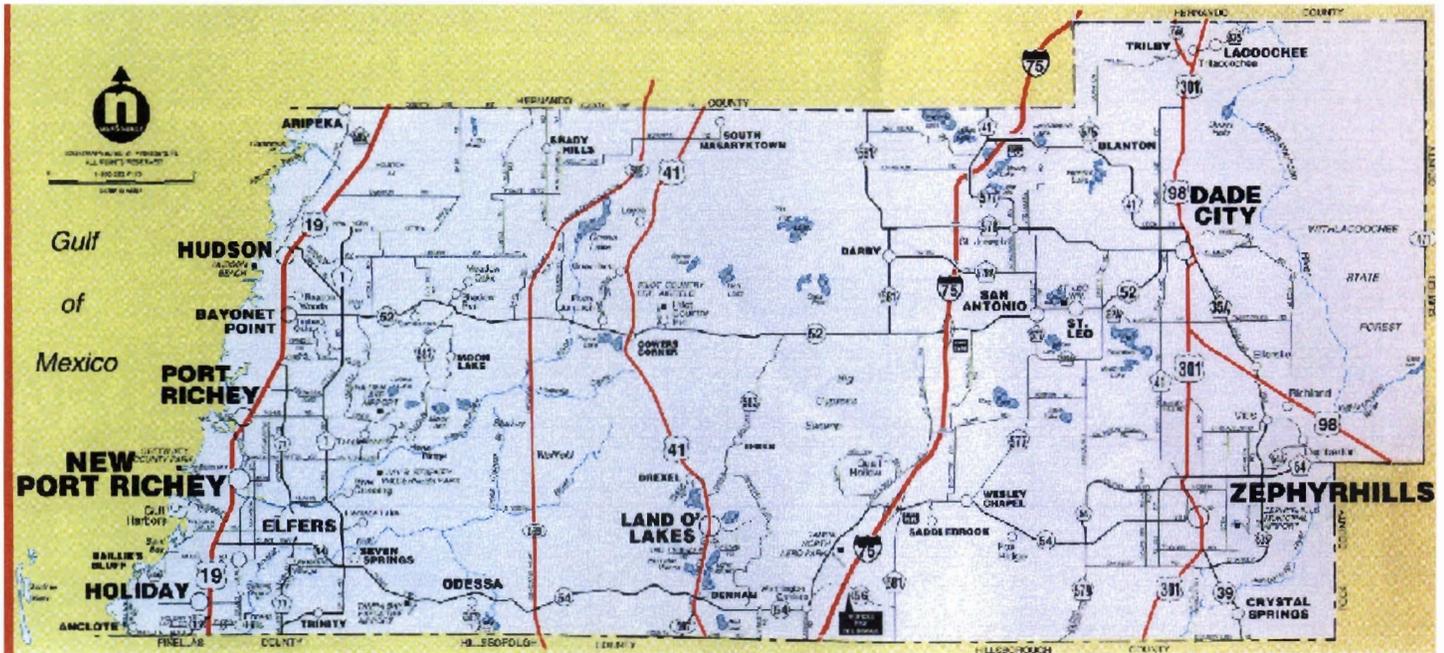
Introduction

Pasco County is located in West Central Florida along Florida's Gulf Coast approximately 30 miles north of Tampa. Surrounding counties include: Citrus, Hernando, Hillsborough, Lake, Pinellas, Polk and Sumter Counties.



The County is comprised of five major areas: West Pasco, Land O' Lakes, Wesley Chapel, Zephyrhills and Greater Dade City. Pasco County has many lakes and is home to three main rivers: Pithlachascotee River, Anclote River and Withlacoochee River. The County has miles of rivers and thousands of acres of undisturbed wilderness, offering vacationers an abundance of nature-based recreational activities in all-natural settings. Pasco County has more than 30 public parks that offer recreational activities such as canoeing, bird watching, fishing, diving and biking. Also, there are primitive campsites and cabins. In addition, Pasco County offers approximately 20 public and private golf courses and numerous tennis courts.

Eighty-eight percent (88%) of Pasco County is unincorporated. The major towns in West Pasco include Aripeka, Hudson, Port Richey, New Port Richey, Elfers and Holiday. The major towns in Eastern Pasco County are Land O' Lakes, San Antonio, St. Leo, Zephyrhills, Crystal Springs, Dade City, Trilby and Lacochee.



With the recent opening of the Suncoast Parkway and lane expansion projects for S.R. 52 and 54, there has been a spurt of growth in both residential and industrial parks along these routes. Residential areas along S.R. 54 have grown because of the proximity to I-75, cheaper land costs and linkages to the Tampa market. Currently there are approximately 21,000 acres of land that have new developments planned. These existing and planned developments have far ranging impacts and a mixture of land uses resulting in approximately 42,000 residential units, almost 12.5 million square feet of commercial space, nearly 5.6 million square feet of industrial space, close to 5 million square feet of office space and approximately 1,100 hotel rooms.

In September of 1990, Pasco County passed an ordinance to form the Tourist Development Council, to levy a tourist development tax and specify the allocations and uses of the new tax revenues collected. Ordinance 90-10 *“levied and imposed the incorporated and unincorporated areas of Pasco County, a tourist development tax at the rate of two percent (2%) of each wide and major fraction of each dollar of the total rental charged.”* Section 3 of Ordinance 90-10 states the following about the Pasco County Tourist Development Council:

“ Pursuant to the provisions of Section 125.0104(4)(e), Florida Statutes, there is hereby created an advisory council to be known as the “Pasco County Tourist Development Council”. The Council shall be composed of nine (9) members who shall be appointed by the Board of County Commissioners. The Chairman of the Board of County Commissioners shall serve as the Chairman of the Council. Two members of the Council shall be elected municipal officials, three members of the Council shall be owners or operators of motel, hotel, or other tourist accommodations located in Pasco County and subject to the tax hereby levied. The three remaining members of the Council shall be persons who are involved in the



tourist industry and who have demonstrated an interest in tourist development, but who are not owners or operators of motels, hotels, or other tourist accommodations in Pasco County.”

Section 4 of Ordinance 90-10 states that the Tourist Development Plan is to be funded by the tax revenues received pursuant to the two percent (2%) tourist development tax discussed above. As stated in the Ordinance, the allocation of the two percent tourist tax revenues collected is as follows:

- 50% of net revenue will go to acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate or promote one or more publicly owned and operated convention centers, sports stadiums, sports arenas, or auditoriums within the boundaries of Pasco County, or to acquire construct, extend, enlarge, remodel, repair, improve, maintain, operate or promote one or more museums, zoological parks, fishing piers or nature centers, which are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public, or to finance beach improvement, maintenance, reinourishment, restoration, and erosion control, including shoreline protection, enhancement, clean-up, or restoration of inland lakes and rivers to which there is public access including shoreline protection, enhancement, restoration, or clean-up of inland lakes and rivers to which there is public access.
- 40% goes to promote and advertise Pasco County tourism in the State of Florida, nationally and internationally.
- 10% goes to fund convention bureaus, tourist bureaus, tourist information centers, and new bureaus as County agencies or by contract with their Chambers of Commerce or similar associations within the County.

The two percent tourist tax generates revenues of approximately \$680,000 on an annual basis. The allocated fifty percent has been set aside and accumulated in an account called the Bricks and Mortar Fund. According to Pasco County officials, the balance in the Bricks and Mortar Fund will be approximately \$5.7 million by the end of the current year.

In order to make use of the Bricks and Mortar Fund, the Pasco County Board of County Commissioners wants to explore the merits of pursuing a multipurpose facility. The objectives of the facility would be to attract outside entertainment, sporting events and other activities to Pasco County and to enhance tourism and business. The Pasco County Board of Commissioners and Pasco Economic Development Council believe that it is essential that the facility be completely self-sufficient from an ongoing operational standpoint. If a facility is pursued it should have the ability to sustain operations and achieve net cash flow from those operations without requiring a public subsidy.



Consequently, KPMG's Convention, Sports & Entertainment Group was retained initially to conduct a market demand assessment for a proposed new multipurpose facility. The market analysis assesses the potential market demand for the proposed facility based on factors such as demographic and economic characteristics, the competitive market, area attractions, existing infrastructure such as air access, highway access and hotel supply as well as input from potential users. Based on the market assessment, a recommended facility concept is presented. Assessing the market demand for a sports/entertainment/convention related facility is the first step in the overall study process. As such, this phase of our work does not include an evaluation of specific sites or a financial analysis.

Specific research tasks conducted to complete the market analysis include, but are not limited to, the following:

- Conducted interviews with members of the Tourism Development Council;
- Toured area facilities;
- Analyzed demographic and economic data, both locally and regionally;
- Reviewed "destination appeal" characteristics relevant to Pasco County;
- Analyzed event activities held in existing facilities in Pasco County and surrounding regions;
- Reviewed facilities that are comparable to the proposed multipurpose facility in Pasco County;
- Conducted surveys and/or interviews with potential user groups of various facility concepts; and
- Developed strategic findings and conclusions for the project concepts under consideration in this analysis.

Pasco County may authorize KPMG to conduct a Phase II Financial analysis. This analysis may include assembling a projection of the operating revenues and operating expenses before debt service, identifying potential financing options and estimating the economic/fiscal benefits associated with the preferred facility concept chosen by the County.



**MARKET ASSESSMENT REGARDING A PROPOSED
MULTIPURPOSE FACILITY IN PASCO COUNTY**

1	Report Letter	1
2	Introduction	3
3	Market Assessment	8



Tourism Efforts in Pasco County

There are five chambers of commerce that service Pasco County: Greater Dade City Chamber of Commerce, Central Pasco Chamber of Commerce, Zephyrhills Chamber of Commerce, West Pasco Chamber of Commerce and Greater Wesley Chapel Chamber of Commerce. The Chambers primarily address the needs of the business community. The Chambers' function is described as "Working to increase prosperity by encouraging growth of existing businesses and fostering new ones." Each of the Chambers receive a grant from Pasco County to promote their area outside of the County.

- Greater Dade City Chamber of Commerce
 - Mission statement: "To promote the economic growth and quality of life in the greater Dade City area"
 - Approximately 590 members
- Central Pasco Chamber of Commerce
 - Mission statement: "The Chamber is organized to advance the general welfare of the Central Pasco/ Northern Hillsborough area so that its citizens and all areas of its business community shall prosper"
 - Approximately 420 members
- Zephyrhills Chamber of Commerce
 - Advertises on www.Villageprofile.com and www.Zephyrhills.net
 - Approximately 450 members
- West Pasco Chamber of Commerce
 - Largest Chamber having approximately 1,000 members
- Greater Wesley Chapel Chamber of Commerce
 - Newest and smallest Chamber having approximately 200 members

Pasco County has outsourced their public relations and marketing functions to a third party, Communication Solutions.

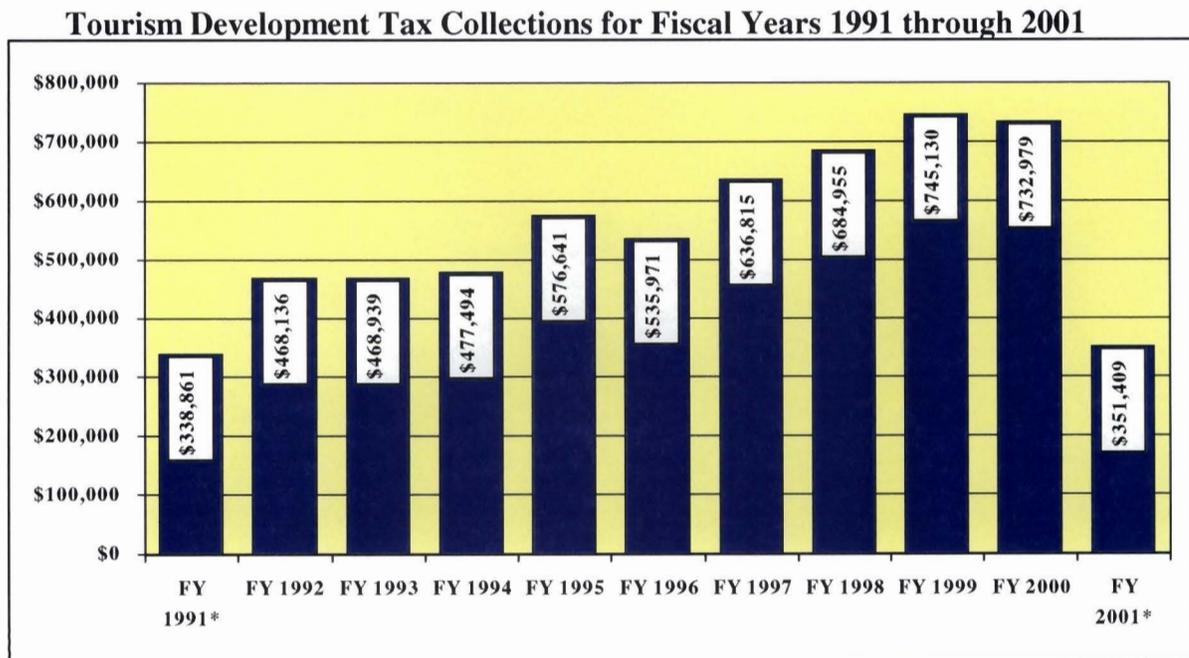
There is currently no dedicated visitors and convention bureau (VCB) that markets the community. For a brief time, there was a VCB. It operated a Visitor Welcome Center at the intersection of I-75 and S.R. 54 in Wesley Chapel towards the south end of the County. Recently, Pasco County has created a Council of Chambers comprising of the five Chambers' presidents in an effort to facilitate communication among the Chambers.



Through the services and assistance of Communication Solutions, Pasco County Tourism Development Council (TDC) has created a new marketing work plan. The theme to this marketing campaign is "It's Only Natural," promoting Pasco's ecotourism and natural setting. The TDC created a mission statement in December of 2000: "To maximize the economic impact and quality of the visitor's experience." The work plan concentrates on four main areas: focus, visibility, cooperative relationships and promotion scope. The focus will be to promote the Pioneer Museum and Starkey Flatwoods Adventure. FLAUSA Visit Florida, the official tourism marketing agency for the State of Florida and the Chambers of Commerce will be the key organizations that promote Pasco County to increase its visibility. The TDC would mainly like to develop cooperative relationships with the Chambers of Commerce and the Tourist Development Council Grant Recipients. Lastly, the scope of where Pasco is promoted will focus on the Tampa Bay Region as well as within the State of Florida.

While tourism statistics exist for West Central Florida, there are no statistics specific to Pasco County. In 1999, fifteen percent of all the tourists that came to Florida visited West Central Florida. The average length of stay in this region was an average of 6.0 days compared to the State average of 5.3 days.

A two percent tourism development tax started in January of 1991. Ten percent of the two percent was used to cover administration expenses, forty percent was used for promotions and the remaining fifty percent was accumulated in a Bricks and Mortar Fund. Annual surplus goes to Bricks and Mortar Fund as well. The following graph shows the gradual increase in the annual collections. Fiscal years 1991 and 2001 collection amounts are for a partial year.



Note: * denotes partial year
FY 1991 amount represents eight months and FY 2001 amount represents five months.

Source: Pasco County's Office of Management and Budget.



Overview of the Pasco Market

One factor in determining potential future demand for a new multipurpose facility is understanding the local market characteristics within which the proposed facility would operate. Potential event activity at this proposed facility could be specific in its use or multi-purpose in nature and depending on the recommended project concept may include one or more diverse events such as sporting events, concerts, family shows, musicals, graduations, conventions, tradeshow, consumer shows, banquets, dances or various other events. Consequently, local market characteristics which are pertinent to specific event types may vary significantly. For instance, the demographic and economic characteristics of the market may be more important for spectator oriented events and consumer shows which draw local patrons. Conversely, the amenities and support services in the market such as attractions and hotel room supply may be more critical for events like conventions which attract the majority of attendees from out-of-town.

Accessibility

Accessibility via air and highway are important factors to event planners and meeting planners. Highway access is important particularly for concert and family show promoters as well as for tradeshow with exhibitors transporting products to the events. Sufficient air access is becoming more critical as professional associations continue to grow in size and scope. Two airports, Tampa International Airport and St. Petersburg-Clearwater International Airport, service Pasco County.

Highway access – It is advantageous to have good highway access in order to effectively fit into the routing of various touring events. The following are the main roads in the County:

- U.S. Highway 19 runs north and south on the west side of the County;
- The new Suncoast Parkway (State Road 589) runs north and south between U.S. Highways 19 & 41, providing a direct access to the Tampa Bay market and having interchanges to State Road 54, 52 and County Line Road;
- U.S. Highway 41 and Interstate 75 run north and south through the middle of the County;
- U.S. Highway 301 and State Road 471 run north and south on the east side of the County;
- State Road 52 runs east and west across the middle of the County; and
- State Road 54 runs east and west towards the south side of the County.



Current transportation improvement projects that should have a significant impact to the County include:

- State Road 56 will provide direct access to Interstate 75 from Zephyrhills and Central Pasco via State Road 54 and County Road 581.
- State Road 54 is being expanded from two lanes to a divided four-lane road providing direct access between U.S. Highway 41 in Land O' Lakes to Interstate 75 and County Road 581 in Wesley Chapel.

Air access - Air access is considered a critical success factor in terms of attracting regional and especially national conventions/conferences and tradeshows. Tampa International Airport and St. Petersburg-Clearwater International Airport primarily service Pasco County. In addition, Zephyrhills has a Municipal Airport. According to the Federal Aviation Administration, the Tampa International Airport ranked 29th in the U.S. in terms of enplanements (among over 400 primary airports) in 1999. The Federal Aviation Administration defines enplanements as domestic, territorial and international revenue passengers who board an aircraft in scheduled and non-scheduled service of aircraft.

Tampa International Airport is the primary airport serving the region in terms of number of passengers. As indicated by the statistics presented in the following table, the Tampa International Airport served nearly 7.5 million total passengers in 1999 compared to more than 380,000 at the St. Petersburg-Clearwater International Airport.

<i>Year</i>	<i>Tampa International</i>		<i>St. Petersburg- Clearwater Intn'l</i>	
	<i>Passenger Enplanements</i>	<i>Percentage Change</i>	<i>Passenger Enplanements</i>	<i>Percentage Change</i>
1993	5,046,940		310,449	
1994	5,966,367	18.2%	441,075	42.1%
1995	5,567,950	-6.7%	548,462	24.3%
1996	6,370,260	14.4%	515,385	-6.0%
1997	6,588,845	3.4%	444,604	-13.7%
1998	6,835,820	3.7%	476,610	7.2%
1999	7,490,117	9.6%	381,730	-19.9%

Note: Passengers are defined as enplanements and deplanements.
Source: Federal Aviation Administration



Demographic and Economic Characteristics

A new multipurpose facility would likely attract a portion of its attendees from the local market for such events as family shows, sporting events, concerts, consumer shows, graduations, banquets and civic and service organization meetings. Depending on the facility concept, the other portion of its attendees could come from the neighboring counties, other parts of the State, or surrounding states in the region for events such as festivals, annual association conventions and conferences. Therefore, it is useful to analyze demographic and economic characteristics of Pasco County as well as the surrounding counties.

For purposes of this analysis, Pasco County is considered the primary market for the proposed market facility. The secondary market consists of the following surrounding counties: Citrus, Hernando, Hillsborough, Lake, Pinellas, Polk and Sumter. The total market area is the total of the primary and secondary markets.

Population Trend Analysis

Area	1/1/1995 Population	1/1/2000 Population	Percent Change	1/1/2005 Population	Percent Change
Primary Market Area					
Pasco County	301,500	328,400	8.9%	353,000	7.5%
Secondary Market Area					
Hillsborough County	883,600	972,900	10.1%	1,050,200	7.9%
Pinellas County	872,300	897,400	2.9%	911,200	1.5%
Polk County	438,800	477,700	8.9%	502,400	5.2%
Lake County	176,500	207,000	17.3%	239,000	15.5%
Hernando County	118,200	128,800	9.0%	136,900	6.3%
Citrus County	105,300	116,000	10.2%	n/a	n/a
Sumter County	34,600	52,100	50.6%	n/a	n/a
Total Secondary Market	2,629,300	2,851,900	8.5%	n/a	n/a
Total Market Area	2,930,800	3,180,300	8.5%	n/a	n/a

Notes: Data sorted in descending order of 1/1/2000.

n/a denotes not available.

For comparative and projection purposes this analysis uses figures from *Sales and Marketing Management* which may vary from census data that recently became available.

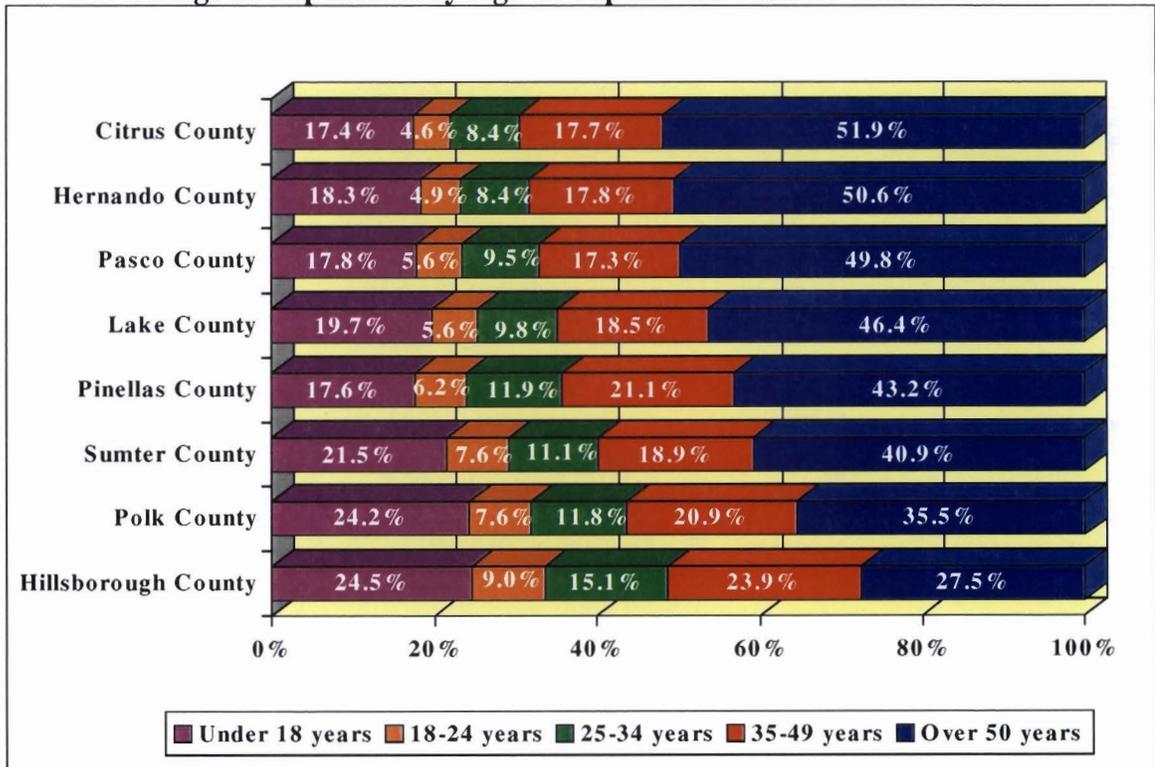
Source: 1995 and 2000 *Sales and Marketing Management Survey of Buying Power*.

According to data from *Sales and Marketing Management*, Pasco County experienced an 8.9% increase in population between 1995 and 2000 and is expected to increase in population by 7.5% over the next five years. Although projected population for 2005 is not available for Citrus and Sumter counties from *Sales and Marketing Management*, the other counties in the secondary market area are projected to increase between 2000 and 2005, most notably Lake County (15.5%) and Hillsborough County (7.9%).

Age Distribution

Analysis by age group is helpful since certain events are targeted towards consumers who fall within specific age categories. Spectator oriented events, such as concerts, family shows and sporting events usually target specific age brackets. The bar graph that follows illustrates the age distribution in Pasco County and the surrounding counties. Approximately 50% of residents in Pasco, Hernando and Citrus Counties are over the age of 50 years.

Percentage of Population by Age Group for the Profiled Market Areas



Source: 2000 Sales and Marketing Management.

Income

Another key market characteristic is household effective buying income, or EBI, which is defined as income less personal tax and non-tax payments. EBI is often referred to as “disposable” or “after-tax” income. EBI offers a broad measurement of spending potential for a specific population because it indicates the general ability of individuals or households to purchase a variety of goods and services including admission to sporting and entertainment events, consumer shows, catering service, etc.



The following table illustrates the total household EBI, its growth rate over the past five and next five years and the median household EBI for the counties in the primary and secondary market area. As one would expect, the total EBI for Hillsborough and Pinellas Counties are significantly greater than Pasco County. Pasco County experienced a 21% increase in total EBI over the past five years which is consistent with Hillsborough and Lake Counties. Pasco County is projected to experience an even higher growth rate over the next five years.

Income Characteristics for the Profiled Market Areas

Area	(In thousands)		Percent Change	(In thousands)		Median Household EBI-1999
	1/1/1994 Total EBI	1/1/1999 Total EBI		1/1/2004 Total EBI	Percent Change	
Primary Market Area						
Pasco County	\$4,129,667	\$4,997,019	21.0%	\$6,597,046	32.0%	\$27,791
Secondary Market Area						
Hillsborough County	\$14,473,921	\$17,781,905	22.9%	\$23,818,122	33.9%	\$36,809
Pinellas County	\$16,131,588	\$17,467,599	8.3%	\$21,444,322	22.8%	\$32,804
Polk County	\$6,120,481	\$6,890,515	12.6%	\$8,385,517	21.7%	\$29,027
Lake County	\$2,412,562	\$2,942,767	22.0%	\$3,880,825	31.9%	\$26,846
Hernando County	\$1,683,468	\$1,894,907	12.6%	\$2,409,352	27.1%	\$28,366
Citrus County	\$1,500,791	\$1,656,376	10.4%	n/a	n/a	\$24,745
Sumter County	\$379,126	\$671,350	77.1%	n/a	n/a	\$26,076
Total Secondary Market	\$42,701,937	\$49,305,419	15.5%			
Total Market Area	\$46,831,604	\$54,302,438	16.0%			

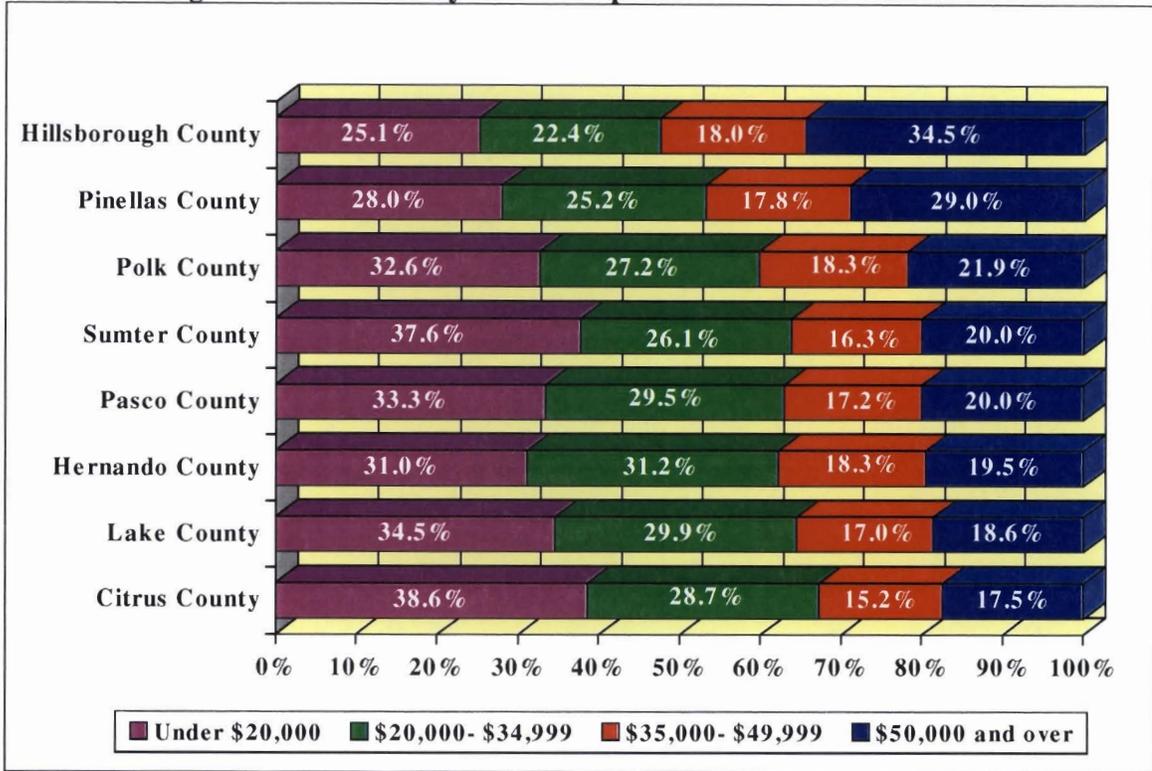
Notes: Data sorted in descending order of total EBI for 1/1/1999.
n/a denotes not available.

Source: 1995 and 2000 Sales and Marketing Management Survey of Buying Power.

According to *Sales and Marketing Management*, Pasco County's median household income was nearly \$28,000 in 1999. Other areas in the secondary market, such as Hillsborough, Pinellas, Polk and Hernando Counties provide higher median household EBI.

The graph that follows shows the percentage of households by EBI group for the counties comprising the total market area. Almost 63% of Pasco County households have an EBI of less than \$35,000 of which approximately one-third earn less than \$20,000. The percentage of households having an EBI of over \$50,000 in the primary market is 20%. By comparison, nearly 35% of households in Hillsborough County and 29% of households in Pinellas County have a EBI of greater than \$50,000.

Percentage of Households by EBI Group for the Profiled Market Areas



Source: 2000 Sales and Marketing Management.

Corporate Base

The corporate base of an area also provides a potential target market for various events that could be held at the proposed new multipurpose facility. Area employers serve as a target market for various events such as conventions, tradeshow, meetings and banquets. Some may have meeting and training needs that are too large or small for current facilities offered in the area and other employers may be members of associations and can be instrumental in attracting groups to Pasco County. Premium seating sales, advertising, corporate sales and season ticket support all depend on a strong corporate environment. As indicated by the following table, the majority of employment (over 70%) in Pasco County is involved in the services and retail trade.



Pasco County		
Distribution of Non-agricultural Employment-1999		
	Number of jobs	Percent of Total
Services	22,455	39.0%
Retail Trade	19,034	33.1%
Construction	5,313	9.2%
Manufacturing	3,442	6.0%
Finance, Insurance & Real Estate	3,149	5.5%
Transportation & Utilities	2,274	4.0%
Wholesale Trade	1,849	3.2%
Mining	43	0.1%
TOTAL	57,559	100.0%

Note: Used December 1999 numbers
 Source: U.S. Bureau of Labor Statistics

In terms of number of employees, the largest employers in Pasco County include the County School District and the Government (County and State). The top employers in the County are listed in the following table.

Largest Employers of Pasco County	# of Employees
Pasco County School District	6,786
Pasco County Government	1,600
State of Florida Government	1,356
Pasco County Sheriff	1,085
Community Hospital of New Port Richey	1,050
Regional Medical Center Bayonet Point	1,000
Saddlebrook Golf & Tennis Resort	973
East Pasco Medical Center	706
U.S. Postal Service	602
Pasco Beverage Company	600
Pall Aeropower Corp.	530
North Bay Medical Center	425
Florida Medical Clinic	413
Harbor Behavioral Institute	400
Hernando-Pasco Hospice	360
St. Petersburg Times/Pasco Times	350
Saint Leo University	347
Pasco Community Hospital	327
Paragon Marketing Services	310
Withlacoochee River Electric Coop	288
Pasco Hernando Community College	237
Florida Power Corporation	216
Eastern Research	200
Pasco Transport, Inc	175

Source: Pasco Economic Development Council.



Hotel Inventory

Hotel supply is an important factor in terms of attracting many different types of events such as regional and national conventions and tradeshow and large sporting activities. As shown in the following table, there are approximately eight hotel properties with 100 or more rooms serving Pasco County offering more than 2,600 hotel rooms countywide.

Sleeping Rooms in Pasco County			
Wesley Chapel:	1,027	Land O' Lakes	122
Saddlebrook	800	Paradise Lakes	100
Holiday Inn Express	82	Lake Como	22
Sleep Inn	77		
Comfort Inn	68		
New Port Richey:	734	Dade City:	68
Clarion Hotel	151	Valencia Motel	35
Ramada Inn Bayside Resort	135	Rainbow Fountain Motel	19
Econo Lodge	104	Pasco Motel	6
Comfort Inn	98	Lark Inn	5
Valu-Lodge of New Port Richey	82	Azalea House Bed & Breakfast	3
Comfort Inn	66	Shadow Oaks Motel	n/s
Benchley Motel	25		
Travel Inn of Pasco	19	Zephyrhills:	52
Green Key Beach Motel	18	Best Western of Zephyrhills	52
Suncoast Motel	13		
Dockside Apartel	12		
Coral Sands Motel	11	Hudson:	27
Port Richey:	381	Florida West Motel	15
Days Inn & Suites	161	Star Motel	12
Holiday Inn Express	110		
Comfort Inn of Port Richey	98	Hudson Beach:	19
Sunny Breeze Motel	12	Inn on the Gulf	19
Holiday:	189		
Best Western Tahitian Resort	140	San Antonio:	3
Economy Inn	31	St. Charles Inn (B&B)	3
Holiday Motel	18		
TOTAL SLEEPING ROOMS IN PASCO COUNTY			2,622

Notes: Sorted in descending order by number of hotel rooms.

Source: Local Chambers of Commerce and Individual Property Management.



Hotel/Motels Offering Meeting/Ballroom Space

Excluding Saddlebrook Golf & Tennis Resort which caters to corporate meetings and has about 58,000 square feet of meeting space, there is a limited number of hotels/motels that offer meeting/ballroom space in Pasco County.

Hotels in Pasco County with Meeting Space

Name	City	Number of Rooms	Capacity
Clarion Hotel	New Port Richey	5	100, 72, 48, 48 & 15
Ramada Inn Bayside Resort	New Port Richey	2 + dining room	15, 70, dining-170
Inn on the Gulf	Hudson Beach	restaurant	100
Days Inn & Suites	Port Richey	1	100
Holiday Inn Express	Port Richey	1 or 2	100 or 50,50
Comfort Inn	Wesley Chapel	1	25-30
Sleep Inn	Wesley Chapel	1	25
Best Western of Zephyrhills	Zephyrhills	1	32

Source: Individual Property Management.

Area Attractions

Entertainment options are a factor that event planners consider when selecting a destination for their meetings or events. Producers of large sporting events such as tournaments which draw out-of-town-patrons also look at the attractions offered in a community as well as hotel room inventory. Several of the attractions in Pasco County are described below.

Parks and Entertainment – Crews Lake Wilderness Park, Jay B. Starkey Wilderness Park, Withlacoochee River Park, Anclote Gulf Park, Anclote River Park, Robert K. Rees Park, Sims Park and SunCruz Casino.

Sightseeing and Historical Attractions – Pioneer Florida Museum and historic Main Street in Dade City, Zephyrhills Depot Museum, West Pasco Historical Museum, Baker House, J.B. Starkey’s Flatwoods Adventure, Bradley Massacre Site, Historic Church Avenue and the Pasco County Courthouse.

Outdoor Activities – Skydive City in Zephyrhills, many golf courses, Angling Adventures (fishing), Hudson Grotto (scuba diving), canoeing, hiking trails, bike paths, and equestrian trails.

Tours – J. B. Starkey’s Flatwoods Adventure 90-minute Eco Tour

Arts – Centennial Cultural Park, Richey Suncoast Theater, Show Palace Dinner Theatre, Heritage Arts Center Association.

Shopping – There is a large variety of antique and specialty shops in the historical downtowns of Dade City and New Port Richey as well as throughout Pasco County.



Major Festivals in Pasco County

Kumquat Festival- This annual event's highlights include a kumquat cooking contest, live concerts and a farmer's market. It is held in downtown Dade City in January.

Little Everglades Point to Point Race- This annual weekend festival held in March features steeplechase horse racing. It is held at the Little Everglades Ranch in Dade City.

Chasco Fiesta- This event is held in downtown New Port Richey every March for approximately ten days. It commemorates the friendship between the Calusa Indians and Spanish colonists. The Festival features nightly music festivals, sporting tournaments, Flea Market & Antique Sale, Arts & Crafts Show, street and boat parades as well as a Native American Pow-Wow which is a dance competition.

Odessa Rodeo & Festival- This annual professional rodeo event is held at the Starkey Ranch in April and features competitions, live music and dancing along with a midway.

Flapjack Festival- This is held during the first week in November at the Community Center in Land O' Lakes and has been free for everyone for over 20 years. Visitors receive a free flapjack breakfast and participate in activities such as the Flapjack Parade, Mr. And Mrs. Flapjack Pageant and Grandma Legs Contest. There is also a midway with carnival rides, food and concessions, arts and crafts booths and live entertainment.

Zephyrhills Air & Car Show- This annual event is held at the Zephyrhills Municipal Airport in November. It features antique aircraft and automobiles for amusement along with high-speed acrobatic stunts and world-class skydiving for entertainment.

Bug Jam- This annual one-day event dedicated to Volkswagen owners is held at Pasco County Fairgrounds in November. The event showcased nearly 400 different Volkswagens dating from 1949. Other activities include an engine blow contest, valve cover racing and the "Bug Slam" which is a fundraiser for local charities. They also hold an auction featuring assorted memorabilia from Nascar and Volkswagen as well as sport team memorabilia.

Other Events –Pasco County Fair, Will McLean Music Festival, Magnolia Festival, Richey Region Antique Car Show, Rattlesnake Festival and Business Development Week.



Area Event Facilities

The primary places to hold large meetings/events in Pasco County are the Pasco County Fairgrounds, Jay B. Starkey's Flatwoods Adventure, Saddlebrook Resort and Spartan Manor. These facilities are discussed in more detail below. Following the discussion of these facilities is a list of other facilities around the County that have the capability of hosting smaller meetings or events.

Pasco County Fairgrounds- The Fair Association owns the Pasco County Fairgrounds located in Dade City. The Association consists of approximately 500 members. The main event at the Fairgrounds is the annual six to seven day Pasco County Fair held during the third week in February. During this event, they have approximately 130-140 volunteers. Other popular events held at the facilities include the Annual Florida Bug Jam, fireworks show during the Fourth of July, Machine Tool Show, high school proms, antique shows and other civic events.

The Dan Cannon Auditorium (12,000 square feet) is rented out for \$600 per night. It was renovated about six and a half years ago for about \$170,000. There are several types of events held there such as Mexican Dances which occur about three to four times a month. Also, there is an Art Exhibit Hall that is used mainly for 4-H events and rents out for \$125 per night. Higgins Hall holds a variety of commercial events. There are also various halls used only during the annual Fair in February for exhibits and shows. There is also an outdoor entertainment stage.

J.B. Starkey's Flatwoods Adventure – The Anclote River Ranch is over 8,000 acres. The Ranch has an interpretive trail, Eco Tours, Horse Tours, and has an open pavilion used for picnics and parties. The pavilion has a capacity of about 200-300 people. The main event hosted at the Ranch is the Odessa Rodeo and Festival held by the Rotary Club of Seven Springs. The Professional Rodeo Cowboys Association and Women's Professional Rodeo Association sanction this event. It features rodeo performances, live country and western music, and a festival. Other events include Barrel Racing, Team Pinning, Holiday Rotary Club Gala, Cowboy Christmas Ball, Hot Air Balloon Show and various fundraising events. Ninety percent of the visitors are from West Pasco County area.

Saddlebrook Golf & Tennis Resort - Saddlebrook Resort is located on 480 acres of privately owned land. It can cater either to small meetings or large conventions, providing a combination of business and recreation. The resort has 550 suites (800 guest rooms) at their Resort. Saddlebrook Resort accounts for over 30% of the County's total number of guest rooms. For recreational activities, the Resort provides two Arnold Palmer signature golf courses, 45 tennis courts, a 500,000-gallon Superpool, European-style luxury spa, a fitness center and sports village, bike trails and lake fishing.

The facility offers over 58,000 square feet of meeting facilities. This space consists of two ballrooms- Royal Palm Ballroom (12,500 square feet) and Pegasus Ballroom (7,700 square feet) which can be configured into 23 smaller meeting/banquet rooms, along with eleven boardrooms, creating a total of 34 breakout rooms. This space also includes two pavilions: the Grand Pavilion (18,000 square feet) and the Lagoon Pavilion (5,508 square feet). The square footage mentioned above (58,000 square feet) does not include the Superpool Deck (9,600 square feet), Fountain



Terrace (1,400 square feet), Little Club Patio and Pool (3,700 square feet) or Dempsey's Steak House (1,600 square feet).

According to management, Saddlebrook Resort hosts over 600 meetings per year. Eighty percent of their business is comprised of corporate meetings. The other twenty percent are either golf or tennis players. They host between 120,000 to 150,000 guests per year at the Resort. Most of Saddlebrook Resort's business comes from Florida and other Southeastern states. In the past, Saddlebrook Resort has hosted the World Team Tennis Championships, Women's Legends of Tennis, Light n' Lively and Virginia Slims tournaments.

Spartan Manor – Located in New Port Richey, Spartan Manor has been privately owned and operated since 1970. Aside from Saddlebrook Resort, Spartan Manor is the only other venue that has the capacity to host a banquet for up to 600 people according to facility management. The facility offers four ballrooms and hosts casual to black-tie events.

Other Facilities

The Concourse property is located off of State Road 52 and the Suncoast Parkway. The not-for-profit organization owns the property which contains over 1,600 acres. Approximately five acres of the property is known as Safety Town which is run by the Sheriff's Department. They bring in elementary school children to teach them about safety. The Concourse is also home to the 2,000 square foot Florida's Natural History and Science Museum. There are also pavilions where large picnics and events can be hosted. Currently, the Concourse hosts events such as Civil War Reenactments and concerts including the Back-to-School Bash. There are 25 acres towards the back of the property that can accommodate approximately 5,000 cars for parking. It also has about 1,500 additional spaces on another lot within the property. Board members of Concourse, Inc. indicated future plans may include a performing arts theater, a multipurpose facility, a sports complex, an amphitheater and/or a civic center complex with an arena.

Although there are not many major facilities in Pasco County dedicated specifically to hosting meetings, conventions, and banquets, there are a variety of facilities that can accommodate such gatherings. The table that follows lists some of the major facilities in the county that are available for meetings and banquets along with their capacities. As the table shows, the majority of space available in the County exists at country clubs and resorts, particularly at the sprawling Saddlebrook Resort, which offers over 80,000 square feet of fully catered meeting, banquet, and exhibition space. In addition to the county club setting, there are several theaters that may be rented for meetings and/or speeches. Trinity College, Saint Leo University, and Pasco-Hernando Community College all offer meeting spaces, but are limited by the fact that faculty and students generally have priority use of such facilities.



Banquet/Meeting Facilities	
Golf/Country Clubs	Size or capacity
Abbey Course at Saint Leo University	restaurant: 200 capacity
Forest Hills Restaurant & Country Club	restaurant: 80 capacity
Gulf Harbors Yacht Club	120 capacity
Heritage Pines Country Club	theater: 500 theater-style, 300 sit-down restaurant: 120 capacity card room: 25-50 capacity
Heritage Springs Country Club	3 rooms: 65, 100, 300 capacity
Lake Jovita Golf & Country Club	private room: 50 capacity; restaurant: 150 capacity
Scotland Yards Golf Club	150-200 capacity
Saddlebrook Resorts, Inc.	34 rooms; 82,000 sq. ft. total
Tampa Bay Golf & Country Club	3300 sq. ft. ballroom: 300 capacity; 1000 sq. ft. card room: 60-70 capacity library: 12 capacity
Whispering Oaks Golf & Country Club	1 ballroom: 100 capacity
Miscellaneous	Size or capacity
Alice Hall Community Center	160 capacity
American Legion Hall (McIntosh Municipal Hall)	185 capacity
American Legion Hall (Paradise Post 79)	150 capacity
Armory	8000 sq. ft. hall; 500-600 capacity
Dan Cannon Auditorium-Pasco Cty Fairgrounds	12,000 sq. ft.
James Irvin Civic Center	150 capacity
Knights of Columbus Hall (San Antonio)	150 capacity
Knights of Columbus (Port Richey)	300 capacity
Lion's Interanational Club (Zephyrhills)	500 capacity (banquets)
Southport Springs	200 capacity
Saint Anne Community Center	200 capacity
Saint Anthony Parish Center	350 capacity
Saint Leo Abbey - Lake House	not supplied
Theaters	Size or capacity
Pasco Cty Center for the Arts at River Ridge	900 capacity
Pasco-Hernando C.C. Performing Arts Center	500 capacity
Richey Suncoast Theatre	326 capacity
Show Palace Dinner Theatre	400 capacity
Word of Life-Harry Bollback Performing Arts Center	Auditorium: 1,250 capacity; 5 meeting rooms: 15-150 capacity
Colleges/Universities	Size or capacity
Pasco-Hernando C.C. Campus	multi-purpose room: 250 small theater: 75 various athletic fields, gyms
Saint Leo University	2 lounges: 50 each; main dining room: 525 capacity small dining room: 160 capacity
Trinity College	chapel: 200 capacity
Restaurants/Banquet Halls	Size or capacity
China Jade Restaurant	party room: 60 capacity
El Nido Restaurant & Banquet	2 rooms: 200 total capacity
Kally K's	party room: 110 capacity
Lola's Steak & Seafood	party room: 90 capacity
New Sung Hee	party room: 100 capacity
Golden Corral Restaurant	private rooms: approx. 60 capacity
Spartan Manor	4 ballrooms; 10,000 total sq. ft.; 675 total capacity

Source: Individual property management.



Below is a list of recreational parks in Pasco County and the type of sports facilities they offer:

Park	City	Sports									
		Bk	Bs	F	R	Sb	Sc	Sw	T	V	
Land O' Lakes Recreation Complex	Land O' Lakes	x	x	x		x	x	x	x	x	
Veterans Memorial Park	New Port Richey	x		x	x	x	x	x	x	x	
Holiday Recreation Complex	Holiday	x	x	x	x		x		x	x	
Stanley Park	Lacoochee	x		x		x	x		x	x	
Shady Hills Community Center	Spring Hill	x	x	x			x			x	
Sam W. Pasco Recreation Complex	Zephyrhills	x	x	x			x				
Land O' Lakes Community Center	Land O' Lakes	x		x		x	x				
W.H. Jack Mitchell Jr. Park	New Port Richey	x		x		x	x				
John S. Burks Memorial Park	Dade City		x	x		x	x				
Arthur F. Engle Memorial Park	Hudson		x	x		x	x				
Odessa Neighborhood Park	Odessa	x				x			x		
Trilby Park and Civic Center	Lacoochee	x	x								
Beacon Square Park	Holiday	x				x					
James Irvin Civic Center	Dade City	x								x	
Pinehill Recreation Complex	New Port Richey		x								
San Antonio Athletic Complex	San Antonio		x								
Oak Ridge Park	New Port Richey					x					

Legend: Bk Basketball Bs Baseball F Football R Racquetball Sb Softball
 Sc Soccer Sw Swimming T Tennis V Volleyball

Note: The John Irvin Civic Center, owned by Dade City & operated by Pasco County, is dormant because adequate County staff is not available to run the facility according to the Parks & Recreation Master Plan prepared by Wade-Trim, Inc.

Source: Pasco County Parks & Recreational Department.

In April of 2001, Wade-Trim, Inc prepared a Parks and Recreation Master Plan for Pasco County. The purpose of the study was to anticipate and respond to the current and projected needs identified for the next ten years. The study found that there is a deficit of one district park in Pasco County in 2000. The recommendation was to locate the needed district park in the Wesley Chapel area. The study also indicated that Pasco County will need four additional new district parks to meet the demand through 2010. The general areas identified for these parks were Odessa/Trinity, Dade City, Ridge Road and Connerton.

The study also showed that the active recreational facilities such as baseball/softball fields, soccer/football fields, basketball courts, tennis courts, and handball/racquetball courts all showed a deficit in estimated recreation facility needs. Several passive facilities such as trails, picnic shelters and camping also showed a deficit. Although the analysis projected a need for four additional swimming facilities and five additional recreation centers in Pasco County through 2010, these needs would be provided within the five proposed new district parks. It is important to recognize that the recreational centers will be larger than those currently offered in Pasco County and will provide a gymnasium as well as meeting and community rooms. Consequently these proposed new facilities in conjunction with the existing facilities in the market could meet the community's needs for certain smaller meetings activity.



Regional Competition – Hillsborough and Pinellas Counties

One of the biggest obstacles to success for any new multipurpose facility in Pasco County would be competition from nearby communities. In terms of facilities that would compete with a new multipurpose facility in Pasco County, Hillsborough and Pinellas Counties comprise the primary competition. In response to the needs of a large market as represented by these two counties, there is a large inventory of meeting facilities, accommodations and restaurants available, along with numerous attractions including theme parks, performing and fine arts venues, professional sports venues, and miles of beaches, etc. Event facilities in each of these two counties are profiled below.

Hillsborough County

Located directly south of Pasco County, Hillsborough County has a population of approximately 970,000 residents. As discussed on the pages that follow, there are numerous existing facilities in the market that would compete with a new multipurpose facility in Pasco County.

Hillsborough County currently has nearly 19,000 hotel rooms on 122 properties adding more than 450,000 square feet of meeting facilities to the County's inventory. The table below illustrates the nine properties in Hillsborough County that offer more than 300 guest rooms.

Hotels With More Than 300 Guest Rooms

Property	# Rooms
Tampa Marriott Waterside/Downtown	700
Hyatt Regency Tampa	518
Double Tree Hotel Tampa Airport/Westshore	500
Hyatt Regency Westshore	445
Holiday Inn Tampa Busch Gardens	400
Sheraton Grand	324
Holiday Inn Select Downtown Tampa	312
Tampa Marriott Westshore	309
Wyndham Harbour Island Hotel	300
Total	3,808

Note: Data sorted in descending order of the number of guest rooms.
Source: Tampa Bay Convention and Visitor's Bureau.

In terms of meeting space, Hillsborough County boasts the Tampa Convention Center that contains 200,000 square feet of exhibit space, 77,000 square feet of meeting space, 40 breakout rooms, and a 36,000 square foot ballroom. In addition, the new 700-room Marriott Waterside Hotel, located adjacent to the Convention Center, provides another 31 meeting rooms and 45,000 square feet of meeting space. Hillsborough County has numerous hotels that provide meeting space. As illustrated in the table that follows there are 17 hotels that have at least 10,000 square feet of meeting space.



Hotels with 10,000 Square Feet or More of Meeting Space

Property	Meeting Space (Sqft)
Tampa Marriott Waterside/Downtown	45,000
Hyatt Regency Tampa	30,000
Radisson Sabal Park	24,572
Hyatt Regency Westshore	22,000
Embassy Suites Hotel and Conference Center	18,942
Quality Hotel Airport Plaza	18,425
Wyndham Harbour Island Hotel	18,032
Best Western Resort and Conference Center	17,000
Double Tree Hotel Tampa Airport/Westshore	16,790
Tampa Airport Marriott	16,610
Four Points Hotel Tampa by ITT Sheraton	16,000
Ramada Airport Inn and Conference Center	12,000
Sheraton Grand Hotel	12,000
Tampa Airport Hilton at Metrocenter	12,000
Radisson Riverwalk	12,000
Crowne Plaza Tampa Westshore	10,000
Total	301,371

Note: Sorted in descending order of meeting space offered.
Source: Tampa Bay Convention and Visitor's Bureau.

In terms of sports facilities, the County offers the following:

- Raymond James Stadium which hosts NFL Tampa Bay Buccaneers, the MLS Tampa Bay Mutiny, University of South Florida Bulls football program, the Outback Bowl and various concerts and other special events such as the Super Bowl;
- Ice Palace arena which hosts the NHL Tampa Bay Lightning, the AFL Tampa Bay Storm as well as various concerts and family shows;
- Legends Field is home of the Class A Tampa Yankees, the New York Yankees spring training, Hillsborough Community College baseball and Florida High School State Baseball Championships; and
- Plant City Stadium, which was the home of two teams in the Women's Professional Softball League in 1999-2000.

The Florida State Fairgrounds which has approximately 169,000 square feet of exhibit space; a 9,000 square feet equestrian center pavilion; and a 2,500 capacity indoor arena is located in Hillsborough County. This facility hosts a wide variety of events throughout the year including consumer shows, sporting events, meeting and equestrian events.



Tampa also offers the following venues for cultural and scientific events:

- Tampa Bay Performing Arts Center which is the largest performing arts center in the Southeast with four theaters, a rehearsal hall and a restaurant
- Florida Aquarium
- Museum of Science & Industry (MOSI) with an adjoining IMAX theater
- Lowry Park Zoo
- Busch Gardens, a 335 acre theme park and Adventure Island, a 25 acre water park.

The County also offers dozens of golf courses and hosts annual events on both the PGA Tour and the Senior PGA Tour at the TPC of Tampa Bay.

Two new multi-level entertainment/retail complexes offering shops, restaurants, movie theaters and other entertainment venues include Centro Ybor and Channelside.

Finally, Hillsborough is also home to a thoroughbred racetrack, a greyhound racetrack, and a Native American casino with bingo, poker, and slot machines.

Pinellas County

Located directly west and south of Pasco County, Pinellas County has almost 900,000 residents in St. Petersburg, Clearwater, and other beach communities on both the Gulf Coast and along Tampa Bay.

Countywide, Pinellas offers thousands of hotel rooms on numerous properties. There are nine properties listed in the table that follows that offer more than 275 rooms each.

Hotels with 275 or More Guest Rooms

Property	# Rooms
Westin Innisbrook Resort	1,000
TradeWinds Resort	577
Hilton Clearwater Beach	425
Sheraton Sand Key Resort	390
Sirata Beach Resort & Conference Center	380
Renaissance Vinoy Resort	360
Hilton St. Petersburg	333
Ramada Inn Gulfview	289
Don CeSar Beach Resort & Spa	275
Total	4,029

Note: Data sorted in descending order of the number of guest rooms.

Source: St. Petersburg/Clearwater Area Conventions & Visitor's Bureau.



Although the County does not have a convention center, there are two primary multi-use facilities that can be used for meetings, tradeshows, banquets/receptions and other event. The Coliseum in St. Petersburg has 17,500 square feet of meeting space. Harborview Center in Clearwater features 60,000 square feet of meeting space with a 30,000 square foot exhibition hall. In addition, Pinellas Expo Center is scheduled to have its grand opening in September of 2001. It is anticipated to contain 105,000 square feet of exhibit space and is designed specifically for trade shows and consumer shows.

Pinellas also features 11 hotels and resorts that offer meeting space of at least 10,000 square feet as illustrated in the table that follows providing almost 350,000 square feet of meeting space. There are another 18 hotels and resorts with smaller meeting facilities.

Hotels with 10,000 Square Feet or More of Meeting Space

Property	Meeting Space (Sqft)
Westin Innisbrook Resort	65,000
The Don CeSar Beach Resort & Spa	42,830
Renaissance Vinoy Resort	40,000
Hilton St. Petersburg	33,000
Hilton Clearwater Beach	32,000
Belleview Biltmore Resort & Spa	30,000
Safety Harbor Resort & Spa	30,000
TradeWinds Resort	30,000
Sheraton Sand Key Resort	24,000
Sirata Beach Resort & Conference Center	13,000
Holiday Inn SunSpree Resort & Conference Center	10,000
Total	349,830

Note: Data sorted in descending order of meeting space.

Source: St. Petersburg/Clearwater Area Conventions & Visitor's Bureau.

In addition to these facilities, there are several other buildings in the County capable of hosting meetings, sports and special events:

- Located in downtown St. Petersburg, Tropicana Field is the home of the MLB Tampa Bay Devil Rays, The facility has 200,000 square feet of meeting space and can accommodate up to 50,000 attendees.
- The Bayfront Center in St. Petersburg offers 23,500 square feet of meeting space, an arena with a seating capacity of more than 8,000 people and the Mahaffey Theater that seats almost 2,000 attendees.
- Ruth Eckerd Hall in Clearwater hosts a variety of performing arts events such as Broadway shows, concerts and ballets. The facility also offers 14,000 square feet of meeting space, both can accommodate approximately 2,000 attendees for meetings or other events.



- Florida Power Park and the Raymond A. Naimoli Baseball Complex combine to host spring training for the Tampa Bay Devil Rays.
- Located in Clearwater, Jack Russell Memorial Stadium has 7,000 seats and is home to the Philadelphia Phillies spring training and the Clearwater Phillies, a Class A minor league baseball team.
- The Major League Baseball team, Toronto Blue Jays, uses the 6,000-seat Dunedin Stadium at Grant Field as their spring training facility. The stadium is also home to the Dunedin Blue Jays, a Class A minor league baseball team.

For golf enthusiasts, Pinellas County currently has numerous golf courses, including four at the world-renowned Westin Innisbrook Resort. For shopping, Pinellas has several shopping malls and the brand new Baywalk complex in St. Petersburg which houses restaurants, retail stores, and a movie theater.

One of the area's most popular attractions is its 35 miles of beaches, including:

- Clearwater Beach,
- St. Pete Beach,
- Caladesi Island State Park,
- Fort De Soto Park and
- Sand Key Park.

For cultural and scientific events, Pinellas features the following:

- Salvador Dali Museum,
- Museum of Fine Arts,
- St. Petersburg Museum of History,
- Tampa Bay Holocaust Museum and Education Center,
- Florida International Museum and
- Clearwater Marine Aquarium.

Finally, Pinellas offers greyhound wagering at Derby Lane and two SunCruz casino ships.

In combination, Hillsborough and Pinellas Counties offer a wide range of facilities, accommodations and attractions.



Analysis of Comparable Markets in Florida

A typical step in evaluating the needs for any new facility is to analyze facilities in comparable markets. Analyzing facilities in similarly sized markets can offer a good frame of reference as to what any proposed new facility could expect in terms of type of activity. For the purpose of this analysis, comparable markets were selected based on population. Counties in the State of Florida that have a population within 100,000 people of Pasco County are profiled. Based on this criteria, the following counties are analyzed and compared to Pasco County: Collier, Escambia, Lee, Leon, Manatee, Marion and Sarasota.

Demographic and Economic Characteristics

The following table compares the historical, current and future population and its rate of growth. Among these eight counties, Pasco County has the second largest population. Over the past five years Pasco County has experienced the second slowest growth rate (8.9%) among the profiled counties. Collier County is experiencing the fastest growth rate of the profiles counties.

Population Trend Analysis of Comparable Counties in Florida

Counties	Population		Percent Change	Population		Percent Change
	1/1/95	1/1/00		1/1/05		
Lee	373,500	421,400	12.8%	455,800	8.2%	
Pasco	301,500	328,400	8.9%	353,000	7.5%	
Sarasota	296,600	322,800	8.8%	335,900	4.1%	
Escambia	276,500	303,000	9.6%	302,700	-0.1%	
Manatee	227,100	255,200	12.4%	273,400	7.1%	
Marion	225,700	252,500	11.9%	275,200	9.0%	
Leon	212,300	240,000	13.0%	245,600	2.3%	
Collier	180,500	224,000	24.1%	256,600	14.6%	
Average	261,713	293,413	12.7%	312,275	6.6%	

Note: Sorted in descending order of population in 2000.

Source: 1995 & 2000 Sales and Marketing Mangement Survey of Buying Power.

The following table shows a comparison of the number of households and their growth rates for 1995 through 2000 as well as those projected for the next five years. Pasco County has the third highest number of households among these profiled counties. As with population, the future growth rate is projected to be lower than that of the past five years.



Trend Analysis of the Number of Households in Comparable Counties

Counties	Number of Households		Percent	# Hshlds	Percent
	1/1/95	1/1/00	Change	1/1/05	Change
Lee	153,600	174,500	13.6%	189,000	8.3%
Sarasota	133,600	145,700	9.1%	152,200	4.5%
Pasco	130,300	142,400	9.3%	154,000	8.1%
Escambia	104,400	112,900	8.1%	113,700	0.7%
Manatee	97,300	109,800	12.8%	118,300	7.7%
Marion	90,900	101,600	11.8%	111,400	9.6%
Leon	82,000	93,300	13.8%	96,400	3.3%
Collier	72,300	91,600	26.7%	105,800	15.5%
Average	108,050	121,475	13.1%	130,100	7.2%

Note: Sorted in descending order of number of households in 2000.

Source: 1995 & 2000 Sales and Marketing Management Survey of Buying Power.

Income

The following table illustrates the total EBI, growth rates and the median household EBI. Pasco County has the fourth highest total EBI among the comparable counties. Unlike the case with population and number of households, the total EBI is projected to increase by a larger percentage over the next five years for both Pasco County and, on average, for all the profiled counties combined. When comparing the median EBI to the other counties, Pasco County had the second lowest median EBI in 1999. As stated earlier in this report, median EBI offers a broad measurement of spending potential for a specific population because it indicates the general ability of individuals or households to purchase a variety of goods and services including admission to sporting and entertainment events, consumer shows, catering service, etc.

Income Characteristics for the Comparable Counties in Florida

Counties	Total EBI		Percent	Total EBI	Percent	Median
	1/1/94	1/1/99	Change	1/1/04	Change	EBI - 1999
Lee	6,629,190	\$7,823,876	18.0%	10,010,162	27.9%	\$34,334
Sarasota	6,074,875	\$7,016,711	15.5%	8,609,489	22.7%	\$35,708
Collier	4,369,820	\$6,157,732	40.9%	8,914,917	44.8%	\$44,311
Pasco	4,129,667	\$4,997,019	21.0%	6,597,046	32.0%	\$27,791
Manatee	3,781,204	\$4,682,138	23.8%	6,148,698	31.3%	\$33,143
Leon	3,503,392	\$4,374,819	24.9%	5,605,920	28.1%	\$35,715
Escambia	3,958,828	\$4,312,948	8.9%	5,034,378	16.7%	\$29,698
Marion	3,041,546	\$3,492,128	14.8%	4,410,250	26.3%	\$26,543
Average	4,436,065	\$5,357,171	21.0%	6,916,358	28.7%	\$33,405

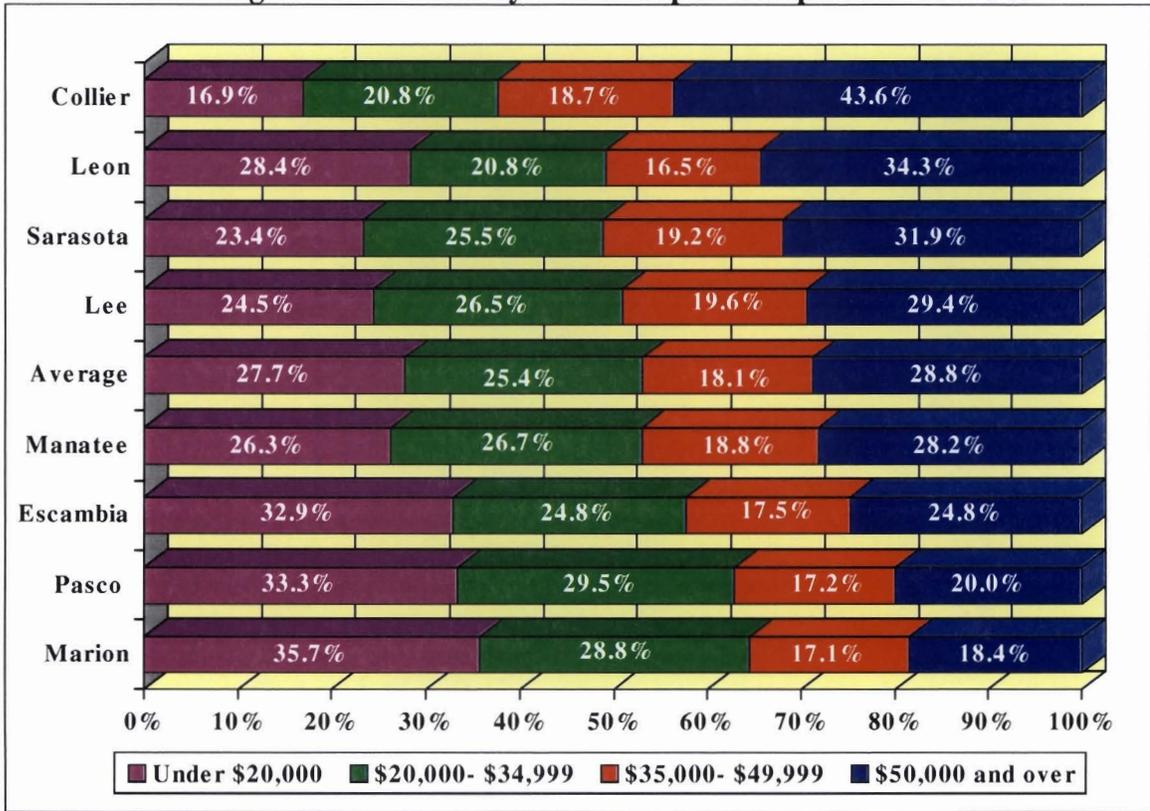
Note: Sorted in descending order of total EBI in 1999.

Source: 1995 & 2000 Sales and Marketing Management Survey of Buying Power.



The following graph shows the percentage of households in each EBI category. As shown, only Marion County has a lower percentage (18.4%) of households with an EBI of \$50,000 or more. In addition, more than 60% of the households in Pasco County have an EBI of less than \$35,000.

Percentage of Households by EBI Group in Comparable Counties

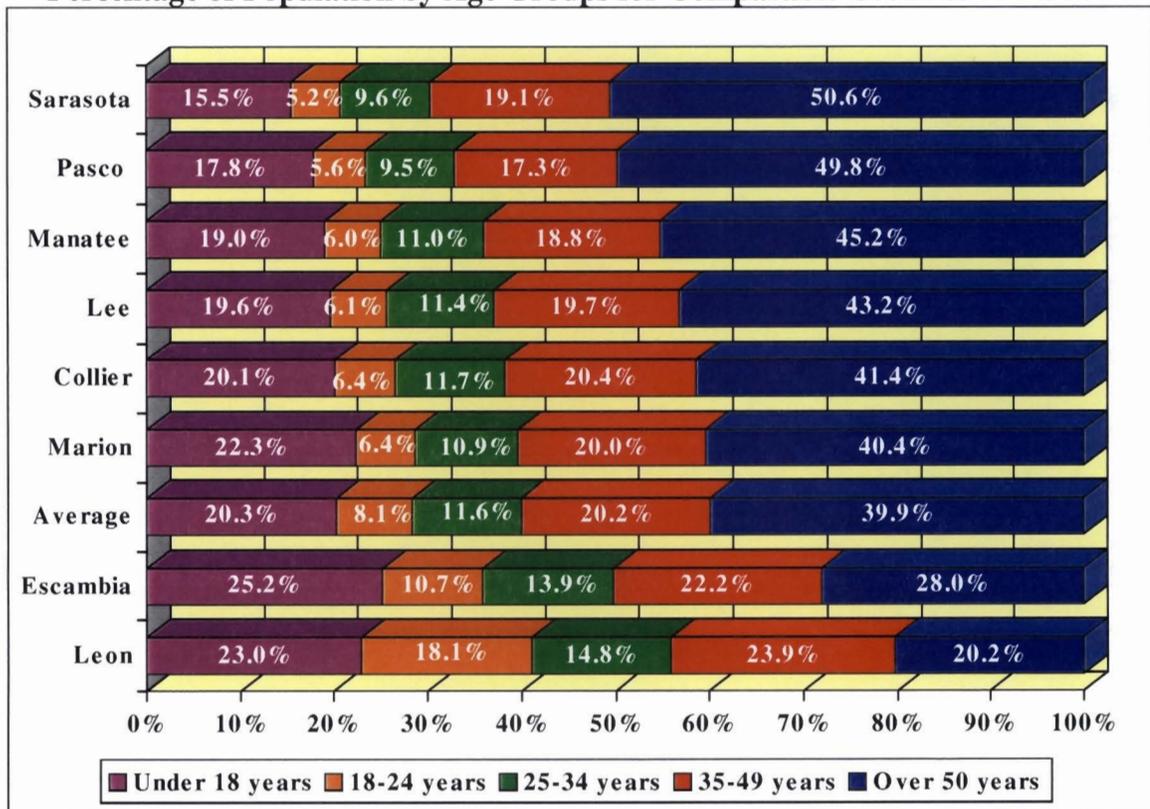


Note: Sorted in descending order of percentage of EBI over \$50,000.
 Source: 2000 Sales and Marketing Management Survey of Buying Power.

Age Distribution

The following graph illustrates the breakout of the population by age groups. In comparison to these counties, only Sarasota has a larger percentage of its population over the age of 50 than Pasco County. Almost 50% of Pasco County residents are over the age of 50 years, which is ten percent higher than the average of these counties (approximately 40%). As shown in the graph, Escambia and Leon Counties have younger demographics.

Percentage of Population by Age Groups for Comparable Counties in Florida



Note: Sorted in descending order of percentage of age group over 50 years old.
 Source: 2000 Sales and Marketing Management Survey of Buying Power.

Major Public Assembly and Recreational Facilities

Pasco, Manatee and Sarasota Counties do not have major sports and entertainment facilities. However because they are geographically located in the Tampa-St. Petersburg-Sarasota DMA, these Counties rely on the Tampa-St. Petersburg market for sports and entertainment. The designated market area (DMA) which is a formal term for a television or broadcast market. DMA definitions are supplied by Nielsen Media Research, which generates ratings for television broadcast programming. The DMA typically represents the geographic area that broadcast and print media can effectively cover. This is important relative to influencing the market exposure and behavior of the potential user base for many sports and entertainment events. The DMA serves as an additional base of market support for public assembly facilities.

The following summarizes the major public assembly facilities that are located in the seven profiled counties in Florida that are similar in size to Pasco County.



Lee County – Population 421,400

Lee County has several public assembly facilities. The Fort Myers Harborside Convention Center offers approximately 42,000 square feet of total exhibit space (30,000 square feet hall in the main building and 12,000 square feet in a building across the street) and 4 meeting rooms that are 500 square feet each. The facility primarily hosts tradeshow and banquets.

The Lee County Civic Center has an 8,000 seat arena which provides a floor area of 47,000 square feet. The exhibit area is called the Lee Expo Center which has 15,000 square feet of exhibit space. The Civic Center is available for tradeshow and conventions, as well as concerts and specialty shows.

Built in 1998, the 7,200-seat TECO Arena in Estero is home to the ECHL Florida Everblades. The facility also hosts concerts, family shows, sporting events and a variety of civic events.

The Lee County Sports Complex has a seating capacity of 7,500 and serves as the spring training site of the Minnesota Twins and home of the Class A Florida State League Ft. Myers Miracle minor league baseball team.

Located in Fort Myers, the Barbara Mann Performing Arts Hall has 1,750 seats. The facility hosts Broadway shows and a variety of other events.

In addition, Florida Gulf Coast University recently formed in August of 1997. It is likely that the University will build new facilities to meet the needs of its students and faculty.

Sarasota County – Population 322,800

Sarasota County offer several public assembly facilities in the market. The 4,400-seat Roberts Sports Arena is located at the Sarasota Fairgrounds. Built in 1989, Ed Smith Stadium has a capacity of 7,500. The facility hosts the Cincinnati Reds spring training as well as a Class A Florida State League minor league baseball team, the Sarasota Red Sox. The Van Wezel Performing Arts Hall offers more than 1,700 seats and regularly hosts concerts and Broadway shows.

In addition to these larger facilities, Sarasota County has many smaller facilities available for meetings and other events at locations such as Dallas White Park, Siesta Beach, Phillippi Estate Park, Twin Lakes Park, and Knight Trail Park. Smaller athletic facilities include the Miss Sarasota Softball Complex, which contains six fields, and Payne Park, a state-of-the-art tennis facility with nine lighted Har-Tru courts.



Escambia County – Population 303,000

Located along the panhandle of the State, Escambia County has several major public assembly facilities. The 2,600-seat Bayfront Auditorium and the 1,800-seat Saenger Theater.

The Pensacola Civic Center, which has a capacity of 9,500, houses an ECHL team and an af2 team as well as concerts, family shows, conventions/tradeshows and civic events.

In addition, the University of West Florida has a 450-seat theater, a 4,000-seat fieldhouse, a 1,500-seat baseball stadium, and a 500-seat softball stadium.

Finally, there are 3,000 seats at the Outdoor Theater Stage of the Pensacola Interstate Fairgrounds.

Manatee County – Population 255,200

The Manatee Convention & Civic Center in Palmetto is the primary public assembly facility. The venue contains a 4,000-seat arena. The convention center offers 15,000 square feet of exhibit space while the Civic Center has 33,000 square feet of exhibit space. The facility also contains seven meeting rooms. The facility primarily hosts tradeshows, consumer shows, weddings, banquets/reception, sporting events and other civic events.

Additionally, the IMG Academies are headquartered in Bradenton. The IMG Academies are a group of intensive, sport-specific, residential training camps, including the David Leadbetter Golf Academy and the Nick Bollitieri Tennis Academy, owned and operated by International Management Group, the world's largest sports marketing firm.

G.T. Bray Park is a multi-sport park in Bradenton that plays host to several local leagues and statewide tournaments, such as the FRPA State Flag Football Tournament, and offers seven separate pavilions for rent.

Marion County – Population 252,500

Located in Ocala, the largest public assembly facility in Marion County is the Southeastern Livestock Pavilion. This facility hosts horse shows and rodeos, tradeshows, livestock sales, meetings, and special events. The Pavilion has an outdoor grandstand with seating for 4,200, an adjacent indoor auditorium with theater-style seating for 800, a 60,000 square foot barn with 226 stalls, and a 3,000 square foot reception hall. Further north in Orange Springs is the Horseshoe Lake Cabin Retreat and Conference Center that can host meetings of up to 60 people and can sleep 38 people.



Leon County – Population 240,000

Home to Florida State University (FSU), Florida A&M University (FAMU), and the State Capitol, Leon County has more public assembly facilities than its population might suggest. On its campus, FAMU has Bragg Memorial Stadium which has 25,000 seats and the 3,500-seat Gaither Athletic Center. Florida State University has the 80,000-seat Doak Campbell Stadium, Dick Howser Stadium which host collegiate baseball events, the Seminole Softball and Soccer Complexes, Tully Gymnasium and Speicher Tennis Center. The Ruby Diamond Auditorium, which seats almost 1,600, is also located on the FSU campus.

The Tallahassee-Leon County Civic Center is home to the basketball programs for both FSU and FAMU basketball programs, an ECHL team, an af2 team as well as various concerts, family shows and other miscellaneous events. The facility has 14,000 seats and can provide 35,000 total square feet of exhibition space.

Finally, the North Florida Fairgrounds features 60,000 square feet of total exhibition space and a 23,000 square foot cattle barn.

Collier County – Population 224,000

Located in the Southwest part of the State, Collier County is home to the Philharmonic Center for the Arts in Naples where 1,220 people can attend events at Hayes Hall. This facility is also capable of hosting banquets for up to 144 people and has three meeting rooms with capacity ranging from 12 to 200. In addition, several hotels offer significant meeting space for conventions, tradeshow and meetings.



Summary of Strategic Findings Related to the Market Demand Assessment

Pasco County, like most communities, receives on-going requests for funding of various projects and programs through the proceeds of the tourist development tax. In relation to other traditional tax sources, the tourist development tax is relatively new. Generally speaking, the motivation and logic for initiating rooms tax legislation was to tap a revenue source that could generate additional resources from the transient convention, tourist and business traveler. Part of the theory was to initiate a tax on users or beneficiaries that would be applied to projects and programs that might have some success in further increasing the economic impact from visitors. However, in many communities, the original legislation was vague in its wording and, as a result, projects with marginal benefits to the visitor industry are seeking funding through this tax. As a result, many of the projects and programs requesting funding vary in their relationship to and impact on the convention and tourism industries.

The broadening of the uses of tourist development tax revenues beyond the original intent, has resulted in disputes between the hospitality industry and governmental officials throughout the country. As a result of these disputes, increasingly governmental entities are being scrutinized regarding their evaluation process and funding allocation decision.

Consistent with these national trends, the requests made to Pasco County have broadened to include recreation and entertainment projects and programs in the area of the arts, sports and overall community amenities.

In addition to the particular area of impact, increasingly a diversity of projects and programs are requesting tourist development tax revenues to support a variety of needs including:

- New construction
- Capital improvements and repairs
- Subsidize operating shortfalls
- Fund on-going marketing programs
- Property acquisition

Under conditions of ample fiscal resources, this diversity of project and program types could be accommodated and managed reasonably well through an allocation process. Unfortunately, as presented previously, Pasco County does not have ample fiscal resources from the tourist development tax to fund a multitude of large scale projects.

Consequently, KPMG's Convention, Sports & Entertainment Group was retained to assist the County in determining the need for a proposed new multipurpose facility from a market demand standpoint. The objectives of the facility would be to attract outside entertainment, sporting events and other activities to Pasco County and to enhance tourism and



business. As stated previously, assessing the market demand for the proposed facility is the first step in the overall study process. As such, this phase of our work does not include an evaluation of specific sites or a financial analysis.

In order to understand the current market and determine the potential need for a multipurpose facility in Pasco County, interviews were conducted with a variety of people including representatives of the following groups:

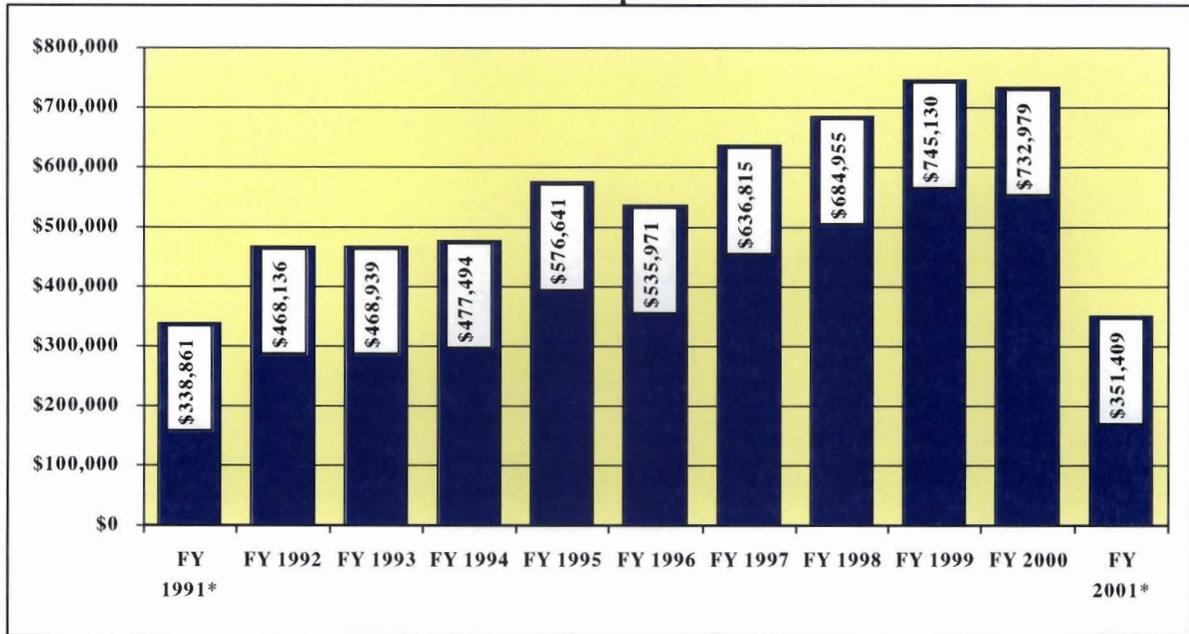
- Tourist Development Council
- County Commissioners
- Economic Development Council
- All five Chambers of Commerce
- Existing facilities (i.e., Saddlebrook Resort, Fairgrounds, Spartan Manor, etc.)
- Potential user groups
- Pasco County's Parks and Recreational Department
- Other representatives of the community

Although the original scope of work called for a market assessment for a multipurpose facility in Pasco County, several other projects were mentioned during the course of our research. Given the tie to the tourist development tax that any potential project would likely have as well as direction from the County, several other projects are considered in the analysis. This section of the report outlines historical tourist development tax collections, the candidate projects under consideration, the criteria used to evaluate these projects as well as strategic findings for each project based on the stated criteria.

Historical Tax Collections

A fundamental part of any plan for a new project relates to the tourist development tax resources that may be available in the future. The amount of tourist development tax resources and the estimated rates of change in the future influences the County's decisions regarding the funding of future projects and programs. The following graph illustrates the historical data for the tourist development tax.

Historical Tourist Development Tax Collections



Note: * denotes partial year of collections.

FY 1991 amount represents eight months and FY 2001 amount represents five months.

Source: Pasco County

As shown in the graph, the total tourist development tax collections increased by approximately 57% between fiscal year 1992 and fiscal year 2000.

Candidate Projects

The following outlines the candidate projects considered in this analysis:

- Multipurpose Event Facility
- Amphitheater
- Performing Arts Center
- Recreational Sports Complex
- Tennis Stadium
- Spring Training Complex



It is important to recognize that these are not the only projects and programs requesting funding from Pasco County. However these projects are the ones that came up in our market assessment that are most closely related to the original scope of services. For instance, representatives of Lowry Park Zoo mentioned a drive-through zoo project that would likely include an endangered species breeding facility. While this type of project could benefit Pasco County in ways such as increased media exposure through press releases and public service announcement funded by Lowry Park Zoo, most of the visitors are from a 50-mile radius and would not likely generate additional hotel room nights. In addition, plans for this facility are very preliminary and significant research would need to be conducted by Lowry Park Zoo in order to determine if the project would be feasible from its standpoint.

Evaluation Criteria

This section of the report outlines a proposed evaluation criteria that can be used to assist in the evaluation process. Certainly fiscal constraints can impact this ranking process based on the availability of funds. In addition, alternative funding from the County or other non-tourist development tax sources that could be applied to various projects or programs can also impact the final ranking decision. A discussion of these mitigating factors is presented.

Many times the hardships placed on elected officials, when it comes to making decisions regarding funding requests, stem from a lack of stated criteria with which to qualify and evaluate the merits of projects/programs.

As mentioned previously, in September of 1990, Pasco County passed an ordinance to form the Tourist Development Council, levy a tourist development tax and specify the allocations and uses of the new tax revenues collected. As stated in the Ordinance, the allocation of the two percent tourist development tax revenues collected is as follows:

- 50% of net revenue will go to acquire, construct, extend, enlarge, remodel, repair, improve, maintain, operate or promote one or more publicly owned and operated convention centers, sports stadiums, sport arenas, or auditoriums within the boundaries of Pasco County, or to acquire construct, extend, enlarge, remodel, repair, improve, maintain, operate or promote one or more museums, zoological parks, fishing piers or nature centers, which are publicly owned and operated or owned and operated by not-for-profit organizations and open to the public, or to finance beach improvement, maintenance, reinourishment, restoration, and erosion control, including shoreline protection, enhancement, clean-up, or restoration of inland lakes and rivers to which there is public access including shoreline protection, enhancement, restoration, or clean-up of inland lakes and rivers to which there is public access.
- 40% goes to promote and advertise Pasco County tourism in the State of Florida, nationally and internationally.



- 10% goes to fund convention bureaus, tourist bureaus, tourist information centers, and new bureaus as County agencies or by contract with their Chambers of Commerce or similar associations within the County.

It is clear from the legislation that the greatest emphasis has been placed on pursuing capital projects and/or promotional and marketing programs that will generate impacts, through additional room night demand on the transient lodging industry.

Unfortunately, when multiple projects and programs are being considered, the degree to which each speaks to the convention and tourism industry can be lost in the process. In addition, the magnitude and frequency of the financial request, the associated risk, and the perceived benefits to the community all enter the decision process.

In an attempt to structure an evaluation process and focus discussions and debate on common issues, the following criteria could be utilized:

- Benefits/industry focus
- Type of project/program
- Financial requirements

The following describe each of these categories and the underlying elements which comprise them.

Benefits/Industry Focus

The benefits realized by supporting various projects and programs serve as the underlying rationale for funding. These benefits can be quantitative or qualitative in nature. Included in this benefit category are the following:

Quantitative:

- Hotel/motel industry impact (room nights, room tax)
- Economic impact
- Other fiscal impacts

Qualitative:

- Quality of life
- Local resident supported



Given the source of the tourist development tax and the legislative wording setting forth the tax, greater emphasis could be placed on projects or programs that generate new economic impact. More particularly, the emphasis should be placed on economic impact that produces the maximum amount of overnight stays or room night demand for the lodging industry, thereby positively impacting the tourist development tax itself. Lesser emphasis should be placed on projects that generate fewer overnight visitors or primarily generate economic impact from refocusing existing local discretionary income (not net new). Although the community as a whole benefits from many of the programs and projects pursued through tourist development tax funding, local resident support and quality of life impact should be of lesser consideration for priority purposes if the previous two benefits are not addressed.

One way to measure the benefits category is to relate projects and programs to industry segments. The following is a discussion of those segments considered in the decision process.

Convention Industry

The greatest impact on both room night demand and overall net new economic impact to a community can be derived from the convention industry. The impact is achieved due to the number of delegates (and spouses) attending events, staying in local lodging facilities, and spending additional dollars in the community on meals, entertainment, transportation and general retail.

It should be recognized that of all visitor segments, the convention industry generates the greatest impacts to the hospitality industry. Many of these people are representing organizations and businesses and, therefore, are typically on expense accounts. As a result, the expenditures per party size are higher than an individual traveler or tourist who is spending personal funds. Likewise, their length of stay is typically longer than any other visitor group.

This industry is highly influenced by the quality of the meeting and exhibition space offered in the community, the number and quality of hotel facilities, and proximity to their meeting location. The community itself as a destination and the attractions offered as well as general accessibility are additional factors in selecting a destination.

Even with a dedicated facility, there are several reasons why it would be difficult for Pasco County to effectively penetrate the convention industry that include the following:



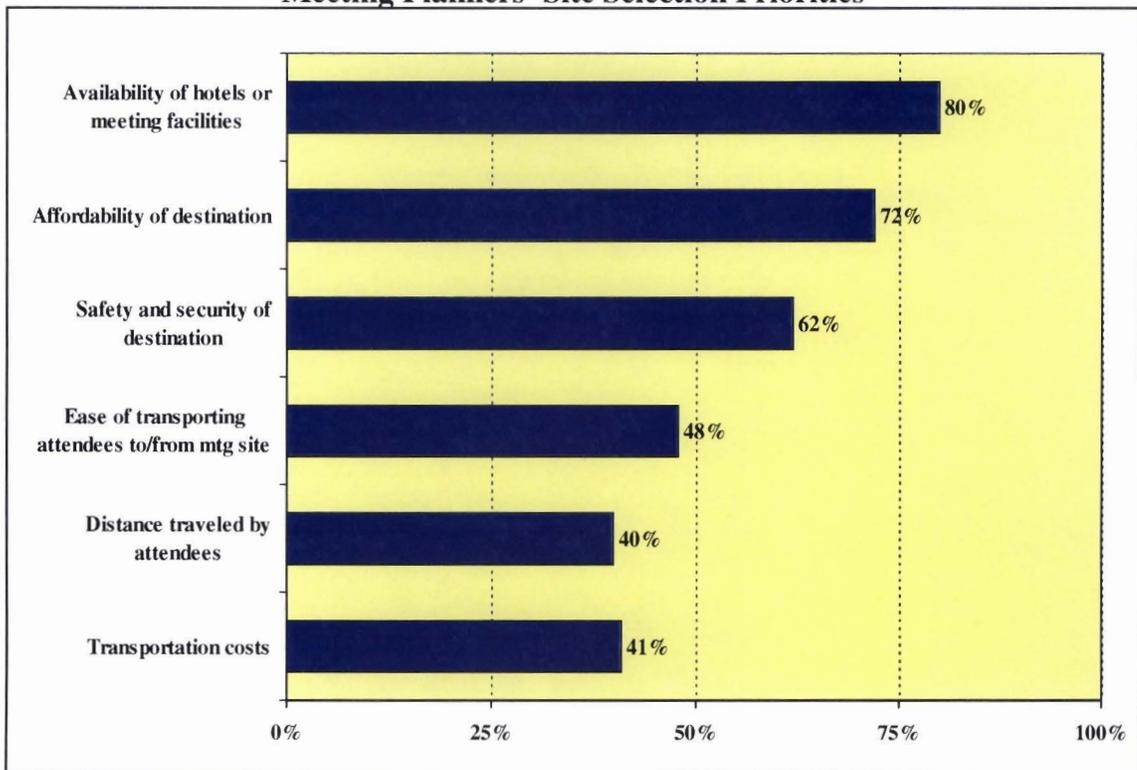
- There are several facilities in the State which host convention and meetings activity, many of which are located in nearby markets. Some of the convention and civic centers in the State that serve this market include, but are not limited to, the following:
 - Orange County Convention Center – Orlando
 - Miami Beach Convention Center
 - Tampa Convention Center
 - Greater Fort Lauderdale/Broward County Convention Center
 - Coconut Grove Convention Center - Miami
 - Prime Osborne III Convention Center - Jacksonville
 - Expo Centre at the Orlando Centroplex
 - Lee County Civic Center
 - Tallahassee-Leon County Civic Center
 - Lakeland Center
 - Ocean Center – Daytona Beach
 - Tupperware Center - Orlando
 - Manatee Convention and Civic Center – Palmetto
 - Harborview Center - Clearwater
 - Fort Myers Harborside Convention Center
 - James L. Knight Center/Miami Convention Center
 - St. Lucie County Civic Center – Ft. Pierce
 - Bayfront Center – St. Petersburg
 - Pensacola Civic Center

- In addition to the facilities above, there are several hotels and resort properties in the State that offer some type of ballroom and/or meeting space. Consequently, there is strong competition for conventions and meetings that utilize exhibit and ballroom/meeting space.

- The regional market is continually changing. Several of the facilities previously listed are contemplating or are currently undergoing expansion of one or more to their primary components of space. In addition, several new convention centers are being planned.

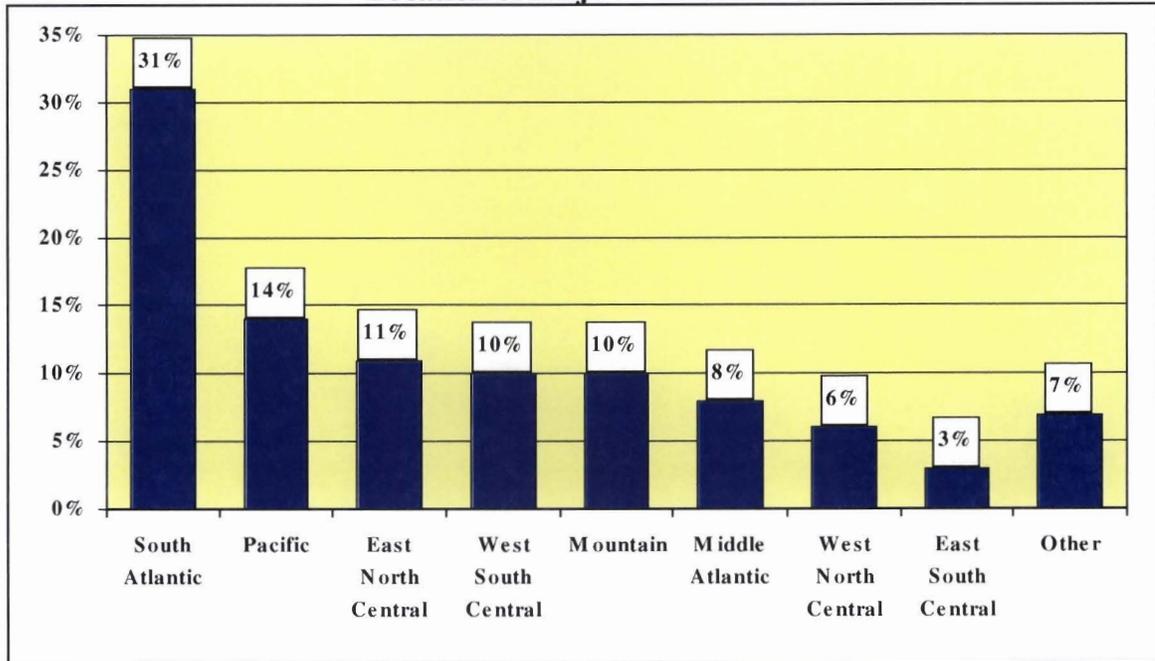
- The availability of hotel rooms and affordability of the destination are key criteria to meeting planners. Meeting planners consider many factors when choosing a destination and facility in which to host their event. *Meetings & Conventions* publishes a bi-annual summary of planners' responses to a survey which attempts to determine the most important site selection factors for meetings and conventions. The following graph illustrates that the availability of hotel rooms and affordability of the destination are key criteria to meeting planners. With a total hotel supply of approximately 2,600 rooms widely dispersed throughout the County, Pasco County would be at a competitive disadvantage with other areas.

Meeting Planners' Site Selection Priorities



- The South Atlantic region is the most popular destination for conventions, corporate meetings and association meetings making the competition extremely difficult. The region includes Florida, North Carolina, South Carolina, Georgia, Maryland, Delaware, Washington DC, Virginia and West Virginia.

Location of Major Conventions



Source: 1998 Meetings Market Study

- In the highly competitive convention industry, the ability to educate and influence meeting planners with regard to your convention facilities and your community as a meeting destination is crucial. The adequate but competitive funding of marketing/promotion programs and agencies to conduct these programs is crucial to the successful penetration of this convention industry. For instance, the Tampa Hillsborough Convention & Visitors Bureau's estimated annual budget is nearly \$6 million.

Given the attributes of Pasco County including hotel room supply and attractions as well as the competitive market factors, dedicating significant financial resources to aggressively market to the convention industry does not appear to be the best use of tourist development tax funds.



Tourism/Visitation Industry

Because of the factors limiting Pasco County's ability to effectively penetrate the convention industry, perhaps the most important industry as it relates to the tourist development tax, is the tourism industry. The visitation market that impacts the community can be related to many motivations including vacations, visiting relatives, attractions, sporting competitions (ie softball, baseball, tennis or golf tournaments) or just transient impacts related to traveling through town. This tourist market can be individuals, families or organized group tours. This category also includes the business/corporate traveler that is in the community for business and the transient traveler (business or personal) that is traveling through town.

The impacts from this market segment are in similar areas of spending as the convention delegate, but typically at much lower levels. Therefore, the average group expenditure and the length of stay is typically less.

This market is highly influenced by the amenities offered in a community or region. Capitalizing on this market is primarily a marketing initiative which targets group tours and provides adequate literature to inform the traveler of the amenities offered in the area.

Regardless of what capital project concept is pursued, the County should explore the merits of pursuing a dedicated agency to promote the area in a proactive way. This approach is recommended in order for Pasco County to significantly impact tourism. It is important to note that this concept is not for a passive visitors center but rather for an aggressive marketing arm that actively promotes the area. The funding for such an agency is already in place through the tourism development tax. Although an effort to have a visitors center was initiated several years ago, this organization was unsuccessful for several reasons. Any new entity should strive to:

- ✓ • Create a formalized mission statement that is consistent with the tourist development tax and the objectives of the hospitality industry
- ✓ • Create a marketing plan that focuses on tourism, identifies a niche for Pasco County that takes advantage of the area's strengths, sets it apart from other areas and prioritizes marketing efforts based on return on its investment
- ✓ • Provide the necessary, qualified staff to effectively execute the marketing plan
- ✓ • Build upon existing events that are already in the market
- • Work with other marketing agencies in the area, including those outside of Pasco County, to explore opportunities to incorporate Pasco County into their marketing efforts



Local Support/Quality of Life

The importance of providing facilities and activities for the local resident is not lost in this process. Local support and enjoyment of capital projects and programs pursued through the use of the tourist development tax is a consideration. However, projects and programs that are primarily utilized by the local marketplace, with little to no impact from out-of-towners, will generate very little net new economic impact. The impacts on the lodging industry will be very little, while the impact on other businesses will not be net new spending. For this reason, local support and quality of life issues should have less influence on the decision process if one or both of the previous industry impacts cannot be achieved.

Type of Project/Program

The second major category to consider in the evaluation process relates to the type of project or program. Generally speaking, funding requests are received for either capital projects or programs. Even within these two categories, the differences can relate to capital projects which address new facilities versus expansion, improvements or extraordinary maintenance and repairs to existing facilities. Many communities ignore the on-going funding requirements necessary to ensure the success of major capital projects by not recognizing the need to properly fund operations and build a reserve for the necessary upkeep and maintenance of these assets once built. Likewise, program needs (versus capital project needs) might relate to an expanded marketing effort for an existing organization or operating subsidies for a new program, project or community group addressing itself to the convention or tourist industry.

Distinguishing between these types of projects is important in one major respect. Capital projects almost invariably encompass major funding requests that require significant upfront outlays or more typically long term pledges of annual tax revenues in order to service debt. These pledges can represent long term commitments (15-30 years) of revenues which limit the flexibility to pursue alternative efforts in future years, barring phenomenal tax growth. Therefore, any decisions on capital projects should represent the implementation of long term policy objectives because these may supersede short term initiatives.

Under these conditions, year-to-year funding decisions can become so short term oriented that long term capital project initiatives may never be achieved. For that reason, the evaluation process should be conducted originally, without consideration of the financial funding request. By placing the evaluation emphasis on merit, impact and community objectives, the Commissioners can establish rankings of projects and programs that can reflect a long term plan. In this manner, projects and programs are measured on a long term basis based on merit, but funded on a short term basis based on financial requests and available resources.



Financial Requirements

The third area of consideration is the actual financial or funding requirements being requested. The financial requirements of a project or program not only relate to its use but, more importantly, to the amount of the funding request, the length, and the condition. In the short term, all things being equal, a funding request of a lesser amount may receive more favorable consideration than another project, likewise a one-time funding request might receive greater consideration than a 20-year commitment. The commitment to large capital projects usually requires fairly substantial annual pledges of tax revenue for a term of anywhere from 15 to 30 years. Once again, the consideration of financial criteria may relate to certain financial thresholds established for the available portion of the tourist development tax proceeds. In the short term, priority may be placed on smaller funding requests and shorter lengths of commitment. Once certain thresholds are reached (i.e., as measured by annual uncommitted revenues or a certain ending fund balance), these priorities might be shifted to longer term capital projects.

One criteria that the County outlined for use of the Bricks and Mortar fund was that the project must have the ability to sustain operations and achieve net cash flow from operations without further public funding. In short, the facility must be completely self-sufficient in its ongoing operations.

Based on this discussion the following general parameters are used to evaluate the projects under consideration:

- Potential for tourism activity
- Potential to benefit the local community with respect to amenities/quality of life issues
- Potential to generate economic benefits to the community
- Consistency with goals of the tourist development tax
- Financial requirements such as the amount of capital funding required, ability to financially breakeven from operations, public risk due to ownership, public risk due to management, accountability to the public, achievability of usage, and risk of project success.
- Potential for public/private partnership in order to leverage Pasco County's investment to obtain private investment in the community

Strategic Findings

Based on the market demand assessment including market characteristics, inventory of existing facilities, interviews conducted and the evaluation criteria described previously, this section of the report provides a summary of the strategic findings for each of the candidate projects under consideration in this analysis.



Multipurpose Event Facility

Project Description: The original concept for the study process was a multipurpose event facility. The multipurpose facility could be configured to offer a combination of fixed, retractable and floor seats to accommodate spectator events such as concerts, family shows, sporting events, rodeos and civic events. The facility could be more oriented toward hosting exposition and meeting activity such as conventions/tradeshows, consumers shows, and meetings.

Observations: The purpose of the market analysis is to evaluate various supply and demand factors which may influence the need for a proposed new multi-purpose facility as well as dictate the facility characteristics and activity level that may result. Earlier, this report illustrates the research related to the market assessment including an analysis of select demographic and economic characteristics for the local and regional market, the corporate base, the competitive supply and demand at local and regional facilities. Potential users of a multipurpose facility were also contacted.

Typically when assessing the potential market demand for a new arena the following issues are considered:

- What is the market size, geographic coverage and projected growth rate of the market and can the existing facilities in the market area meet current and future demand?
- Are events currently constrained by the seating capacity offered at facilities in the market area?
- Are event producers not currently playing the market due to lack of facilities or the size, orientation and/or quality of the existing facilities?
- Is date availability a problem at the existing facilities in the market area?
- Is there the potential to expand the base of events with a new, larger facility?
- Does the potential event activity justify the risk of a new facility?

Based on the results of the market demand assessment, it appears that Pasco County should consider taking a cautious approach to the construction of any new multipurpose facility. Although the answer to some of the questions above suggest that Pasco County is underserved by its existing facilities, the last three questions frame any potential project within the context of event utilization risk. Event or utilization risk typically translates into financial risk (debt and operations). Clearly, the existing facilities in the County do not allow the community to attract significant touring sports and entertainment event product or convention/meeting business. A new multipurpose facility could fill a need for the community for civic events.



However limitations to maximizing the use of any new multipurpose facility for spectator events include Pasco County's smaller market size and age composition relative to its regional competition, constrained income characteristics (compared to regional competition), a small private sector corporate base and reliance on a larger secondary market that is well-served by existing spectator facilities such as the Sun Dome and the Ice Palace. Event producers indicated that the existing facilities in the regional market area meet the majority of commercial needs. While there are certain types of events such as the rodeo and various civic events could utilize a spectator oriented facility, the majority of events would be local based.

Limitations to a new facility in Pasco County being able to maximize penetration of the convention/meeting business were discussed earlier in this report. As shown, availability of hotels and other facilities suitable for meetings is the top criteria considered by meeting planners when selecting a site for their meetings. There is a relatively limited supply of hotel/motel rooms in Pasco County, especially with respect to full-service properties. Due to the east and west geographic segregation, some meeting planners would consider total number of rooms by location. Countywide, there are more than 2,600 rooms, of which there are approximately 1,350 on the west side of the County and over 1,260 on the east side of the County. Of the 1,260 on the east side, Saddlebrook Resort accounts for 800 guest rooms. In addition, Saddlebrook Resort is very successful at penetrating the corporate market given its resort atmosphere and amenities. So depending on location and the number of rooms the hotels are willing to block for events, there would be a smaller pool of rooms to support convention/ meeting activity.

Currently, the Pasco County Fairgrounds and Saddlebrook Resort are the only facilities that offer significant exhibit space. The facilities at the Fairgrounds are fairly basic and with improvements could host some additional exhibit events such as tradeshow and smaller consumer shows. Although Saddlebrook Resort offers first-class facilities and amenities in a resort atmosphere, date and space availability are limiting factors because of its success in penetrating the corporate market and for some civic groups cost is another drawback. Perhaps the greatest limitations to attracting convention/meeting business to Pasco County is the number of facilities in the local and State market vying for that type of business combined with the amenities and "destination appeal" attributes offered.

Although markets similar in size offer a variety of multipurpose facilities, most of these communities are not serviced by the number and type of facilities that Pasco County is by virtue of its proximity to Hillsborough and Pinellas counties. Consequently facilities in these markets are able to draw patrons from a broader market area.

On these market based factors alone, construction of a multipurpose facility would appear to be premature. However, there are ways in which the County could increase exhibit based activity. One approach may be to expand and/or enhance exhibit space at the Fairgrounds in order to attract more trade and consumer shows to the market as well as to meet the future needs of the Fair. The master plan for parks and recreation prepared by Wade-Trim identified the need for additional recreational centers to meet the current and future needs of Pasco County residents. One option may be to construct one or more recreational centers that would be larger than those currently offered in Pasco County that could provide some meeting/banquet space and meet the community's needs for certain



smaller meetings activity. With respect to spectator sports, an amphitheater facility would likely have a lower capital cost and a better opportunity for a public/private partnership. This project concept is discussed next.

Because the majority of events that would likely occur in a multipurpose facility would be local based, the opportunity to generate economic impact and significantly increase tourism would be minimal. Consequently this project concept may not be consistent with the purpose of the tourist development tax.

In addition there are site location issues that would need to be resolved in advance of pursuing a facility. The eastern and western portions of the County have different attributes. Easy access to the market would be important to the success of a multipurpose facility. A location accessible to residents in Pasco as well as surrounding counties would be preferable. Consequently a location off of I-75 may be beneficial. However the existing transportation system connecting the eastern and western sections of the County is not ideal. Although there are proposed changes to the transportation network, site location would be an important issue to consider prior to pursuance of this project.

Although the capital cost for a multipurpose facility would vary somewhat depending on the type of components in the facility (i.e. number of seats, size of arena floor, amount of exhibit/meeting/ ballroom space), a range of \$35 million to \$45 million could be expected, excluding land and site development costs.

In almost all cases, multipurpose facilities in markets the size of Pasco County operate at a loss. These operating characteristics would dictate that any debt service and capital repairs and improvements to the facility would be funded from additional public fiscal sources or private sources.

Amphitheater

Project Description: An outdoor amphitheater facility that would have covered, reserved seating for approximately 8,000 people and a total capacity of 20,000-22,000 including lawn seating. The ideal facility would need to offer sufficient parking. This facility would host concerts as well as a variety of other events. A location that provides easy vehicular access to the market would be preferable.

Observations: Although amphitheater facilities have been around for a number of years only in the last fifteen years has the venue been accepted on an industry wide basis as an acceptable and financially viable venue for touring acts. During this same period the investments in renovation of older amphitheatres and the construction of new ones enhanced patron comfort and deepened market demand for events held in those settings. Facilities increased capacity but the event expenses for acts are typically lower at amphitheatres than for arenas.



During this time period two development/operating models have evolved with respect to the amphitheater business. The first relates to privately developed and operated amphitheaters, many of which are also privately owned or are under building/ground leases. In many of these cases some public investment was contributed to the project but typically for infrastructure, parking or land. In these cases the capital cost of construction of the facility was primarily a private initiative.

The second ownership/operating model found in the amphitheater industry is one in which the facility owner is a governmental entity and the capital costs associated with building the facility or substantially renovating it has been borne by the public sector. The operations of the amphitheater have been outsourced to an experienced management company that can maximize events and revenues that is responsible for booking and operations. The primary difference from the previous model is the public cost of construction. In some instances the public sector's participation is in the form of providing the land and supporting infrastructure. These operating agreements are typically structured in a manner that the financial terms seek to cover the debt service obligations incurred by the public sector and the parties participate in some profit sharing. This type of agreement seeks to transfer the burden and risk of operations to the private sector while addressing the public sectors need to recapture capital cost. In addition, because there are fewer middlemen in the booking process, there is the potential for more profit for the owner and the operator to share in the form of a lease

SFX has expressed an interest in having an amphitheater built in Pasco County. SFX Entertainment is one of the world's largest suppliers of live entertainment. SFX owns and/or operates the largest network of venues in the U.S.. At last count, SFX has 130 live entertainment venues in 31 of the top 50 markets. In addition, SFX develops and manages touring Broadway shows in a series in 55 markets including 16 amphitheaters in the top 10 markets. Through its large number of venues, its strong market presence and the long operating history of the businesses it has acquired, SFX operates an integrated franchise that promotes and produces a broad variety of live entertainment events locally, regionally and nationally.

This consolidation of venues and live entertainment significantly changed the composition of the industry. By assuming the roles of both promoter and venue manager, SFX can buy a show and book it into over 80 venues that it owns. In addition, SFX Entertainment merged with Clear Channel Communications. Clear Channel Communications is the global leader in the out-of-home advertising industry with radio and television stations and outdoor displays in 45 countries around the world. It operates over 1,170 radio stations and 17 television stations in the US and has an equity interest in over 240 radio stations internationally.

The amphitheater business is very competitive given the number of amphitheaters around the country as well as the limited number of touring acts in any one given year. In addition, there are several facilities in the immediate region capable of hosting concert activity such as the Ice Palace and the Sun Dome. Consequently, it would be important that the facility be operated or, at a minimum, booked by a professional promotions company and/or a partnership of multiple companies. SFX's involvement of the project would help ensure that the facility receives its fair share of event activity. This is an important point because SFX is actively involved in concert bookings at the Ice Palace and if SFX was not involved in the bookings for the proposed



amphitheater it would be a very competitive environment for concert business. An amphitheater properly booked and managed could potentially host approximately 20 concerts annually drawing anywhere between 200,000 and 350,000 patrons.

An amphitheater would allow various existing events in Pasco County to grow in size and scope as well as attract new events to the market. While this project concept would provide a unique amenity and address the civic needs of Pasco County and surrounding counties for concert activity as well as other entertainment events, it would not significantly increase tourism or require a large number of overnight stays. Because the patron base typically comes from the immediate region (ie a 75 mile radius) and the fact that events are one day and usually at night, amphitheatres do not typically generate a significant amount of economic impact. Another contributing factor is that amphitheatres are usually located in areas that offer large acreage that are not proximate to area restaurants. Given the outdoor nature, patron patterns tend to be to eat and drink at the facility. This can be a financial benefit to the County if it is able to share in the profits however it does not generate significant patron spending outside of the facility.

The facility would be able to capitalize on various media exposure associated with concert and other event activity. Amphitheatres tend to be associated with the cities that they are located in rather than the counties. Consequently the County will need to be active with the facility operator in how the facility is marketed in order to gain the maximum exposure and return on its financial investment.

The capital construction cost could range from \$15 to \$20 million based on similar facilities recently built. Site attributes that would be important for an amphitheater include a large parcel of land that can offer significant parking and good transportation access to the primary market to provide easy ingress and egress. As with the multipurpose facility, site location would be an important factor in order to maximize market share. A location proximate to I-75 would provide good access to a large market area.

With an amphitheater project there is a strong opportunity for a public-private partnership. Construction could be jointly funded and the County could have a management agreement with a third party such as SFX. As with the tennis stadium/complex concept, the County could try to structure the deal where the third party assumes all operating risks and, ideally, the County would be able to share in any financial upside in some manner. This approach would alleviate operating subsidy concerns for the County.

Performing Arts Center

Project Description: A performing arts center that could better address the community's needs for events such as Broadway shows, operas, ballets, and other similar functions.

Observations: There are several established venues in the market area that currently meet the needs for performing arts including the Tampa Bay Performing Arts Center, Ruth Eckerd Hall, and the Mahaffey Theatre. Given this level of competition, promoters indicated that there would be limited market demand for an additional performing arts venue in the market especially as it related to



attracting large, well-known acts such as Broadway shows. Consequently, if such a facility were built most users would likely be local groups who could probably only afford to pay minimal rent. While a performing arts center could have a civic purpose and increase the quality of life for residents, it would have limited impact on tourism. Given the likely level of activity the majority of patrons would be local based and would not generate hotel room nights. Unlike performing arts centers located in large markets, those in smaller markets do not typically generate significant economic impact to their communities. This is primarily due to the fact that the radius of patrons attending events comes from a relatively small area given the event base. In some instances, performing arts facilities are pursued in conjunction with nearby collegiate institutions in order to meet the institution's needs, provide additional activity and receive additional funding.

Capital funding requirements for a dedicated performing arts center would be substantial, typically in the \$15 to \$35 million range. Perhaps more importantly, the vast majority of performing arts center operate at a deficit. Given the market size, income characteristics, corporate base and competitive market, it would likely be difficult to secure the funding necessary for an ongoing operating subsidy. More fundamentally, operating self-sufficiency is a primary objective of the County in pursuing any new facility. Based on these observations, a new performing arts center does not appear to be a viable candidate to receive funding from the tourist development fund.

Recreational Sports Complex

Project Description: The recreational sports complex may include a variety of fields for hosting soccer, baseball, softball, football and other outdoor youth and adult recreational activities. The recreational sports complex concept could consist of either a new complex or expansion of additional facilities in the County.

Observations: As discussed earlier in the report, Wade-Trim, Inc prepared a Parks and Recreation Master Plan for Pasco County in April of 2001. While the study suggested a deficit of one district park in Pasco County in 2000, it also indicated that Pasco County will need four additional new district parks to meet the demand through 2010. The study also concluded that the active recreational facilities such as baseball/softball fields, soccer/football fields, basketball courts, tennis courts and handball/racquetball courts all showed a deficit in estimated recreation facility needs as did several of the passive facilities. The recommendations further stated that the projected need for four additional swimming facilities and five additional recreation centers in Pasco County through 2010 could be met by the five proposed new district parks. It is anticipated that the future recreational centers will be larger than those currently offered in Pasco County and will provide a gymnasium as well as meeting and community rooms. Consequently these proposed new facilities in conjunction with the existing facilities in the market could meet the community's needs for certain smaller meetings activity.

In addition to meeting local needs, recreational sports complexes can host a variety of state, regional and national tournaments that could bring participants as well as spectators to Pasco County. Some of these tournaments occur over multiple days and generate hotel room nights thereby positively impacting tourism and economic impact. The following table lists tournaments and their level that are currently held throughout Pasco County, several of which are regional and national in nature.



State, Regional and National Level Tournaments Held at Pasco County Parks

Event	Park	Level	Sport
Semi-Final for National Championship	Land O' Lakes Recreation Complex	National	Men's Soccer
Puma Invitational National Soccer Tournament	Sam Pasco	National	Youth Soccer
C Cup Regional Tournament	Arthur F. Engle Memorial Park	Regional	Youth Soccer
District 12 Major Division Tournament	Hudson Recreation Complex	Regional	Baseball
Region C Tournament	Hudson Recreation Complex	Regional	Youth Soccer
Region C Tournament	Hudson Recreation Complex	Regional	Youth Soccer
U12 Regional Tournament	Hudson Recreation Complex	Regional	Youth Soccer
Region C Tournament	Jack W. Mitchell	Regional	Youth Soccer
District 13 Championships	Land O' Lakes Recreation Complex	Regional	Little League Baseball
Regiona Cup Soccer Tournament	Sam Pasco	Regional	Youth Soccer
Regiona Cup Soccer Tournament	Sam Pasco	Regional	Youth Soccer
Little League Regional Tournament	Shady Hills	Regional	Softball
Sunbowl	Land O' Lakes Recreation Complex	State	Youth Soccer
State Sunbowl Soccer Tournament	Sam Pasco	State	Youth Soccer

Note: Data sorted by level of tournament.
 Source: Pasco County Parks and Recreational Department.

In most communities there is always a desire for more recreational facilities, especially those markets that are increasing in population. Many of these recreational initiatives are funded by taxpayers in various ways.

Although, there would be some additional tournaments that would attract tourists, the primary users of this facility would likely be local youth and adult groups that would likely only pay minimal rent to use the facilities.

Several geographic locations were identified in the parks and recreation master plan. Because these facilities will likely be used more often by residents that people from out-of-town participating in tournaments the location should be based on the geographic needs of the community. Easy transportation access would certainly be a positive attribute. Since the vast majority of participants and patrons will be arriving by automobile, driving to hotels will not be an issue for those people staying overnight. These people will likely use a variety of hotels both in the County as well as outside of the County. Depending on whether a new facility is constructed or expansion of existing facilities is pursued the potential capital costs would vary. Preliminary cost estimates prepared by Wade-Trim in its master plan estimated the total cost to upgrade existing parks in Pasco County to be \$4.045 million. The estimated cost to develop and operate new recreational facilities varied by type of park. The following outlines cost estimates provided by Wade-Trim in the master plan:

- Neighborhood Park - \$775,000
- Community Park - \$2,750,000
- District Park - \$13,000,000



Given its nature, the capital construction costs for a new or upgraded recreational sports complex could potentially be funded by means other than the tourist development tax. However, there will be an additional operational cost to the County associated with any new or expanded facility depending on the type of project pursued. In addition, there is limited potential to obtain private sector financial support for ongoing operations of a recreational sports complex.

Tennis Stadium/Complex

Project Description: The proposed tennis stadium/complex is anticipated have a capacity of about 5,000 – 7,000 people with the ability to add temporary seating to make the total seating capacity approximately 10,000 – 13,000 for large events. Ideally the tennis stadium/complex would include about 18-20 supporting tennis courts. In addition to tennis-related events, the facility could also have the ability to host concerts, shows, graduations and festivals. Given this preliminary concept, approximately 40 to 60 acres of land would be required.

Observations: Saddlebrook Resort is recognized as one of the top tennis centers in the world. The resort has about 75 tour players that train at the facility throughout the year as well as several professional tennis players that reside there including Martina Hingis, Jennifer Capriati and Jelena Dokic. Historically, Saddlebrook Resort has hosted many tennis tournaments such as the World Team Tennis Championships, Women's Legends of Tennis, Light n' Lively and Virginia Slims tournaments. Management indicates that the existing facilities have reached their maximum capacity for future events. Given its location and reputation for producing successful tennis tournaments, management at Saddlebrook Resort has been approached about potentially hosting addition world-class tennis events such as the Davis Cup, Federation Cup, ATP Tour Events among others.

Although the capital construction cost would vary somewhat depending on the type of components of the facility, a range from \$5 to \$10 million could be expected. Depending on its location within the County, a tennis/stadium complex as described above would be able to meet both civic needs in the community as well as competitive needs for professional athletes. A deficiency of recreational tennis facilities was mentioned in the master plan conducted for the Pasco County parks and recreation department. With the support and involvement of management at the Saddlebrook Resort, a tennis stadium/complex could have a positive impact on tourism in several ways.

It is anticipated that this facility would be a year round, multipurpose facility, which would host local, state and national tournaments as well as other events. This type of facility could enhance the County's ability to host large State, regional and national youth and adult tennis tournaments which generate participants and fans who stay in local hotels, eat in restaurants and shop in retail stores.

This venue would have the potential of globally identifying Pasco County by having the County's name incorporated in the stadium's name (i.e. Pasco Stadium). In addition the facility could potentially be the Florida 2012 site for Olympic Tennis events. However because it will be several years before the decision regarding the 2012 Summer Olympics is determined, this should not be a significant consideration in the County's decision.



If pursued and built with a portion of the tourist development tax, the facility name should reflect Pasco County in some form in order to capitalize on television exposure that would bring national and worldwide publicity to the County thereby promoting tourism.

A benefit associated with this project concept is the opportunity for a public-private partnership. With respect to operations, the County could choose to operate the facility through the Parks and Recreation department or through a management agreement with a third party such as Saddlebrook Resort. The advantage to the management approach is that the deal could be structured where the third party assumes all operating risks and, ideally, the County shares in any financial upside. This approach would alleviate operating subsidy concerns.

If the tennis stadium/complex is successful in hosting major events one dilemma will be the question of where to house participants and patrons. As discussed earlier, the existing hotel supply in the County is limited to about 2,600 rooms, 800 of which are located at Saddlebrook Resort. In addition, the majority of hotels are limited service and economy based. Consequently, some of the potential benefits would be realized in surrounding counties, most likely Hillsborough and Pinellas given their proximity, number and quality of hotel rooms as well as their attractions. Consequently, the County may want to consider pursuing a joint marketing effort and potentially even funding generated from these events either through various marketing agencies or corporate support. Again the importance of a dedicated tourism agency will be important or structuring some type of formalized relationship with other existing marketing agencies in the area.

In addition, the Women's Tennis Association (WTA) recently announced that it is exploring the merits of relocating its World Headquarters. Wesley Chapel in Pasco County along with St. Petersburg, Charleston, South Carolina and Atlanta have been short listed as potential sites. Offering a new tennis stadium/complex would likely enhance its chances of being selected. Housing the headquarters of a prestigious sports organization like the WTA would enhance Pasco County's image as a growing business community.

Spring Training Complex

Project Description: A spring training complex usually comprises an outdoor baseball stadium, practice fields and other related support facilities to host a Major League Baseball team for spring training and potentially a minor league baseball team during the summer.

Observations: In the past, Pasco County has been approached by baseball clubs to host their spring training. For instance, the New York Yankees approached the County about this concept before ultimately deciding to locate their spring training complex at Legends Field in Tampa. The estimated construction cost for the complex was approximately \$30 million including the stadium and the land.

There are currently 20 teams in the Florida Grapefruit League and 10 teams in Arizona's Cactus League. While these stadiums are a source of civic pride for their communities, spring training has become big business. A study commissioned by the Florida Sports Foundation estimated that spring training generated economic impact of \$490 million in 2000 and drew nearly 1.6 million in attendance. The Cactus League estimated spending from out-of-state patrons to be nearly \$200



million in 1998. Consequently, the competition among communities to attract these teams is substantial. In many cases, this competition results in communities being positioned against each other in order for the team to get the best facility and financial deal. For instance, the Texas Rangers and the Kansas City Royals will be leaving Florida for a new publicly funded \$45 million spring training facility in Surprise, Arizona which is located 30 miles south of Phoenix. Other recent spring training complexes that were publicly funded include Tucson Electric Park in Arizona (\$37 million) and Peoria Sports Complex in Arizona (\$22.3 million) and Roger Dean Stadium in Jupiter, Florida (\$28 million). Due to the increase in competition, one risk associated with spring training facilities is the mobility of the teams.

While the economic impact associated with spring training can be substantial, the issue of how much of the money will be spent in Pasco County compared to other surrounding counties is a concern. Although spending associated with a spring training facility would occur in the County, it is likely that a portion of the fans will stay outside of Pasco County because of the hotel supply and the biggest amenity in Florida in the winter: the beaches. As with the tennis stadium/complex, some of the potential benefits would be realized in surrounding counties, most likely Hillsborough and Pinellas given their proximity, number and quality of hotel rooms as well as their attractions. Unless the County is directly approached by a MLB team and can negotiate a very favorable financial deal that absolves the community from operating subsidy, this project should probably not be considered for short-term funding.



Summary of Conclusions

The evaluation criteria outlined previously helps the County determine the merits of alternative projects and programs within the context of overall community objectives and policy regarding the use of tourist development tax proceeds. The evaluation is particularly helpful in prioritizing long term projects and programs so that both community planning, as well as fiscal resources, are properly focused. This long term capital plan is especially crucial for Pasco County, given the number of potential projects/programs requesting funding and the limited amount of fiscal revenues available.

Under these conditions, the County may want to establish which criteria are most important in order to assist them in prioritizing which project or projects to fund in the short term given the amount of funds available. At the same time it should be recognized that these short term funding decisions should probably not be limited in amounts and duration until such time as a decision is made on a future long term capital project.

These limited resources suggest that the County will not be able to pursue a large-scale capital project presented for consideration unless there is significant private participation in the capital construction costs. As discussed earlier, it is likely that private participation could come in the form of absolving the County from future operating subsidies. The most likely projects under consideration that may be warranted by demand and that would likely have significant potential for a public/private partnership are the amphitheater and the tennis stadium/complex.

The County should recognize that there are several unanswered questions regarding these projects including site/location issues, project costs, and financing plan. These questions should be resolved and documentation for pursuing or not pursuing the project(s) should be fully developed. Once this is done, the long term commitment for future tourist development tax proceeds can be established.

Regardless of what capital project concept is pursued, the County should explore the merits of pursuing a dedicated full time agency (i.e. tourism bureau) to promote the area in a proactive way. This approach is recommended in order for Pasco County to significantly impact its tourism. The funding for such an agency is already in place through the tourism development tax. In order to maximize the benefits of this agency it will be essential to provide the necessary, qualified staff to effectively execute the marketing plan especially given the competitive market in which Pasco County is located.