

Cox Business Center – Market and Program Assessment



Presented to:
Visit Tulsa and City of Tulsa

Presented by:



Final Report
July 2017



July 2017

Mr. Ray Hoyt, President
Visit Tulsa & Tulsa Sports Commission
Tulsa Film & Music Office
1 W. Third Street, Suite 100
Tulsa, Oklahoma 74103

Dear Mr. Hoyt:

Crossroads Consulting Services LLC has completed its market and program assessment related to the proposed renovation/expansion of the Cox Business Center. This report summarizes our research and analysis.

In accordance with the terms of our engagement letter, the accompanying report is restricted to internal use by Visit Tulsa and the City of Tulsa and may not be relied upon by any third party for any purpose including financing. Notwithstanding these limitations, it is understood that this document may be subject to public information laws and, as such, can be made available to the public upon request.

Although you have authorized reports to be sent electronically for your convenience, only the final hard copy report should be viewed as our work product. We have enjoyed our ongoing relationship with Visit Tulsa and look forward to providing you with continued services in the future.

Sincerely,

Crossroads Consulting Services LLC

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EXECUTIVE SUMMARY

Project Background

In September 2003, voters of Tulsa County (County) approved a 13-year increase in the Tulsa County Sales Tax to fund new economic development and quality of life projects. The 0.6 percent tax package delivered projects in each of the 10 cities in the County. The 13-year tax expired in 2016. The BOK Center opened in 2008 as a direct result of the Vision 2025 plan.

In April 2016, an \$884.1 million tax renewal package was passed to address Tulsa's public safety, economic development, and transportation improvement requirements. This package included \$55 million dedicated to renovation/expansion of the Cox Business Center (CBC) to assist Tulsa in remaining competitive with other regional convention/meeting destinations.

Preliminary plans call for new ballroom/flexible space to replace the existing arena, a new main entrance to the CBC, new meeting space and possible retrofitting and modernizing of existing meeting rooms, pre-function, and common area spaces. According to representatives from Visit Tulsa, the Tulsa has lost more than \$102 million, with conventions going elsewhere due to the CBC being outdated.

Purpose of the Study

As part of their on-going planning efforts, Visit Tulsa and the City of Tulsa (City) retained Crossroads Consulting Services LLC (Crossroads) to provide analysis and observations related to the limitations of existing facilities and opportunities for renovated/expanded facilities from a market perspective.

This analysis does not include architectural-related services or detailed programming, design or cost budgeting/phasing as this work is being completed in a separate phase of this project. For instance, while we obtained direct feedback from multiple stakeholders including Visit Tulsa, City staff, CBC management as well as a select number of client and user groups regarding the adequacy of existing facilities to meet their future needs and required/desired future programmatic requirements, we did not conduct a comprehensive survey of existing or potential users of a renovated/expanded facility.

Work Plan

Specific research tasks conducted for this analysis included, but were not limited to, the following:

- Conducted a kickoff meeting with the client and toured the facility.
- Reviewed the current development plan under consideration in terms of program elements/amenities, site location, and potential synergies with a renovated/expanded CBC.
- Obtained feedback from various stakeholders to obtain their perspectives on the benefits, challenges, and opportunities associated with the proposed renovation/expansion of the CBC.
- Researched key market attributes and supporting hospitality infrastructure.
- Analyzed historical activity at the existing CBC.
- Reviewed lost business reports to obtain an understanding of the reasons that groups are not choosing Tulsa (e.g., amount and configuration of space, date availability, hotel supply, price/value, etc.).
- Researched key industry trends that may impact future operations of a renovated/expanded facility.
- Conducted surveys with a select number of meeting planners.
- Analyzed data from competitive facilities/destinations.
- Provided recommendations regarding the proposed renovation/expansion program from a market perspective.

Summary of Key Findings

Based on information collected during fieldwork and subsequent analysis, the following summarizes key findings related to the Tulsa market analysis and the assessment of existing facilities and renovated/expanded facilities at the CBC.

Local Market Conditions

The City and County are projected to experience population increases (3.9% and 5.4%, respectively) that are higher than that for the U.S. (3.8%) over the next five years. In 2017, the median household income is \$45,800 in the City and \$53,300 in the County, both of which are lower than the national average (\$57,500). The non-seasonally adjusted unemployment rate was 4.2% in the County and 4.4% in the Tulsa Metro Area in March 2017 which was slightly lower than that for the U.S. (4.6%) during the same month.

In terms of accessibility, Tulsa is well-served by multiple highways and turnpikes, including I-44 and Historic Route US 66, as well as by five airline carriers Allegiant Air, American, Delta, Southwest, and United Airlines at the Tulsa International Airport.

Tulsa offers multiple, diverse attractions, many of which are family-oriented which is an important factor for attendees in bringing families to meeting destinations.

Historical CBC Operations

Between 2013 and 2016, the CBC experienced double digit growth in both the number of event days (17%) and total attendance (59%). Conventions averaged the largest number of event days (80), followed by Other Events (58) and Banquets (57) during the profiled four-year period. Approximately 43% of lost business was due to insufficient space under one roof, 21% was attributed to insufficient space within the facility, and 19% was due to insufficient hotel rooms. Event planner stakeholder feedback indicates that additional flexible ballroom space with 30' ceilings and drive-on access are programmatic priorities. In addition, new meeting space and improvement to existing meeting and common spaces were cited as a priority.

Competitive Facility/Destination Analysis

Of the 12 facilities in the competitive set, all are municipally owned and five (including the CBC) are privately managed. The CBC offers 177,600 square feet (SF) of total function space which ranks 9th among the 12 profiled facilities. The CBC has the highest ratio of meeting/ballroom space to exhibit space (73%) compared to the average and median (47%) for the profiled set. The CBC's 102,600 SF of exhibit space is 34% less than the average (155,100 SF) for the profiled set. The CBC's 30,100 SF of ballroom space is only slightly lower (10%) than the average (33,400 SF) for the profiled set. The CBC offers more meeting room space (44,900 SF) than the average (40,000 SF) for the profiled set.

The competitive landscape of the market is continuing to change through facility renovation and expansion. Facilities in Albuquerque, Des Moines and Louisville have either completed or will complete in 2018 improvement or expansion. Oklahoma City and Wichita have approval to move forward with planning/construction. In addition, both Austin and Memphis are actively considering renovation or expansion of their facilities.

Tulsa ranks 6th among the profiled set for hotel rooms within walking distance to the facility. Austin and Louisville each had more than double the number of hotel rooms within walking distance than Tulsa. The total tax rate on hotels in Tulsa is 13.52% which ranks the 4th lowest among the profiled set and is a favorable attribute. Higher tax rates can negatively impact meeting planners' decision-making process, particularly in a buyer's market.

Industry Trends

The supply of exhibit space has increased in recent years while the demand for space has decreased which has created a gap and resulted in a buyer's market. This has caused facilities to compete on overall price and value to adapt to changing conditions. Facility users are placing an increasing demand on technology and innovation, client experience, and food and beverage. In addition, there has been a focus in the industry on elements such as a campus setting, flexible space, openness, sustainability, and safety.

Programming Recommendations

New ballroom/flexible space to replace the existing arena with the following elements:

- 40,000 SF column free space with ability to be subdivided and accessed from the new CBC main entry
- Minimum of 30' ceiling height with multiple rigging points and dedicated loading docks with drive-on access
- Design finishes that allow maximum flexibility for use of space for exhibits, banquets, general sessions, sporting events and other special events

New meeting rooms centrally located in the CBC with the following elements:

- 15,000 to 20,000 additional SF of meeting space with ability to subdivide
- Ability to access the new meeting space directly from pre-function and common spaces
- State-of-the-art technology, including wireless internet connectivity and bandwidth as well as easily accessible electrical, and audio-visual connectivity
- Ceiling heights sufficient to allow client audio visual screen presentations
- Renovation and modernization of existing meeting space to match the technology, finishes and accessibility of new meeting space
 - Program goal is to have seamless integration of new and old meeting space and pre-function space so all rooms and surrounding areas have consistent design and technology capability

New Entry Location and updated common and pre-function spaces:

- Program goal is to attain seamless integration between new and old common and pre-function areas and bring all spaces to a new design standard
- Extend the incorporation of the “MODWEST” color scheme and branding throughout the entire CBC including newly renovated spaces
- Addition of vertical transportation to facilitate flow of attendees through the building and to complement the existing stairwell system
- Update the public art program to be consistent with newly designed spaces

New Kitchen Location:

- To be centrally located between old and new ballroom spaces
- New space to allow more expedient movement of prepared food to both ballrooms

- Provide increased space for food preparation, plating, and breakdown in designated area to minimize noise and customer disturbance
- Include a new state-of-the-art tasting room to accommodate chef presentations and meetings with clients

Because the information presented in the executive summary is extracted from the more detailed report, it is important for the reader to review the report in its entirety to gain a better understanding of the research, methodology, and assumptions used.

The remainder of this report summarizes the key findings from our research and analysis.

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LOCAL MARKET CONDITIONS

Local market conditions such as demographic/economic attributes, the vibrancy of the area immediately surrounding a facility, and overall destination appeal to both event planners/promoters and attendees can all impact a facility's overall competitiveness within the broader marketplace. This section profiles select market characteristics including demographic/economic statistics, area employment, accessibility, hotel market, and attractions.

Demographic/Economic Statistics

Population serves as a base from which events at the CBC can draw attendance and other forms of support. Profiled demographic/economic statistics for the local, State, and national markets are based on data supplied by Claritas, a Nielsen company that provides current and projected U.S. demographics based on U.S. Census figures. The Tulsa Metropolitan Statistical Area (Tulsa MSA or Tulsa Metro Area) consists of seven counties including: Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa, and Wagoner.

Population

Population serves as a base from which events at the CBC draw attendance and other forms of support. In 2017, the population of the City and the County is estimated to be approximately 409,200 and 651,100, respectively. As such, the County provides an incremental population of approximately 241,900. Population within the City and County is projected to increase by 3.9% and 5.4%, respectively, from 2017 to 2022. This projected growth rate for the City is slightly higher with that for the U.S. (3.8%) while the County is expected to grow at a higher rate than the State of Oklahoma (4.1%).

Age Distribution

Analysis by age group is helpful since certain events are targeted toward consumers who fall within specific age categories. The median age for the City is 35.7 years old and 36.0 years old for the County, which is younger than those for the Tulsa Metro Area (37.3 years old), State of Oklahoma (36.7 years old) and the U.S. (38.2 years old).

Income

Income 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. The 2017 median household income is \$45,800 in the City and \$53,300 in the County. As a point of reference, the City's median household income levels are lower than that for the State of Oklahoma (\$50,400) and the U.S. (\$57,500).

Summary

The following table provides a summary of key demographic/economic statistics.

Summary of Key Demographic/Economic Characteristics					
Category	Geographic Area				
	City of Tulsa	Tulsa County	Tulsa Metro Area	State of Oklahoma	U.S.
Population					
2000 Population	393,500	563,300	859,500	3,450,700	281,421,900
2010 Population	391,900	603,400	937,500	3,751,400	308,745,500
2017 Population	409,200	651,100	995,000	3,958,000	325,139,300
2022 Projection	425,000	686,600	1,040,400	4,118,900	337,393,100
Growth Rate (2000-2010)	-0.4%	7.1%	9.1%	8.7%	9.7%
Growth Rate (2010-2017)	4.4%	7.9%	6.1%	5.5%	5.3%
Projected Growth Rate (2017-2022)	3.9%	5.4%	4.6%	4.1%	3.8%
Median Age	35.7	36.0	37.3	36.7	38.2
2017 Median Household Income	\$45,800	\$53,300	\$53,600	\$50,400	\$57,500
2017 Average Household Income	\$68,700	\$74,400	\$72,600	\$69,400	\$80,900

Source: Claritas.

Area Employment

The employment base of the Tulsa Metro Area provides a potential target market for events and financial support for the CBC. Area employers may utilize the facility for various events or represent potential advertising/sponsorship opportunities which is typically dependent on the size and composition of the area employment base. A broad workforce distribution helps lessen a community's dependency on support from any single industry segment. Employment diversification helps a local economy withstand economic downturns due to dependency upon one industry; should one industry fail, there are others upon which the local economy can rely.

As shown in the following table, employment in the Tulsa Metro Area is primarily concentrated in trade, transportation, and utilities; education and health services; government; and professional and business services. In aggregate, these four industries comprise approximately 63% of area jobs.

Employment by Industry in the Tulsa Metro Area		
Industry	Total Jobs	% of Total
Trade, Transportation, and Utilities	87,400	19.8%
Education and Health Services	70,900	16.1%
Government	60,300	13.7%
Professional and Business Services	57,400	13.0%
Manufacturing	45,000	10.2%
Leisure and Hospitality	43,400	9.8%
Mining and Construction	28,100	6.4%
Financial Activities	23,300	5.3%
Other Services	17,900	4.1%
Information	7,300	1.7%
Total	441,000	100.0%

Note: Sorted in descending order by total jobs as of March 2017.

Source: U.S. Bureau of Labor Statistics.

Per the U.S. Bureau of Labor Statistics, the non-seasonally adjusted unemployment rate for the County and the State of Oklahoma was 4.2% in March 2017 while the Tulsa Metro Area unemployment rate was 4.4%, all of which were lower than for the U.S. (4.6%) during the same month.

With approximately 9,500 employees, Saint Francis Healthcare System is the largest single employer in the City followed by Walmart/Sam's Club and Tulsa Public Schools. As shown in the table, other major employers include American Airlines, St. John Health System and Hillcrest Healthcare System.

Largest Employers in City of Tulsa	
Employer	Total Employees
Saint Francis Healthcare System	9,500
Wal-Mart/Sam's Club	8,000
Tulsa Public Schools	8,000
American Airlines	6,500
St. John Health System	6,500
Hillcrest Healthcare System	6,500
City of Tulsa	3,500
Reasor's (All Tulsa Area Locations)	3,500
Cherokee Hard Rock Hotel and Casino	3,500
QuikTrip	3,500
Total	59,000

Notes: Sorted in descending order by total employees.

Total Employees includes regular full-time and part-time employees.

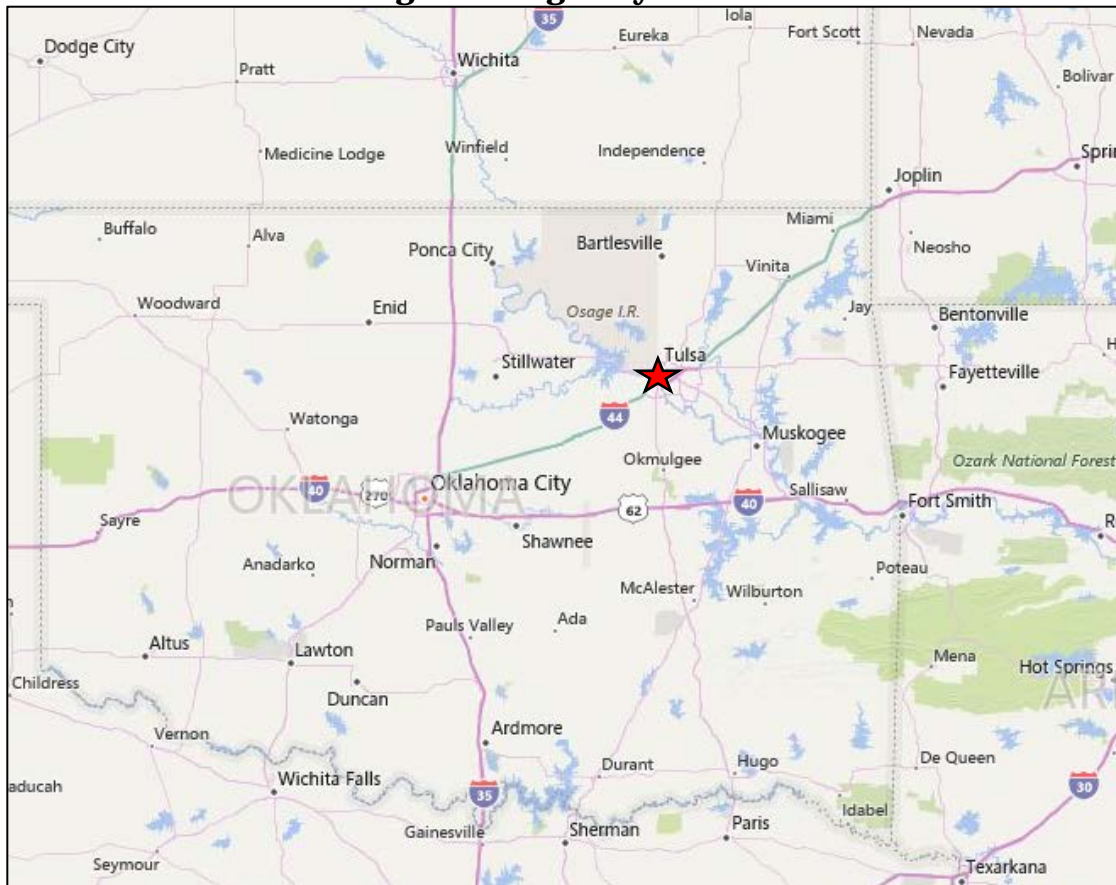
Source: City of Tulsa 2016 Comprehensive Annual Financial Report.

Accessibility

The method that event promoters/producers use to select venues to host their event is partially based on ease of access to a market for attendees. In addition, the location and accessibility of a facility relative to the population base can impact its marketability for certain types of events.

Relative to highway accessibility, Tulsa is primarily serviced by I-44 and Historic Route US 66.

Regional Highway Access



Source: Bing.com/maps.

In terms of commercial air access, Tulsa International Airport is serviced by the following five airline carriers: Allegiant Air, American, Delta, Southwest, and United Airlines. In 2015, there were approximately 1.4 million passenger enplanements at the Tulsa International Airport, which ranked 77th among all U.S. airports. The FAA defines passenger enplanements as domestic, territorial, and international passengers who board an aircraft in scheduled and non-scheduled service of aircraft.

Hotel Market

The diversity and supply of hotel rooms proximate to the CBC can play a role in attracting certain events that draw overnight attendees such as conventions/meetings and sports competitions. As shown in the following table, there are approximately 1,800 hotel rooms in Downtown Tulsa. This supply is supplemented by additional properties throughout the Tulsa Metro Area which has a total hotel room supply of approximately 14,500.

Hotel Supply in Downtown Tulsa	
Property	Number of Rooms
Hyatt Regency Tulsa	454
Doubletree by Hilton Tulsa Downtown	417
Holiday Inn Tulsa City Center	220
Aloft Downtown	180
Hampton Inn & Suites Tulsa Downtown	125
Courtyard by Marriott Tulsa Downtown	119
Fairfield Inn & Suites Tulsa Downtown	104
Historic Mayo Hotel	102
Best Western Plus Downtown Tulsa	79
Total	1,800

Note: Sorted in descending order by number of rooms.

Source: Visit Tulsa.

Attractions

The availability of cultural, recreational, retail, and entertainment options is another factor that event planners/producers consider when selecting a destination for their event and is important for timeframes when attendees are not at event-related functions. The variety of attractions is also an important consideration for attendees when deciding whether to bring additional family/friends and how long to stay. Tulsa offers multiple, diverse attractions, many of which are family-oriented. Popular attractions include, but are not limited to, the following:

- Oklahoma Aquarium
- Tulsa Children's Museum
- Discovery Lab
- Hard Rock Hotel & Casino Tulsa
- Tulsa Botanical Gardens
- Tulsa Zoo & Living Museum
- Tulsa Air & Space Museum & Planetarium
- Museums
- Golf courses
- Local parks
- Cultural and arts related activities
- Entertainment Districts

The next section profiles historical CBC operations.

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HISTORICAL CBC OPERATIONS

This section provides an overview of CBC operations in terms of building program, utilization, lost business, and input from stakeholders.

Building Program

The CBC currently offers 102,600 total SF of exhibit space divisible into three separate halls, 44,900 SF of meeting space including 24 meeting rooms, and 30,100 total SF of ballroom space divisible into four sections.

The following chart provides more detail about the current space at the CBC.

CBC Building Program

COX BUSINESS CENTER	DIMENSION/SQ.FEET	CEILING HEIGHT	THEATER SEATING	ROUND BANQUET SEATING (10 CHAIRS/ TABLE)	CLASSROOM SEATING (3 CHAIRS/ TABLE)	10X10 BOOTH
CONFERENCE HALL						
Entire	100'x200'/20,000 sq. ft.	11'6"	1,305	909	454	86
Half	100'x100'/10,000 sq. ft.	11'6"	682	477	211	38
A	100'x60'/6,000 sq. ft.	11'6"	443	252	97	22
B, C, or D	60'x40'/2,400 sq. ft.	11'6"	353	135	81	16
ASSEMBLY HALL						
Entire	77'x100'/7,700 sq. ft.	21'	900	403	259	36
Entire w/ Extension	77'x130'/10,010 sq. ft.	10' under extension	1,058	511	324	42
2ND AND 3RD FLOOR MEETING ROOMS						
A-E & G	20'x30'/600 sq. ft.	10'	ABCD:44/ EG:56	27	16	-
F	20'x20'/400 sq. ft.	10'	27	27	16	-
ARENA						
Entire	112'x212'/23,744 sq. ft.	53' 6"	7,000	1,037	848	97
EXHIBIT HALLS						
A	190'x 160'/30,400 sq. ft.	33' 6"	2,430	1,260	945	135
B	190'x180'/34,200 sq. ft.	33' 6"	2,610	1,458	1,037	149
C	190'x200'/38,000 sq. ft.	33' 6"	3,060	1,458	1,350	162
A,B Combined	190'x200'/38,000 sq. ft.	33' 6"	4,500	2,700	2,203	315
B,C Combined	190'x380'/72,200 sq. ft.	33' 6"	5,130	2,916	2,462	315
A,B,C Combined	190'x540'/102,600 sq. ft.	33' 6"	6,300	4,374	2,770	459
TULSA BALLROOM						
Entire	216'x142'/30,060 sq. ft.	25'	2,970	1,476	1,170	171
Ballroom A	155'x142'/21,474 sq. ft.	25'	1,800	990	765	134
Ballroom B	61'x142'/8,586 sq. ft.	25'	630	288	180	32
B2	61'x48'/3,098 sq. ft.	25'	252	108	81	11
B1,B3	61'x46'/2,749 sq. ft.	25'	180	90	72	11
WEST MEETING ROOMS						
Each Room (7 Total)	45'x27'/1,215 sq. ft.	14'	65	45	22	-

Source: Facility Management.

The following map depicts the various meeting spaces offered at the CBC.

CBC Floorplans

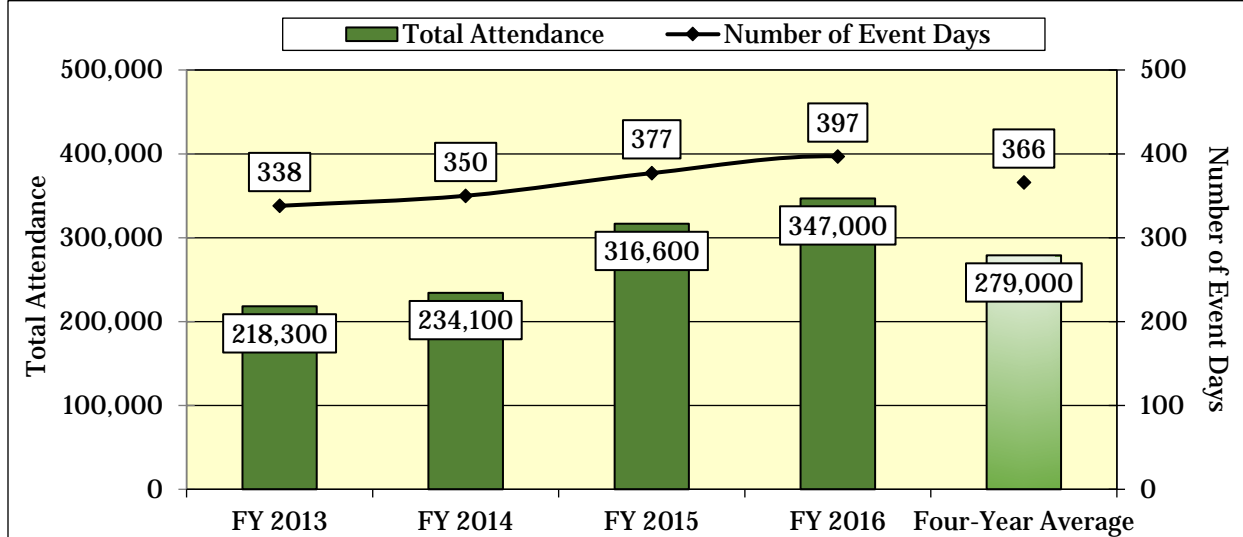


Source: Facility Management.

Utilization Trends

Understanding historical utilization at the CBC is one factor in assessing the potential need for renovation/expansion. To gain an understanding of the types of events that the CBC has held as well as general event attributes, the facility’s event activity was analyzed for FY 2013 through FY 2016. The following graph illustrates the number of event days and total attendance at the CBC for the last four fiscal years. As shown, the number of event days increased by 17% from 338 in FY 2013 to 397 in FY 2016 and averaged 366 over the profiled four-year period. Attendance increased by 59% from 218,300 in FY 2013 to 347,000 in FY 2016 with an average attendance of 279,000 during the profiled period.

Historical Utilization at the CBC (FY 2013 - FY 2016)



Source: Facility Management.

As a point of reference, the CBC's multi-purpose hall occupancy was 45% in 2016 which was consistent with that at other centers with 100,000 to 199,999 SF of exhibit space and other centers in Regional Markets (defined as having less than 15,000 hotel rooms).

Utilization by Event Type

Further analysis of event activity by type reveals trends that may impact future operations. Conventions averaged the highest number of event days (80), including a 68% increase from FY 2015 to FY 2016. Other Events (58) and Banquets (57) also accounted for a high number of event days during the profiled period. Consumer/Public Shows accounted for the highest attendance during the profiled period and averaged 58,400 attendees per year, which was due in large part to an increase of 74,500 attendees in FY 2016. Conventions also accounted for a significant number of attendees each with an average of 52,900 during the profiled period. Consumer/Public Shows had the highest average attendance per event day (1,800) followed by concerts (1,700). The table on the following page summarizes activity at the CBC from FY 2013 to FY 2016.

Summary of Historical Utilization at the Cox Business Center					
Event Days	FY 2013	FY 2014	FY 2015	FY 2016	Four-Year Average
Assembly	6	8	9	14	9
Banquets	67	48	49	64	57
Consumer/Public Shows	17	29	34	47	32
Concerts	5	7	4	6	6
Conventions	52	65	75	126	80
Entertainment	6	3	1	2	3
Family Shows			7	4	6
Meeting	41	43	68	35	47
Sporting	17	32	49	44	36
Trade Shows	13	2	4	4	6
Performing Arts	48	46	6		33
Other	60	53	66	51	58
Tenant 1	6	6			6
Tenant 2		8	5		7
Total	338	350	377	397	366
% Change		4%	8%	5%	
Average Attendance					
Assembly	1,800	1,300	1,600	1,000	1,400
Banquets	400	500	600	500	500
Consumer/Public Shows	4,200	1,000	900	2,200	1,800
Concerts	2,500	1,900	1,700	1,500	1,700
Conventions	300	500	1,200	600	700
Entertainment	500	1,200	1,800	1,100	900
Family Shows			700	800	700
Meeting	200	200	300	500	300
Sporting	1,200	1,700	1,500	1,100	1,400
Trade Shows	300	4,500	900	2,200	1,100
Performing Arts	200	100	600		200
Other	500	500	600	600	500
Tenant 1	900	1,200			1,000
Tenant 2		900	600		700
Total Attendance					
Assembly	10,500	10,600	14,800	13,300	12,300
Banquets	25,600	26,100	29,400	34,400	28,900
Consumer/Public Shows	71,100	29,100	29,500	104,000	58,400
Concerts	12,700	13,200	6,800	9,000	10,400
Conventions	16,300	34,700	87,400	73,100	52,900
Entertainment	3,100	3,700	1,800	2,100	2,700
Family Shows			4,900	3,300	4,100
Meeting	10,100	9,000	21,000	16,700	14,200
Sporting	20,800	52,900	74,000	50,400	49,500
Trade Shows	4,000	9,000	3,400	8,700	6,300
Performing Arts	10,700	5,300	3,600		6,500
Other	28,300	26,400	37,000	32,000	30,900
Tenant 1	5,100	7,200			6,200
Tenant 2		6,900	3,000		5,000
Total	218,300	234,100	316,600	347,000	279,000
% Change		7%	35%	10%	

Note: Attendance numbers are rounded to the nearest hundred.

Source: SMG.

Lost Business

Visit Tulsa tracks lost business for events that chose not to book their event at the CBC for various reasons. The most frequent reason cited (43%) was due to insufficient space under one roof. Other common reasons included insufficient meeting space (21%) and insufficient rooms downtown (19%).

Summary of Lost Business Reports for the Cox Business Center (2014-2020)				
Reason	Number of Events	% of Total	Number of Event Days	% of Total
Insufficient Space Under One Roof	18	43%	124	41%
Insufficient Meeting Space Availability	9	21%	47	16%
Insufficient Rooms Downtown	8	19%	77	25%
Insufficient Room Availability	3	7%	24	8%
Insufficient Meeting Spaces	2	5%	20	7%
Lack of Enhancements	2	5%	10	3%
Total	42	100%	302	100%

Note: Sorted in descending order by number of events.

Source: Visit Tulsa.

For Sports Lost Business, 100% was attributable to the facility, with 92% citing insufficient space under one roof and insufficient meeting space availability. A common comment was the lack of enough contiguous space.

Visit Tulsa also tracks potential room nights for events that could utilize the CBC in coming years. The table below provides a list of events that could potentially outgrow the CBC at its current size. These events may potentially need to find a new facility to host their events in another city and possibly outside of the State. As shown in the following table, these events could potentially result in approximately 13,650 room nights.

Current Groups That Could Potentially Outgrow the Cox Business Center			
Event Name	Request Room Block Begin	Request Room Block End	Requested Rooms
2016 Bassmaster Classic	2/28/2016	3/6/2016	2,865
2016 Signature Equipo Vision Convention	2/17/2016	2/20/2016	1,597
2016 Enhanced Oil Recovery Symposium	4/8/2016	4/13/2016	1,555
2017 Usborne Books & More National Convention	6/7/2017	6/11/2017	1,415
2016 Annual Conference and Trade Show	7/21/2016	7/28/2016	1,119
2016 Usborne Books & More National Convention	6/8/2016	6/12/2016	1,085
2018 Usborne Books & More National Convention	6/20/2018	6/24/2018	1,085
2016 Tulsa Comic Con	10/19/2016	10/23/2016	1,060
Tokyo in Tulsa	7/15/2016	7/17/2016	1,015
2017 The Pipeline & Energy Expo	4/3/2017	4/6/2017	850
Total			13,646

Note: Sorted in descending order by requested rooms.

Source: Visit Tulsa.

Input from Stakeholders

The following summary of input was derived from discussions with stakeholders from Visit Tulsa, City staff, CBC management as well as client and user groups. The purpose was to obtain feedback regarding the program currently under consideration and to assess these groups current and future needs at the CBC. The summary that follows provides a high-level overview of feedback received.

General Observations

- Nearly all stakeholders commented that additional ballroom/flexible space to replace the existing arena would be well-received and utilized as more functional space.
 - Sporting activity stakeholders were the only group to utilize the arena space in its current configuration and noted that transformation of the space to a ballroom/flex space would be acceptable as long as the CBC made capital investment in telescoping/bleacher seating to continue to accommodate their groups.
- There was universal agreement that a new defined “front door” entrance to the CBC is an important addition along with improved signage and wayfinding to better accommodate flow of attendees through the facility.
- Nearly all stakeholders mentioned that new and centrally located meeting space was important to their groups and further noted that the existing meeting, pre-function, and common spaces in the CBC should be updated and modernized to achieve a seamless experience between new and older spaces.
- Event planners/producers indicated high satisfaction with the CBC’s food and beverage program. The only negative comment related to lack of permanent café location for food and beverage for attendees between meetings or other down times when attendees are at the facility.

Arena/New Flexible Ballroom Space Considerations

- With the exception of sports industry stakeholders, all others contacted noted the arena space was difficult to utilize for their event due to inflexibility of fixed seating and lack of ability to subdivide the arena floor.
- Stakeholders in the sports industry cited that the arena is currently functional for their needs due to fixed seating but that CBC could replicate this functionality by purchasing and providing telescoping/bleacher systems for use in the new space and other spaces at CBC.
- Local planners indicated that there would be significant demand for new ballroom/flexible space in Tulsa and that if CBC provided such a new space it would be well-utilized by local event planners as well as conferences with a gala component to their program.

- Conference and other planners observed that a second ballroom space would be beneficial and allow them to add another on-site banquet or general session to their event helping them drive costs down and avoid use of off-site locations to satisfy these needs.
- Top priorities mentioned for new ballroom/flexible space include:
 - The ability for at least one drive-on access point for ease of load-in and load out and many suggested two drive-on access points would be ideal.
 - Numerous and easily accessible rigging points in the ceiling to hang decorations, light and sound equipment.
 - Many noted that the CBC needs to improve on this over the existing ballroom space.
 - Hang points should have sufficient load capacity.
 - Ceiling should be 30’ high with a minimally invasive ceiling treatment that does not inhibit creative event design and access to rigging points. An easily accessible cat-walk structure in the ceiling should also be considered.
 - A neutral and more modern color palate, which is in contrast to and unique from the existing ballroom color palate.
 - Consideration of additional air walls to maximize the ability to subdivide for cocktail parties, silent auctions, and other ancillary banquet activities.
 - Modernized sound and lighting systems to allow contractors to more easily and cost effectively manage these elements for events.
 - Additional storage area for event vendors, dedicated food prep areas, and more house curtains.

Meeting Rooms Considerations

Users who utilize meeting space cited the following priorities for new meeting space and as upgrades to existing meeting rooms:

- Existing meeting rooms and accompanying common and pre-function spaces are not attractive and need to be upgraded to incorporate modern design elements and be seamless with any new rooms and spaces added during renovation.
- Breakout spaces are not sufficient from a technology standpoint and specifically cannot effectively handle heavy computer lab requirements. Connectivity issues were cited as a major deficiency at the CBC. Users cited the need to significantly improve wireless connectivity and bandwidth without the expense of dropping hard lines.

- Some planners indicated they would like to see built-in connectivity for screens, audio and video for ease of connecting and to minimize their audio-visual costs which can be higher than their facility rental costs. At least two planners indicated that the Cox Convention Center in Oklahoma City has a better solution for accommodating meeting room/facility technology needs compared to the CBC.

Newly Defined Main Entrance to CBC

- Current entrance configurations are confusing as to how attendees should flow through space and there is a need to provide digital wayfinding for clarity as to how attendees traverse to their respective events.
- A new visible entrance with more space for valet cars and for ride-sharing/taxi management is important. One major local event planner suggested three total incoming lanes to the main entrance with two lanes used for valet/guest drop off and one lane dedicated to Ride-Sharing/Taxis.
- Multiple meeting/event planners expressed a desire for a permanent coffee shop and gathering space in a newly defined entrance/lobby location. This comment is driven by the fact that there is not a location for coffee or quick snacks within easy walking distance so demand needs to be met by CBC until further restaurant/café development occurs closer to the facility.
- Suggestions for moving walkways and updated/less intrusive art program were also mentioned by several stakeholders.

The following section provides a facility/destination analysis of the CBC's competitive set.

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COMPETITIVE FACILITY/DESTINATION ANALYSIS

It is important to understand the competitive environment within which the CBC operates. As such, this section compares various physical characteristics of convention centers that typically compete with Tulsa for conventions, tradeshow, and meetings as well as destination attributes for those markets. This analysis will assist Visit Tulsa and the City assess the CBC and Tulsa's position relative to other competitive markets as they explore the need for renovated/expanded space.

This section profiles the following competitive convention centers:

- Albuquerque Convention Center
- Austin Convention Center
- Century II Performing Arts & Convention Center
- Century Link Convention Center
- Cox Convention Center
- Fort Worth Convention Center
- Iowa Events Center
- Kentucky International Convention Center
- Memphis Cook Convention Center
- Mobile Convention Center
- Statehouse Convention Center

Crossroads obtained and analyzed building program attributes, destination characteristics and operating data for the profiled set based on interviews with management, industry resources, published reports, and our internal database. The data shown in this report is based on available information for each of the profiled facilities.

Facility Analysis

The pages that follow summarize the owner, operator and building program elements of the profiled set of competitive facilities.

Owner and Operator

The table that follows summarizes the owner and operator for the profiled facilities. All of the profiled facilities are municipally owned. Five (5) of the 12 profiled facilities (including the CBC) are privately managed.

Profiled Set - Owner/Operator		
Facility	Owner	Operator
Albuquerque Convention Center	City of Albuquerque	SMG
Austin Convention Center	City of Austin	City of Austin
Century II Performing Arts & Convention Center	City of Wichita	City of Wichita
CenturyLink Convention Center	City of Omaha	Metropolitan Entertainment & Convention Authority (MECA)
Cox Business Center	City of Tulsa	SMG
Cox Convention Center	City of Oklahoma City	SMG
Fort Worth Convention Center	City of Fort Worth	City of Fort Worth
Iowa Events Center	Polk County	Spectra
Kentucky International Convention Center	Commonwealth of Kentucky	Kentucky Venues
Memphis Cook Convention Center	City of Memphis	Memphis Management Group
Mobile Convention Center	City of Mobile	SMG
Statehouse Convention Center	City of Little Rock	Little Rock CVB

Note: Sorted alphabetically by facility.

Sources: Individual facilities; secondary research.

Building Program

As previously mentioned, one of the primary objectives of this study is to provide observations related to opportunities for renovated/expanded facilities at the CBC from a market perspective. This section provides context as to how the CBC compares to its competitors in the amount and type of facility space.

Profiled Set - Building Program Characteristics						
Facility	Exhibit Hall SF	Ballroom SF	Meeting Room SF	Total Function SF	Ratio of Ballroom/Meeting SF to Exhibit SF	Divisible Meeting Rooms
Austin Convention Center ¹	247,100	63,900	63,400	374,400	52%	54
Kentucky International Convention Center ²	200,100	40,000	62,500	302,600	51%	50
Fort Worth Convention Center	182,600	28,200	53,200	264,000	45%	41
CenturyLink Convention Center	194,300	41,900	22,100	258,300	33%	12
Albuquerque Convention Center	166,500	31,200	46,400	244,100	47%	30
Memphis Cook Convention Center	158,700	27,800	45,900	232,400	46%	26
Iowa Events Center	149,900	28,800	46,800	225,500	50%	37
Century II Performing Arts & Convention Center	125,000	45,000	27,600	197,600	58%	21
Cox Business Center	102,600	30,100	44,900	177,600	73%	24
Cox Convention Center	99,400	28,100	28,600	156,100	57%	21
Mobile Convention Center	100,000	14,000	25,500	139,500	40%	16
Statehouse Convention Center	82,900	18,400	17,600	118,900	43%	13
Average (Excluding Cox Business Center)	155,100	33,400	40,000	228,500	47%	29
Median (Excluding Cox Business Center)	158,700	28,800	45,900	232,400	47%	26

Notes: Sorted in descending order by total function SF.

Prefunction, concourse, lobby and theater/auditorium/arena spaces are excluded from all centers.

Event space square footage is rounded to the nearest hundred.

¹ Facility is currently preparing for expansion.

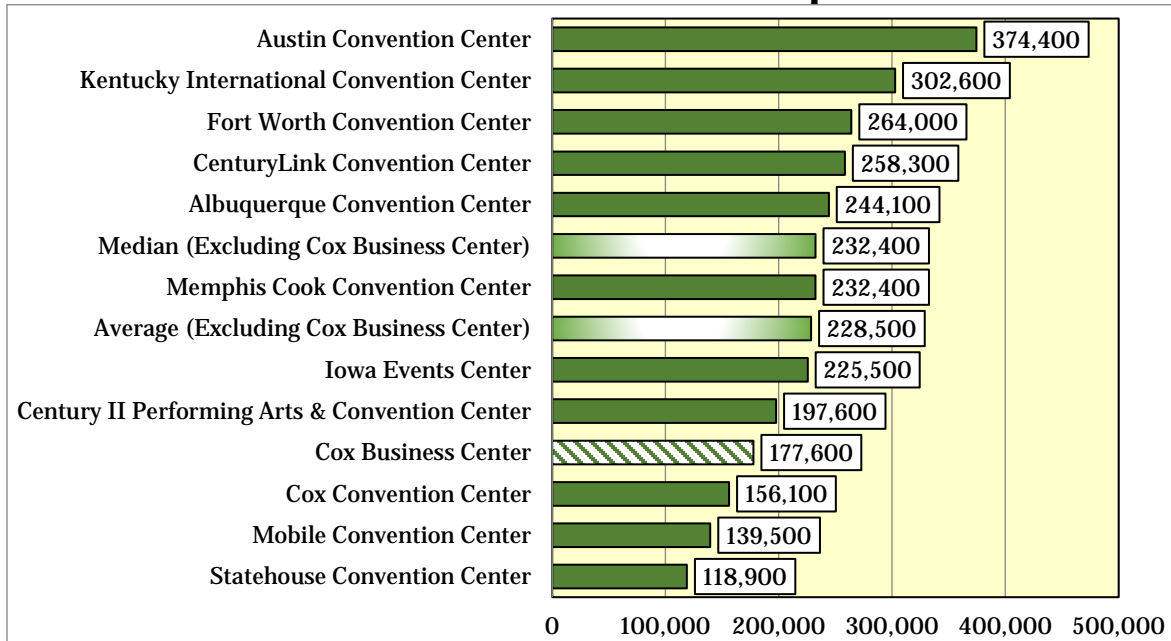
² Facility is currently undergoing renovation/enhancements, amounts reflects post construction offerings.

Building is scheduled to re-open in August 2018.

Sources: Individual facilities; secondary research.

The CBC currently offers 177,600 SF of total function space which is 22% less than the average for the profiled facilities (228,500 SF).

Profiled Set – Total Function Space

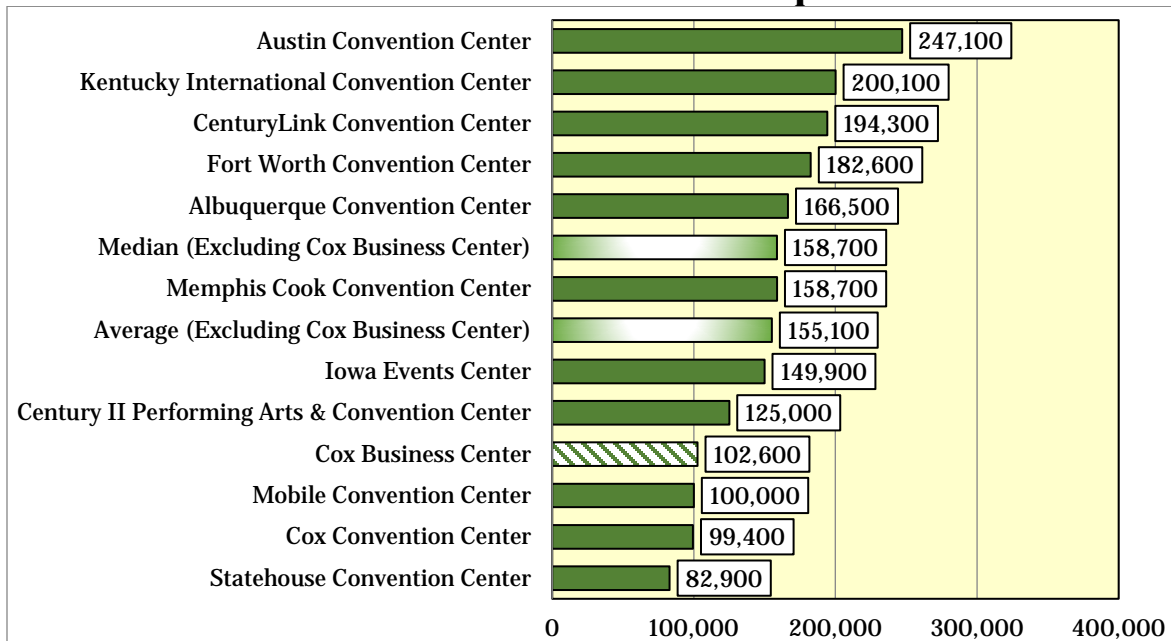


Notes: Total function space equals the sum of the exhibit, meeting, and ballroom space.
Pre-function, concourses and lobby spaces are excluded from all centers.

Sources: Management at individual facilities; secondary research.

With 102,600 SF of exhibit space, the CBC ranks 9th among the 12 profiled facilities and offers 34% less than the average for the profiled set (155,100 SF).

Profiled Set – Total Exhibit Space

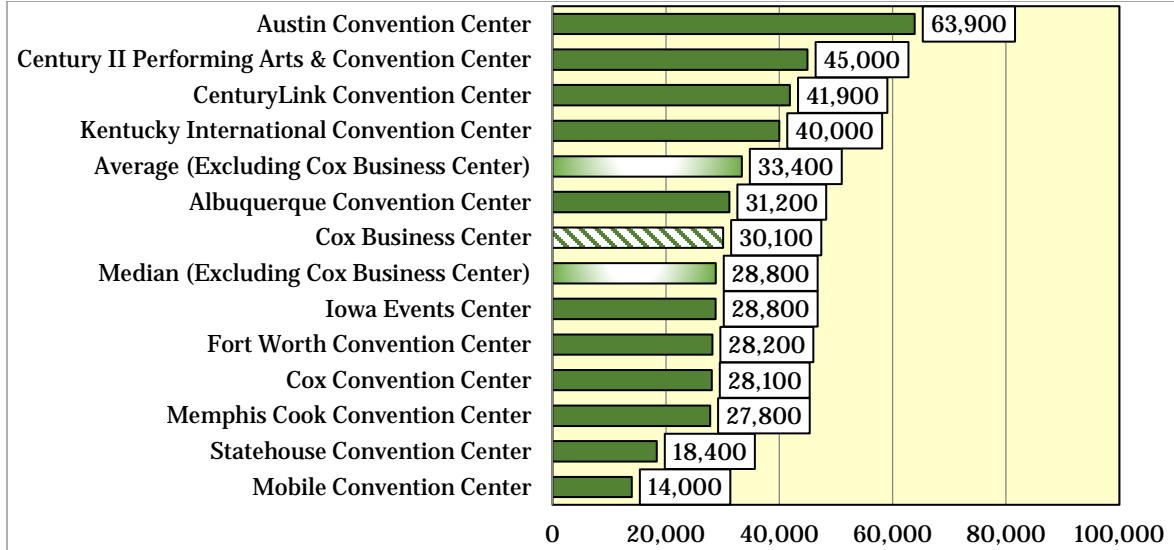


Note: Pre-function, concourses and lobby spaces are excluded from all centers.

Sources: Management at individual facilities; secondary research.

The CBC ranks 6th in total ballroom SF and offers 10% less ballroom space (30,100 SF) than the average for the profiled set (33,400 SF).

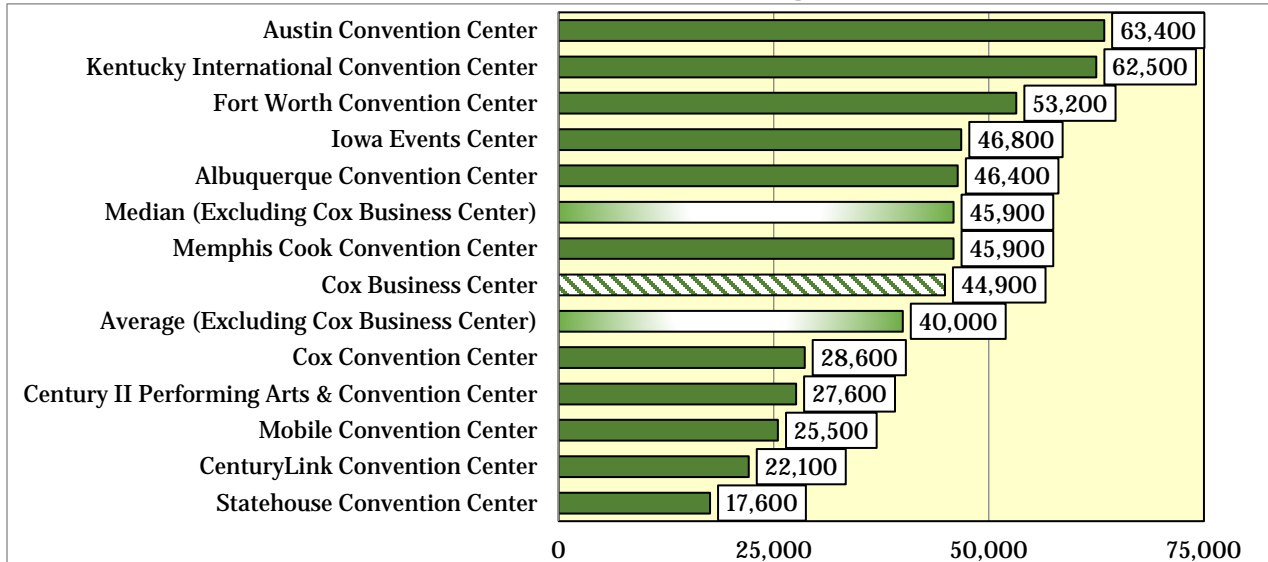
Profiled Set – Total Ballroom Space



Note: Pre-function, concourses and lobby spaces are excluded from all centers.
Sources: Management at individual facilities; secondary research.

The total meeting space at the CBC ranks 7th among the 12 profiled centers and is 12% higher than the average for the profiled set (40,000 SF).

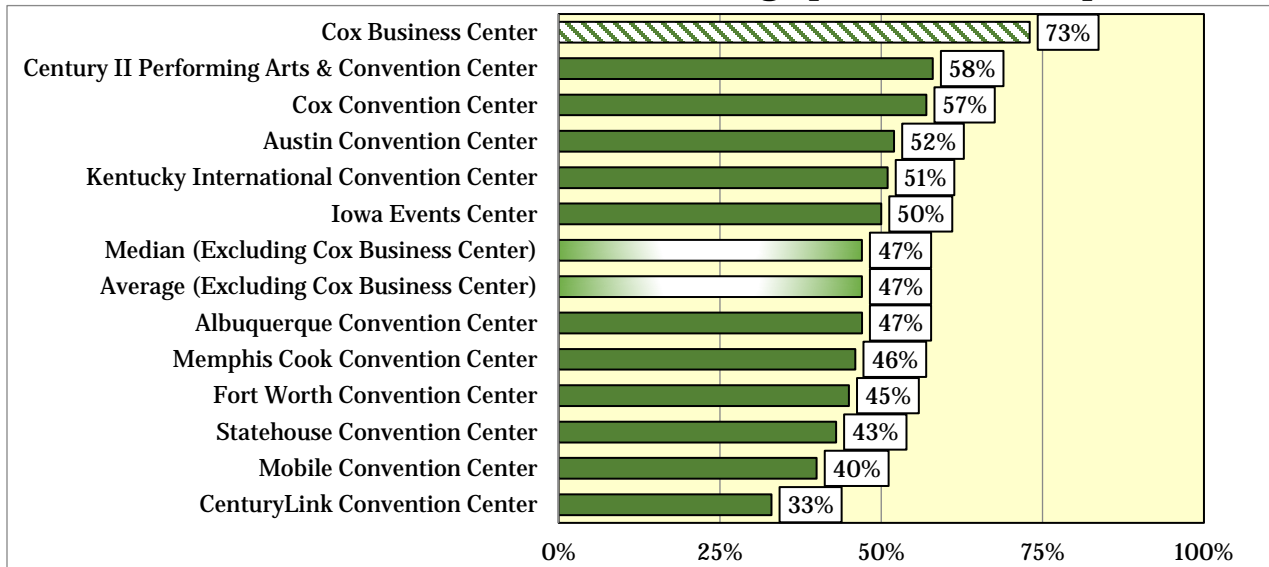
Profiled Set – Total Meeting Space



Note: Pre-function, concourses and lobby spaces are excluded from all centers.
Sources: Management at individual facilities; secondary research.

The CBC offers the highest ratio of ballroom/meeting space to exhibit space (73%) among the profiled set which is 26 points higher than the average and median for the profiled set.

Profiled Set – Ratio of Ballroom/Meeting Space to Exhibit Space



Note: Pre-function, concourses and lobby spaces are excluded from all centers.
Sources: Management at individual facilities; secondary research.

Renovation/Expansion Plans

Competitive destinations are continuing to invest in improving their convention centers as well as the environment surrounding it.

- Kentucky International Convention Center is undergoing a \$180 million, 22-month renovation and is scheduled to re-open in 2018. The plan includes adding 58,000 SF of exhibit space and adding a 40,000 SF ballroom with new kitchen, re-designed entrances
- Austin Convention Center is considering a proposed \$400 - \$600 million expansion project.
- Oklahoma City is moving forward with plans to build a \$194 million convention center with 200,000 SF of exhibit space, 45,000 SF of meeting space and 30,000 SF ballroom space. Construction is expected to start in 2018 with an anticipated opening in 2020. Plans also include a Convention Center hotel, parking and a 70-acre park. The entire project is estimated to cost approximately \$287 million.
- Wichita City Council recently approved a study to explore a possible public-private partnership to replace or renovate the Century II Performing Arts and Convention Center.

- Iowa Events Center is adding a Convention Center Hotel. The project includes an 8 floor, 330-room full-service Hilton Hotel with 17,000 SF of ballroom space, underground parking, a full-service restaurant and is estimated to cost \$101 million. The Hilton Hotel is scheduled to open in Spring, 2018
- Albuquerque Convention Center underwent a \$25 million renovation which was completed last year. Upgrades included a new entrance, new entertainment deck, windows with panoramic views, a remodel of lower level atrium and a complete overhaul of the Center’s kitchen. In addition, facility-wide free Wi-Fi access and LED lighting was added.
- Memphis is currently exploring renovating its convention center and adding a larger convention center hotel to attract larger conventions.

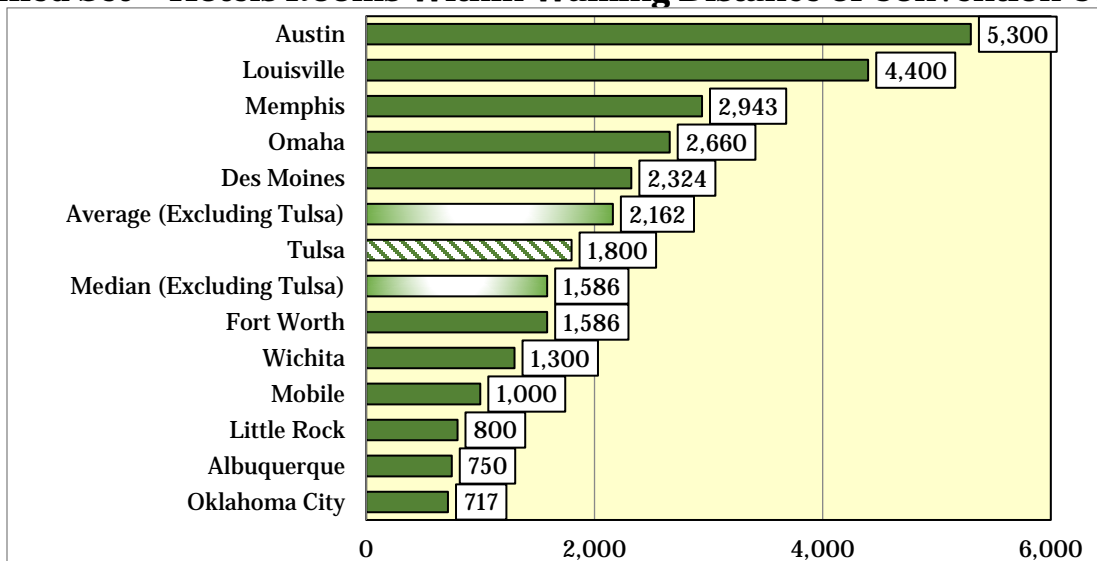
Destination Attributes

Many meeting planners are increasingly choosing to book venues with strong overall destination packages to support their events. In addition, the resulting buyer’s market has planners considering the overall price of hosting their event in a particular city including facility, lodging, food and transportation costs. Some of the key factors that meeting planners use to gauge the relative competitiveness of destinations under consideration to host their events include the following: travel costs for lodging, meals, and rental cars; hotel supply proximate to the convention center; total tax on hotel rooms; and air accessibility.

Hotel Supply

The CBC has approximately 1,800 hotels rooms within walking distance which ranks 6th among the profiled set.

Profiled Set – Hotels Rooms Within Walking Distance of Convention Center

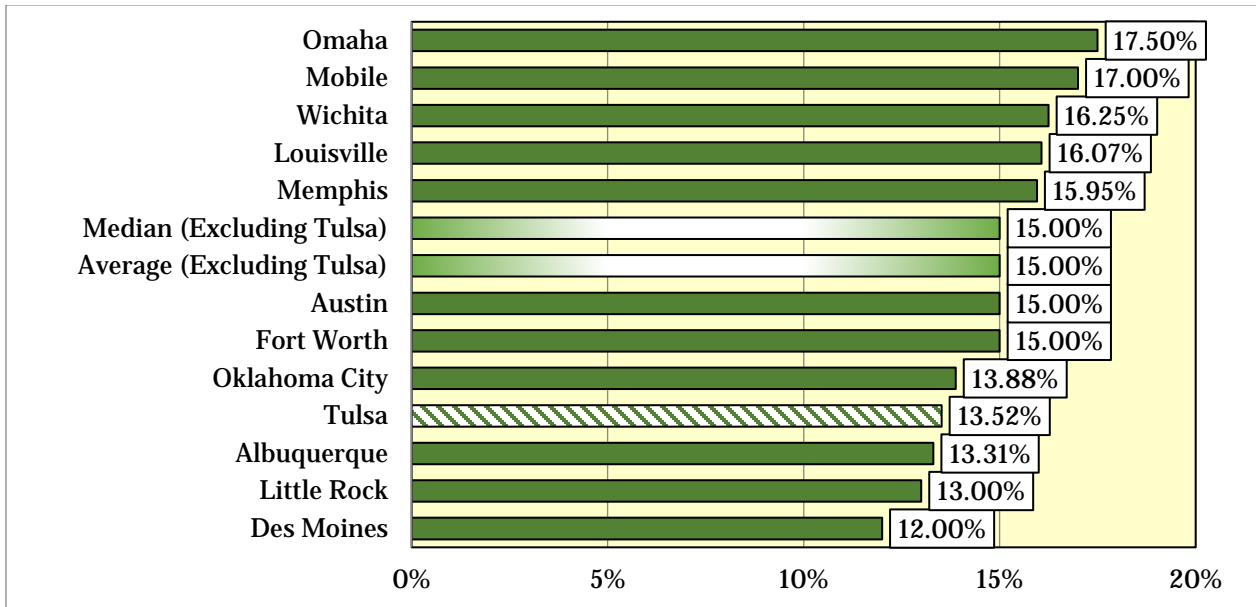


Sources: Individual facilities; individual Destination Marketing Organizations (DMOs); secondary research.

Hotel Cost – Total Tax on Hotel Rooms

Meeting planners rank affordability of the destination high when choosing facilities to host their events. Taxes applied to hotel rooms include State/local sales tax and lodging taxes as well as special districts taxes and assessments. The total tax rate on hotels in Tulsa is 13.52% which ranks the 4th lowest among the profiled set and is a favorable attribute. Total tax on hotel rooms ranges from a high of 17.50% in Omaha to a low of 12.00% in Des Moines. Higher tax rates can negatively impact meeting planners’ decision-making process, particularly in a buyer’s market.

Profiled Set – Total Tax on Hotel Rooms



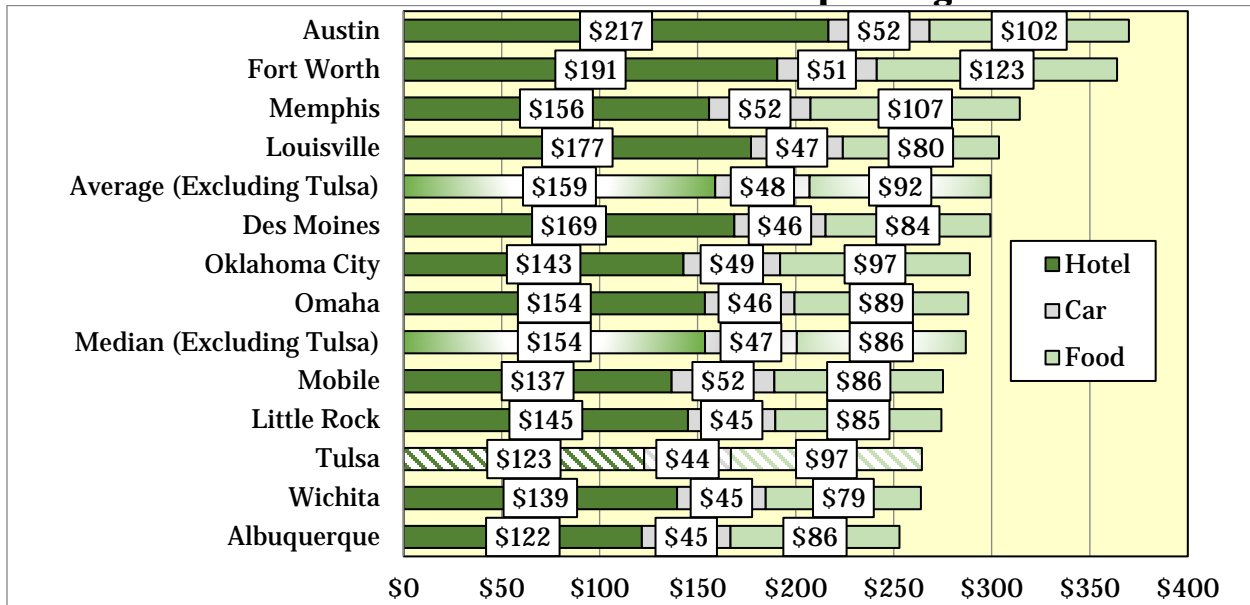
Note: Total lodging tax rates include state, county, city, and special districts taxes and assessments.
 Sources: Individual DMOs; secondary research.

Per Diem Spending

Business Travel News publishes an annual corporate travel index ranking 100 U.S. cities in terms of various travel-related costs, including lodging, car rental and food. Total per diems are compiled by adding the average hotel, car rental, and food cost per diems. Costs external to the convention center are becoming more important to meeting planners as they assess the overall cost of meeting in various destinations. Typically, corporate hotel room rates are higher than the overall average daily rate (ADR) in a city.

Affordability is a key factor in many meeting planners' decisions where to host an event. When compared to markets within the profiled set, Tulsa ranks 10th and is well below the average and the median of the profiled set in total per diem costs which could be a competitive advantage.

Profiled Set – Total Per Diem Spending



Note: Sorted by total per diem spending.

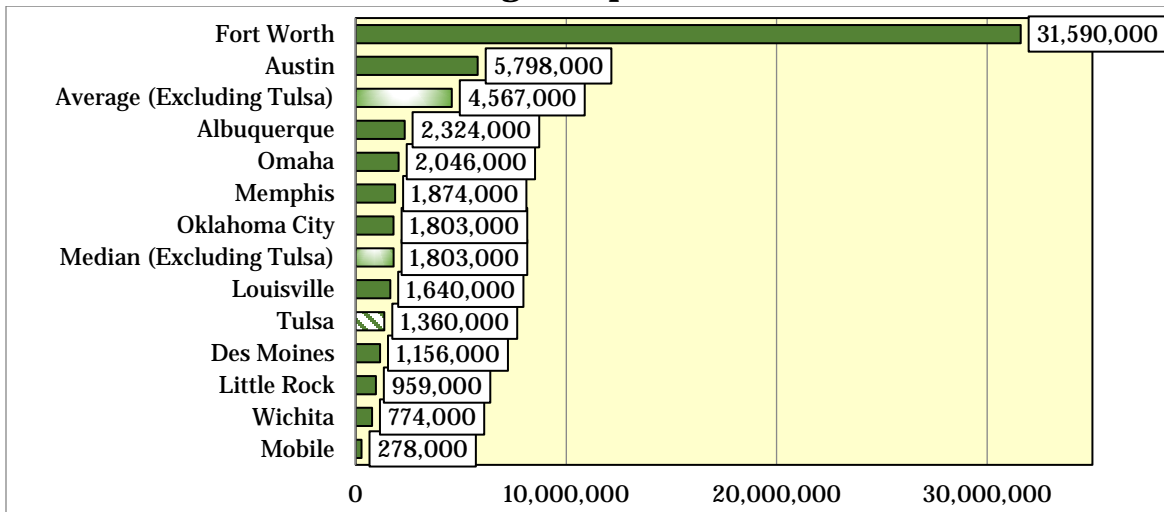
Source: 2017 BusinessTravelNews.com.

Air Accessibility

Enplanements are used as a measure of the ease with which out-of-town delegates can get to a city. Some meeting planners consider accessibility a major factor when evaluating multiple destinations. Charlotte and Philadelphia are U.S. hubs for major airlines which contributes to their significantly higher number of enplanements.

The Fort Worth Convention Center is serviced by Dallas/Fort Worth International Airport (DFW) which ranked 4th in the U.S. in enplanements in 2015 which is significantly higher than all of the profiled cities and skews the average of the competitive set. As a point of reference, when excluding DFW and Tulsa International, the average for the competitive set is approximately 1.9 million passenger enplanements.

Profiled Set – Passenger Enplanements in 2015



Note: Figures represent passenger enplanements for the most proximate major airport.
Source: Federal Aviation Administration.

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SUMMARY OF KEY FINDINGS

This section of the report summarizes market findings and presents programmatic and operational recommendations for the CBC.

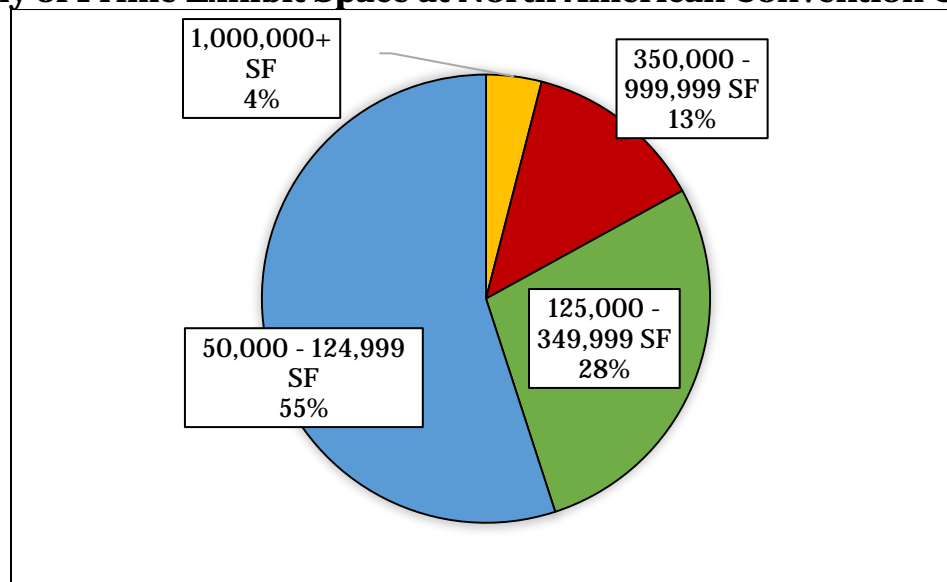
Industry Trends

To assist in setting the stage for conclusions and recommendations, it is helpful to gain an understanding of key industry trends which are relevant to the renovation/expansion of the CBC:

Supply

- The U.S. convention/meetings market has experienced tremendous growth in the supply of space over the past two decades. Numerous facilities can accommodate meeting planners' needs strictly in terms of the amount of space required.
- The pie chart below represents the supply of exhibit facilities with a minimum of 50,000 SF of prime exhibit space within North America based on information from Trade Show Executive. From a supply perspective, 55% of North American exhibit facilities offer between 50,000 SF and 124,999 SF and 28% offer between 125,000 SF and 349,999 SF. Only 17% offer more than 350,000 SF of prime exhibit space.

Supply of Prime Exhibit Space at North American Convention Centers



Note: Only includes convention centers with a minimum of 50,000 SF of space.
Source: Trade Show Executive.

- While supply growth has slowed, new space has recently been developed and/or is being contemplated.
- In many instances, convention centers are constructing or re-purposing existing space into multi-purpose, flex space that can be used as exhibit, meeting, or ballroom space to provide more flexibility and accommodate changing trends.

Demand

- While the supply of exhibition and meeting space has experienced significant growth over the past decade, demand has been less aggressive. Overall economic conditions have led to a larger gap between the supply of and demand for space. The result has been a buyer's market in recent years with larger convention centers vying for more moderately sized events and hotels aggressively marketing their function space. Thus, convention centers such as the CBC have had to compete on overall price and value.
- Convention/meeting/exhibition industry trends generally mirror broader U.S. economic trends. According to Standard & Poors and the Center for Exhibition Industry Research (CEIR), both overall economic conditions and those within the convention industry are projected to increase in 2017.
- To better understand the future potential demand for convention/meetings at the CBC, it is important to understand the macro level population of events. Based on data from Access Intelligence, there are approximately 2,800 event that require under 100,000 SF of space and an additional 1,060 events that require between 100,000 and 200,000 SF.

Gross SF Used by Convention & Exhibit Market - Industry Wide			
Exhibit Space	Gross SF	Share	Number of Events
Under 100,000		53%	2,808
100,001 - 200,000		20%	1,060
200,001 - 300,000		8%	424
300,001 - 400,000		7%	371
400,001 - 500,000		3%	159
Over 500,000		9%	477
Total		100%	5,299

Source: Access Intelligence.

Programmatic Trends

Access Intelligence conducted a survey of leading convention center managers in North America and around the world in 2016 and 2017. The following programmatic trends are based on the results of that survey.

- In North America, pre-function spaces are considered the top venue area in need of investment and enhancement.

Convention Center Facilities in North America - Areas and Services Considered in Most Need of Investment	
Facility Space	Response %
Pre-function spaces	77%
Meeting rooms	54%
Technology infrastructure or services	54%
Ballroom(s)	46%
Exhibit halls	38%
Signage	31%
Client-facing food service areas and restaurants	31%
Other concession areas and store-fronts	23%
Outdoor, outside areas	15%
Loading dock and related areas	15%
Venue connections and links to transportation, such as shuttle bus and taxi areas	15%

Source: Access Intelligence & International Association of Congress Centres.

- Changes to event formats and client requirements are prompting a re-assessment of facilities and services. Some key themes include:
 - More technology usage and bandwidth requirements.
 - Different education and meeting room formats.
 - More informal and casual meeting spaces.
 - Flexibility in terms of space usage and faster room change-overs.
 - More use of pre-function space.
 - Focus on attendee networking.
- One-half of North American convention centers have added a new revenue stream in the last year including: signage (usually digital with advertising); AV services and equipment; vendor contracts/commissions; enhanced food and beverage; events produced by the center and partnerships with event producers; sponsored, branded spaces; retail and office space rent; parking; naming rights including specific areas of the center; and other event services.
- Approximately 60% of North American convention centers have added a new innovation in the past year.
 - Ninety-four percent (94%) of U.S. venue managers say innovation is either extremely or very important to their organizations.
 - As shown in the following table, the main innovation area at convention center facilities in North America is telecommunications and technology services.

Convention Center Facilities in North America - Areas of Innovation and New Ideas Focus	
Innovation Area	Response %
Telecommunications and technology services	83%
Client, attendee and exhibitor on-site/in-venue experience	50%
Food and beverage services	50%
Marketing and communications	50%
Strategic partnerships	50%
Parking areas functionality and experience	50%
Other concession areas and store-fronts	50%

Source: Access Intelligence & International Association of Congress Centres.

- The findings of the survey show the continuation of long-term trends. A similar survey of top event producer clients shows they want more of most all services and venue capabilities to be better, faster, and lower cost. All survey respondents require more technology services and/or bandwidth and related services.
- Examples of ways top event producer clients are changing according to center managers include more discount requests and contract concessions; more price and contract term negotiation; more inclusive package rates and options; and more individual solutions and requirements, among others.

Other programmatic trends include, but are not limited to the following:

- Campus-style districts around convention facilities is now a major consideration for development that includes hotels, dining, and entertainment within walking distance. A well-defined campus allows attendees to move between the meeting facility and local eateries, entertainment and hotels more easily and makes a destination more attractive to event planners.
- To appeal to broader facility audiences, convention centers are constructing or re-purposing existing space into multi-purpose, flex space that can be used as exhibit, meeting, or ballroom space to provide more flexibility and accommodate different types of clients and events.
- Light-filled, comfortable, and adaptable common and pre-function spaces are popular and allow event attendees to gather and enjoy down time with access to seating, fresh air, green space, and often food and beverage amenities such as coffee shops or cafes within the facility.
- Convention centers of all sizes are enhancing their technology infrastructure to provide more bandwidth and faster Wi-Fi as demand for connectivity among event organizers and attendees continues to increase. Specialized video boards and digital display areas as well as outdoor video boards are also becoming more common at convention centers.
- Sustainability efforts are still an important aspect of many renovation and expansion plans evidenced by the increasing number of LEED-certified centers. Convention centers in Atlantic City, Chicago, Houston, New York, and Salt Lake City have or are planning to implement efforts to conserve energy such as installing LED lighting, building green roofs and/or utilizing solar power.

- Venues are responding by hiring executive chefs from the restaurant sector and turning meal breaks into gastronomic experiences that reflect the authenticity of the destination and become a fantastic talking point amongst attendees. They are also bringing the chefs out of the kitchen for more interaction with the attendees.
- Safety concerns are the top trend for 2017 according to Events MB. Meeting planners and attendees need to feel safe at the venue as well as in the city.

Input from meeting planners regarding future renovation/expansion of the CBC was consistent with these broader industry trends.

Program Recommendations

The following program recommendations will allow the CBC to better address the needs of the existing customer base, to better attract targeted customers and market segments, and to be in a better position to compete more aggressively with the CBC's competitive set.

New ballroom/flexible space to replace the existing arena with the following elements:

- 40,000 SF column free space with ability to be subdivided
- Minimum of 30' ceiling height with multiple rigging points
- Dedicated loading docks with drive-on access
- Design finishes that allow maximum flexibility for use of space for exhibits, banquets, general sessions, sporting events and other special events

New meeting rooms centrally located in the CBC with the following elements:

- 15,000 to 20,000 additional SF of meeting space
- Ability to subdivide rooms for maximum client flexibility
- Ability to access the new meeting space directly from pre-function and common spaces
- State of the art technology, including best-in-class wireless internet connectivity and bandwidth as well as easily accessed electrical, and audio-visual connectivity
- Ceiling heights sufficient to allow client audio visual screen presentations
- Renovation and modernization of existing meeting space to match the technology, finishes and accessibility of new meeting space.
 - Program goal is to have seamless integration of new and old meeting space and pre-function space so all rooms and surrounding areas have consistent design and technology capability

New Entry Location and Common Areas and Pre-Function spaces:

- Program goal is to attain seamless integration between new and old common and pre-function areas and bring all spaces to a new design standard
- Extend the incorporation of the “MODWEST” color scheme and branding throughout the entire CBC including newly renovated spaces
- Addition of vertical transportation to facilitate flow of attendees through the building and to complement the existing stairwell system
- Update the public art program to be consistent with newly designed spaces

New Kitchen Location:

- To be centrally located between old and new ballroom spaces
- New space to allow more expedient movement of prepared food to both ballrooms
- Provide increased space for food preparation, plating and breakdown in designated area to minimize noise and customer disturbance
- Include a new state-of-the-art tasting room to accommodate chef presentations and meetings with clients

These market-driven programmatic recommendations are consistent with both input from stakeholders and broader industry trends.

Market & Operational Observations

Recent market trends indicate that the amount of convention/meetings space available nationwide has experienced tremendous growth leading to a more competitive buyer’s market. There are an increased number of hotels and larger convention centers vying for more moderately sized group business. To remain viable and to compete more aggressively amongst the local market and particularly within CBC’s competitive set, it is essential to offer an improved facility program package to existing groups and to best target new group business. This section outlines conclusions and recommendations that support the detailed programmatic elements previously outlined.

New Ballroom

Single In-House Group

A second ballroom would reduce the likelihood of losing events to nearby hotels and other special event venues and also increase revenue at the CBC.

- The CBC would likely capture additional food and beverage, rental, and other ancillary event revenue with the ability to host two large events for a single in-house group.

- The CBC can better manage expenses by pre-setting the ballrooms for separate banquet or general session events which would drive labor savings and eliminate the need to execute tight turns of a single ballroom from one room set to another.
- A second ballroom allows a client to move attendees directly from a general session in one ballroom to a banquet in another (and vice versa) which is a very common criteria for planners in venue selection. This allows CBC to capture additional rental and/or banquet revenue while also appealing to a broader event planner audience who require this type of programming within a facility.

Concurrent In-House Groups

A second ballroom would allow the CBC to host two separate events which require a ballroom either simultaneously or with date overlap.

- The second ballroom would allow concurrent booking of two groups that require similar space. Currently, this can only be accomplished if exhibit space is available for a second large function for a separate group which is not ideal from a client cost perspective.
- This ability to host separate events in the ballrooms will require CBC and planner collaboration to ensure successful management of the logistics associated with each group's attendees and how they will flow through the CBC.
- Capturing a second concurrent event would drive new revenue including food and beverage, rent and other ancillary revenues such as electrical, staging, audio visual, etc.

Local Gala & Banquet Market

The Tulsa market is ripe for a new large ballroom that provides a different experience and unique space for local events.

- Planners seek a “new” space to keep their events fresh and to avoid the “been there, done that” feeling for attendees.
- Gala and special event planners would create a significant amount of demand, particularly in the first 1-3 years upon opening as they cycle annual events through the new ballroom space.
- In addition, as the largest ballroom in Oklahoma, the new space should continue to be the must-use location for local events that have outgrown all other venues.

Exhibit Space

The new second ballroom would make the CBC more competitive for events that require 20,000 to 40,000 SF more space than the current exhibit hall offering of 102,000 SF.

- While contiguous space is preferred, the additional 40,000 SF second ballroom may also allow the CBC to retain business that is growing out of its facility.
- CBC can also capture smaller local and regional exhibit based events that would prefer a more finished and intimate space over a large exhibit hall.
- Small groups that wish to contain all activities into a single finished space would also be able to utilize the new ballroom to house all of their activities around their exhibits such as poster sessions, silent auction, and food and beverage activities.

Sports Events

While having a second sizable ballroom has potential to accommodate more aspects of a client's event program, it also provides the opportunity for the space to be utilized in other unique ways such as by use for sports activities and special events.

- Organizers of sport events would still have the high ceilings they require while having the advantage of an electric power grid to support their event lighting, audio and video requirements.
- Some sport event organizers provide their own flooring into a venue so the finished flooring in the new ballroom would likely not be a factor for these events.
- The loss of fixed seating from the arena space can be mitigated by offering sport clients telescopic bleacher seating.

Program Considerations

- Design and build a 40,000 SF column free ballroom with minimum 30' ceiling providing numerous high capacity hang points. The addition of another 40,000 SF in ballroom space would bring the total ballroom space at the CBC to over 70,000 SF which would rank it the highest among the competitive set. By adding the 40,000 SF, the CBC would continue to offer the largest ballroom in Oklahoma.
- Include a state-of-the-art technology and electrical system designed to accommodate sophisticated events with demanding audio and visual and high wireless internet bandwidth requirements.
- Design direct access from the new ballroom to the new entry location to ensure event attendee flow that allows for hosting of concurrent events. Develop and pre-plan recommended routing for site visits to assist in selling multiple events into the CBC. These proactive and recommended plans will be useful to display to clients that multiple events within the facility can work with minimal intrusion and interaction.
- As part of the renovation/modernization project, purchase telescoping bleacher seating for sports groups that have previously utilized the arena. Further discussions should be conducted with sports-related customers of the CBC to determine optimal seating capacity for this system.

New Meeting Rooms

- Clients are demanding more flexible meetings space to be configured for breakout meetings, show office space, as well as green rooms and private space for their large exhibitors.
- Events in the medical, pharmaceutical, education and technology market segments are highly sought after and are meeting room intensive. To better compete amongst its competitive set, CBC should pursue a program to add state-of-the-art new meeting rooms and also upgrade and modernize existing meeting rooms to present a comprehensive meeting package for these lucrative market segments and other local, regional, and national meetings.
- The CBC is currently in the mid-range of its competitive set with approximately 45,000 SF in 24 meetings rooms and adding just 15,000 SF would move the CBC to the third position out of 12 profiled facilities. By adding 20,000 SF the CBC would move to the number one position amongst the profiled competitive set.

Program Considerations

- Design and build 15,000 to 20,000 SF in new centrally located meeting space with state-of-the-art internet, audio and visual capability with minimum ceiling heights of 12’.
- Add state-of-the-art technology and audio-visual amenities to existing meeting rooms as demand for these services will continue to increase. Particular attention should be paid to wireless bandwidth capability as demand for applications and heavy simultaneous internet usage is often required for various training and educational sessions.
- Consider programmable digital meeting room signage that can easily be managed by CBC or by clients who are assigned a unique system log-in capability. The addition of new modernized digital signage in older existing meeting rooms would not only serve to streamline the overall look of the facility and assist in blurring the distinctions between the “old” and “new” but is an important service amenity for clients.
- In addition to renovating and modernizing the existing meeting rooms package itself, also modernize the common and pre-function space leading to all rooms. To present a complete meeting room package and to be more competitive in its peer set, all CBC rooms should have the same capabilities and professionally designed finishes.

New Kitchen Facility

- A significant percentage of the CBC’s revenue is driven through food and beverage sales. A new kitchen centrally located between the new and old ballroom space would allow the culinary team to deliver a high-quality product in an expedited manner to both ballrooms.

- Reducing the distance that food traverses through the CBC would have the joint benefit of allowing delivery of a superior product that does not sit as long in holding boxes and would also drive lower labor costs requiring less staff to move food a shorter distance.
- A centrally located kitchen would allow the Executive Chef to maintain complete control over the product leaving the kitchen as opposed to having to deploy staff to two locations for cooking, prepping and plating. The stronger the end food and beverage product the better CBC's reputation and the stronger the ability to market this benefit and drive new customers and banquet revenue.
- A new state-of-the-art kitchen should be marketed as a new selling point to all types of clients, particularly the gala and local special event planners which accounts for a substantial percentage of revenue for the CBC. Many clients are demanding a higher quality food product from their venues and the CBC can drive new revenue by highlighting its new kitchen facilities with tours to local event planners and by incorporating new and modern food techniques not typically seen in a venue of this nature.

Program Considerations

- Develop a culinary plan to focus on new fresh food and sustainable food practices and publicize this plan to local and regional planners, many of whom are concerned about these practices and seek out local sourcing and unique fresh food opportunities.
- In addition to a new centrally located kitchen facility, also design and incorporate sufficient space for both food plating and breakdown in locations best suited for these activities. The usage of service corridors directly outside of banquet spaces is often insufficient and creates noise and visual distractions during event programs.
- Add a state-of-the-art tasting presentation space in proximity to the relocated kitchen to maximize the appeal of the CBC's strong food and beverage program and to capitalize and grow the already strong F&B revenue stream.
- Develop a strong portable concession program that embraces local cuisine and the farm to table movement and is able to be customized to appeal to client needs and attendee demographics. Recent trends in convention center foodservice indicate that clients and attendees desire a local food experience which includes products sourced from the surrounding market. This can be accomplished by strategic purchasing of local products for traditional banquet service and by utilizing local vendors with a well-designed portable kiosk program for walk-up concession sales. CBC can provide fresh and local based products by developing a vendor kiosk program where grab-and-go snacks and beverages as well as heartier fare that is prepared on-site at the show can be provided. In addition to possibly increasing food and beverage sales, the utilization of portable carts allows a setup in a location convenient to the show organizer and attendees rather than tying them down to utilizing fixed stands which can often be inconvenient to the show's setup.

CBC can also consider introduction of a grab and go mobile app which allows attendees to order freshly prepared menu items via the app to be delivered to an exhibit booth or for quick pick up without a wait for fast convenient service.

New Main Entrance/Updated Common & Pre-Function Spaces

- The addition of a new main entrance to the CBC would allow planners who are utilizing the entire facility to have another option to designate the “front door” of their event. CBC currently has several distinct entrance locations which can be utilized depending on the space a client is utilizing.
- The addition of a second ballroom would require the CBC to devise and map an attendee flow for its client base such that each ballroom can effectively be sold and utilized concurrently without interaction of attendees from separate events.
- Creating a new main entrance allows the CBC to define a gathering space and to program it with comfortable seating, a coffee shop, and outlets and USB ports to encourage clients to activate the space and to drive possible new F&B revenue to the venue.
- Many existing common and pre-function spaces in the CBC lack seating, vertical transportation and are generally outdated and difficult to access through narrow doorways and other limitations.

Program Considerations

- Activate the new entrance and all common areas with comfortable seating and gathering locations with electric services that support phone, tablet, and laptop usage.
- Consider the addition of a well-designed permanent or semi-permanent coffee shop/café experience that embraces the new modernized entrance and can drive new revenue. Further internal study is recommended to better understand final programming of this element and to develop a business plan for projected financial performance and operational criteria.
- Improve vertical transportation with addition of escalators in key locations where movement of attendees is critical throughout the facility.
- Develop and implement a facility-wide branding program which capitalizes and extends the existing “MODWEST” initiative. This program should be designed to more closely align the existing pre-function and common area and entrances with new spaces by utilizing a well-thought out furniture packages, color scheme throughout the facility and possibly a newly updated art program which ties in more closely with the overall new look and design of the facility.
- Consider the relocation or removal of hanging art located in the CBC public and common spaces in an effort to support a sponsorship program for the facility as well as being able to better accommodate client signage needs. The current hanging art program is intrusive and does not allow the CBC to fully maximize its

ability to develop a comprehensive Sponsorship/Partnership Marketing Plan and corresponding revenues. These types of programs commonly utilize ceiling and elevated wall public spaces in facilities such as the CBC for partner and vendor signage. The ability to capture the ceiling and elevated wall space will put CBC in the best position to develop new sponsorship revenues for the facility. Additionally, these spaces will also become available to be offered to clients who desire to hang show, vendor or exhibitor signage either as a value-add or possibly as another revenue generating stream for CBC. Finally, a newly designed public art program is recommended for CBC which is consistent with and complements the newly re-designed entrance and overall design aesthetic of the building.

Other Development/Master Planning Recommendations

- Consider exploring the possible future expansion of exhibit space to better compete with the CBC's facility peer set. As a point of reference, adding 100,000 SF would keep Tulsa on par with Oklahoma City and in the top one-third of its competitive set for exhibit space.
- Consider the creation of a "campus" setting with development of retail, restaurants, green space and nightlife to the area surrounding the CBC. The campus setting is attractive to planners and attendees and encourages travel by family members to the destination.
- Consider as part of current master planning efforts, constructing an additional hotel within walking distance to the CBC. This would address the results of the lost business analysis which indicate that 19% of planners who did not select the CBC cited insufficient hotels rooms as the primary reason.