

CITY OF COCOA CIVIC CENTER

# MARKET STUDY

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OCTOBER 2019



gai consultants

COMMUNITY  
SOLUTIONS  
GROUP

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GAI Project No. A190259.00

Mr. Matthew Fuhrer  
Interim City Manager  
City of Cocoa, Florida  
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Cocoa, FL 32922

## **City of Cocoa Civic Center Market Study**

Dear Mr. Fuhrer,

The project team of GAI Community Solutions Group and Infrastructure Solution Services has completed its market analysis for a proposed new multi-purpose civic center. This report summarizes the market demand for the use of a new civic facility.

We have enjoyed serving you on this engagement and look forward to the opportunity to provide you with continued services.

Sincerely,  
**GAI Consultants, Inc.**



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This document has been prepared by GAI  
Consultants, Inc. on behalf of the City of Cocoa, Florida

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# INTRODUCTION

The City of Cocoa (“City”) is a coastal community located on the western shore of the Indian River in Central Brevard County. The City is accessible by Interstate 95, State Roads 528, 520 and 524, and is within minutes of Port Canaveral, Kennedy Space Center, and beautiful East Coast beaches. The City is about 14.5 square miles and is bordered by the City of Rockledge to the south, the Indian River on the east and unincorporated Brevard County to the north and the west. The City has historic charm and boasts several historic landmarks such as; the Cocoa Village Playhouse, Porcher House, Derby Street Chapel, and the Moore Center. Adopted in 2018, the Cocoa Community Redevelopment Agency (CRA) updated their Downtown Waterfront Master Plan. One of the key drivers for this updated plan was to relocate the existing civic center and diversifying the use of Lee Wenner Park, re-imagining the promenade, and opening the waterfront to Delannoy Ave.

For the purpose of this report, our analysis will primarily focus on the relocation of the existing civic center and diversifying the use of Lee Wenner Park as stated previously. The development of a new multi-purpose civic center within the park could help diversify the function of the park to support a wider array of recreation and community activities – making the park more beneficial. The City seeks to better understand the strengths, challenges and opportunities posed by the potential construction and operation of a proposed multi-purpose civic center. As such, Infrastructure Solution Services,

on behalf of the City, retained the project team of GAI Community Solutions Group (“CSG”) to assess the market and economic aspects associated with the proposed development.

Specific research tasks completed as part of this analysis included, but were not limited to:

- Conducted kickoff meeting with Infrastructure Solution Services and City staff to confirm assignment goals and review the full dimensions of the project.
- Analyzed select market attributes including, demographic and economic statistics, area employment, accessibility, hotel statistics, and tourism/ area attractions.
- Outlined key industry trends.
- Identified comparable markets and existing facilities as a reference point for the analysis.
- Collected sufficient data to characterize physical, market, and financial aspects of up to six special purpose event facilities in the defined comparable markets.
- Developed a competitive market assessment (public and private venues) for the proposed multi-purpose civic center from a market demand perspective.
- Summarized the most relevant findings from the data collected by identifying certain common themes, issues and needs that impact planning and operational considerations associated

- with financial feasibility.
- Developed a financial pro forma that estimates operating revenues and operating expenses.
- Estimated the economic impact associated with the proposed multi-purpose civic center.

## Executive Summary

***Sufficient demand and market need exists to support the development of a new multi-purpose civic center in the City.***

Given the unique attributes of the primary and secondary markets, it is likely that the proposed new multi-purpose civic center would need to accommodate a variety of diverse event activity. As such, it is important to design a facility that is flexible and well-suited to host meetings, banquets, ceremonies, community engagements, and other special events in order to enhance its usage.

From our analysis, we have determined that the proposed new multi-purpose civic center should be a minimum of 15,000 square feet in total size but should not exceed 20,000 square feet. More specifically the market area for the proposed new multi-purpose civic center is primarily local in nature, which indicates that it is not likely to participate in the convention and tradeshow industry. This finding is based on a number of industry standards including minimum space requirements, accessibility, proximate lodging, and market area constraints. There is further evidence that constructing a facility in excess of 20,000 square feet in this

market would likely not result in additional event activity or higher rental rates. This is based on a number of constraining factors including proximity to lodging and preferences of meeting planners for all-inclusive meeting venues.

Program elements are recommended to accommodate both resident and out-of-town users. Recommendations align the City of Cocoa's destination characteristics and meeting planners' needs while taking into account the broader Brevard County supply of facilities and corresponding market characteristics. The following pages reflect these recommendations for the new proposed multi-purpose civic center.

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 in order to gain a better understanding of the research, methodology and assumptions used.

# GENERAL MARKET OVERVIEW

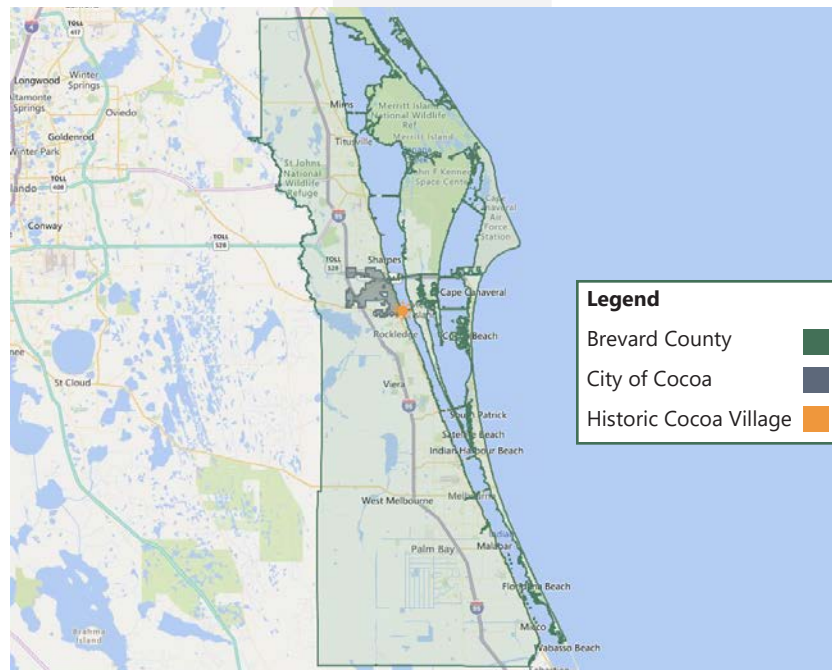
General market characteristics can impact the operation of a multi-purpose civic center within a specific area. These selected characteristics, include:

- Demographic and Economic Statistics
- Area Employment
- Accessibility
- Hotel & Tourism Market

For purposes of this analysis, the primary market has been defined as the City of Cocoa, and the secondary market

has been defined as Brevard County. Subsequently, the boundaries which make up Brevard County are identical to the Palm Bay-Melbourne-Titusville Metropolitan Statistical Area (MSA) in which the City of Cocoa resides. These definitions are not intended to directly correlate to potential demand but rather illustrate the characteristics of the market within which the venue would operate. The primary and secondary markets are illustrated in the map below.

## Primary and Secondary Markets



Sources: Esri Business Analyst; GAI Consultants

# Demographic & Economic Statistics

When estimating demand for a multi-purpose civic center, there are many key economic indicators to consider; these include; demographic and economic conditions, the vibrancy of the area surrounding the facility, and the overall destination appeal. When selecting a specific market to host an event, population, age distribution and income characteristics are important considerations. These factors can greatly impact the attendees and exhibitors at events such as consumer shows, tradeshow and conventions because they tend to draw from a broader market. Additionally, a facility's location can have a significant impact on its marketability due to the accessibility of the venue, and activities and lodging amenities in the surrounding area. For instance, local, civic-based events tend to draw from a relatively close geographic area, whereas convention and entertainment events may draw from a larger radius, these types of facilities are defined in greater detail further within the report. Population, age distribution and income characteristics are also important factors when considering where to build a facility.

In addition, choosing a location to host an event relies heavily on the nature and scope of the event. For instance, local events may place more importance on the accessibility of the venue to attendees and exhibitors from the surrounding communities, whereas, conferences and conventions may place more importance on highway accessibility and hotel room counts in the surrounding area. These demographic and economic conditions all impact a facility's overall competitiveness within the broader marketplace. As detailed within the following pages, these demographic and economic statistics reflect the unique marketplace where the Cocoa Civic Center currently operates.

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## **Population:**

A base from which all facilities that host events draw their users is the population within the surrounding communities. According to the Bureau of Economic and Business Research, the population of the primary market, the City, was estimated to be 19,328 and the population of the secondary market, Brevard County, was estimated to be 594,469 in 2019. As such, the primary market accounts for 3.3% of the population within the secondary market. From 2010 to 2019, population has grown 1.3% within the primary market and 1.0% in the secondary market.

As mentioned previously, the City is approximately 14.5 square miles, whereas Brevard County is about 1,015 square miles. The city makes up approximately 1.4% of the total land area within the County. Furthermore, the primary market's density is estimated to be about 1,333 persons per square mile, and the secondary market has an estimated density of 585 persons per square mile in 2019. Although the density is about 44% larger in the primary market compared to the secondary market, the land area is much smaller.

## **Age Distribution:**

Age distribution is another important factor when selecting a specific market to host an event. Depending on the nature of the event, a host may target consumers who fall within a specific age group differently. Approximately 42% of the primary market and 40% of the secondary market are between the ages of 20 and 54, which is the typical demographic with disposable income to spend on events of a specific nature, such as; community engagement, weddings/ banquets, special parties, etc. Within the primary market, 25% of the population are younger than 20, and 33% are older than 55. The secondary market has a similar demographic breakdown, 19.67% are younger than 20, and 41% are older than 55. The median age for the primary and secondary markets is approximately 40.2 and 47.9, respectively. To provide a frame of reference, the median age within the State of Florida is 42.5 which lies between the median age of these two markets.

## **Income:**

Income is another factor which can play an essential role in the operational success of a multi-purpose civic center because it indicates a broad measurement of an individuals' spending potential and their general ability to purchase a variety of goods and services which a facility may offer. The median household income within the primary market is estimated to be \$32,685 and \$51,536 within the secondary market. As a point of reference, the median household income at \$50,883 within the State of Florida is higher than the median household income within the primary market but slightly lower than the income within the secondary market.

## **Ethnicity:**

A demographic area with an ethnically diverse population base is beneficial for a multi-purpose civic center by providing an opportunity to host multiple unique cultural events, and market its venue to a broader population within the surrounding areas. Approximately, 63% of the population in the primary market are classified as White followed by 29% that are classified as Black/ African American. The ethnic composition within the secondary market is slightly different, with 83% and 10% of the population classified as White and Black/ African American, respectively.

The table on the following page summarizes these key demographic and economic characteristics for the primary and secondary markets.



## Summary of Key Demographic and Economic Characteristics

	City of Cocoa (Primary Market)	Brevard County (Secondary Market)
<b>Population</b>		
2010	17,140	543,376
2019 <sup>1</sup>	19,328	594,469
Growth 2010-2019 <sup>1</sup>	1.3%	1.0%
Density <sup>1</sup> (persons per sq. mi.)	1,333	585
<b>Age Distribution</b>		
Under 20	25%	20%
20-44	30%	27%
45-54	12%	13%
55+	33%	41%
Median Age	40.2	47.9
<b>Household Income</b>		
Less than \$25,000	546	12,394
\$25,000 to \$49,999	1,953	58,741
\$50,000 to \$74,999	972	44,581
\$75,000 to \$99,999	455	26,868
\$100,000 to \$149,999	530	27,056
\$150,000 or more	251	18,870
Median Household Income	\$32,685	\$51,536
<b>Population by Single Race Classification</b>		
White	63%	83%
Black/ African American	29%	10%
Other Races	8%	7%

Sources: Bureau of Economic and Business Research 2010-2019 Estimates; US Census Bureau, American Community Survey 2017 Estimates; GAI Consultants. Note: (1) 2019 Population Estimates Values

# Area Employment

Establishing a diverse industry base within a community's workforce can be a sign of a healthy economy as it boosts the variety of available employment and interested companies in a specific market area. For instance, leisure and hospitality sectors are indicators of a large visitor market, attracting out-of-town attendees and drawing in tourism. In contrast, sectors with a large professional, financial, management and administrative services may attract events such as conferences and tradeshows.

The most current employment by sector data provided by the U.S. Census Bureau is for year-end 2017. In 2017, the primary market had approximately 7,031 employed civilians over the age of 16. This employment made up about 2.9% of the employment within the secondary market at approximately 239,195. While the City has employment within various industries; educational and health care services, professional, management and administrative services, and retail trade are the primary contributors to the areas employment. These industries comprise approximately 53% of the total jobs within the City. The same industries only account for 48% of the total jobs within the County. The following table illustrates the breakdown of jobs by industry sector for the primary and secondary markets.

**Employment by Industry Sector (2017)**

	City of Cocoa		Brevard County	
	Total Jobs	Distribution of Total (%)	Total Jobs	Distribution of Total (%)
Agriculture & Mining	79	1.1%	1,150	0.5%
Construction	339	4.8%	15,031	6.3%
Manufacturing	479	6.8%	23,991	10.0%
Wholesale Trade	130	1.8%	4,506	1.9%
Retail Trade	973	14.8%	30,926	12.9%
Transportation & Utilities	262	3.7%	10,662	4.5%
Information	124	1.8%	4,019	1.7%
Finance & Insurance	309	4.4%	12,354	5.2%
Professional, Management & Administrative Services	1,085	15.4%	32,943	13.8%
Educational & Health Care Services	1,676	23.8%	51,279	21.4%
Entertainment, Recreation & Accommodation Services	778	11.1%	27,215	11.4%
Other Services (Excluding Public Administration)	349	5.0%	11,758	4.9%
Public Administration	448	6.4%	13,361	5.6%
<b>Total</b>	<b>7,031</b>	<b>100.0%</b>	<b>239,195</b>	<b>100.0%</b>

Sources: U.S. Census Bureau, American Community Survey 2017 Estimates; GAI Consultants

With just under 240,000 employees, Brevard County has a vast industry base with a few large corporations. The largest employers within the County are the Brevard County School Board, Health First Inc., and Harris Corporation. The table below provides a list of the major employers within Brevard County and the range of the number of workers employed.

### Brevard County Major Employers

Employers	No. of Employees
Brevard County School Board	9,000-9,999
Health First, Inc.	8,000-8,999
Harris Corporation	6,000-6,999
Publix Super Markets Inc.	3,000-3,999
Wal-Mart Associates, Inc.	3,000-3,999
Northrop Grumman Corporation	2,000-2,999
Brevard County Board of Commissioners	2,000-2,999
U.S. Department of Defense	2,000-2,999
National Aeronautics Space Administration	1,000-1,999
Rockwell Collins Inc.	1,000-1,999

Sources: Brevard County, Florida, Comprehensive Annual Finance Report YE 2018

Additionally, the unemployment rate within the primary market was approximately 10.4% and 7.6% for the secondary market in 2017, as depicted in the table below. Unemployment went down 27.8% from 2016 to 2017 in the primary market, indicating upward employment growth as there were fewer available workers for each job opening. Over this same time frame, the unemployment rate within the secondary market also decreased by 18.3%.

### Unemployment Rate Trends

Year End	City of Cocoa	Brevard County
	Unemployment Rate	Unemployment Rate
2010	9.9%	8.8%
2011	13.0%	10.6%
2012	16.7%	11.8%
2013	16.4%	12.4%
2014	16.1%	12.1%
2015	15.2%	10.9%
2016	14.4%	9.3%
2017	10.4%	7.6%

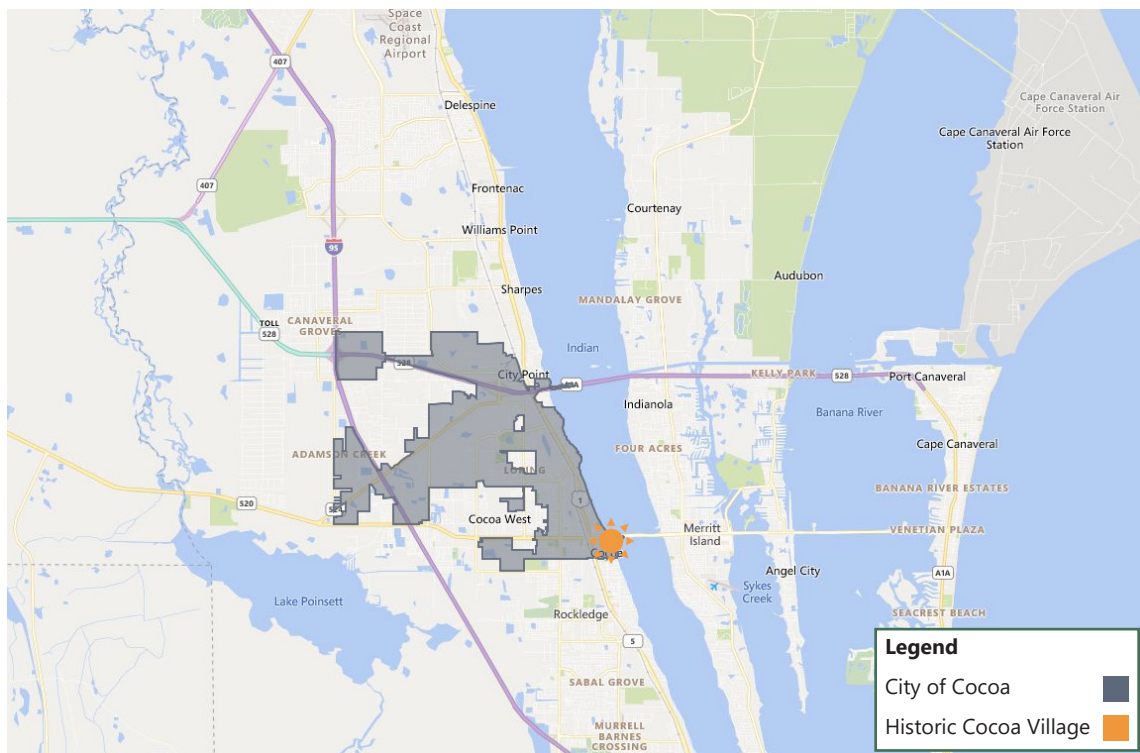
Sources: U.S. Census Bureau, American Community Survey 2017 Estimates;  
GAI Consultants

# Accessibility

The marketability of a multi-purpose civic center and the nature of events that take place there can be greatly impacted by the location and accessibility of a facility relative to the population within the surrounding area. The proposed site locations for the relocation of a new multi-purpose civic center are located within and/or adjacent to Historic Cocoa Village, just south of State Road 520/ West Merritt Island Causeway, near the Indian River.

As shown in the map below, the City is transected by State Road 520 and U.S. 1, these are the major roadways which service the city. These interstates connect to numerous other roadways, making the City easily navigable.

## Highway Access



Sources: Esri Business Analyst; GAI Consultants

# Hotel Market

A diverse hotel market strengthens a multi-purpose civic center's ability to host multiple day events. The ability to draw overnight attendees is dependent on the supply of hotels and room counts within a proximate distance to the proposed new multi-purpose civic center. For our analysis, bed and breakfast, along with motels were excluded from our research, except for the Parrish Grove Inn which is located in closest proximity to the proposed site.

In addition, Airbnb is an online marketplace that connects people who want to rent out their homes with people who are looking for accommodation in that locale. Airbnb is a rapidly growing concept within the leisure services and vacation market, and is increasingly becoming more integrated within the hotel market as a way to accommodate visitors to the local marketplace. However, there is some uncertainty while estimating supply of the Airbnb rentals because there is not a way to systematically identify each individual rental. Although there may be some local Airbnb rentals within the City of Cocoa and the surrounding areas, the Airbnb effect within the overall study of this analysis is unrelated and does not influence the recommended program and estimated operating characteristics described later within this report.

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There are approximately 4,115 hotel rooms within a 10-mile radius of Historic Cocoa Village, as shown in the table on the following page. There is only one property within 1-mile radius of the area, The Parrish Grove Inn, with five rooms total. In a 5-mile radius, there are approximately 565 hotel rooms within seven hotels. The majority of total hotel rooms at 53% within a 10-mile radius are located in Cocoa Beach along the oceanfront, approximately 2,198 rooms. The City of Cocoa comprises a smaller portion of the supply of hotel rooms at 13% or 540 rooms.

Moreover, 17 out of the 31 properties listed on the following page offer conference and/or banquet space that can accommodate various amounts of guests. Within a 5-mile radius of the proposed site there is approximately 8,620 square feet of meeting space, and within a 10-mile radius there is about 99,349 square feet of meeting space. However, not all of these properties are considered competitive venues of the proposed new multi-purpose civic center which are later described within the report.

Westgate Cocoa Beach Resort located in Cocoa Beach is the only hotel with a 4-star rating within a 10-mile radius, as reported by numerous hotel booking sites. 32% of the properties listed were reported as having a rating of 3-stars or greater, whereas 68% retained a rating of 2.5-stars or below. The Parrish Grove Inn, the only property within 1-mile radius has a 3-star rating, and does not contain meeting space.

## Summary of Hotel Supply

Property	Location	Type of Property	Approx. Distance to Site	# of Rooms	Meeting Space SF
Parrish Grove Inn	City of Cocoa	3-Star	1-Mile	5	-
Econo Lodge Port Canaveral	Merritt Island	2.5-Star	3-Mile	128	-
Americas Best Value Inn	City of Cocoa	2-Star	5-Mile	136	70
Best Western Cocoa Inn	Brevard County	2-Star	5-Mile	120	250
Holiday Inn Express & Suites	Brevard County	2.5-Star	5-Mile	75	7,200
Budget Inn Cocoa I-95	City of Cocoa	2.5-Star	5-Mile	83	-
The Palmer Inn & Tennis Club	Rockledge	2.5-Star	5-Mile	18	-
Days Inn by Wyndham	City of Cocoa	2-Star	10-Mile	121	-
Fairfield Inn & Suites by Marriot	Melbourne	2.5-Star	10-Mile	116	549
Hampton Inn Melbourne-Viera	Melbourne	2.5-Star	10-Mile	88	576
Holiday Inn Melbourne-Viera	Melbourne	3-Star	10-Mile	128	7,800
La Quinta Inn by Wyndham Cocoa Beach	Melbourne	2.5-Star	10-Mile	106	-
La Quinta Inn & Suites by Wyndham	Cocoa Beach	2.5-Star	10-Mile	127	-
International Palms Oceanfront Resort	Cocoa Beach	3-Star	10-Mile	502	13,000
Hilton Cocoa Beach Oceanfront	Cocoa Beach	3.5-Star	10-Mile	295	4,200
Econo Lodge Cocoa Beach	Cocoa Beach	2-Star	10-Mile	42	-
Hampton Inn Cocoa Beach	Cocoa Beach	2.5-Star	10-Mile	150	5,000
Courtyard by Marriott	Cocoa Beach	3-Star	10-Mile	155	4,844
Westgate Cocoa Beach Resort	Cocoa Beach	4-Star	10-Mile	117	12,695
Cocoa Beach Suites Hotel	Cocoa Beach	2-Star	10-Mile	48	-
Quality Inn & Suites Port Canaveral	Cocoa Beach	2.5-Star	10-Mile	170	5,005
Four Points by Sheraton	Cocoa Beach	3-Star	10-Mile	75	1,500
The Inn at Cocoa Beach	Cocoa Beach	2.5-Star	10-Mile	50	-
La Quinta Inn & Suites by Wyndham Oceanfront	Cocoa Beach	2.5-Star	10-Mile	76	-
Best Western Cocoa Beach Hotel & Suites	Cocoa Beach	2.5-Star	10-Mile	229	3,000
Holiday Inn Express & Suites Cocoa Beach	Cocoa Beach	2.5-Star	10-Mile	60	-
Days Inn by Wyndham Cocoa Beach	Cocoa Beach	2.5-Star	10-Mile	102	-
Country Inn & Suites by Radisson	Cape Canaveral	2.5-Star	10-Mile	150	2,000
Homewood Suites by Hilton	Cape Canaveral	3-Star	10-Mile	153	560
Radisson Resort at the Port	Cape Canaveral	3-Star	10-Mile	284	30,000
Holiday Inn Club Vacations Resort	Cape Canaveral	3.5-Star	10-Mile	206	-
<b>Total</b>				<b>4,115</b>	<b>99,349</b>

Sources: Hotels.com; GAI Consultants. Note: Sourced in descending order of approximate distance from Historic Cocoa Village. The above list is intended to represent existing hotel facilities within the market area, therefore, motels and proposed developments have not been included.

# Summary

There are many general market conditions to consider when evaluating a multi-purpose civic center and the impact these characteristics could have on the operation of the new facility. An area's ability to attract various types of events is primarily contributed to its demographic and economic characteristics, as well as its accessibility to the broader market. For instance, a strong population base and demographic composition enlarges the nature and scope of the events that may take place at the proposed site. Additionally, the supply and proximity of hotels, restaurants, retail and local attractions impacts the ability to entice out-of-town visitors and capture the revenue these visitors will generate within the surrounding market area.

The City of Cocoa and Brevard County both have several favorable demographics relative to attracting a variety of demand generators to the new civic center, these include; a growing and diverse population base with discretionary income to spend on attending and/ or hosting events, easy accessibility to the facility by numerous highways, and an assortment of nearby historical attractions as well as outdoor leisure activities. In addition, the developing industry bases within both markets represent a great potential target market for private events, meetings, ceremonies/ banquets and community engagement functions at the proposed multi-purpose civic center.

In contrast, the relatively limited supply of total hotel rooms in a 5-mile radius and the lack of full-service hotels within a 1-mile radius are constraints in attracting certain types of events, the quality of available hotels could also pose a challenge. For larger private events, a shuttle to the hotels along the beach could be a solution to this constraint. If the proposed new multi-purpose civic center is constructed in conjunction with other envisioned support elements, these perceptions could be addressed through increased activity and focused marketing efforts.



# EXISTING FACILITY OVERVIEW

The Cocoa Civic Center was built in 1963 and is currently located within Historic Cocoa Village. The center occupies a single-story building of approximately 14,065 square feet, divided into a main lobby, ballroom, three conference rooms, office and storage space. The ballroom space is approximately 5,890 square feet. The following table represents the breakdown of size and capacity for each of the rooms within the facility and the map on the following page illustrates this breakdown. Currently, the ballroom and conference room one are the only rooms that are being rented for various events, such as; corporate functions, special celebrations, meetings, weddings and receptions. Conference room two is currently rented out as a classroom, but was previously rented for smaller events prior to 2018. Conference room three is used for additional storage space for the civic center's equipment. The entire indoor facility can accommodate about 385 guests seated and 1,646 guests standing in the main lobby, ballroom and conference room one. Additional amenities include a main entrance canopy, a catering kitchen, dance floor, and outdoor green space. A catering kitchen typically includes a food service prep area for use by off-site caterers for plating, finishing, and cleaning up. These kitchens usually require work tables, multiple compartment sink, some refrigeration capability, and beverage stations.

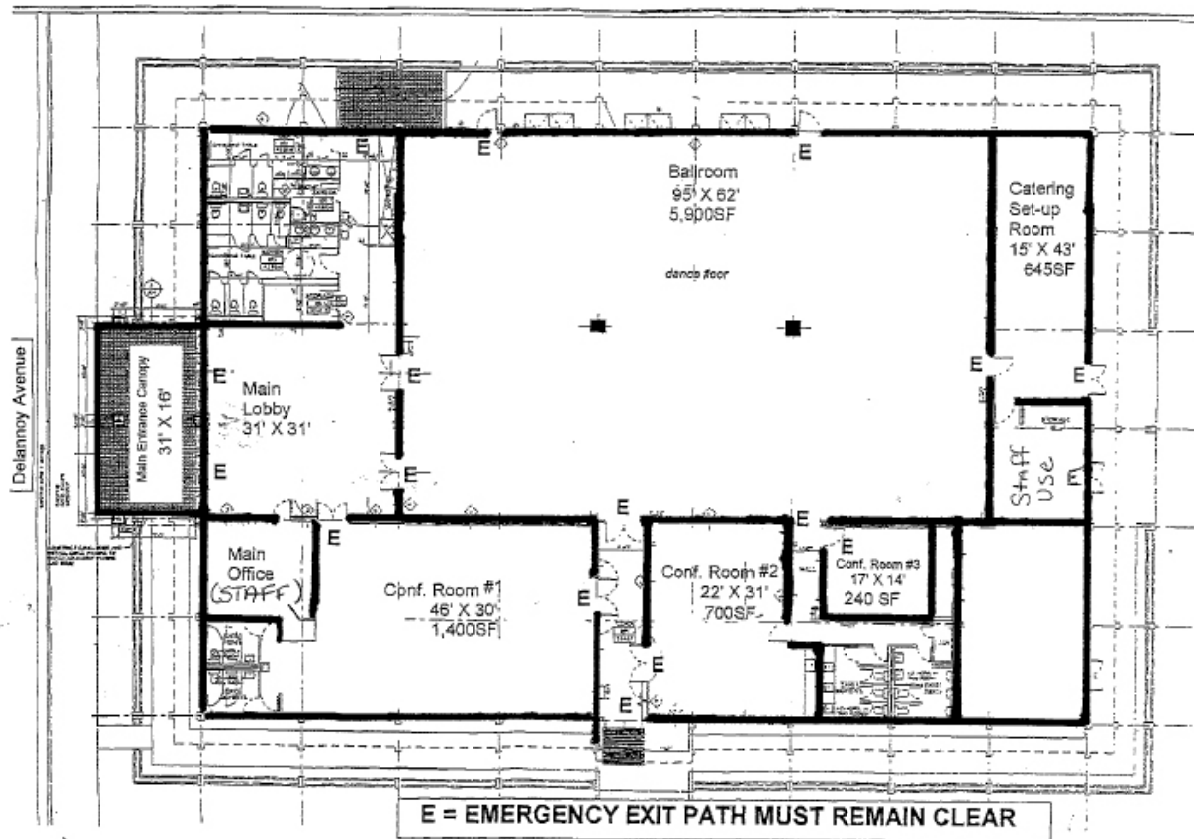
**Cocoa Civic Center Facility Dimensions**

Meeting Space	Room Dimensions		Square Footage	Standing Capacity	Max. Seated Capacity
	Length	Width			
Main Entrance Canopy	31	16	496	99	N/A
Main Lobby	31	31	961	192	N/A
Main Office	17	16	272	N/A	N/A
Civic Center Ballroom	95	62	5,890	1,178	300
Conference Room One	46	30	1,380	276	85
Conference Room Two	22	31	682	136	Tenant Occupied
Conference Room Three	17	14	238	48	Storage
Catering Setup/Kitchen	15	43	645	129	N/A
Storage Room - Converted Staff-Use Office Space	11	7	77	N/A	8
Lobby Bathrooms - Men	21	11	231	N/A	N/A
Lobby Bathrooms - Women	25	18	450	N/A	N/A
Conference Room - Bathroom/ Storage	12	7	84	N/A	N/A
Ballroom Bathrooms - Men	12	9.8	116	N/A	N/A
Ballroom Bathrooms- Women	12	10.6	125	N/A	N/A

Sources: Leisure Services Division, City of Cocoa; Brevard County Property Appraiser, GAI Consultants



## Cocoa Civic Center Facility Diagram



City of Cocoa – Leisure Services Division  
**Civic Center**

Around 1989, the Cocoa Civic Center converted from a public library to its current use as a civic center able to host a variety of public and private events. Although the Cocoa Civic Center underwent this conversion, the existing facility's lighting, flooring and limit of flexible space is not comparable with the more modern facilities which are included in our comparable facilities mentioned later within the report.

# Event Activity

With the exception of scheduled events and appointments, the Cocoa Civic Center is open Monday through Friday from 8-5pm. The revenue for operation of the center is largely driven by private event rentals throughout the year. Rental activity and annual attendance from the past seven years are represented in the tables below. This data has been provided by the Leisure Services Division for the City of Cocoa. Estimated total rentals for the entire center are about 341 with an attendance of approximately 135,000 visitors for year-end 2019 (based on average monthly values for January-October). The greatest attendance usually occurs within the civic center ballroom, except for in the year 2017. Whereas, the greatest amount of rentals typically occurs within conference room one, as shown in the tables below. Estimated year-end 2019, the civic center ballroom accounted for 57% of the total rentals at the facility, whereas conference room one accounted for 43% of the total rentals. As stated previously in the report, conference room two became tenant occupied as of 2018 and is no longer utilized as an available rental space within the center.

**Cocoa Civic Center Event Activity (2012-2019<sup>1</sup>)**

		Civic Center Ballroom	Conference Room One	Conference Room Two	Total
Year-End	Rentable Room SF	5,890	1,380	682	7,952
2012	Rentals	380	428	131	939
	Attendance	24,270	15,155	5,104	44,529
2013	Rentals	416	427	93	936
	Attendance	43,671	32,675	7,729	84,075
2014	Rentals	269	481	172	922
	Attendance	51,940	56,021	28,959	136,920
2015	Rentals	383	531	311	1,225
	Attendance	103,710	93,861	59,126	256,697
2016	Rentals	361	510	366	1,237
	Attendance	9,921	84,936	16,470	111,327
2017	Rentals	264	261	153	678
	Attendance	55,596	98,290	11,795	165,681
2018	Rentals	295	337	(2)	632
	Attendance	95,293	66,173	(2)	161,466
2019 <sup>1</sup>	Rentals	195	146	(2)	341
	Attendance	92,000	43,000	(2)	135,000

Sources: Leisure Services Division, City of Cocoa; GAI Consultant. Notes: (1) Reflects Estimated YE 2019 (based on average monthly values for January-October) Operational Data of the Cocoa Civic Center. (2) Conference Room Two is currently occupied as a classroom, 2017 is the last event rental activity data available.

# Rental Rate Structure

According to the City of Cocoa, rental facilities are for residential and community use at large. Rental fees are predetermined by the City Council and are subject to change at the Council's discretion. The fee structure provided by the City of Cocoa for all public rental facilities is listed below.

## ***Deposit Fee –***

All rental events require an immediate payment of a deposit equal to 25% of the total rental fee plus sales tax. The deposit fee will be deducted from the full rental amount. Full payment of fees is due one (1) month in advance of the event.

## ***Cancellation Policy –***

A 15% administrative fee will be deducted from the total amount due for the event for all written requests for refunds up to thirty (30) days prior to the scheduled event. If an event is canceled within thirty (30) days of scheduled date, no refund will be granted. Refund requests will not be honored if total rental fee is less than \$50.00. All users MUST sign and agree to the Facility Use Permit Restrictions Addendum at time of booking.

## ***Damage & Clean-Up Deposit –***

A \$250.00 Damage & Clean-up fee is required one (1) month prior to the rental date. A credit card will be held on file until after a damage and clean-up inspection is conducted. If there is any damage or additional clean-up needed, the credit card on file will be charged for the amount of the damage and/or clean-up required.

## ***Functions Serving Food –***

Functions serving food in the Ballroom or Porcher House will be charged an additional \$150.00, payable one (1) month in advance. A copy of your caterer's state license and proof of insurance must be provided one (1) month prior to your rental date. All functions with more than 100 people in attendance are required to use a licensed and insured caterer.

## ***Long-Term Rentals –***

Individuals or organizations wishing to enter into a long-term facility lease agreement, will receive a 10% discount off of the rental rate for their particular category. A long-term lease will consist of a term between six (6) months and one (1) year with at least one to two meetings or events per month in the rented facility during the period. Long-term leases may be renewed each year on such terms as may be agreeable to both parties.

In addition, the City has provided four different categories in which an individual and/ or organization applying for use permits may be classified. These various levels of classification can impact the overall charge per event an individual and/ or organization may have to pay, as shown in the table below.

**Category I –**

All “non-profit” leisure programs directly or indirectly sponsored/governed by the City of Cocoa; or all jointly sponsored programs between private organizations and the City of Cocoa; any personal use by a Cocoa resident; or any use by a school located in the City of Cocoa limits.

**Category II –**

All “non-profit” groups, organizations, corporations or programs which are registered under the provisions of 501(c)(3) and are registered or established in the City of Cocoa.

**Category III –**

All “non-profit” groups, organizations, corporations which are registered under the provisions of 501(c)(3) but not registered or established in Cocoa; and any other non-profit organizations; or any personal use by a non-resident of the City of Cocoa; or all other governmental agencies.

**Category IV –**

Any group, organization or corporation not a resident or established in the City of Cocoa; or any group, organization, or individual operating any/ “for-profit” activity; all other individual, organizations, groups or corporations not meeting the criteria of categories I, II, or III.

### Cocoa Civic Center Rental Rates

	Category	Charge per Hour	Charge per 5 Hours	Charge per Day
<b>Ballroom</b>	I	\$50	\$200	\$300
	II	\$60	\$250	\$400
	III	\$75	\$350	\$500
	IV	\$100	\$450	\$800
<b>Conference Room One &amp; Two</b>	I	\$20	\$80	\$120
	II	\$30	\$120	\$180
	III	\$40	\$160	\$240
	IV	\$50	\$200	\$300
*Wedding Ceremony Only	2 Hrs Max		\$300	
*Wedding Reception Only	5 Hrs Max		\$750	
*Wedding Reception & Ceremony	5 Hrs Max		\$850	

Sources: City of Cocoa; GAI Consultants. Notes: \* Events available in the Ballroom space only

# Revenues & Expenses

For estimated year-end 2019 (based on average monthly values for January-October), there are estimated to be 341 events which take place at the Cocoa Civic Center. These events will generate an estimated \$57,000 from rental fee revenues – the ballroom and conference room one accounted for 80% and 20%, respectively. As mentioned previously, conference room three is used as additional storage space for the building's equipment, therefore it does not generate any revenue. The table below shows the historical revenues generated from rental fees for each available room within the center.

**Cocoa Civic Center Rental Revenues**

	2012	2013	2014	2015	2016	2017	2018	2019 <sup>1</sup>
Civic Center Ballroom	\$34,369	\$49,826	\$39,282	\$39,659	\$31,988	\$23,761	\$36,531	\$45,000
Conference Room One	\$13,334	\$12,051	\$12,225	\$12,925	\$24,764	\$39,883	\$9,802	\$12,000
Conference Room Two	\$3,631	\$8,388	\$3,428	\$5,409	\$10,395	\$3,465	(2)	(2)
<b>Total<sup>3</sup></b>	<b>\$51,334</b>	<b>\$70,265</b>	<b>\$54,935</b>	<b>\$57,993</b>	<b>\$67,147</b>	<b>\$67,109</b>	<b>\$46,333</b>	<b>\$57,000</b>

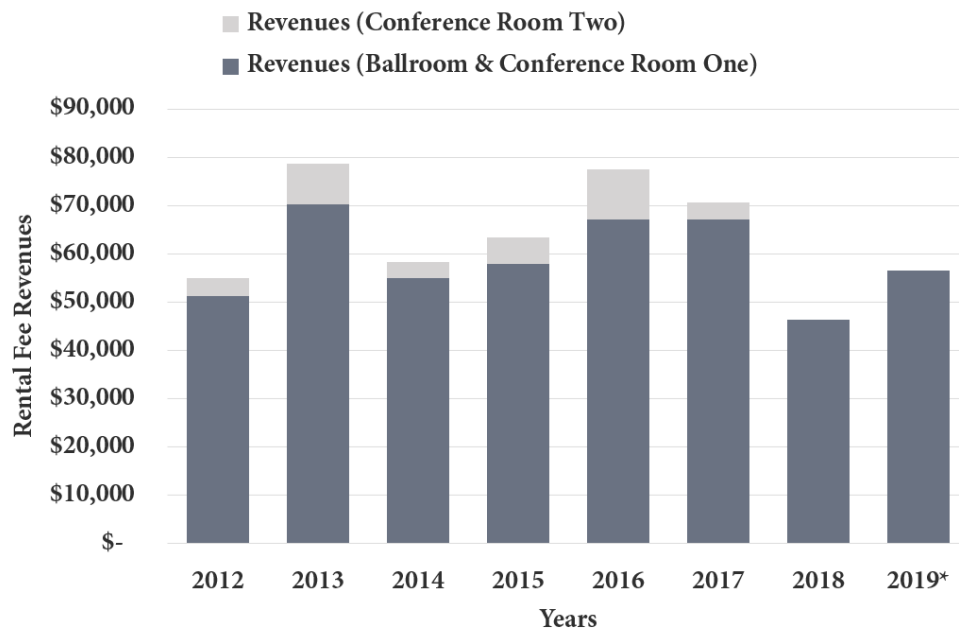
Sources: Leisure Services Division, City of Cocoa; GAI Consultants. Notes: (1) Reflects Estimated YE 2019 (based on average monthly values for January-October) Operational Data of the Cocoa Civic Center. (2) Conference Room Two is currently occupied as a classroom and paid for annually, 2017 is the last event rental activity data available. (3) Conference Room Three is used as additional storage space and is not represented in the table above.

As shown in the table above, the civic center ballroom comprises the majority of rental revenues, followed by conference room one. From 2012 to 2018, rental revenues have fallen by 9.7%. This could be due to an increase in the amount of public events which generate little to no revenue, whereas private events do generate revenue. Over this same time period, 2012 to 2018, total reservations has also decreased by 33%, which could be due to an increase in competition for event space within the area or a decrease in the marketing/ promoting of the civic center. However from year-end 2018 to estimated year-end 2019, rental fee revenues are expected to increase by 22%. Revenues are generated based on facility rental rates discussed within the previous pages. The trends in total reservations and rental fee revenues are represented in the graphs on the following page.

In addition, the operating costs for the Cocoa Civic Center for the FY 2019 were budgeted to be \$21,000. As of year-end estimates for 2019, net revenues for the civic center are estimated to be about \$35,600. This information was provided by the Leisure Services Division of the City.

The graph below illustrates the trend in rental fee revenues collected from 2012 to 2019. Revenues varied from 2012 to 2017, however remained above \$50,000 for the five year period. Conference room two became tenant occupied in 2018 and stopped collecting revenues from hosting events, as shown in the graph below. After 2017, the rental fee revenues collected from the civic center ballroom and conference room one largely decreased. From 2017 to 2018, the total revenue collected from the civic center ballroom and conference room one fell 31%. This decrease in revenues could be due to the existing facility not being as competitive with more modern facilities within the market area.

### Cocoa Civic Center Revenues Collected (2012-2019<sup>1</sup>)

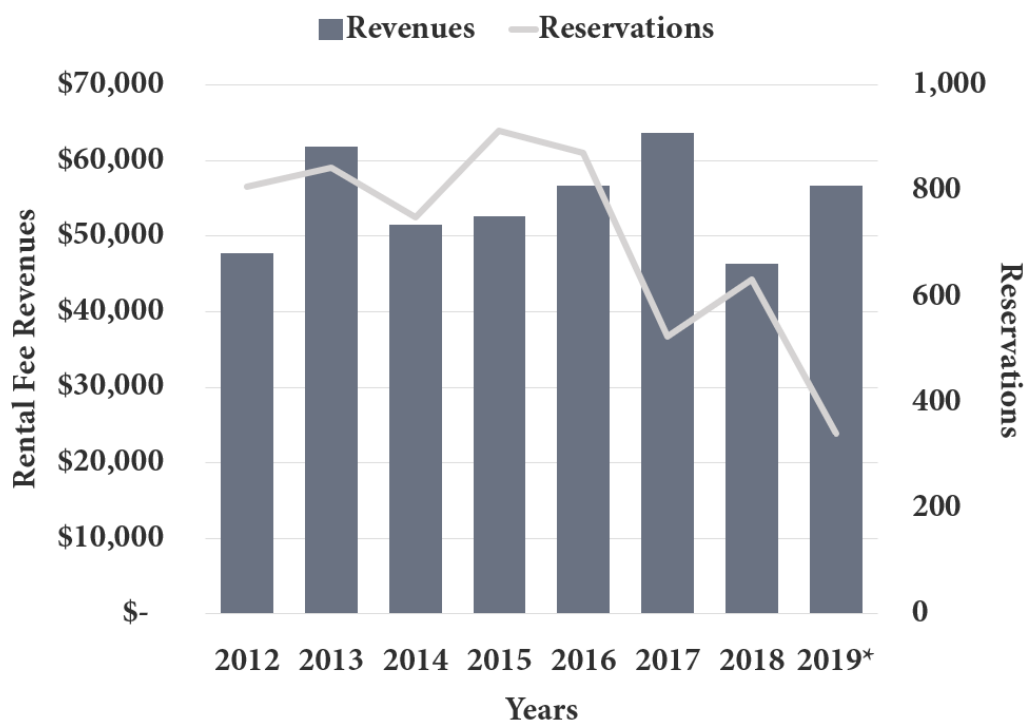


Sources: Leisure Services Division, City of Cocoa; GAI Consultants. Notes: (1) Reflects Estimated YE 2019 (based on average monthly values for January-October) Operational Data of the Cocoa Civic Center.

The graph on the following page represents the declining trend in total reservations for the existing facility when compared to total revenues collected. There appears to be little correlation between revenues and reservations, partly due to public rentals not generating profits where private rentals generate more revenues. Prior to 2017, total reservations were above 700 per year. However, from 2016 to 2017, reservations fell about

40%. Year-end estimates 2019, reservations are down over 250 from the prior year-end as shown in the graph below. While there are 89 additional reservations at the Cocoa Civic Center already booked through the last three months of 2019, it is estimated that 2019 will fall short of reaching the reservation activity level from the prior years.

### Cocoa Civic Center Revenues & Reservations (2012-2019<sup>1</sup>)



Sources: Leisure Services Division, City of Cocoa; GAI Consultants. Notes: (1) Reflects Estimated YE 2019 (based on average monthly values for January-October) Operational Data of the Cocoa Civic Center.

In the upcoming year, January 1st through December 31st, 2020, the Cocoa Civic Center has already booked a total of 183 reservations into the future; 93 reservations were made for the civic center ballroom and 90 reservations for conference room one. The attendance at these events is estimated to reach a total of 231,440 attendees.

# Local Context

Historic Cocoa Village is the downtown core of the City of Cocoa, it has evolved into one of the main destination points in Brevard County – there are numerous shops, restaurants, and historical sites to experience. Within Cocoa Village, there are three other rentable facilities/ sites, apart from the civic center, which are owned and operated by the City. These sites include: the Porcher House, Riverfront Park, and the Myrt Tharp Square Gazebo. Each of these sites can be rented separately or in various conjunctions with each other, specifically with events such as wedding ceremonies, rehearsals and receptions. A brief descriptions of the facilities are listed below.

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**The Porcher House** is a 2,084 square foot historic home which is open to the community to enjoy as a special place for meetings, weddings, parties, luncheons, afternoon teas and card parties. There is a brick back porch which can also be reserved for events. The property can also be reserved in advance for historical tours provided through the City. In addition, the second floor of the house is leased as office space to local businesses. The property can seat up to 85 guests and 125 guests standing.

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**Riverfront Park & Pavilions** is squarely located in the middle of downtown Cocoa. In conjunction with Lee Wenner and Taylor Park, there is approximately 10 acres of prime riverfront land available to the public. Additional amenities at the Riverfront Park include; playground area, restroom facilities, covered pavilions, areas for fishing, water sports and boat launching, and an amphitheater facing the Indian River Boardwalk which is commonly rented for outdoor concerts and other events. The park stretches to the back of the Civic Center and Porcher House.

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**Myrt Tharpe Square Gazebo** is another rentable area within downtown Cocoa Village. Currently, the gazebo is rented every Thursday for the Cocoa Main Street Farmers Market. The Myrt Tharpe Square Gazebo is approximately 992 square feet, with an open air courtyard of 3,481 square feet.

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The table on the following page represents the event activity, attendance and rental fees associated with the three additional sites, in comparison with the operations of the existing Cocoa Civic Center. It is important to note from the following table that conference room two is currently rented out as a classroom, but was previously rented for smaller events prior to 2018 as stated previously within the report. Therefore, the Cocoa Civic Center has seen a significant decrease in the amount of total annual reservations, whereas, attendance and rental fee revenues have only slightly declined.



### City Facilities Operation Activity

		Civic Center	Porcher House <sup>(2)</sup>	Riverfront Park	Myrt Tharp Square	Totals
<b>2015</b>	Reservations	1,225	422	513	161	<b>2,321</b>
	Attendance	256,697	76,522	269,474	110,076	<b>712,769</b>
	Rental Fees Revenues	\$57,993	\$30,884	\$47,908	\$1,747	<b>\$138,532</b>
<b>2016</b>	Reservations	1,237	264	279	142	<b>1,922</b>
	Attendance	200,627	68,788	230,946	128,860	<b>629,221</b>
	Rental Fees Revenues	\$67,157	\$35,399	\$60,078	\$785	<b>\$163,418</b>
<b>2017</b>	Reservations	678	113	146	33	<b>970</b>
	Attendance	165,681	20,691	168,172	65,200	<b>419,744</b>
	Rental Fees Revenues	\$67,109	\$14,547	\$35,783	\$165	<b>\$117,604</b>
<b>2018</b>	Reservations	316	274	195	69	<b>854</b>
	Attendance	161,466	61,159	72,399	70,209	<b>365,233</b>
	Rental Fees Revenues	\$46,333	\$20,919	\$35,057	\$278	<b>\$102,587</b>
<b>2019<sup>(1)</sup></b>	Reservations	341	204	278	70	<b>893</b>
	Attendance	135,400	70,000	129,923	61,000	<b>396,323</b>
	Rental Fees Revenues	\$57,000	\$21,000	\$32,495	\$2,000	<b>\$112,495</b>

Sources: City of Cocoa; GAI Consultants. Note: (1) Reflects Estimated YE 2019 (based on average monthly values for January-October) Operational Data of the Cocoa Civic Center. (2) Porcher House operation activity includes rentals for the Porcher House and the back of Porcher House.

As shown in the table above, the Civic Center consistently reserves more events throughout the year and generates greater revenues from those reservations. For estimated year-end 2019, the Civic Center will account for about 38% of the total reservations within the City facilities. Whereas, Riverfront Park, the Porcher House and Myrt Tharpe Square Gazebo will comprise about 31%, 23% and 8% of these reservations, respectively. The total revenues generated from the City facilities are estimated to be around \$112,500 for year-end 2019, which will be about 10% greater than the revenues generated in 2018 at \$102,587. The Civic Center is estimated to account for 51% of these revenues, whereas Riverfront Park, the Porcher House and Myrt Tharp Square Gazebo are estimated to make up 29%, 19% and 2% respectively, of the revenues collected.

Additionally, the Cocoa Civic Center accounted for 34% of the total attendance or estimated year-end 2019. This amounts to an average of 397 persons per event. Riverfront Park, the Porcher House and Myrt Tharpe Square Gazebo will comprise approximately about 33%, 18% and 15%, respectively of the total attendance for year-end 2019. Overall, these four City owned and operated facilities within Historic Cocoa Village contribute to the success of event activity along the waterfront and within the downtown area.

# INDUSTRY OVERVIEW

The convention, trade and meetings industries are diverse and dynamic, consisting of a wide variety of events, many of which focus around a collection or gathering of individuals for the purpose of entertainment/ recreation and/ or face-to-face communication and the transmission of ideas/ information. Typical event segments include:

## ***Conventions –***

Events traditionally held by professional associations of international, national, regional, state or local scope. Many of these groups tend to hold annual events that rotate among various destinations within a particular region. In addition, certain large corporations hold annual conventions.

## ***Conferences –***

Meetings held by professional associations, non-local corporations and local area companies. While sometimes used interchangeably with the term “convention,” these events tend to be smaller, on average, than conventions and are also less exhibition-focused.

## ***Tradeshows –***

Events traditionally held by professional associations of international, national, regional, state or local scope, as well as private events hosted by one or more corporations. Some of these groups tend to hold annual events that rotate among various destinations within a particular region, similar to conventions, while others are fixed in specific cities each year.

## ***Consumer Shows –***

Exhibit-based shows are typically open to the general public and generally draw from the local area. These events tend to charge a nominal fee for entry and typically include events such as home & garden shows, boat shows, auto shows, gun shows, antique shows, career fairs, etc.

## ***Meetings/ Banquets –***

Events include functions hosted by local service clubs intended to share information, generate interest and spur membership. Other private events include local corporate meetings/ training, exams, wedding receptions, anniversary/ birthday parties and private banquets.

### Primary Event Facilities

Event Type	Primary Purpose	Key Facility Requirements	Typical Facility Used	Attendee Characteristics
<b>Conventions</b>	Information Exchange, Sales, Networking	Exhibit, Ballroom & Meeting Space	Convention Center, Conference Center	Predominantly Non-Local
<b>Conferences</b>	Information Exchange, Sales, Networking, Education	Ballroom & Meeting Space	Conference Center, Hotel, Convention Center Meeting Space	Determined by Scope of Group; Many are Predominantly Non-Local
<b>Tradeshows</b>	Sales & Advertising	Exhibit Space	Convention Center, Expo Center	Determined by Scope of Show; Can Have Large Percentage Non-Local
<b>Consumer Shows</b>	Sales & Advertising	Exhibit Space	Convention Center, Expo Center	Mostly Local
<b>Meetings/ Banquets</b>	Social, Civic, Networking, Information Exchange, Training	Ballroom, Banquet Hall, Meeting Space	Conference Center, Hotel, Civic Center	Typically Local

Sources: Secondary research; GAI Consultants

A variety of types of event facilities exist in communities across the country that accommodate some or all of these types of events. Certain events tend to possess very specific facility and community requirements. The facility descriptions on the following page illustrate differences in the physical characteristics and event profiles of traditional event facilities.

**Convention Centers**, under the traditional model, typically incorporate exhibit, meeting and ballroom space. Usually located in medium- to large-sized cities, convention centers tend to focus on attracting non-local economic impact-generating events such as conventions and tradeshow. It is imperative that convention-quality hotel inventory is located close to the center. Convention centers also tend to host a large number of secondary events, such as corporate meetings, public shows and banquets.

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**Conference Centers** tend to represent smaller facilities than convention centers, usually containing both flexible and dedicated meeting space, in addition to banquet space. Most traditional conference centers do not incorporate prime exhibit space and instead focus on accommodating local and non-local corporate meetings/conferences along with other local event activity such as private receptions and banquets. Many conference centers are proximate to a headquarter hotel. Conference centers are often broken into several categories related to their type/focus: executive, corporate, resort and college/university.

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**Expo Centers**, or exposition/exhibition centers, traditionally consist of large exhibit-focused structures possessing limited or no breakout meeting and banquet space. Expo facilities tend to be lower cost facilities (i.e., construction cost per gross square foot) than convention and conference centers. Most of the events accommodated by traditional expo centers are local in nature and include events such as public/consumer shows, festivals and other large flat floor space using events.

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**Civic Centers** tend to vary widely in terms of their physical and operational characteristics. Many centers offer multipurpose space that can accommodate a wide variety of events. The large majority of event activity represents events and attendees from the local area and, as such, adjacent/nearby hotel inventory does not tend to be a primary concern for most events. Communities tend to develop these types of facilities for the good and benefit of the local community rather than for economic impact generating purposes.

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As shown in the following table, different types of events can have very different preferences and requirements with regard to facility characteristics. For example, conventions typically place high premiums on high quality finish of event space, adjacent/ proximate full-service hotel rooms and other visitor amenities (i.e., restaurants, retail, entertainment, etc.) in close walking distance, while consumer shows typically focus predominately on large, low-finish space to accommodate exhibits.

### Primary Event Types

	Convention Center	Conference Center	Expo Center	Civic Center
<b>Type of Space</b>	Exhibit, Meeting, Ballroom	Meeting, Ballroom	Exhibit, Limited Meeting	Multi-Purpose Space
<b>Typical Events</b>	Conventions, Tradeshows, Meetings, Banquets, Consumer Shows	Conferences, Meetings, Banquets	Tradeshows, Consumer Shows	Local Meetings, Banquets, Receptions, Other Events
<b>Typical Ancillary Characteristics</b>	Adjacent Headquarter Hotel	Proximate Headquarter Hotel	Parking Accessibility, Visibility	Parking Accessibility, Visibility
<b>Economic Impact Generating Ability</b>	High	Moderate	Limited to Moderate	Limited to Moderate

Sources: Secondary research; GAI Consultants

This discussion begins to lay the groundwork for some important issues that will likely affect the types of events that will be attracted to a potential new multi-purpose civic center. The type, level of finish, configuration and amenities of the space offered in any potential new facility will play a strong role in determining the ability of the facility to attract and accommodate certain types of events.

# BENCHMARK COMPARABLES

As part of this market analysis, data from five select comparable facilities was analyzed to provide a frame of reference to assist the City of Cocoa in drawing conclusions regarding the proposed new multi-purpose civic center.

Our approach drew largely, but not exclusively, on the analysis and comparison of selected facilities located in comparable markets. Creating a destination attraction is not limited to local populations, but will be greatly influenced by demand from local, distant local, domestic, and international visitors. However, sizing the most immediate market is generally the best approach to identifying comparable markets and properties.

In Florida, there is a total of 412 incorporated municipalities distributed across 67 counties, with a vast majority, more than 80%, representing an area with less than 15 square miles. With a land area of approximately 14.5 square miles, the City falls within this majority. In addition, the City also has a density of about 1,333 and a growth rate of 1.3%. Focusing on a select few incorporated municipalities with land area and density within + / - 20% of the City includes the following group of markets:

	Land Area (Sq. Mi.)	Density	Population Growth
City of Cocoa, FL	14.5	1,333.0	1.3%
Lake Mary City, FL	9.2	1,508.7	2.5%
City of Tavares, FL	9.5	1,475.0	2.7%
Fernandina Beach City, FL	11.1	1,032.1	1.0%
City of Ocoee, FL	14.7	2,443.8	3.7%
New Smyrna Beach City, FL	34.6	676.2	1.8%

Sources: U.S. Census Bureau, Geographic Identifiers 2010; GAI Consultants. Note: Sourced in ascending order of land area.

It is important to note, CSG made an effort to choose markets with facilities that were located on a waterfront property or waterfront adjacent. In addition, New Smyrna Beach was chosen by the project team in conjunction with the discussion at the kickoff meeting referencing the desire for the proposed civic center to be influenced by the new event center in New Smyrna Beach along the Indian River, the Brannon Civic Center.

Specifically, we were interested in the physical, market and financial aspects of each facility. Additionally, visitation and the types of programs and/ or events with level of activity or scale achieved by the facilities are valuable data points. In these multiple facilities there is a mix of private and public event rentals, outdoor amenities, and accessibility. These related characteristics are beneficial indicators to the potential market opportunities that are most likely achievable as a result of the proposed multi-purpose civic center, as well as an identification of the long-term market potential.

These markets have a variety of civic, community, recreation, and event centers that have provided informative benchmarks. The following facilities were chosen to profile as part of the comparable facility analysis because they are located in markets with similar attributes/ amenities as the City of Cocoa, and/ or host similar target demand segments, these facilities include:

- Lake Mary Events Center – Lake Mary, FL
- Pavilion on the Lake – Tavares, FL
- Atlantic Recreation Center – Fernandina Beach, FL
- Lakeshore Community Center – Ocoee, FL
- Brannon Civic Center – New Smyrna Beach, FL

Not all the profiled facilities may be directly comparable to the proposed facility within the City of Cocoa due to a variety of factors, however, each facility has provided useful information regarding their operational characteristics which can be beneficial in estimating the potential use and demand of the new civic center within the City.

GAI Community Solutions Group collected and analyzed general character overview and operating data from the profiled set of facilities listed above through interviews with management, published reports and our internal database. The data shown throughout this report is based on available information for each of the profiled facilities. In some of the analysis, individual facilities are not specifically identified because some information was provided confidentially. In addition, tracking and reporting the number of events and revenues is not necessarily uniform across all venues and can vary depending on the marketability of an individual facility.



# Comparable Facilities

The pages that follow provide a brief description of the history, physical profile and general character of the comparable facilities.

## **Lake Mary Events Center – City of Lake Mary:**

The Lake Mary Events Center is known as Central Florida's premier corporate and social event venue. The center is owned by the City of Lake Mary and opened in 2008, costing approximately \$5.5 million to build with an additional \$1.9 million to purchase the surrounding land for site improvement and parking, making the total cost of construction over \$7.4 million. The events center is located on the shore of West Crystal Lake, in downtown Lake Mary, just a short drive from the Orlando International Airport (35 miles). The 19,000 square foot facility has four indoor event spaces – a 3,750 square foot grand ballroom, an 800 square foot meeting room, a 1,736 square foot Rotunda, and a 400 square foot conference room. The entire indoor center can accommodate about 392 guests seated and 535 guests standing. In addition, there is a lakeside lawn and back porch with two trellises which can be used for wedding ceremonies and cocktail hours that can seat up to 240 people. Additional amenities include dressing rooms, a raised stage, and a catering kitchen. The center provides ideal location for business meetings, corporate functions, weddings, receptions, banquets, parties and retreats. This facility is conveniently located near I-4 with numerous lodging accommodations and additional restaurants in the surrounding area.





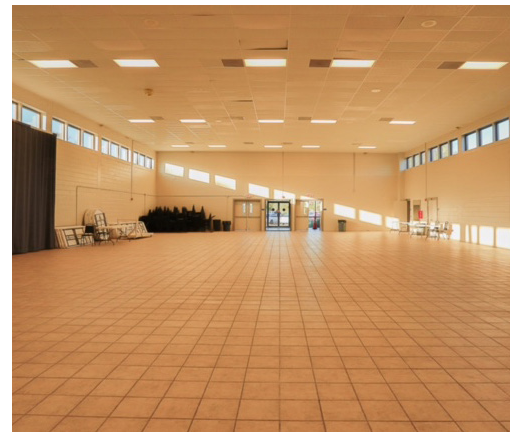
## **Pavilion on the Lake – City of Tavares:**

The Pavilion on the Lake is owned by the City of Tavares, the original pavilion was built in 1912 by the Tavares Improvement Association. Over the years, the Pavilion's use diminished and in 1960 the city council decided to tear it down. The idea to rebuild the Tavares Pavilion on the Lake was born from several visioning sessions with the city and Tavares citizens. Construction broke ground in September 2012, and the first event took place in August 2014. Initially, the City Council approved \$3.3 million for the project but later almost doubled the funds to pay for additional upgrades and cost overruns, bringing the total cost to an estimated \$6.3 million. The facility is a state-of-the-art facility, "floating" over Lake Dora, with floor-to-ceiling windows which provide a spectacular view of the waterfront. In addition, there is a 150-foot-long, 40-foot-wide, brick-paved pier that leads from the landscaped gardens to the glass entry doors and can accommodate up to 800 guests. The facility is 8,000 square feet, with two ballrooms which offer flexible seating for any occasion. In addition, there is a conference room and groom's room/ smaller meeting space which are available to rent. The Pavilion can accommodate up to about 190 guests seated and 384 guests standing indoors. Event activity held at the Pavilion typically consists of weddings, receptions, corporate functions and rehearsals. Additionally, there is a catering kitchen, seaplane base, and numerous lodging accommodations located near the facility.



### **Atlantic Recreation Center – City of Fernandina Beach:**

The Atlantic Recreation Center was established in 1956, it is owned and operated by the City of Fernandina Beach. The facility is 9,776 square feet and is located in Atlantic Park. It is important to note that the Atlantic Recreation Center is the only facility not located on waterfront or waterfront adjacent, it is also the only facility that includes recreation activity. The facility has two available rental areas, the auditorium (5,684 square feet) and the Atlantic Nature Pavilion located behind the facility. The outdoor pavilion has four picnic tables and restrooms for use while renting the area. Additionally, the Atlantic Auditorium can accommodate 375 seated guests and 800 standing guests. The amenities at the Atlantic Recreation Center includes a commercial kitchen, small stage, swimming pools and aquatics, youth softball/ baseball field, and playground. Event activity that takes place at the center includes small community programs (school dances, public meetings, etc.), senior programs, after-school programs, and summer camps. The facility is also home to the administrative center for the Parks & Recreation Department.



### **Lakeshore Community Center – City of Ocoee:**

The Lakeshore Community Center opened in 2014, and is owned by the City of Ocoee. The center replaced the city's existing community center, which sat on the site for over 36 years. The new facility cost an estimated \$2.6 million to build. The facility is located adjacent to Starke Lake in Downtown Ocoee – approximately 12 miles from downtown Orlando and 24 miles from Orlando International Airport. The 8,786 square foot facility has a 632 square foot meeting room, a 3,209 square foot ballroom, a 1,051 square foot lobby, and a 1,250 square foot porch. In addition, the center has dressing rooms, a full event lawn with a 2,200 square foot plaza, gazebo, commercial kitchen and dance floor. The facility can accommodate about 208 guests seated and 291 standing guests. Additional amenities include the

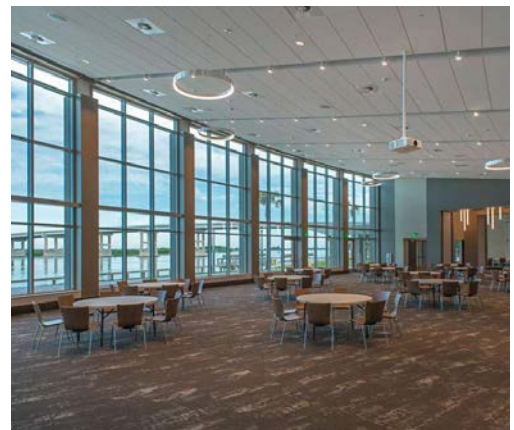


historic Wither-Maguire House which provides supplementary on-site event space, and a bridal suite. Event activity held at the center consists of weddings, receptions and banquets, conferences, education and theatrical performances, fashion shows, parties, and other community events. Furthermore, in the 2016 Downtown Ocoee Master Plan, one of the envisioned goals was to expand the center and upgrade its existing infrastructure. Currently, the construction is underway and will double the existing banquet room to more than 400 seats by extending the building north into the parking lot. Construction is estimated to cost \$4 million, with the majority of funds coming from the 2017 General Fund Bond.



### **Brannon Civic Center – New Smyrna Beach:**

The Brannon Civic Center officially opened in August 2016 on Riverside Drive, lying between the North and South Causeways over the Indian River. The old Brannon Center sat on the site for more than 50 years and had numerous deficiencies, the demolition of the old building and the construction of the new center took over a year and cost an estimated \$5.7 million according to City Officials in New Smyrna Beach. The center is known as Central Florida's premier wedding venue and is just steps from historic downtown and minutes from the beach. The 13,844 square foot facility, owned by the City of New Smyrna Beach, has three official meeting rooms – the 6,500 square foot Indian River Ballroom with floor to ceiling windows looking over the Intracoastal Waterway, and two additional multi-use spaces totaling a combined 1,850 square feet. In addition, the facility has a large outdoor green space used for wedding ceremonies, outdoor concerts and live performances. The facility also has a 7,500 square foot outdoor terrace overlooking the river. The center can accommodate about 600 guests seated and 925 standing guests within the entire building. Additional amenities include a 340 square foot catering kitchen and a 1,950 square foot lobby area. Event activity held at the center consists of large weddings, conferences, corporate functions, smaller meetings in the adjacent rooms, and outdoor performances.





# Comparative Facility Analysis

The pages that follow provide an analysis of the general character, event activity, rental rate structure, and operational characteristics of the comparable facilities. The current operations of the Cocoa Civic Center are referenced within the tables as a benchmark.

## General Character:

The table below summarizes the building program elements at each profiled facility along with the city's population. The City of Cocoa's population (18,843) falls in the middle of the profiled set. These similar markets offer relatively smaller multi-purpose centers, such as; civic, community, recreation, and event centers. As shown, profiled facilities average about 11,880 square feet of total building space and between two to three divisible meeting rooms. Although the Lake Mary Events Center is the largest facility in terms of square feet at 19,000, the Brannon Civic Center has the largest ballroom/ auditorium space at about 6,500 square feet. Of all the profiled facilities, ballroom/ auditorium space averaged about 4,786 square feet and meeting rooms averaged around 1,227 square feet.

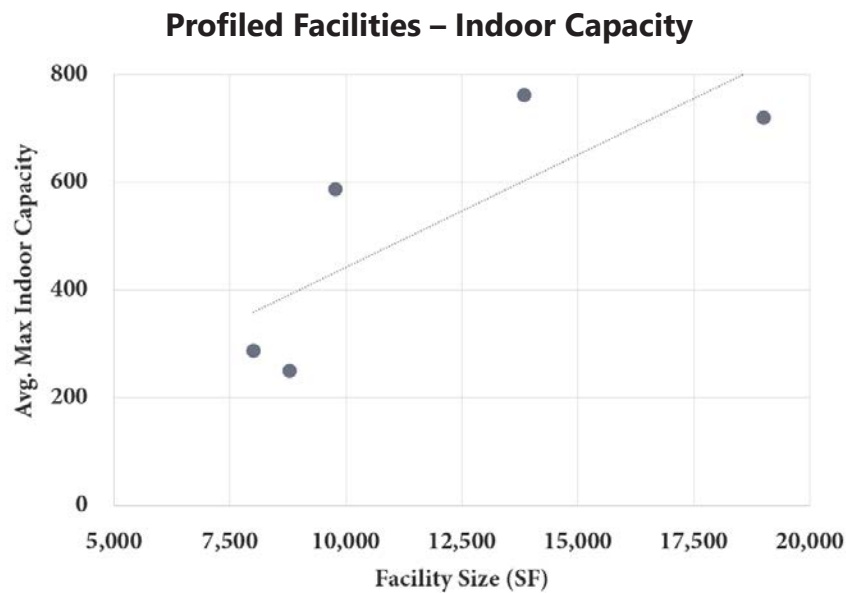
Moreover, all of the profiled facilities are owned by the municipality in which they reside. In addition, all five profiled facilities have a catering and/ or commercial kitchen, along with additional event space outdoors (green space, pier, pavilion, plaza, etc.) Moreover, five of the six profiled facilities are waterfront properties, with large floor-to-ceiling windows overlooking either a lake or a river.

## Profiled Facilities – Building Program

Facility	Owner	# of Event Rooms	Total Meeting Space SF	Ballroom/ Auditorium SF	Entire Building SF	Maximum Indoor Capacity		Comments
						Seating	Standing	
Cocoa Civic Center	City	2	8,301	5,890	14,065	385	1,646	Waterfront
A. Lake Mary Events Center	City	4	6,686	3,750	19,000	535	905	Waterfront
B. Pavilion on the Lake	City	4	3,647	1,519	8,000	190	384	Waterfront
C. Atlantic Recreation Center	City	1	5,684	5,684	9,776	375	800	Not Waterfront
D. Lakeshore Community Center	City	2	5,510	3,209	8,786	208	291	Waterfront
E. Brannon Civic Center	City	3	10,300	6,500	13,844	600	925	Waterfront

Sources: Individual Facility Management; Secondary Research; GAI Consultants. Note: Sourced in descending order of Entire Building size in terms of square feet.

Additionally, the maximum indoor capacity of these profiled facilities range from 190 to 600 for seated guests and 290 to 925 for standing guests. The graph below illustrates the positive relationship between facility size and average indoor capacity, indicating that a larger facility can accommodate more guests within the available space.



*Sources: Individual Facility Management; Secondary Research; GAI Consultants*

**Event Activity:**

The table on the following page depicts the total number of events and the average attendance per event hosted at each of the comparable facilities. Individual facilities are not identified in the next few pages of comparative analysis because some information was provided confidentially.

The profiled facilities host a variety of events including weddings, rehearsals, receptions, conferences, corporate functions, meetings, special events, and numerous community events and public programs. As shown in the table on the following page, the profiled facilities averaged approximately 240 events annually and 118,900 in total attendance during the most recent year of activity available. However, some of the profiled facilities do not keep record on the number of people that attend each event, therefore, the annual attendance was calculated utilizing a modeling method developed by CSG.

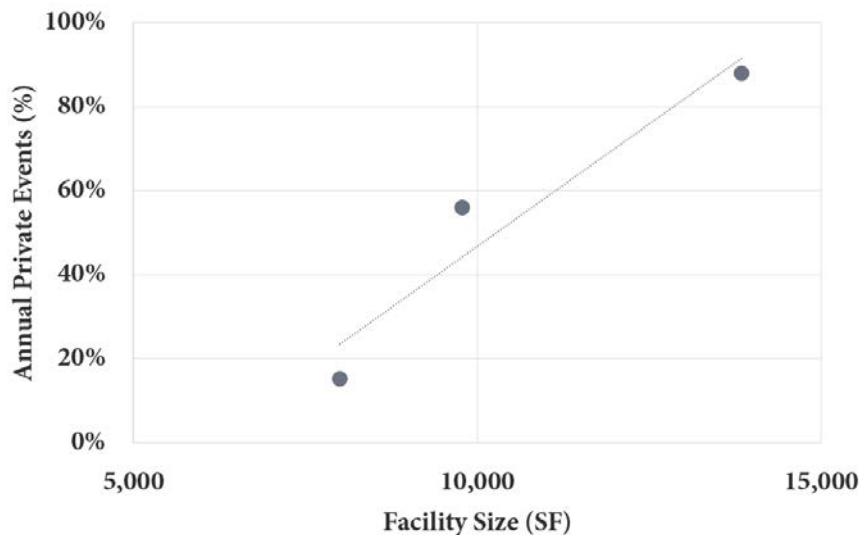
### Profiled Facilities – Event Activity

Facility <sup>1</sup>	Events by Type					Event Days	Attendance	
	Meetings	Conferences	Weddings/ Private Events	Public Programs	Total		Avg. per Event	Per SF
Cocoa Civic Center	15%	6%	48%	33%	341	360	396	9.60
A	-	-	-	-	285	360	464	6.95
B	25%	10%	53%	12%	200	360	391	9.78
C	3%	0%	12%	85%	289	355	588	17.4
D	-	-	-	-	205	360	250	5.82
E	22%	0%	34%	34%	214	360	763	11.8

Sources: Individual Facility Management; Secondary Research; GAI Consultants. Note (1) Facilities represented are described in the table on page 34.

As shown above, public programs account for the greatest percentage of total events in two out of the four case study facilities where information was available, these programs include events such as; public meetings, fundraising, club meetings and other cultural events. On the other hand, private events consist of events such as; meetings, conferences, weddings, and other special parties. These events typically require more space to accommodate a larger capacity. The graph below illustrates the positive relationship between facility size and number of private events.

### Profiled Facilities – Annual Private Events

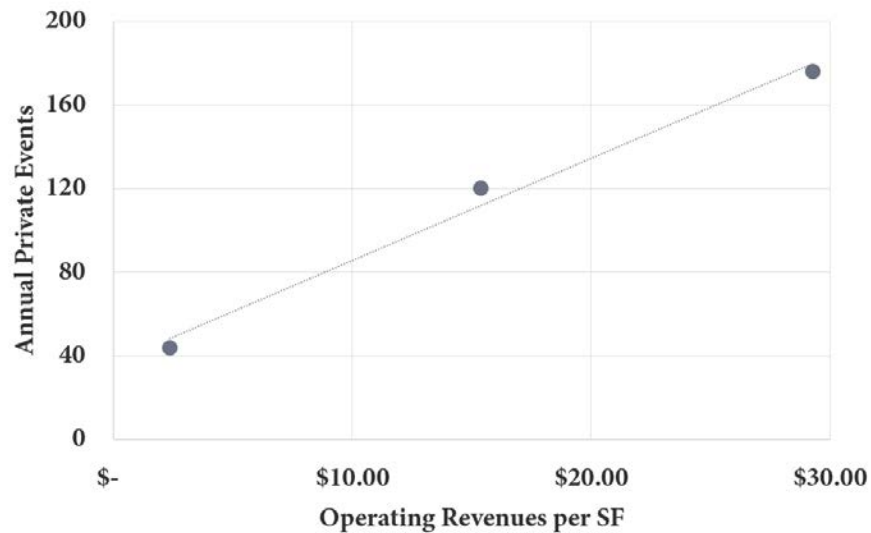


Sources: Individual Facility Management; Secondary Research; GAI Consultants

In addition, public programs typically tend to either break-even or operate at a loss, as the expense to host the events is greater than the revenue generated per event. However, private events contribute greatly to operating revenues due to a third party being

responsible for the expenses related to hosting the event. The graph below illustrates the operating revenues per square foot and the private annual events of the comparable facilities, the trend-line suggests that the more private events a facility attracts annually, the greater the total operating revenue achievable by that facility.

### Profiled Facilities – Operating Revenues & Annual Private Events



Sources: Individual Facility Management; Secondary Research; GAI Consultants

### Rental Rate Structure:

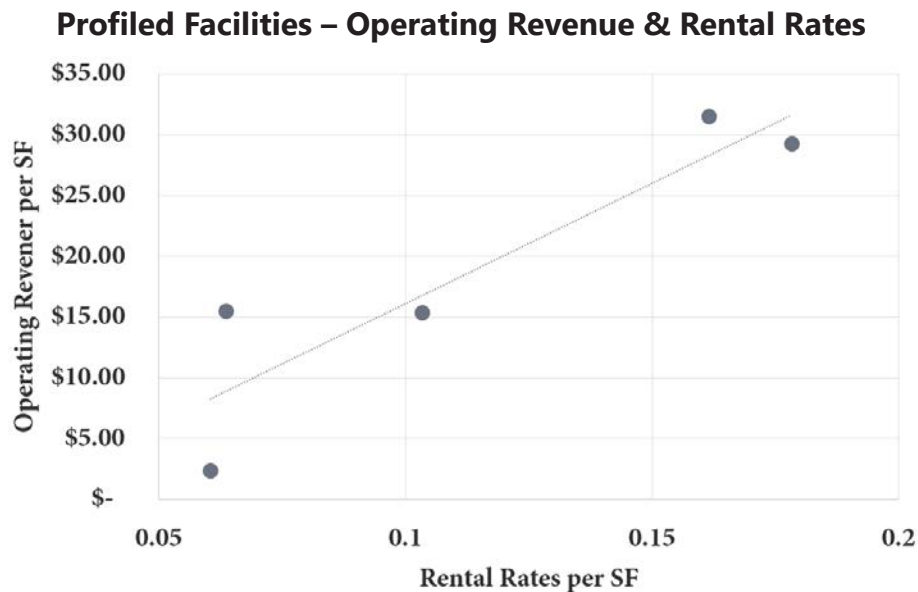
The operating revenues generated from attracting private events largely deals with the rental rates charged per event. Of the comparable facilities, the average rental rates for meetings, conferences, and weddings/ private events were about \$297, \$1,035, and \$2,314 respectively. In total, the average rental rate per square foot for all events was approximately \$0.11 as shown in the table below.

### Profiled Facilities – Rental Rates

Facility <sup>1</sup>	Avg. Event Rental Rates by Type				Avg. Rental Rate per SF
	Meetings	Conferences	Weddings/ Private Events	Total	
Cocoa Civic Center	\$210	\$500	\$750	\$490	\$0.035
A	\$300	\$750	\$2,570	\$1,208	\$0.063
B	\$280	\$1,000	\$3,000	\$1,430	\$0.178
C	\$410	\$800	\$560	\$590	\$0.060
D	\$180	\$1,450	\$2,630	\$1,420	\$0.162
E	\$320	\$1,170	\$2,800	\$1,430	\$0.103

Sources: Individual Facility Management; Secondary Research; GAI Consultants. Note (1) Facilities represented are described in the table on page 34.

In addition, there is a positive relationship between rental rates and operating revenues. Of the comparable facilities, higher average rental rates for all private events generated a greater annual operating revenue, as illustrated in the following graph.



*Sources: Individual Facility Management; Secondary Research; GAI Consultants*

Moreover, typical frequency and seasonality of usage as well as related employment can also impact the operational success of a multi-purpose center. All of the comparable facilities are open year-round and are available for rentals during the holidays at an increased rate. In addition, many of these facilities offer slight discounts on their rates for current city residents, city employees, military, and public functions hosted by County schools. Typically, these event venues only host private events during the weekend blocks, which are considered to be the peak times, and will save the public programs for the week days. Additionally, the comparable facilities with employment information available had an average full-time equivalent (FTE) employment of 6.4 and spent an average of \$284,000 on personnel expenses.

### **Operating Revenues & Expenses:**

As mentioned previously, operating revenues can be greatly influenced by the rental rate structure developed by an individual facility. The following table shows the net revenues per square foot of each comparable facility, and the breakdown between size, operating revenues and operating expenses. Operating expenses include the day-to-



day costs associated with running the facilities, not including expenses associated with personnel and employment. From the following table, we can infer that facilities greater than 10,000 square feet are operating at a net loss. This could be related to the larger facilities not generating enough private event rentals throughout the year to cover the costs associated with maintenance and operation. The type of facility also plays a role in the amount and type of events that a center may host a year, which directly impacts that facility's operating revenues and expenses. For instance, the Atlantic Recreation Center is operating at a greater net loss than the other facilities, partly due to the cost of operating the recreation component of the facility (open year-round heated pool, nature pavilion, softball/ baseball practice fields, etc.) is greater than the revenues being generated from private event rentals throughout the year. On the other hand, the Pavilion on the Lake is generating the largest net gain due to the facility mainly reserving private event rentals as opposed to hosting public programs.

#### Profiled Facilities – Operating Revenue & Expenses per SF

Facility	Facility Size SF	Operating Revenue per SF	Operating Expenses per SF	Net Revenues per SF
A	19,000	\$6.71	\$8.30	\$(1.59)
B	8,000	\$31.39	\$21.31	\$10.08
C	9,776	\$2.66	\$10.85	\$(8.19)
D	8,786	\$12.27	\$2.43	\$9.84
E	13,844	\$14.69	(1)	(1)

Sources: Individual Facility Management; Secondary Research; GAI Consultants. Note: (1) Operating Expenses not provided by the City of New Smyrna Beach for the Brannon Center.

In conclusion, all of the profiled facilities are publicly owned and operated, offer either a ballroom or large meeting space, and use these spaces as flex space serving as meeting and banquet space. Each of the facilities also offer meeting rooms of various sizes for smaller, breakout functions. Many of the profiled facilities serve as the primary event venue in their market. These buildings are designed to provide flexibility for hosting meetings, banquets, ceremonies, conferences and other special events which are consistent with their industry trends to maximize the functionality of the space.

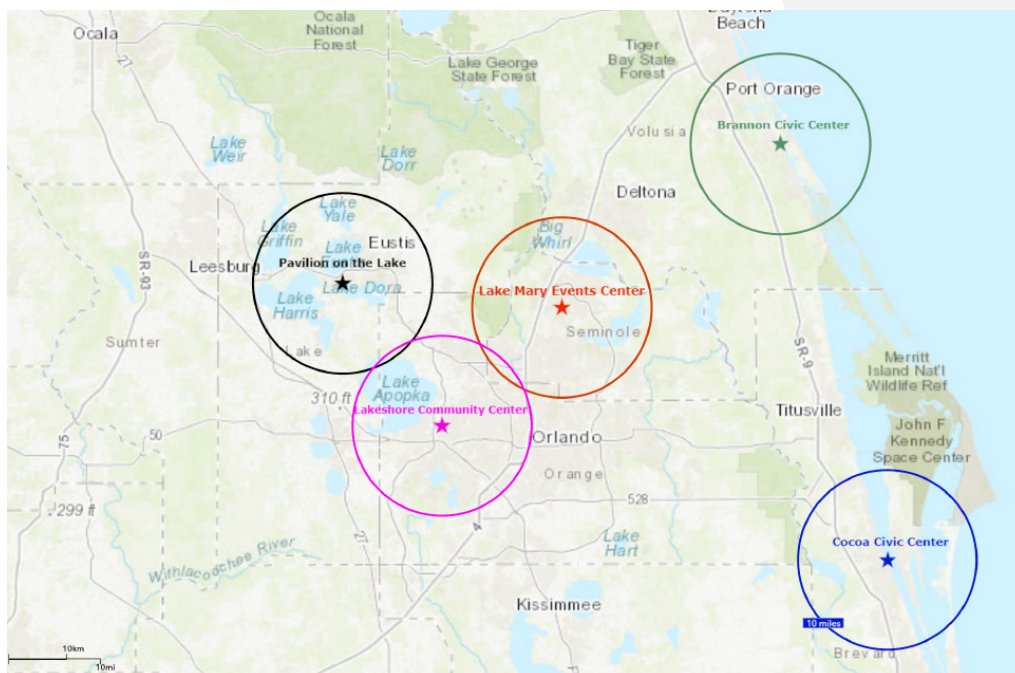
# COMPETITIVE ASSESSMENT

As previously stated in this report, the proposed multi-purpose civic center is envisioned to be able to host a variety of diverse event activity that is appealing to both local residents and out-of-town visitors. In order to assess the proposed multi-purpose civic center's potential demand and marketability, it is useful to profile the supply of existing and planned facilities in a specific market (trade) area. Type of facility, geographic location, facility size, largest space, and capacity are factors that impact how competitive or complementary area facilities may be to the proposed multi-purpose civic center. While this section provides an overview of select local and Brevard County facilities that may offer elements similar in nature to those

envisioned at the proposed new multi-purpose civic center, it is not meant to be an all-inclusive inventory of facilities.

For our analysis, we determined the Market Area for the Cocoa Civic Center to be comprised of the area located within roughly a 10-mile radius of the existing facility. For reference, the map below depicts the 10-mile radius from the existing location, as well as the 10-mile radius for each of the comparable facilities described earlier within this report; Lake Mary, Tavares, Fernandina Beach, Ocoee, and New Smyrna Beach. The market area for civic centers that function as meeting/banquet venues is determined by a variety of factors, including proximity to comparable facilities.

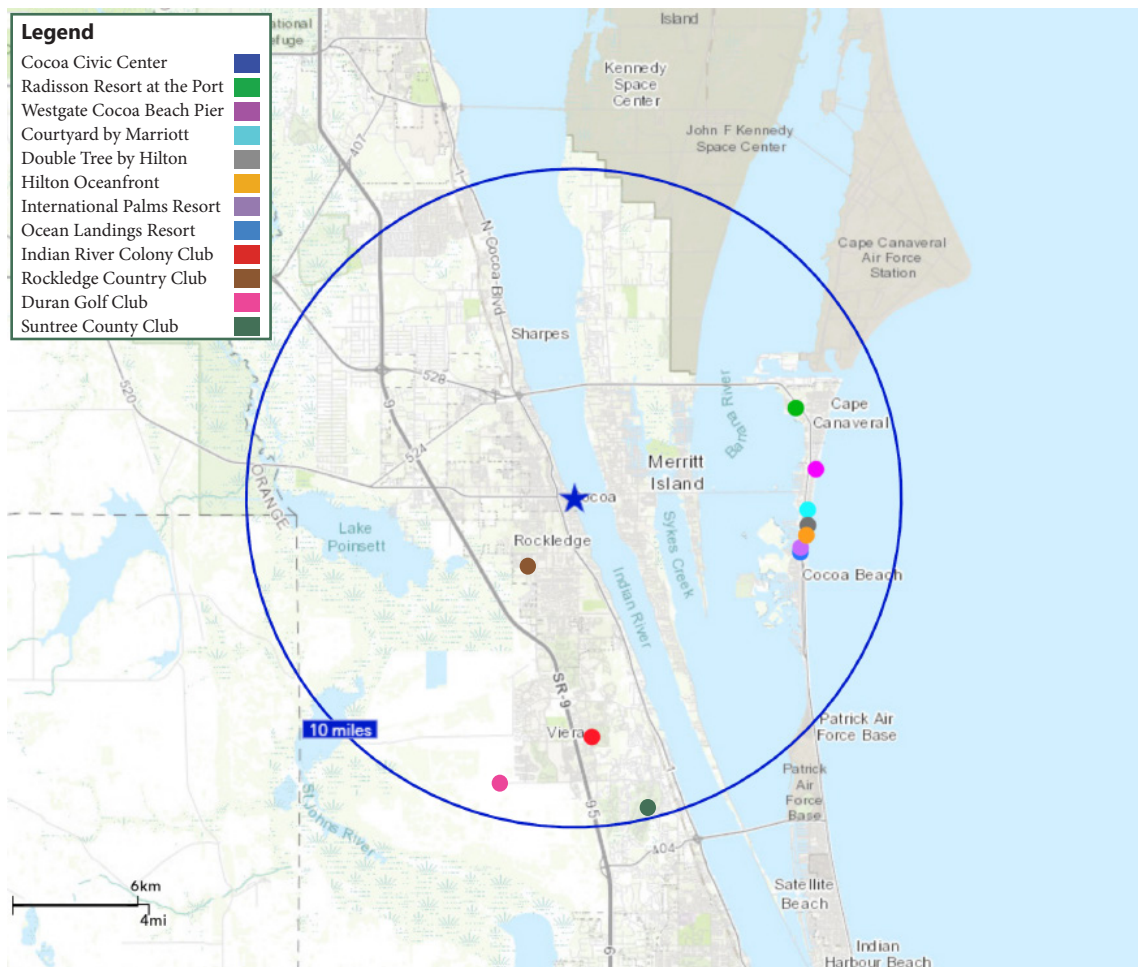
**Market (Trade) Area Map**



Sources: Esri Business Analyst; GAI Consultants

Within the market area, there are other venues that compete with a civic center for meeting and banquet events. As shown in the map below, the competitive venues within the Cocoa Civic Center Market Area are comprised of both hotels and other private event facilities.

**Market (Trade) Area Map**



Sources: Esri Business Analyst; GAI Consultants

The table below details the competitive venues shown in the map on the previous page. All of the venues identified in the table below have meeting/ banquet space which may be used for a variety of event types. Several common features have the ability to enhance the success of facilities that host a variety of event types including, but not limited to, the following:

- Focused short and long-term operating objectives of the facility
- Demographic/ economic attributes
- Recognizable identity and marketing efforts to target market segments
- Importance of providing a well-designed, flexible facility for diverse event types
- Building program elements, amenities and supporting infrastructure that appropriately accommodates the desired target market(s)
- Space configuration that has the ability to effectively host simultaneous events
- Accessibility to/from the facility
- Ability to maximize revenue streams including the sale of food/beverage, technology and audio/visual services
- Proximity to supporting amenities such as hotels, restaurants, retail and entertainment establishments.

### Cocoa Civic Center Competitive Venues

Hotels	Location	Year Built	Meeting Rooms	Banquet/ Ballrooms	Largest Space SF	Total Facility SF	Event Capacity	Comments
Courtyard by Marriott	Cocoa Beach	1999	6	1	3,344	7,602	425	Waterfront
DoubleTree by Hilton	Cocoa Beach	1987	10	1	6,178	10,000	700	Waterfront
Hilton Cocoa Beach Oceanfront	Cocoa Beach	1986	2	1	4,200	10,000	600	Waterfront
International Palms Resort & Conference Center	Cocoa Beach	1963	5	2	5,512	13,000	600	Waterfront
Ocean Landings Resort & Racquet Club	Cocoa Beach	1962	1	1	1,500	1,500	100	Waterfront
Radisson Resort at the Port	Cape Canaveral	1967	6	2	10,120	23,100	1,600	Not Waterfront
<b>Meeting/ Event Centers</b>								
Westgate Cocoa Beach Pier	Cocoa Beach	1962	1	1	2,085	3,500	180	Waterfront
Indian River Colony Club <sup>1</sup>	Melbourne	1998	1	1	-	9,400	220	Not Waterfront
Rockledge Country Club <sup>1</sup>	Rockledge	1990	2	1	11,300	20,200	250	Not Waterfront
Duran Golf Club	Viera	2005	1	1	-	7,400	125	Not Waterfront
Suntree County Club	Suntree	1975	1	1	3,850	21,732	250	Not Waterfront

Sources: Individual Facility Management, Secondary Research; GAI Consultants Note: (1) Private Membership Venues/ Clubs.

There are several factors that should be considered in conjunction with any plans for a new civic center. First and foremost is the need for flexible function space, the benefit of such space is the ability to better accommodate various market segments and therefore increase economic impact. Hosting certain event types such as performances, consumer shows, meetings and banquets would require equipment such as tables, chairs, pipe and drape to create individual exhibit booths, portable dance floor, stage, and integrated technology for audio/visual equipment. Additionally, the ability to provide food and beverage service with either a full-kitchen or a catering/warming kitchen provides an opportunity to increase event activity, contribute to the overall marketability of the facility, and enhance revenues.

Given the unique attributes of Historic Cocoa Village and its entertainment venues, it is likely that the facility would need to be able to accommodate a variety of diverse event activity rather than one or two primary demand generators. Therefore, it is important to design a facility that is flexible and well-suited to host local conferences, meetings, seminars, banquets, consumer shows, community assemblies, social gatherings and other special events in order to enhance the usage of the facility.



# RECOMMENDED PROGRAM

Currently, the City of Cocoa is relatively limited in their offering of attributes and amenities of the Historic Cocoa Village and the indoor event space that actively engages the waterfront. The local market combined with diverse demographic characteristics presents the City with an opportunity to develop a new facility that could potentially create a place to gather and celebrate in the Historic Cocoa Village. Factors such as the overall competitiveness of the industry and the presence of already existing meeting space within the market area will require the City to develop a niche that highlights its market attributes and infrastructure in order to generate demand. The historic charm of Cocoa Village and proximity to the Indian River could be the highlighted niche that draws in community residents as well as out-of-town users.

In addition, research suggests that the use of affordable, flexible function space could allow the City to better accommodate various market segments and increase economic impact. Given the unique attributes of the primary and secondary markets, it is likely that the proposed new multi-purpose civic center would need to accommodate a variety of diverse event activity. As such, it is important to design a facility that is flexible and well-suited to host meetings, banquets, ceremonies, community engagements, and other

special events in order to enhance its usage.

From our analysis, we have determined that the proposed new multi-purpose civic center should be a minimum of 15,000 square feet in total size and should not exceed approximately 20,000 square feet in total size. More specifically the market area for the proposed new multi-purpose civic center is primarily local in nature, which indicates that it is not likely to participate in the convention and tradeshow industry. This finding is based on a number of industry standards including minimum space requirements, accessibility, proximate lodging, and market area constraints. There is further evidence that constructing a facility in excess of 20,000 square feet in this market would likely not result in additional event activity or higher rental rates. This is based on a number of constraining factors including proximity to lodging and preferences of meeting planners for all inclusive meeting venues.

Program elements are recommended to accommodate both resident and out-of-town users. Recommendations align the City of Cocoa's destination characteristics and meeting planners' needs while taking into account the broader Brevard County supply of facilities and corresponding market characteristics. The following pages reflect these recommendations for the new proposed multi-purpose civic center.

# Expected Operating Characteristics

The market demand characteristics indicate that the proposed new multi-purpose civic center should be a minimum of 15,000 square feet of flexible meeting and event space. Our approach for this analysis drew largely, but not exclusively, on the comparison of the selected comparable facilities which were between 8,000 and 20,000 square feet, with a primary focus on relatively newer facilities with waterfront locations or locations that are waterfront adjacent. The comparisons between and among these facilities allowed us to derive specific inferences and conclusions that were used in illustrating the potential of the proposed new multi-purpose facility. The following table estimates operating characteristics of a 15,000 square foot facility which has been identified as the minimum square footage necessary for the proposed new civic center to be competitive with other private venues in the market. The table presents these characteristics in three distinct scenarios which are reflective of the operations, management, functionality, and overall design of space. Characteristics of each scenario are detailed further following the table.

**Estimated Operating Characteristics at 15,000 Sq. Ft.**

	Current <sup>1</sup>	High	Moderate	Low
<b>Capacity (Seating)</b>	462	990	820	570
<b>Total Events</b>	341	440	330	230
<b>Avg. Rental Rates</b>	\$80 – \$850	\$2,680 – \$3,570	\$1,700 – \$2,270	\$950 – \$1,270
<b>Operating Revenues</b>	\$56,636	\$470,800	\$236,600	\$102,100
<b>Operating Expenses</b>	\$21,000	\$319,600	\$160,800	\$36,500

Sources: GAI Consultants. Notes: (1) Reflects Estimated YE 2019 (based on average monthly values for January-October) Operational Data of the Cocoa Civic Center.

In order to achieve the high scenario, the proposed new multi-purpose facility would have to function as a premier modern facility within the market area. This would include:

- A flexible space to accommodate a variety of event and meeting configurations of greater capacity;
- Integrated technology including modern audio and visual equipment;
- Boosting marketing efforts to more effectively promote the venue;
- Establishing a rental rate structure that achieves greater average rental rates; and
- Prioritization of private events on peak demand days.

The low scenario suggests that the proposed new multi-purpose facility functions similarly to the current Cocoa Civic Center, in terms of space configuration, capacity, participation in the competitive market area, and revenues generated from rental fees.

The moderate scenario is attainable as a result of the foreseeable increase in market share gained with the construction of a new multi-purpose facility at a waterfront or waterfront adjacent location in or near Historic Cocoa Village. Event demand within the competitive market area indicates that the moderate scenario is the most likely scenario. From our analysis of the comparable facilities, we were able to draw conclusions regarding facility size relative to use of space, capacity, event activity, rental rates, and operating revenues. The moderate scenario incorporates all of the implications described below.

### **Size:**

The current operations of the Cocoa Civic Center fall below the low scenario. For the proposed new multi-purpose civic center to exceed the capacity achieved by the existing Cocoa Civic Center, it is recommended that having 12,000 to 18,000 square feet of flexible meeting space which can be used as exhibit and/ or ballroom space would accommodate the moderate seating capacity of 820 to 1,090. The flexible design and use of space would also allow the new facility to adequately accommodate a variety of different sized events, as well as the ability to host multiple events simultaneously.

### **Event Activity:**

There is a positive relationship between facility size, the number of private events held annually, and the operating revenues generated from these private events. Public events typically tend to either break-even or operate at a loss, whereas private events operate at higher rental rates which results in greater revenue generation. For this potential to be realized private events would need to be prioritized in the proposed new multi-purpose civic center, especially during peak demand days. Event activity held at the center should consist of large weddings, conferences, corporate functions, smaller meetings in the adjacent rooms, and outdoor performances.

### **Rental Rate Structure:**

Analysis of the comparable facilities showed a positive relationship between rental rates and operating revenues. From this we can infer that higher average rental rates for all events generated greater operating revenues. Currently, the Cocoa Civic Center is charging less than the comparable facility's average rental rates for meetings, conferences, and private events, thus resulting in below average operating revenue. To offset the greater costs of building operation and management, and the costs associated with hosting public events – adopting a new rental rate structure which achieves average event rental rates between \$1,700 and \$2,270 per event, would further contribute to the increase in operating revenues and annual net gains.



## **Operating Revenues:**

The negative relationship between facility size and total net revenues suggest that the operational costs of larger facilities (greater than 9,500 square feet) is considerably different in terms of facility operations, security and maintenance, staff support, and marketing. Therefore, these facilities should rely more heavily on private event rentals to help offset the costs associated with operation and management. As stated previously, creating a new rental rate structure for the use of the facility would further contribute to increasing total revenues.

## **Additional Recommendations:**

Further market research suggests that constructing a facility with the following patron amenities would further enhance the civic center's marketability for attracting a diverse set of demand generators, these amenities are briefly described below:

- Lobby and pre-function space that can accommodate simultaneous events as well as gathering before/ after events and access to amenities such as restrooms, food and beverage, etc.
- Adequate back-of-house area including dressing rooms, building storage, and related support space.
- At a minimum, a catering kitchen that can support full food and beverage needs given the anticipated nature of demand for this facility. Multi-purpose centers often are equipped with catering or warming kitchens, as opposed to full-service kitchens given the cost savings in construction and on-going operations. This approach assumes primary food preparation occurs off-site.
- Modern technology including; lighting, visual and audio systems throughout the facility.
- Outdoor event space (green space, pier, pavilion, plaza, etc.)

# FINANCIAL PRO FORMA

With respect to financial performance, it is important to understand that similar multi-purpose civic centers often realize a deficit when considering fully loaded expenses (e.g. operating, debt). However, the primary reasons for developing these types of facilities is both for the benefit to the public and the economic activity that they may generate in terms of spending, employment, earning, as well as indirect tax revenues to local and state governments. Consequently, when evaluating the merits of these types of developments, all aspects of the costs and benefits including operating requirements, debt service and economic benefits should be evaluated.

CSG developed an order-of-magnitude estimate of operating revenues and operating expenses before debt service for a proposed new multi-purpose civic center in Cocoa through a five year period, assuming the fourth year is the first stabilized year of operation. This analysis is also based on certain assumptions pertaining to operations of the proposed new multi-purpose facility, usage levels and other related financial assumptions. The estimates of operating revenues and operating expenses are based on the anticipated size, location, quality and efficiency of the proposed new multi-purpose civic center.

As shown in the table below, it is estimated that the proposed new multi-purpose civic center is expected to operate at a deficit (before taxes and debt service). Initially, reaching positive, stabilized operation in year four.

## Proposed Multi-Purpose Civic Center Estimate of Annual Financial Operations

(In Thousands)	Year 1	Year 2	Year 3	Year 4 <sup>(1)</sup>	Year 5
Gross Revenue	\$103	\$144	\$177	\$240	\$280
Cost of goods <sup>(2)</sup>	(34)	(48)	(59)	(80)	(94)
Gross Operating Income	69	96	118	160	186
General and administrative <sup>(3)</sup>	(74)	(76)	(78)	(80)	(94)
Net Operating Income	(5)	20	40	80	92
Annual Debt Service <sup>(4)</sup>	(410)	(410)	(410)	(410)	(410)
Profit/(Loss)	\$(415)	\$(390)	\$(370)	\$(330)	\$(318)

Sources: GAI Consultants Notes: (1) Stabilized Operating Year. (2) Variable operating costs to support events. (3) General fixed operating costs. Could include incremental headcount to support enhanced operations. (4) Assumes a 15,000 sq. ft. facility at a capital cost of \$7.5M bonded for 30 years at 3.5%.

When encumbered with annual debt service, assuming the full project cost is bonded, the civic center would not be expected to operate at a profit until debt is extinguished.

This estimate is based on information from primary and secondary sources including, but not limited to, general market data; existing and planned facilities in the area; the preliminary building program provided in the previous sections as well as information on comparable facilities. This analysis represents a net revenue and expense estimate and is subject to change depending on the actual building program, contractual agreements with service providers, and further refinements regarding operating strategies for the proposed new multi-purpose civic center.

### **General Assumptions:**

Several assumptions were used to develop estimates of event activity, financial operations for the proposed new multi-purpose civic center in Cocoa. It should be noted that these assumptions are preliminary and will continue to be refined as decisions related to the building program and other operating characteristics evolve.

- The project is fully loaded, assuming it will pay for debt directly.
- There is an existing cash balance which would lower existing bond service and capital costs.
- The preliminary building program outlined in this report for the proposed new multi-purpose civic center is built within Lee Wenner Park, a City-owned site, and offers the required infrastructure and amenities to support the facility.
- The facility is designed specifically to accommodate the unique aspects of various target market segments including local user groups.
- The site is adequate in terms of visibility, ingress/egress, parking, safety and other similar issues.
- Sufficient supporting infrastructure is located nearby to support the multi-purpose civic center activities (i.e., hotel rooms, restaurants, retail, entertainment, etc.)
- No other similar competitive/ comparable facilities are built in the City.
- No major economic fluctuations or acts of nature occur that could adversely impact the project.

## **Summary:**

Based on the assumptions outlined in this report, it is estimated that the proposed new multi-purpose civic center will operate at a deficit which is similar to other governmental initiatives for assets such as parks and libraries that require a significant capital investment by the public as well as on-going funding for maintenance. The proposed new facility may be able to realize additional operating efficiencies if it is able to share staffing, administrative and maintenance costs with other City facilities or another partner such as a hotel. However, there should still be a dedicated staff at the proposed new multi-purpose civic center with experience operating similar facilities.

Although not included in this analysis, there are other potential revenue streams such as parking, naming rights, concessionaire rights, pouring rights, long-term sponsorships, and office rental space that the city of Cocoa could potentially pursue that may favorably impact the bottom-line. As noted previously, the financial pro forma and related assumptions in this report are preliminary and will continue to be refined as decisions related to the building program and other operating characteristics evolve.

# ECONOMIC IMPACT ANALYSIS

One objective of this study is to estimate the economic impacts associated with operations of the proposed new multi-purpose civic center to the local economy. Tangible and intangible benefits associated with the facility include, but are not limited to, the following:

- Attract a critical mass of attendees to Historic Cocoa Village,
- Enhance the City of Cocoa's appeal as a destination,
- Provide a first-class venue for area residents and out-of-town attendees that complement the other existing city facilities,
- Enhance the overall quality of life and livability in the marketplace,
- Capitalize on existing and planned tourism efforts,
- Serve as a catalyst for other potential development initiatives,
- Generate economic activity in terms of spending, jobs and earnings; and
- Generate fiscal revenues for local and State governments.

Each of the tangible and intangible benefits listed above are a key component in assessing the overall impact of the proposed new multipurpose civic center to the City of Cocoa and Brevard County. While the value of most of these benefits is difficult to measure, the estimated economic activity generated can be quantified. This analysis quantifies the direct, indirect and induced benefits associated with operations of the proposed multi-purpose civic center including the associated tax revenues.

## General Assumptions

The economic benefits derived in this report have been prepared using commercially available software, Impact Analysis for Planning (“IMPLAN”). IMPLAN is a common input-output model often used to track the impacts of major capital spending and business operating activities. These kinds of generalized models incorporate multipliers adapted from extensive archives of national economic accounts specific to a state, region, or county. Consequently, the output is explained in terms of both direct and total economic impact of these activities contained within the City. The approach used in this analysis considers estimated facility operating expenses as well as spending by attendees outside the facility on items such as lodging/ hotels, restaurants, retail, entertainment, and transportation as measure of economic activity in the marketplace.

Calculating economic benefits utilizing this type of input-output model is generally accepted as the industry standard and results will be very consistent among different input-output models or between different professionals.

Using an Input-Output model, Economic benefits can be classified as direct, indirect, or induced:

- Direct benefits relate to revenues generated or expenditures made in the local economy during the years of construction and operation of the proposed civic center. For example, direct construction expenditures relate to the spending required to complete development of the civic center. After development is complete, other sales generated by operating the civic center reflect direct permanent, on-going economic benefits.
- Indirect and induced benefits are those stimulated by subsequent or secondary rounds of expenditures such as employees and/or other businesses that have some link to the operations or other partners, and any parties subsequently involved as users, tenants or owners. For example, the largest impact of these secondary effects includes employment and output that is created when employees of the primary activity spend annual wages as household consumption expenditures.

Once the amount of direct spending is quantified, a calculated multiplier is applied to generate the indirect and induced effects. The sum of direct, indirect and induced effects equals total economic impact which is expressed in terms of spending (output), employment (jobs), and personal earnings. The following graphic illustrates the input-output model for calculating total economic impact.



The economic benefits derived in this report have been prepared for both on-going (recurring) operational impacts and one-time construction impacts as discussed below.

### **Total Operational Impacts:**

The proposed new development, at final build out, is expected to produce about 19 total permanent jobs within the region from on-going operations of the civic center. Nearly 4 of these jobs will be directly associated and located at the project itself. The other 15 jobs result from indirect and induced effects. Independent of these additional indirect jobs, the civic center's own direct job counts are the significant factor in overall economic impacts.

The following table presents the estimated recurring (on-going) economic impact within the region.

**Estimated On-Going Operating Impacts**

<b>Economic Measures<sup>(1)</sup></b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total Impact</b>
<b>Employment</b>	4.0	12.0	3.0	19.0
<b>Earnings</b>	\$175	\$349	\$102	\$626
<b>Total Value Added</b>	\$324	\$510	\$189	\$1,022
<b>Output</b>	\$680	\$996	\$331	\$2,007
<b>Average Wages</b>	\$44	\$29	\$34	\$33

Sources: IMPLAN; GAI Consultants Note: (1) In thousands, except employment.

### **Indirect and Induced Operating Impacts:**

The subsequent rounds of spending that create Indirect and Induced employment impacts are those most likely to benefit the neighboring areas adjacent to the civic center. While these employment impacts can occur anywhere within the region, the direct activity stimulated by the civic center is likely a main attraction for these support and affiliated jobs. The Indirect and Induced employment impacts created from the direct development of the civic center represents a mix of professional and service-related jobs, clearly providing adjacent neighboring area with more and enhanced employment opportunity than would otherwise exist.

### Total Construction Impacts:

During construction, an estimated 78.2 total jobs are expected to be created within the City with 48.9 of these directly associated with new development of the civic center. The total job count for the new development of the entire site is associated with more than \$3.8 million in total earnings with more than \$2.4 million in earnings connected to the project's directly created jobs.

The following table illustrates the estimated nonrecurring (one-time) economic impact captured within the region from the proposed construction activities.

#### Estimated Construction Impacts

Economic Measures <sup>1</sup>	Direct	Indirect	Induced	Total Impact
Employment	48.9	13.0	16.3	78.2
Earnings	\$2,479	\$626	\$730	\$3,835
Total Value Added	\$3,895	\$1,001	\$1,350	\$6,245
Output	\$7,500	\$1,702	\$2,367	\$11,569
Average Wages	\$51	\$48	\$45	\$49

Sources: IMPLAN; GAI Consultants Note: (1) In thousands, except employment.



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