

GRAND ACTION 2.0

# VENUE & ATTRACTION DEVELOPMENT FOR GRAND RAPIDS

COMBINED PROJECT EXECUTIVE SUMMARY

November 20, 2020

# EXECUTIVE SUMMARY

Over the past two decades, Grand Rapids has grown from a regional city known for furniture manufacturing to a nationally-recognized destination known for its economic diversification, vibrant arts and gastronomic culture, active downtown, restoration of the Grand River underway, world-class amenities including Meijer Gardens and Millennium Park, and numerous concert and convention venues.

In an effort to further develop venue and attraction assets for Grand Rapids, economic development non-profit Grand Action (“Client”) has prioritized investigation into the feasibility of three primary projects:

- Investment into DeVos Place Convention Center to maintain and enhance their competitive position in the industry.
- Development of a new soccer and entertainment event stadium, designed to host a higher level of professional soccer in Grand Rapids.
- Development of a new concert and entertainment event amphitheater, designed with surrounding assets and a configuration to allow for year-round community activity district.

We have conducted a highly research-based effort to assess market viability, event demand, financial performance and economic impacts for each of these projects. This Executive Summary highlights the findings of these studies. A listing of the organizations that have participated in the study process is presented at the end of this Summary. Separate reports and executive summaries have been developed for each project, and should be read to gain insight into the research used to support primary project findings and recommendations.

Given the dramatic impact of the COVID-19 pandemic, particularly on the convention and entertainment event sectors, we first present an overview of potential implications for future venue development in Grand Rapids.





# COVID-19 PANDEMIC IMPACTS ON VENUE DEVELOPMENT

In September of 2020, CSL conducted an online survey of 356 planners of national conventions and meetings. Planners were asked to specify their estimated timeframes for a return to a baseline of event activity, or a level of activity generally representing pre-pandemic levels.

Thirty-one percent of planners surveyed tended to be optimistic, projecting return to baseline event levels by mid-2021. An additional 35 percent of planners surveyed projected an event recovery by the end of 2021. Combined, approximately two-thirds of planners target a general return to normal before 2022 which likely signals optimism that a vaccine can be successfully implemented on a very broad scale within the next six months. Thirty-one percent of planners surveyed don't expect a return to baseline event activity until sometime during 2022, with a small percentage targeting 2023 or later.

Convention center and destination marketing organization management should plan for an additional nine months of severely impacted activity, with a return to near normal by the end of 2022. Obviously, real time events with respect to vaccines and further outbreaks will impact this timeframe.

Event planners were asked to rate several specific venue and destination conditions that will be important to address during and post-pandemic. Research suggests that it is critical for center and destination marketing organization management to understand that the brand of the destination can be positively or negatively impacted by the response to the pandemic. This can include venue safety measures and how the destination is marketed to address event planner concerns with respect to live events.

A large collection of data suggests that the health of the convention, tradeshow and meetings industry, like nearly all industries, has historically been linked to the strength and fluctuations of the overall U.S. economy. This "linkage" is a fundamental premise of any analysis of future convention and tradeshow industry performance. Given the close parallels between GDP changes and changes in various measures of the convention industry, we expect future industry growth to continue to mirror the overall health of the economy. We expect that as COVID-19 fades with the launching of various vaccines, the convention and tradeshow industry will likely begin a return to "normal", potentially during the period beginning in late 2022, or early 2023.

# COVID-19 PANDEMIC IMPACTS ON VENUE DEVELOPMENT

---

With regard to sports and entertainment event activity, the initial shutdown of the United States in mid-March prompted the cancellation of all live sporting events, including all professional, collegiate, youth, and other amateur sports. Additionally, other live events that require an indoor or outdoor location such as concerts, theater performances, family shows, movies, and other such events, all ceased operations for months.

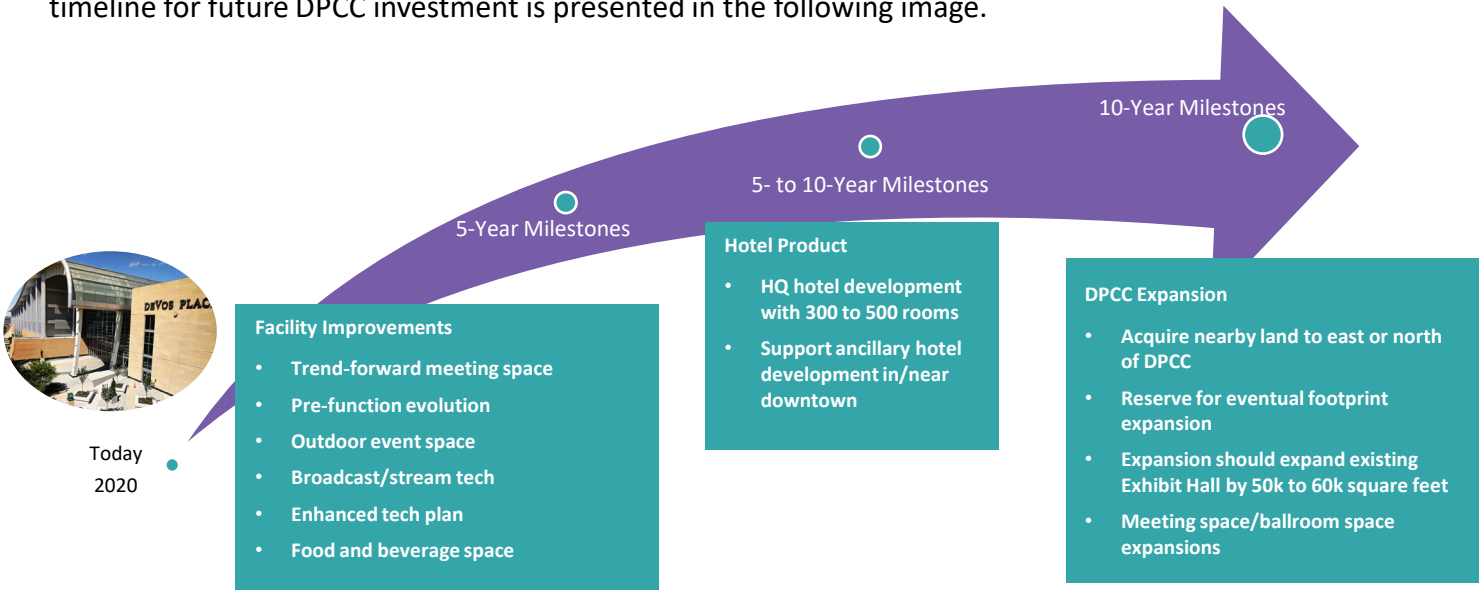
While it is unknown what impact fear and caution will have on sports and entertainment attendance in 2021 and 2022, a recent survey conducted by Live Nation and Ticketmaster with 18,000 participants indicated broad support to continue attending live music events (91 percent) and sporting events (75 percent) following COVID-19. While there has been some allowed attendance at various sporting events, the recent surge of COVID-19 cases has limited efforts to increase live event attendance.

Until a vaccine is successfully launched, it is highly likely that live sports and entertainment event activity will be very limited. Occasional outdoor or drive-in events will take place, however the impact to indoor venues will continue to be significant.

# DeVOS PLACE CONVENTION CENTER INVESTMENT

As Grand Rapids has grown in population, reputation, and vibrancy over the years, so has its convention and meetings sector. Opened in 2004 at a total cost of approximately \$215 million, the Grand Rapids/Kent County Convention & Arena Authority-owned DeVos Place Convention Center (DPCC) has hosted a wide array of local, regional and national conventions and tradeshows, and its success has become a point of pride for many stakeholders in the community.

To maintain and enhance market capture, we recommend a five-year investment that focuses on various trend-forward initiatives that address post-COVID-19 conditions and other industry trends. Between five to ten years, we recommend the launching of 550 or more new hotel rooms in/around the downtown area to support any future large scale DPCC expansion, with 300 to 500 of these rooms being attached or adjacent to the facility. In years six through ten, finalization of program targets and expansion of the DPCC could take place, provided market demand and overall DPCC occupancies warrant this increase in event space. A timeline for future DPCC investment is presented in the following image.



# DeVOS PLACE CONVENTION CENTER INVESTMENT

---

Descriptions of the specific initiatives recommended for the DPCC are presented below and on the following page.

Added Meeting Space - An expansion of 10,000 square feet of meeting space would improve the DPCC's ranking from 15th to 6th among its competitive set while an addition of 15,000 square feet would move the venue to a ranking of 4th. The configuration of the new meeting space should include a larger area of 7,000 to 10,000 square feet that is sub-divisible into several smaller rooms. It should also incorporate trend-forward elements such as wall-mounted touch screens, dynamic/portable furniture and natural lighting.

Broadcast and Streaming Technologies - As hybrid meetings continue to grow in importance, especially during COVID-19 pandemic conditions, facilities are investing in technologies to accommodate virtual attendees. We recommend DPCC management work with Blue Water, the building's A/V provider, in creating "turnkey" streaming and production equipment, including micro moveable cameras, portable operating equipment, green screen, floor-to-ceiling LED or projector screens, peripheral visual "portals" showing virtual attendees, and highly dynamic lighting control.

Evolved Pre-Function Space - There are numerous areas within the DPCC that could be considered for open space learning investment, including various lobby spaces and connecting concourse areas. These areas should be outfitted with portable, multi-use furniture; presentation and communication resources (i.e. wall-mounted screens with HDMI cables, touch screens, whiteboard, localized speakers, headphones); partially enclosed "nooks" or "pods"; and, ample phone charging stations.



# DeVOS PLACE CONVENTION CENTER INVESTMENT

---

Unique and Authentic Food and Beverage - Many past users of the DPCC suggested cafes, microbreweries, and food vendors from throughout the local area be given space in public areas of the facility. For the DPCC, it will be important for such a space to leverage local flavors, feature an open layout within the lobby area, serve relevant food and beverage throughout the day, consider branding unique to the market versus a national chain, and be open for all major events.

Outdoor Space – Planners are increasingly looking to unique outdoor areas to provide function space. Opportunity may exist to develop signature outdoor event space at Lyon Square that leverages currently-planned improvements, potentially with development of permanent footings, power, lighting, modest kiosk structures (for vendors) and other amenities.

Future Expansion - Utilization and market demand data specific to the Grand Rapids convention product do not suggest a significant expansion of event space within the next five years. However, to better compete with larger convention facilities throughout the country, an eventual exhibit hall expansion could be necessary. An eventual expansion eastward over Monroe Avenue to the Calder Plaza site and expanding northward over Michigan Street to the existing Post Office site represent two future development options. Both parcels should be a part of preliminary planning processes for expansion, and acquisition of the preferred parcel for future development should take place.



# SOCCER STADIUM DEVELOPMENT

Professional soccer in the United States has undergone significant growth over the past several years, with the U.S. Soccer Federation (“USSF”) sanctioning three divisions of professional soccer including Major League Soccer (“MLS”), USL Championship (“USLC”), and USL League One (“USL1”).

Given the size of the Grand Rapids market, and based on the feedback from league officials, the USLC classification represents the best fit to maximize Grand Rapids’ market potential. While the market currently supports other minor league professional sports, soccer generally appeals to a millennial audience in addition to the families typically drawn to the affordable entertainment offered by minor league teams.

USLC teams have demonstrated success anchoring new stadium projects which has spurred additional investment as existing teams seek to maximize revenues through new facility development, and expansion teams continue to enter the league with stadium development plans.

To secure a USLC franchise for Grand Rapids, an ownership group would need to be identified, with some form of public/private partnership to finance a new stadium. Based on the characteristics of the local market, the competitive context in which a new multi-use stadium would operate, physical and operational characteristics of comparable USLC stadiums, feedback from project stakeholders and potential users of the venue, and the estimated utilization of the stadium, the following building program elements are recommended:

- A total seating capacity of 7,000 seats;
- A total of 472 premium seats, including 200 club seats, 20 four-seat small group boxes, and 12, 16-seat luxury suites, representing 6.7 percent of total stadium seating capacity;
- Access to 2,000 parking spaces within walking distance of the stadium site; and,
- A variety of modern stadium amenities, including concessions points-of-sale, appropriate number of water closets and urinals, four locker rooms, and other such amenities.







# AMPHITHEATER/ATTRACTION DEVELOPMENT

---

As Grand Rapids has become increasingly visible to touring artists and promoters, local stakeholders have noticed a gap in the local live performance venue infrastructure, with large outdoor-specific tours forced to bypass playing the market due to the lack of a large, modern amphitheater venue.

Based on the results of a comprehensive market research study, a new amphitheater in Grand Rapids could attract approximately 29 concerts with 223,000 attendees and 14 other events with 38,500 attendees on an average annual basis. Other events could include symphony events, comedy shows and other such performances. Events are anticipated to cater to a broad audience, reflective of the cultures, ages and musical tastes of the entire community.

It will be important for the venue to highlight inclusiveness by providing diverse programming for all residents throughout western Michigan. Potential community events, often free of charge, that could be hosted at the proposed amphitheater include food festivals, local music competitions, graduations, movie nights, cooking classes, memorial services, yoga events, lectures and other such events.

Based on characteristics of the local and regional market, feedback from project stakeholders and potential user groups, comparable facility benchmarking, and estimated amphitheater utilization, the following building program elements are recommended:

- Total capacity of 12,000, including approximately 50 percent fixed seating and 50 percent berm seating;
- A total of 610 premium seats, including 400 club seats and 35 six-seat VIP boxes;
- Access to approximately 3,000 parking spaces in proximity to the Amphitheater; and,
- A variety of modern amenities, including sufficient concessions points of sale, restrooms, dressing rooms, loading docks, audio/video/lighting/ power capabilities, storage space, and a box office.



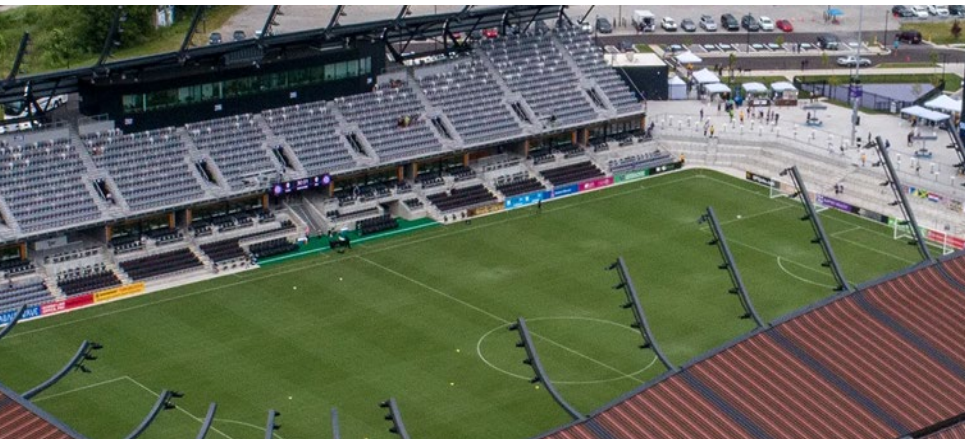
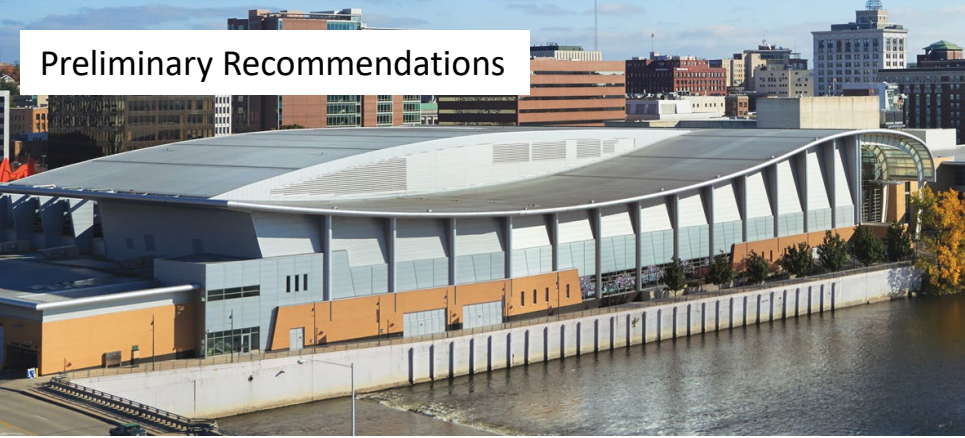
# AMPHITHEATER/ATTRACTION DEVELOPMENT

Potential sites for a new amphitheater have been evaluated, focusing on the Fulton & Market parcel, and the City-owned 201 Market site. The sites are both located on the Grand River in downtown Grand Rapids and are connected, although bisected by Highway 131.

During our evaluation of the site options, we considered the possibility of combining the two parcels to create a dramatic Riverfront development opportunity that, in addition to an amphitheater, could host a variety of community-based amenities and attractions. We also recommended that an urban planning firm be retained to further explore these development options.

Based on our analysis of local market assets and economic conditions, outreach to community stakeholders, and review of creative development projects throughout the country and internationally, we have identified the following types of projects that could be co-located with an amphitheater, providing significant benefit for Grand Rapids residents and visitors.

- Outdoor Adventure Assets – climbing walls, ropes courses and other assets that can be placed at the point of exit for the new Grand River white water activities under development.
- Signature Green Space – providing the community with opportunities for meals, relaxation and family activities.
- Urban Water Features – could include splash pads, fountains and other amenities.
- Retail Container Parks – a trending concept that utilizes shipping containers to provide small retail, restaurant and other spaces for local entrepreneurs.
- Other Commercial Development – including housing, office and traditional retail.
- Cultural Spaces – unique spaces that highlight the music, art, design and other features unique to the diverse communities within Western Michigan.
- Aquarium – an attraction that highlights aquatics and other natural outdoor conditions unique to Western Michigan.



# INTERVIEWED STAKEHOLDERS

---

- ACH Hospitality
- Amway
- ASM Global
- Blue Water Audio/Video
- Brigham Consulting
- City of Grand Rapids
- Colliers
- CWD Real Estate
- DGRI
- Dick and Betsy Devos Family Foundation
- DP Fox Ventures
- Experience Grand Rapids
- Fifth Third Bank
- Frederik Meijer Gardens & Sculpture Park
- Frey Foundation
- Gerald R. Ford International Airport Authority
- GR Community Foundation
- GR Mobile
- Grand Action
- Grand Action 2.0 Executive Committee
- Grand Rapids Ballet
- Grand Rapids Chamber of Commerce
- Grand Rapids Community College
- Grand Rapids FC
- Grand Rapids Next Gen Advisory Board
- Grand Rapids Opera
- Grand Rapids Symphony
- Grand Rapids Urban League
- Grand Rapids Whitewater
- Grand Rapids-Kent County Convention/Arena Authority
- Grand Valley State University
- Jandernoa Foundation
- John Ball Zoo
- Kent County
- Kent County Hotel Advisory Board
- Keystone Fund
- Live Nation Michigan
- Major League Lacrosse
- Michigan Travel Commission
- Midwest United
- Northland United Soccer Club
- NWSL
- Orion Construction
- Osteria Rossa
- Pioneer Construction
- Premier Productions
- Progressive AE
- Rockford Construction
- SJC Alliance
- Steelcase Foundation
- Terryberry
- The Right Place
- United Methodist Community House
- Van Andel Enterprises
- Van Andel Institute
- Wege Foundation
- West Michigan Sports Commission
- Western Michigan Hispanic Chamber