



Renovating and Expanding the Cumberland County Civic Center

*“Maine’s largest and most active sports and family
entertainment center.”*

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What is the cost and what are the benefits?

Cost Estimate

In January, 2010, the Board of Trustees engaged two nationally recognized consulting groups, Brailsford and Dunleavy and the Goldwater Group, to conduct an economic analysis of potential renovation and expansion options for the Civic Center.

They were asked to present recommendations that would:

- Maximize the event schedule
- Improve the guest experience
- Create new revenue streams
- Extend the life of the building

After several months of research and analysis, they recommended a renovation and expansion option that they believed would meet all four major objectives at an estimated cost of \$27 to \$29 million dollars.

What are the benefits?

Competitive position – The most critical issue.

The consultants have indicated that unless the building undergoes a major improvement soon, it will lose its competitive position, which will gradually lessen its ability to attract national entertainment groups that the people of Maine have come to enjoy. Events such as:

- Concerts such as Carrie Underwood, American Idol, Breaking Benjamin, Daughtry, Bill Gaither Homecoming, Steve Miller Band and Kenny Chesney- to name a few.
- Professional Hockey Franchise
- Nationally renowned ice shows and circuses such as Disney on Ice, Smucker's Stars on Ice, Ringling Bros. and Barnum & Bailey circus and the Kora Temple Shrine Circus
- Sesame Street Live
- Harlem Globetrotters
- Larry the Cable Guy
- Jeff Dunham

Improve the Guest Experience

- Guests to all events will enjoy better and more convenient food and beverage options by expansion of the concessions and catering areas.
- Critically important is the renovation and construction of additional restrooms and in particular additional ladies restrooms. A number of women have expressed a reluctance over the years to attend events as the wait for available restrooms can be incredibly long.
- Widening of selected concourse areas will eliminate the gridlock that occurs currently when waiting lines for restrooms and concessions compete for the same space.
- Enhanced and enlarged dressing room space will greatly improve the experience for visiting performers and sports teams. This is especially important for ice shows with racks of costumes and frequent costume changes.

Enhance the financial status of the building and the hockey franchise.

- Although the Civic Center has generally been able to cover its operating expenses, in fact six of the past seven years it has operated in the black, that goal is becoming more and more challenging without major improvements.
- The consultants noted specific building improvements that would generate a substantial increase in annual income that is more than sufficient to meet future operating expenses. The additional revenue generated would help to offset construction costs (bond payments).
- Additional space for concession activity could increase concession net income by approximately \$400,000 per year.
- A new revenue source would be derived by offering, for the first time, luxury suites (\$248,000), and club and premium seating (\$757,000) which would enhance the financial performance of the building and the major tenant.
- With a modernized building positioned for the 21st century, corporate naming rights could produce annually, \$200,000 of additional revenue.

- In total, the consultants provided a financial performance model indicating a potential net operating income (total revenue less total operating expense) in year one of \$1,618,000.

Use of net income

Hockey

A portion of the net income (such as suites, club and premium seating) will be shared with the major tenant, the Portland Pirates. The exact amount will be determined through lease negotiation. The hockey franchise owners have already indicated that if the renovations occur as recommended, they would be willing to negotiate a long term lease to remain a major tenant.

Renovations and expansion, therefore, are important if the community desires to retain a professional hockey franchise. It will also assist the financial performance of the building as the hockey events generate about one-third of the annual attendance and the resulting concessions sales.

Bond amortization

After apportioning a share of the net income to the hockey franchise, a major portion of the remaining net income will be used to offset the County's obligation for annual debt payments.

Operational Efficiencies

- The current building has a critical shortage of storage space for a variety of equipment required in its operation—basketball flooring, backboards, hockey dashers, glass and netting, Zambonis, chairs, staging, concessions equipment, etc. Currently equipment has to be moved from space to space in order to accommodate differing needs and events. An expansion will provide this much needed storage space.
- Limited docking space adds considerable time to the arrival and departure of shows. As national touring groups travel with greater amounts of equipment, requiring more and more trucks, additional docking space is required to maintain tight touring schedules. The building has already lost Trans-Siberian Orchestra as a result of their inability to efficiently load and unload their production in a timely fashion.

The renovation and expansion plan will allow the arrival, the set-up, and the departure of events to take places in a far more timely and cost-effective manner.

Additional reasons for renovating and Expanding the Existing Building.

Cost Effective

It has been demonstrated over the years that an effective renovation program can dramatically extend the life of a public facility thereby avoiding huge costs associated with building anew. The facility, however, has to be structurally sound. Regional and local examples include:

Fenway Park

It's 100 years old, has been renovated and is going strong

Merrill Auditorium

It's 99 years old, has been renovated several times and is going strong; home of the Portland Symphony Orchestra and numerous other entertainment events.

Exposition Building

It's 97 years old, has been renovated several times and is going strong, home of the Red Claws basketball franchise.

State Theater

It's 89 years old, has been recently renovated and it going strong as a revived entertainment center.

Cumberland County Civic Center

It's 34 years old and has never been renovated. Based on recent studies it is structurally sound. More recent studies indicate that a comprehensive renovation and expansion would be cost effective.

Good State of Repair

Also, to be cost effective a facility generally needs to be in a good state of repair so that funds will be used for improvements and not to make up for years of neglect.

Throughout the Civic Center's 34 year life, the management team, with the support of the Trustees and the Cumberland County Commissioners, has kept the building in tip-top physical shape. In the last 10 years alone, over \$3.0 million has been invested to keep

the building in a safe and sound condition. Major capital investments from 2000 to 2010 are listed below:

Civic Center Capital Improvement Projects 2000 - 2010

Seating Replacement	\$	281,406.00
Point of Sale System	\$	120,592.00
Hockey Glass	\$	34,315.00
Dasher System	\$	153,579.00
Protective Hockey Netting	\$	35,951.00
Freezer/Walk-in Cooler	\$	21,729.00
Pizza Ovens	\$	34,754.00
Scoreboard/Video Board/Camera	\$	733,426.00
Arena Subflooring	\$	123,948.00
Floor Chairs	\$	12,130.00
Telephone System	\$	14,215.00
Cantilever Project	\$	399,167.00
Concessions Stand Renovation	\$	22,761.00
Club Room Renovation	\$	146,203.00
Spring Street Plaza	\$	24,683.00
Ice Plant	\$	178,082.00
Pirates' Locker Room	\$	202,127.00
Rigging Netting Safety System	\$	44,985.00
Lighting Improvements	\$	192,333.00
Arena Roof Replacement	\$	462,309.00
Exterior Doors	\$	25,996.00
Elevator Replacement	\$	41,565.00
	\$	3,306,256.00

Although the building remains in good physical condition, in order to retain its competitive position in attracting national shows and to retain a professional hockey franchise, it needs to become more of a state-of-the-art facility as it enters the 21ST century. That will require more space for restrooms, concessions, storage, docking and dressing rooms for visiting artists and the introduction of premium seating. All of these improvements will be included in the renovation and expansion plan.

Ideal Location

Any owner of a retail establishment or any commercial broker will tell you that the three ingredients for success are location, location, location. That holds true for a civic center. Fortunately, the Cumberland County Civic Center is ideally located which has contributed to its success over the years.

Easy to Reach

ONE EXIT - The Franklin Street Arterial

ONE MILE - One mile from the Franklin Street Exit ramp to the Civic Center.

ONE TURN - From the Franklin Street Arterial turn right onto Middle Street and the Civic Center is straight ahead!

IT IS AS EASY AS ONE, ONE AND ONE!

Ample parking

From the Franklin Street Arterial to High Street there are 9 parking garages with combined parking capacity of 4,054 spaces plus 5 parking lots with a combined capacity of 711 spaces, producing a total of 4,565 parking spaces.

THEY ARE ALL WITHIN A 6 MINUTE WALK OF THE CIVIC CENTER!

Support Facilities- Hotels and Restaurants

In addition to an abundance of parking spaces, there are 5 hotels with 756 rooms and 65 restaurants, 22 of which are ethnic, within a six to seven block area of the Civic Center. There is no location in Maine better suited to provide the services most often desired by many of the 500,000 annual visitors to the Civic Center – especially those who travel from outside downtown Portland.

It Works

Since the Civic Center opened, nearly **17 million people** have attended over **5,000 events** coming from cities and towns throughout Maine and from states such as New Hampshire, Massachusetts and the Maritime Provinces.

A zip code ticket sales analysis of the recent Sesame Street Live performance using data obtained from Ticketmaster and from Civic Center Box Office phone orders, gives a great picture of the geographic range of locations from which tickets were purchased.

- 22 of the 28 Cumberland County communities were represented.
- 153 Maine communities were represented.
- 33 New Hampshire communities were represented.
- 18 Massachusetts communities were represented.
- 9 tickets were sold to families in New Brunswick, Canada
- (6 from Fredericton and 3 from Utopia).

Its Value Extends Throughout The Region

If we are serious about attracting business to Maine, and hope to encourage our young people to stay, then it is critical that we continue to invest in areas that enhance our economy and our quality of life. There is no greater priority! The Civic Center contributes to both through the \$12 to \$15 million annual spin-off of economic activity and its ability to host a diverse array of community events and the showcasing of national talent for the enjoyment of Maine people.

People from our region who are engaged in corporate and economic development constantly boast about our quality of life when attempting to encourage out-of-state entities to relocate to our area.

High on the list of facilities they identify for individual and family entertainment are the State Theatre, Hadlock Field, The Exposition Building, Merrill Auditorium and the Cumberland County Civic Center.

The Cumberland County Civic Center is Maine's largest and most active sports and family entertainment center and it's important that we keep it alive and well.

How will the renovation and expansion be financed?

Voters in Cumberland County will be asked to vote on a bond issue in November, 2011 which will provide the funds necessary for the total renovation and expansion program. If approved, construction will begin in 2012 and hopefully be phased in a manner that will allow for the continued operation of the Civic Center.

If, for example, bonds are approved for a \$28 million renovation project, the principal and interest payment, assuming a 25 year term and 4% interest will be \$ 1.8 million per year. Funds to retire the \$1.8 million annual payment will come from two sources – net operating income from the Civic Center and money allocated in the Cumberland County Budget for debt payment.

A window of opportunity

Beginning in 2012, the Cumberland County Commissioners will no longer be required to include over \$2 million in its annual budget to retire bonds for the Cumberland County Jail. The final principal and interest payment of \$2,145,000 was made in February, 2011.

Should the County Commissioners be willing to commit \$1 million of that reduction to the renovation of the Civic Center, that amount, when added to the Civic Center's proposed increase in net income, would be adequate to meet the annual bond payments.

Official Actions To Date

- On October 8, 2010 the Task Force, with representation from the Civic Center Board of Trustees, Cumberland County Government, the Portland, Pirates owner/management group and the City of Portland voted unanimously to support the consultant's recommendation to undertake a major renovation and expansion of the Cumberland County Civic Center.
- On November 17, 2010 the Civic Center's Board of Trustees, representing every region of Cumberland County, voted unanimously to accept the task force's recommendation to move forward with a major renovation and expansion program and voted to take steps necessary to prepare the project for Cumberland County voter consideration in November, 2011
- On December 20, 2010 the Cumberland County Commissioners voted to include adequate funds in the County budget to engage a professional team to prepare architectural renderings and more precise construction cost estimates for voter review and consideration.
- On March 16, 2011 the Civic Center's Board of Trustees, after a competitive process, selected SMRT of Portland for architectural/engineering services to develop a conceptual design for the renovation of the Civic Center, provide construction cost estimates and refine revenue and operating cost estimates to present to the votes of Cumberland County for approval.

SMRT is an 80 person firm, one of the largest in New England, and has successfully managed many multi-phased complex projects in the 30-50 million dollar range and several in excess of 100 million.

SMRT will team with AECOM Ellerbe Becket (AECOM EB), nationally renowned for their civic arena experience. They are at the forefront in the renaissance of these facilities in communities such as Providence, Rhode Island, Cedar Rapids, Iowa and Charleston, South Carolina. Their designs improved upon the functional, operational and economic aspects of these facilities making them viable for decades to come.

Also joining the SMRT team is Allied Cook Construction. Their primary objectives, as a provider of pre-construction services, are to develop accurate local cost information, assist in the planning of the construction phase and work in collaboration with the full project team

to provide information which will lead to productive and effective decision making.

- On March 16, 2011 the Civic Center's Board of Trustees approved the membership of a building committee that will provide guidance and direction to the A/E team in developing a concept design and project budget. The committee is comprised of representatives from the Board of Trustees, the County Commissioners, the major tenant (Portland Pirates) and the public at large.

The Building Committee will be co-chaired by Jim Cloutier, Chairman of the Cumberland County Commissioners and John Menario, Trustee of the Cumberland County Civic Center.

What's Next?

During the month of April, 2011 the Civic Center's Board of Trustees will participate in the formation of a Political Action Committee (PAC) to raise funds for the development and implementation of an advocacy program (T.V., radio and website commercials, print ads, direct mail pieces, etc.) to promote the bond issue.