

A Vision for the Future



San Diego Convention Center, 1989

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- One only need look to the great cities of the world to see that a vibrant downtown can foster economic growth for an entire region. With its decision to create the Centre City Development Corporation in 1975, the City of San Diego put into action its commitment to reverse the area's then physical, social and economic decline, and to create jobs, increase business activity and tax revenues.
- The vision for the San Diego Convention Center also dates back three decades to a downtown San Diego few would recognize as the thriving city it is today.
- Two mayors – Pete Wilson and his successor, Roger Hedgecock, each played pivotal roles.

A Vision for the Future

- CCDC was created to redevelop downtown making it the thriving city it is today.
- A major redevelopment campaign in the late 1970's by then Mayors Pete Wilson & Roger Hedgecock was the catalyst for building a world-class convention center on San Diego Bay.



- In 1982, Mayor Wilson created a Convention Center Task Force to examine options for a proposed Convention Center. Much like today, the task force held public hearings. Their charge was to assess need and a suitable site for the proposed building.
- When Mayor Wilson was elected to the US Senate, Mayor Hedgecock initiated a plan with the Port of San Diego to build the Convention Center on Port property.
- That led to a ballot measure in 1983, which San Diego voters approved giving the project the green light.
- And, the Port of San Diego committed to fund the entire project.

A Vision for the Future

- In 1982, Mayor Wilson appointed a Convention Center Task Force to conduct public hearings for a suitable site.
- After Wilson wins a U.S. Senate race, Mayor Hedgecock initiated a campaign to build a convention center on Port owned property.
- Voters pass a ballot measure in 1983 authorizing the City to enter an agreement with the Port to operate and manage the Convention Center.
- The Port funds the entire project.



- The Port of San Diego played a vital role in making the Convention Center a reality.
- By providing 11-acres of waterfront land and paying \$164 million for its construction from its cash reserves, it secured San Diego's future prosperity as one of the nation's leading convention and meeting destinations.
- As part of the agreement, the Port leases the facility to the City of San Diego for \$1 a year.
- The Port continues to own the building.

The Port of San Diego Takes the Lead

The San Diego Unified Port District, a public agency that administers all tidelands property along San Diego Bay, owns the San Diego Convention Center.

- Provided the land.
- Funded original construction and paid \$164 million in cash, no debt service.
- Agreed to lease the facility to the City of San Diego for \$1 per year.



- Construction of the original building began in March 1987 and took a little over two years. The new 1.7 million square-foot facility opened in November 1989.

Original Building Construction & Funding

- Construction on the 1.7 million facility began March 23, 1987
- Opening Day: Nov. 28, 1989



- The original San Diego Convention Center was an immediate success.
- While Mayors Wilson and Hedgecock sowed the first seeds to plan and build a convention center nearly three decades ago, the Port was an early champion and has been one of the building's staunchest advocates and assisted financially to make it happen.
- Centre City Development Corporation also had a seat at the table ensuring its commitment to redevelopment and developing a vision for making downtown San Diego a hub for commerce and business.
- In terms of redevelopment, the Convention Center acted as a catalyst revitalizing a blighted and often forgotten downtown; it transformed the area into a vibrant and exciting place that visitors and locals alike could enjoy. New hotels sprang up along Tideland Property and in the city center to support Convention Center events. These generate millions in tax revenue for the Port to serve the public interests and for the city of San Diego's general fund. New restaurants, shopping and beautification programs were launched. And thousands of jobs were created.

A Vision for the Future

The original San Diego Convention Center was an immediate success and a precursor to the vision for the future.



- It wasn't long after the initial phase's opening and immediate success that the need for a Phase II expansion became apparent.

Building on Success: Phase II Expansion



- The original building opened in 1989. But by 1992, it was apparent that the building's tremendous success in drawing events to San Diego necessitated a larger facility.
- When the first phase of the Convention Center opened, it was the largest facility on the West Coast. But in three short years of operation, San Francisco, Anaheim and Los Angeles had all either opened new facilities, or expanded existing facilities, and were larger than San Diego's.
- As a result, San Diego lost millions of dollars in convention business to other cities because our facilities were simply too small to accommodate market demand.

Market Demand Feeds Phase II Expansion

By 1992, it was clear an expansion was needed to meet market demand and remain competitive.

- San Diego was the largest facility on the West Coast when it opened in 1989, but had slipped to fourth place behind San Francisco, Anaheim and Los Angeles by 1992.
- San Diego's facility was in high demand but too small. It lost millions in business to other city's including Orlando and Las Vegas who could accommodate the demand for additional space.

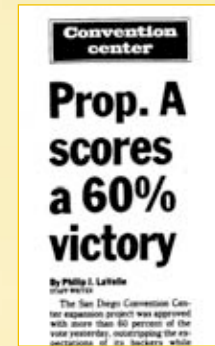
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- In response, the Port, the City, the San Diego Convention Center Corporation, the San Diego Convention & Visitors Bureau, Centre City Development Corp., and other hospitality stakeholders mobilized and initiated a campaign for a Phase II expansion.
- The proposed expansion would roughly double the existing building, which would include twice the amount of exhibit space – half a million square feet -- and other amenities.
- In June 1998, Proposition A, the initiative to expand the San Diego Convention Center, passed overwhelmingly with 62% of the vote. San Diego was on its way to be a top global convention destination again.

Market Demand Feeds Phase II Expansion

The Port of San Diego, the City of San Diego, the San Diego Convention Center Corporation, the San Diego Convention & Visitors Bureau, Centre City Development Corp., and other hospitality stakeholders worked together toward a Phase II expansion.

- The expansion doubled the size of the existing facility.
- Prop. A, the expansion initiative, was placed on the June 1998 ballot and was overwhelmingly approved by voters.



- The ceremonial groundbreaking took place on June 19, 1998.
- Construction began in August.
- The expansion opened on schedule and on budget in September 2001.
- The cost was \$216 million.
- The expansion was funded through lease revenue bonds. The city pays \$13.7 million annually, however, the Port of San Diego contributes \$4.5 million of that amount reducing the taxpayer approved contribution to \$9.2 million.

Market Demand Feeds Phase II Expansion

Construction

- Ground breaking June 19, 1998
- Active construction Aug. 26, 1998
- Opened in Sept. 2001
- Cost: \$216 million

Funding: Lease revenue bonds.

- The City of San Diego pays \$13.7 million annually, the Port contributes \$4.5 million of that amount reducing the city of San Diego taxpayer approved expansion bond payment to \$9.2 million.

- The result of the Phase II expansion has been nothing short of amazing.

Market Demand Feeds Phase II Expansion

The Phase II expansion nearly doubled the size of the existing building to 2.6 million sf, which exists today.



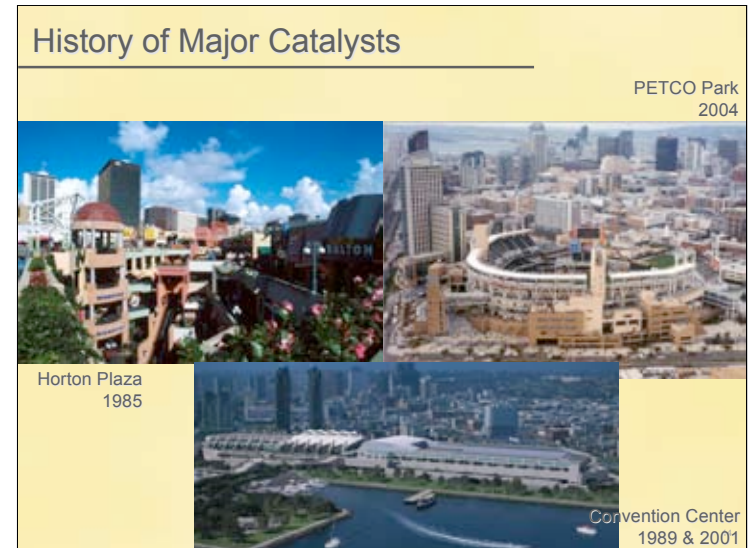
- With the success of the Convention Center, downtown San Diego experienced several waves of redevelopment, transforming our city into an exciting destination and business hub.
- Hotel development has boomed. Just to name a few in the last five years -- the Omni San Diego; Hotel Solomar; Hard Rock Hotel; the restoration of the US Grant; and the Hilton's newest flagship, the Hilton San Diego Bayfront.
- The Gaslamp Quarter has gone through an electrifying renaissance and boasts over 100 casual and fine dining options; boutiques and galleries; arts and cultural venues; and world-class entertainment.
- The waterfront offers locals and visitors alike public access to bayside walking paths along Embarcadero Park, recreational opportunities, attractions like Sea Port Village and the USS Midway Aircraft Carrier Museum.
- And, in East Village PETCO Park attracts more than 2.4 million people annually.
- There was a time when no one wanted to come to downtown because it had fallen into a state of urban decay and neglect. Now tens of thousands of residents live, work and play downtown.
- The Convention Center has served as an anchor for downtown redevelopment. And, it holds the key to our city's future economic success.



- Less than 30 years ago, San Diego's downtown consisted of little more than a small financial and government cluster in an area known today as the Civic/Core district.
- There were few downtown hotels, no Gaslamp Quarter, Little Italy, Horton Plaza, ballpark, light rail transit, East Village, or Convention Center.
- But with Balboa Park to the northeast, the San Diego Bay to the south and west and the year-round Mediterranean climate, downtown San Diego had all the natural ingredients necessary to create one of the most desirable cities in the world to live, work and visit.





- Several major projects spurred development in downtown San Diego:
 - Horton Plaza 1985
 - Convention Center 1989 & 2001
 - PETCO Park 2004
- Each of these projects has demonstrated that thoughtfully planned public-private and public-public partnerships can not only be tremendous business and revenue generators themselves but also act as catalysts for surrounding redevelopment which would not have otherwise occurred.



- 34 years of redevelopment activity downtown has had a tremendous impact on creating a thriving urban core.
- It has been responsible for creating jobs for San Diegans as well
- 60,000 construction-related and permanent jobs have been created in the past 34 years
- CCDC and downtown redevelopment have reduced the City's need to spend its General Fund dollars downtown by building new, and replacing old, infrastructure and public facilities, including:
 - PARKS (Children's Museum Park, Tweet Street Park and others currently under acquisition)
 - SIDEWALKS (East Village, Gaslamp, Little Italy)
 - STREETLIGHTS (East Village and Gaslamp)
 - INDIA STREET REVITALIZATION
 - GASLAMP QUARTER IMPROVEMENTS
 - CULTURAL (Balboa Theatre renovation, Lyceum Theatre renovation, The Children's Museum)
- Many of downtown's retail and restaurant businesses are owned by local San Diegans and those businesses could not survive if not for the hundreds of thousands of visitors arriving each year to attend events at the Convention Center. Roughly 40% of the shoppers at Horton Plaza are visitors from outside of San Diego.
- These retail businesses employ local residents and generate critical sales tax revenues for the City's general fund which are used to provide services and infrastructure in neighborhoods City-wide.

Redevelopment Results: 34 Years

	Homes	17,447 units <small>(3,387 Affordable)</small>
	Office/Retail	7.92 million sf
	Hotel Rooms	9,095
	Infrastructure	\$485.2 million

- Unique and quality retail attracts new residents to live downtown and in turn, those residents generate additional sales for downtown retailers.
- Without the visitor traffic brought to the City by Convention Center attendees, demand would not have been sufficient to construct the more than 7,500 new hotel rooms.

- For every public dollar invested downtown, its been matched by 9 dollars of private money.
- Downtown's redevelopment has consistently aimed to leverage public dollars and attract more private investment in the community.
- Former Mayor Susan Golding asserted that San Diego's future economic success relied upon the three T's:
 - Technology
 - Trade
 - Tourism
- The Convention Center plays a vital role in the growth of each of these industries. Keeping San Diego as a top convention and conference destination promotes our city's reputation in these three key industries.

Financial Investment : 34 Years

- **\$1.45 billion** = public investment
- **\$13 billion** = private investment
- **9:1** private to public ratio



- Downtown's improvement provides a growing source of general fund tax revenue to the City.
- Today, more than 50 million dollars of sales/TOT taxes flow to the City's General Fund annually from downtown.
- Continued future redevelopment and increased business for our City's retailers and hotels will ensure that the City's annual revenues continue to grow to help fund City-wide needs.
- The Adopted 2006 Downtown Community Plan will guide downtown's future growth and development for the next 25 years. The Plan projects that by 2030, downtown's residential population is expected to grow from approximately 30,000 today to nearly 90,000 while the workforce is expected to grow from 75,000 to 165,000.

Benefit to City of San Diego: 34 Years

ANNUAL TAXES

\$177.9 million

- ✦ Property Tax revenues - \$124.5 million
- ✦ General Fund revenues
 - ✦ Sales Tax - \$8.3 million
 - ✦ Transient Occupancy Tax (TOT) – \$45.1 million



- Downtown redevelopment, fueled by the success of the Convention Center, has provided funds for important infrastructure such as the iconic Harbor Drive pedestrian bridge which will not only reopen Park Boulevard to vehicular traffic but will provide the final pedestrian link in visionary John Nolen's 100-year old idea to connect Balboa Park to San Diego Bay in a spectacular way. When complete, this unique structure will connect the Convention Center to East Village enabling direct access to and from the waterfront.

Harbor Drive Pedestrian Bridge



- Thank you.

