



FUTURE OF THE SIOUX FALLS EVENTS CAMPUS

EVENTS CAMPUS STUDY GROUP RECOMMENDATION
AUGUST 2019

INTRODUCTION

Dear Mayor TenHaken,

As you know, Sioux Falls outperforms communities of similar size in nearly all metrics. We are consistently hailed for our workforce, quality of life, low cost of living and the opportunities we provide young people. None of this happens without the quality people and leadership we have in Sioux Falls. From engaged citizens to active business leaders to responsible policy makers, we owe a debt of gratitude to those who have worked to make Sioux Falls great.

Which brings us to today. Your administration and the council are continuing this tradition of success by moving forward with the Events Campus panel. While exploring all options for the future use of the Events Campus may seem like an obvious plan, it is quite the opposite. The easy path would be to sit back and hope private investment and continual improvements in aging buildings would somehow spur development of the Events Campus and surrounding area.

But, as mayor, you know the easy path is rarely the best one. Even though the PREMIER Center is thriving and the Convention Center is performing well, now is the time to address the shortage of space and aging structures preventing the campus from reaching its full potential.

In the following pages, you will find the information and public input that helped shape the Study Group's final recommendations. On behalf of the entire Events Campus, thank you for this opportunity.

Sincerely,



Dan Statema and Ryan Pidde (Co-Chairs)
Sioux Falls Events Campus Study Group

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EVENTS CAMPUS OVERVIEW



Denny Sanford PREMIER Center

The 12,000-seat Denny Sanford PREMIER Center, attached to the existing Convention Center and Arena, houses concerts, family shows, sporting events and more. The PREMIER Center was opened to the public in 2014.



The Arena

A multipurpose facility, the Sioux Falls Arena was constructed in 1961 to serve all segments of a growingly diverse market. The Arena is attached to the Convention Center and PREMIER Center as well as the Sheraton Hotel via an enclosed walkway.



Convention Center

The Sioux Falls Convention Center provides the city more than 61,000 square feet of flexible meeting and exhibit space including a 16,800 square foot ballroom and 12 breakout rooms. The Convention Center was opened to the public in 1996.



Sioux Falls Baseball Stadium

The Sioux Falls Baseball Stadium is located on the southern edge of the Events Center Campus. The stadium is primarily used for summer home games for the Sioux Falls Canaries as well as spring home games for the University of Sioux Falls. The stadium opened in 1964 and can hold up to 4,462 spectators.

STUDY GROUP

STUDY GROUP MEMBERS

Ryan Pidde (co-chair) – Mickelson & Company
Dan Statema (co-chair) – First Dakota National Bank and Loft Advisors
Danny Amundson – KWB Hotel Partners
Dr. Tamera Enalls – Transformation Consulting Agency
Erik Gaikowski – AARP South Dakota
Tom Hurlbert – CO-OP Architecture
Andrea Miller – Journey Construction
Jared Nesje – TSP, Inc
Tony Nour – First PREMIER Bank
Erik Nyberg – Cutler Law Firm, LLP
Orlen Tschetter – Retired
Councilor Curt Soehl – Sioux Falls City Council

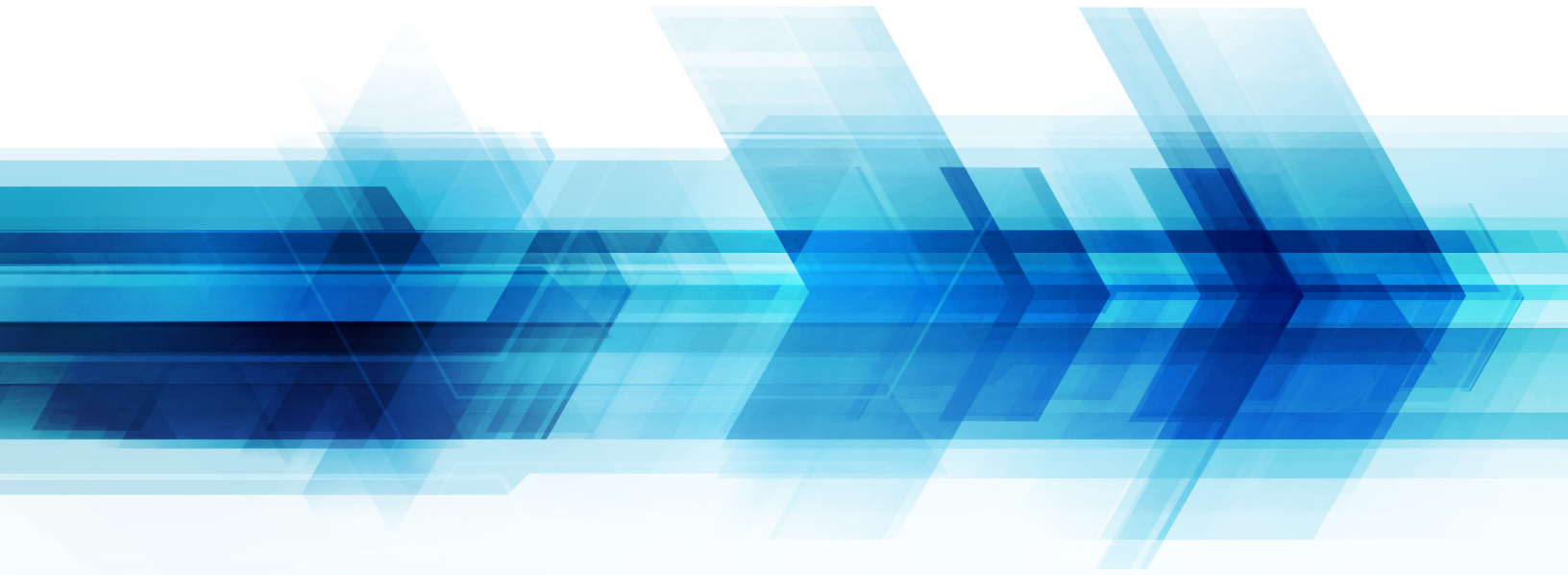
CITY STAFF

T.J. Nelson – Deputy Chief of Staff to Mayor TenHaken
Shawn Pritchett – Director of Finance for the City of Sioux Falls
Scott Rust – Purchasing Manager for the City of Sioux Falls

ADDITIONAL RESOURCE PERSONS

Ryan Budmayr – Lawrence & Schiller
Jeff Ekhoﬀ – South Dakota Small Business Development Center
Duell Higbe – Sioux Falls Canaries
Jeff Keiter – Sioux Falls School District
Mike Krewson – SMG
Thomas Lee – Sioux Falls Sports Authority
Teri Schmidt – Sioux Falls Convention and Visitors Bureau
Tracy Saathoﬀ – Lawrence & Schiller

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

BACKGROUND

Since 2004, three different city- and business-led committees have been formed to provide various recommendations to city officials regarding the Sioux Falls Events Campus. Despite the unquestionable success of the Denny Sanford PREMIER Center, which opened to the public in 2014, the Sioux Falls Events Campus and the surrounding area require renewed attention and strategic direction. Private investment and development has not occurred at the rate previous public officials and task forces predicted. As the community continues to grow and prosper, it is important to review the city's current venues, investments and future vision for the Events Campus.

SCOPE OF WORK

In January of 2019, a 14-member Events Campus Study Group was formed through application and appointment by the Mayor's Office to provide a recommendation of future uses for the Sioux Falls Events Campus—including the Denny Sanford PREMIER Center, the Sioux Falls Arena and Convention Center, Sioux Falls Baseball Stadium and Howard Wood Field. Beginning in February of 2019, the citizen study group met monthly (six times total) to review the current facilities, hear from experts and resources, review financials and listen to public input. The group, primarily made up of business and community residents, has developed recommendations and identified additional considerations for the future of the Sioux Falls Events Campus.

APPROACH

The Study Group was created to evaluate the current and future needs of the campus and make recommendations to the mayor that will enhance the success of the campus and its economic impact for the community over the next 20 years and beyond. The group looked at the Denny Sanford PREMIER Center, the Arena, the Convention Center, the Baseball Stadium and Howard Wood Field as a whole to prevent the piece-by-piece configuration that exists today. There are no recommendations regarding Howard Wood Field at this time. The scope of the group's work is limited to the campus and does not include any areas in which the city does not have direct ownership.

FUTURE OF SIOUX FALLS

Since 2000, the city's population has increased by nearly 30 percent and is expected to continue to increase an additional 9 percent by 2023. Similarly, the Sioux Falls MSA population continues to increase rapidly and is estimated to be 422,000 residents by the year 2035. Sioux Falls' status as a regional hub for health care, commerce, entertainment and visitors is expected to thrive even more as the city's and region's populations increase.

PUBLIC INPUT

From its inception, the Study Group understood the importance of including the thoughts and ideas of the citizens of Sioux Falls before any final recommendations were drafted. The group held open and transparent meetings that allowed for honest discussions and feedback from active citizen participants. Furthermore, the group purposely sought feedback through surveys and open forums. In June of this year, the Study Group worked with Lawrence & Schiller to create and deploy a comprehensive citizen online survey. Through traditional media, social media posts and email, residents of Sioux Falls and the surrounding area were encouraged to participate in the survey. With more than 1,200 completed responses—more than three times the number needed for statistically sound results—the Study Group was able to use public input to help drive decisions.

In addition to the survey, the group hosted four public listening sessions at different times and in different areas of the city to give residents an opportunity to provide feedback. These sessions were shared on social media, through print and TV news outlets and on the city's website. While the sessions were not well attended, the Study Group feels comfortable knowing citizen input was not only allowed, but actively sought.

SURVEY OVERVIEW

- Online survey conducted from June 5-10 among residents age 18+ of Sioux Falls and surrounding area. The digital limits only allowed one survey response per user.
- The survey was distributed by the city via email and social media.
- The total number of complete responses was 1,271.

HIGH-LEVEL RESULTS

Good news for the Events Campus as a whole.

- 96% of respondents attended an event at the Events Campus.
- 33% of respondents have attended 10+ events in the last two years.
- 75% of respondents attended at least 4 events in the last two years.
- 86% of respondents rate the quality of events at the events campus as good or excellent.
- 75% of respondents rate the variety of events at the events campus as good or excellent.

BASEBALL STADIUM

- 52% of respondents attended an event at the baseball stadium in the last two years.
- 68% of respondents believe the stadium could be modernized or could benefit from a significant upgrade.
- If the city was to invest in a baseball stadium, 33% believe the current stadium should be demolished and built elsewhere, while 30% believe the current stadium should be renovated.
- Only 43% believe that it is somewhat or very important for the city to invest in a baseball stadium.

THE ARENA

- 70% of respondents attended an event at the Arena in the last two years.
- 60% of respondents rate the experience at the Arena as good or excellent.
- 89% of respondents believe the Arena could be modernized, could benefit from a significant upgrade or be fully updated/rebuilt.
- 41% of respondents believe the Arena should be re-purposed as an extension to the Convention Center.
- 24% of respondents believe the Arena should be demolished and replaced with more convention space.
- 53% of respondents are neutral or believe the Arena is not important to Sioux Falls.

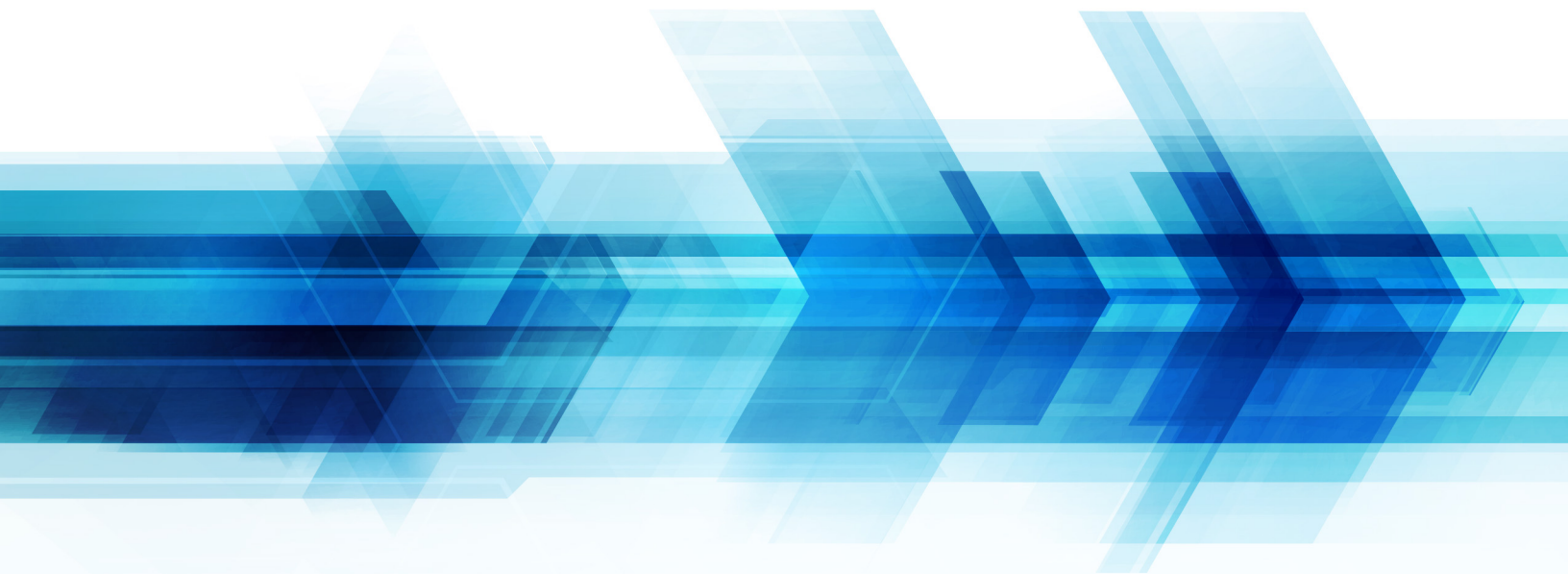
CONVENTION CENTER

- 48% of respondents believe the current Convention Center should be expanded. (36% are neutral, meaning only 16% are opposed).
- 41% think the Arena should be renovated for convention space.
- 24% believe the Arena should be demolished and replaced with convention space.

PARKING

- 45% of respondents rate the parking at the Events Campus as good or excellent.
- 46% of respondents rate the access/transportation options at the Events Campus as good or excellent.
- 17% of respondents rate the availability of transportation to and from downtown Sioux Falls at the Events Campus as good or excellent.
- 72% of respondents are open to using a fast transport option to and from the Events Campus and downtown Sioux Falls.
- 55% of respondents describe the amount of available parking on campus as poor or fair.

FORMAL RECOMMENDATIONS



THE ARENA

RECOMMENDATION

The Study Group recommends the city remove the Arena and repurpose the existing location for the benefit of the proposed expansion to the Convention Center.

CONSIDERATIONS

- Opened to the public in 1961.
- Originally built as 7,500-seat facility for athletics, concerts and special events.
- Currently, the Arena is primarily used as an extension of the Convention Center and hosts graduation ceremonies.
- Between 2014-2018, the Arena generated average annual revenues of \$582,000, with average annual operating expenditures of \$1,196,000, resulting in an average annual operating loss of approximately \$614,000.
- The city has invested \$2.7 million in maintenance and capital improvements in the last five years.
- The city estimates an additional \$2.8 million in necessary capital investments between 2020-2025 to maintain its current level of operations.
- Estimated costs to renovate the existing Arena to convention space are \$10 - \$12 million.
- Due to structural limitations, a renovated Arena only adds approximately 48,000 square feet of usable space.
- Renovating the existing Arena for convention space limits future updates or expansions at a later date.
- The Arena no longer has a consistent, long-term tenant (Storm, Augustana, etc).

PUBLIC INPUT

- 89% of respondents believe the Arena could be modernized, could benefit from a significant upgrade or be fully updated/rebuilt.
- 41% of respondents believe the Arena should be repurposed as an extension to the Convention Center.
- 24% of respondents believe the Arena should be demolished and replaced with more convention space.
- 53% of respondents are neutral or believe the Arena is not important.

CONVENTION CENTER

RECOMMENDATION

The Study Group recommends the city add, at a minimum, 60,000 square feet of usable convention space to the current location for the purpose of attracting large, multiple-day conventions. The goal should be to have the new facility open to the public in the next five years. The Study Group recommends the city review new construction options, as opposed to renovating any existing facilities.

The Study Group diligently reviewed the option of re-engineering the Arena for new convention space. Based on the group's evaluation, this alternative was expensive, would not fulfill the additional square footage recommended and would not provide for an adequate user experience.

CONSIDERATIONS

- Opened to the public in 1996.
- Walkability is a strong factor when choosing convention space. Adding convention space to the current Events Campus will help entice groups to Sioux Falls.
- Adding space to the current Events Campus will help entice larger conventions and trade show groups to Sioux Falls.

City	City Population	Total Convention Space
Sioux Falls, SD	190,500	60,500 sq. ft.
Des Moines, IA	217,521	286,300 sq. ft.
Madison, WI	247,000	250,000 sq. ft.
Grand Rapids, MI	198,829	234,000 sq. ft.
Rochester, MN	116,941	200,000 sq. ft.
Wichita, KS	390,591	187,000 sq. ft.

PUBLIC INPUT

- 48% of respondents believe the current Convention Center should be expanded. (36% are neutral, meaning only 16% are opposed).
- 41% respondents think the Arena should be renovated for convention space. 24% believe the Arena should be demolished and replaced with convention space.

BASEBALL STADIUM

RECOMMENDATION

The Study Group recommends the city eliminate any plans for future investment in the current baseball stadium and work to identify a new location outside of the Events Campus footprint to relocate the facility. The city should repurpose the existing baseball stadium location in a manner that further benefits the Events Campus and the Convention Center. Baseball should be a priority for Sioux Falls and the city should consider studying future locations, stadium size, amenities and feasibility for alternative baseball stadium options.

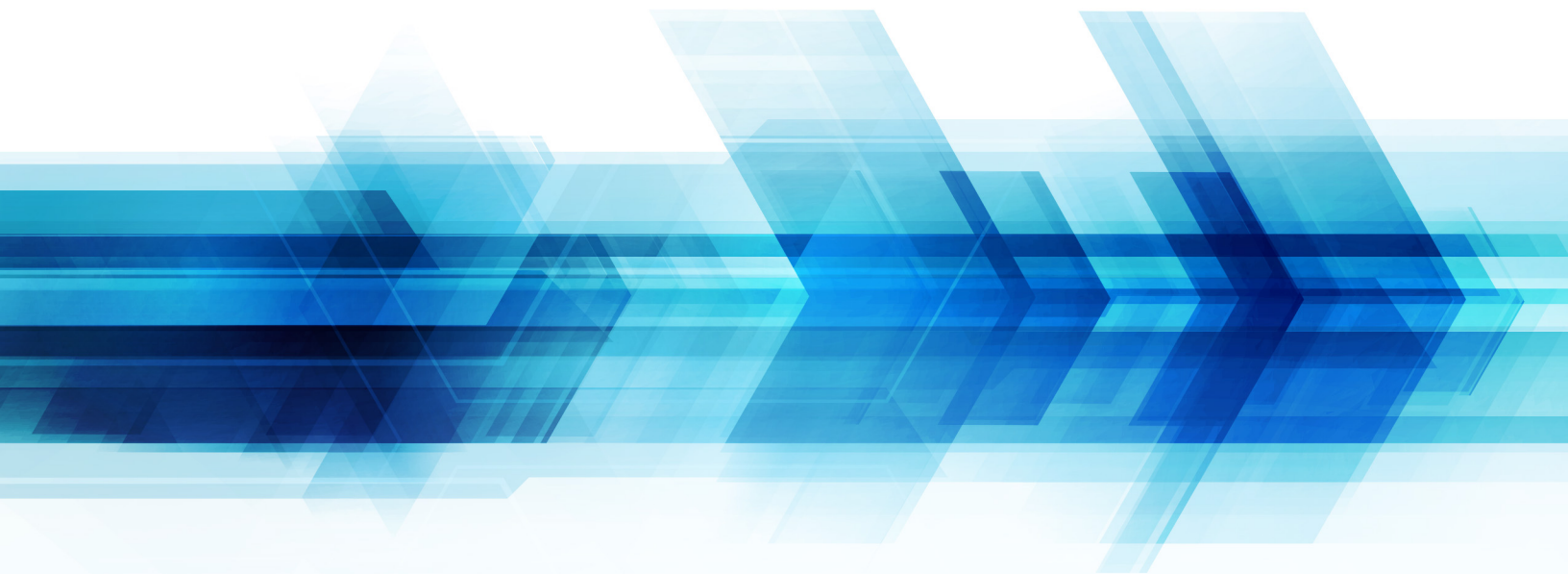
CONSIDERATIONS

- Opened to the public in 1964.
- Venue capacity of 4,462.
- Primarily used for summer home games for the Sioux Falls Canaries and spring home games for the University of Sioux Falls.
- In 2018, the baseball stadium generated revenue of \$78,000 and operating expenditures of \$313,000, resulting in an operating loss of \$235,000.
- Nearly 20 years have passed since any major improvements to the stadium have been made.
- According to a 2018 Sioux Falls Public Assembly Facility Strategic Planning report by Convention, Sports & Leisure (CSL), capital repair projects would cost approximately \$2.5 million.
- According to the same CSL report, a new stadium in Sioux Falls could provide a more modern game day entertainment experience, thereby leading to increases in the average attendance, moving closer to similar community averages.

PUBLIC INPUT

- 68% of respondents believe the stadium could be modernized or could benefit from a significant upgrade.
- If the city was to invest in a baseball stadium, 33% of respondents believe the current stadium should be demolished and built elsewhere, while 30% believe the current stadium should be renovated.
- Only 43% of respondents believe that it is somewhat or very important for the city to invest in a baseball stadium.

ADDITIONAL CONSIDERATIONS



▶▶▶ ADDITIONAL CONSIDERATIONS

EVENTS CAMPUS MASTER PLAN

The Study Group recommends the city consider creating an Events Campus Master Plan to better prepare and adapt to future needs.

PARKING & ACCESS

The Study Group recommends the city consider adding additional on-site parking and increased ride sharing access for Events Campus visitors.

ADDITIONAL HOTEL ROOMS

The Study Group recommends the city consider exploring a partnership with a full-service, adjacent or connected hotel, including a restaurant and as many additional rooms as possible based on anticipated demand. The city could also consider a ground lease option with a hotel group similar to the arrangement with the Sheraton Hotel and nearby Holiday Inn Express.

CONNECTIVITY TO THE EVENTS CAMPUS

The Study Group recommends the city consider exploring a fast transit option from downtown Sioux Falls to the Events Campus.

ADDITIONAL CONVENTION SPACE

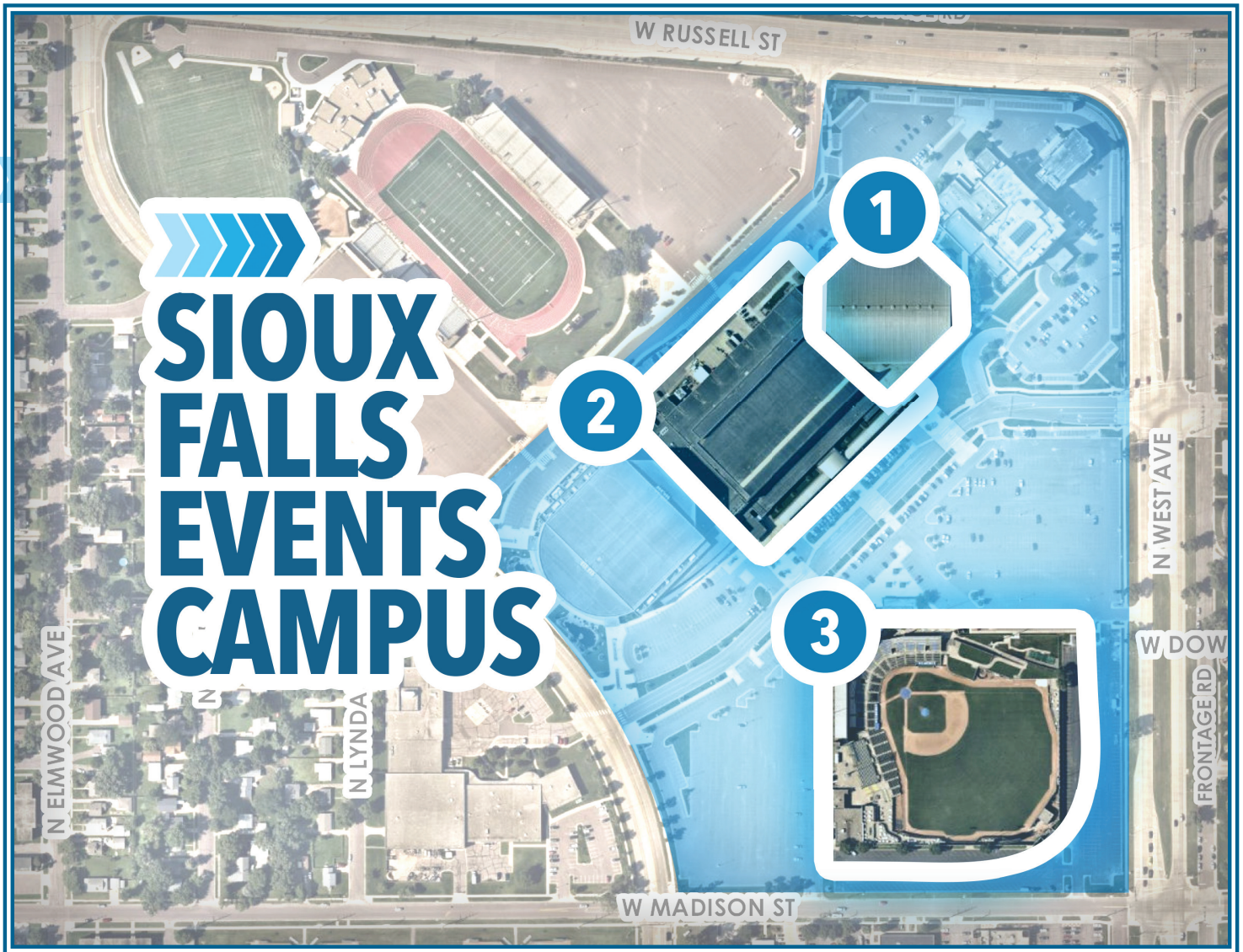
The Study Group recommends the city consider, in addition to the aforementioned Convention Center space expansion, lending support to any off-site or downtown convention space.

ADJACENT LAND ACQUISITION

The Study Group recommends the city consider purchasing any adjacent property to the Events Campus when it becomes available.

GREEN SPACE & NEW ENTRANCE

The Study Group recommends the city consider investing in green space and a new entrance to the Convention Center.



SIoux FALLS EVENTS CAMPUS

RECOMMENDATIONS

- 1 Remove the Arena and repurpose the existing location for the benefit of the proposed expansion to the Convention Center.
- 2 Add at least 60,000sq/ft of usable convention space to the current location for the purpose of attracting large, multiple-day conventions in the next 5 years.
- 3 Eliminate any plans for future investment in the current baseball stadium and work to identify a new location outside of the Events Campus footprint to relocate the facility. The city should repurpose the existing baseball stadium location in a manner that further benefits the Events Campus and the Convention Center

ADDITIONAL CONSIDERATIONS

- Create an Events Campus Master Plan.
- Add more on-site parking for Events Campus visitors.
- Explore a partnership with a full-service, adjacent or connected hotel with a restaurant and a minimum of 300 additional rooms.
- Explore a fast transit option from Downtown Sioux Falls to the Events Campus.
- Lend support to any additional off-site or downtown convention space.
- Purchase any adjacent property to the Events Campus as it becomes available.
- Invest in green space around the Events Campus and a new entrance to the Convention Center.

APPENDIX

All sources used in preparing this report are publicly available and can be viewed here:

www.siouxfalls.org/eventscampus