

COMPLIMENTARY SHUTTLE TRANSPORTATION

Since the proposed project consists of a 281-room hotel, the estimated performance levels for the Convention/Conference facility assume that a portion of the overnight event demand (particularly that generated by the larger trade and consumer shows) that cannot be accommodated by the hotel size, would be accommodated by other hotels in the area. It is also assumed that surrounding hotels that benefit from this demand will be provided with complimentary ground transportation to and from the venue; and that the complimentary transportation will be included in the strategy to market the venue to event planners.

The following is an estimate of the costs for this assumed component of the proposed Hotel and Convention/Conference Center. The costs are assumed to be borne by the Convention Center Authority.

Assumptions:

- Three (3) trade shows and six (6) consumers shows per year at stabilized year (2003).
- Average length of show is three (3) days.
- Minimum of twenty (20) vehicles required for the proposed shuttle service.
- Shuttle service would be to the north, south and east within a 10-15 minute run.
- Average hourly cost is \$40.00/hour with an estimated 10-hour day for the service.
- RRTA trolley service to be reinstated for additional tourist shuttle to and from entertainment and shopping venues.
- Additional intra-City shuttle service initiated to and from train station.
- Free transfer system between hotel shuttle system and regular RRTA routes and intra-City shuttle system for tourists.

Estimated Costs:

Hotel Shuttle System

20 vehicles x 10 hrs. per day x 27 event days x \$40.00 per hour cost = *\$216,000 per year*

Trolley System

Approximately \$80,000 per year

Intra-City Shuttle System

Approximately \$45,000 per year

Regular Bus System Free Access (marketing costs only)

Approximately \$10,000 per year

TOTAL ESTIMATED COST: \$350,000 per year

EXPANDED MARKETING EFFORTS & PRODUCT DEVELOPMENT

Inherent in the E&Y feasibility study was the assumption that the proposed Convention/Conference Center would benefit from a major marketing effort and a product development strategy to promote and improve the image of Lancaster as a destination for expanded tourism and conventions. A combined effort between the Convention Center Authority and the Pennsylvania Dutch Convention & Visitors Bureau would be beneficial in achieving this objective.

The study analyzed 23 Critical Success factors governing utilization, attendance, competitive and financial performance of the proposed Convention Center. Some of the more critical ones dealing with marketing and product development are:

- Market image for conventions/meetings/trade & consumer shows
- Organizational structure (for conventions/trade shows, etc.)
- Coordination with cultural, arts and attraction venues.
- Air access (perceived and real)
- Ground transportation
- Support Services
- Public Safety

In order to address these issues, and others, funding demands will likely be placed on the Convention Center Authority to participate in meeting the enhancement of these required amenities and services. Although it is difficult to estimate the required funding, it is certain that the Convention Center Authority will be a stakeholder in the process and therefore a contributor.

APPROXIMATE COST ESTIMATE: \$500,000 per year

Cost Summary

Total Estimated Recurring Costs:	Transportation	\$350,000
	<u>Marketing</u>	<u>500,000</u>
TOTAL		\$850,000 (1.09%)
Total One-Time Costs:	Land Acquisition	\$1,250,000
	<u>Expansion</u>	<u>6,000,000</u>
TOTAL		\$7,250,000