

## **YAKIMA CONVENTION CENTER**

### **CAPITAL FACILITY PLAN 2019-2022**

In the past three years, work has been done developing plans for improving and maintaining the convention center. This Capital Facility Plan advances that. The expansion of the Yakima Convention Center has been in planning stages since 2015 when a market study concluded there was a need for additional space for the center to remain competitive. After the Public Facilities District (PFD) considered various scenarios, a modest expansion (18,250 square foot) was developed in the summer of 2018.

**These improvements will help us keep existing groups that could leave to other cities, accounting for nearly \$5 million in annual economic loss. Add to that, the 18 conventions that have left due to space and availability equals another \$9 million lost in economic impact.**

Two separate dedicated funding sources will be used to fund the Capital Facility Plan:

**Public Facility District (PFD):** In 2002 the City took the lead in forming a PFD. By state law these PFD funds can only be used to build, maintain and/or operate the Convention Center. The PFD financed the 2002/2003 expansion of the Yakima Convention Center by levying the sales tax credit from the State of Washington. This revenue comes from state sales tax already being paid by the buyers of goods locally. It was not a new or increased tax; it is a credit back from the State.

**Hotel/Motel Tax (HMT):** This tax is imposed on hotels and motels and was used to finance the 1996/97 expansion. In November 2019, the bonds for that expansion will mature. Postponing the project could jeopardize the ability to renew those bonds with favorable rates, plus the loss of the "double dip" additional lodging tax the City receives from the state enacted in 1997 for the expansion. As a general rule, Bond Counsel has previously advised that the City continue to pledge the Hotel/Motel tax revenue on any and all debt for the existing Convention Center to assure continued collection of the tax.

In addition to the expansion, there are a variety of capital needs for the facility for the next four years. Again, all are paid by the HMT and PFD dedicated revenues.

#### **2019**

Architectural predesign, technical consulting, design-development  
and contract documents to "bid ready" status.  
Equipment needs for Sports Commission

\$567,200  
\$5,000

Widen service hall & re-configure storage	\$55,000
Refinance existing PFD Bond	\$3,500,000
Upgrade & install AV in each meeting room	<u>\$120,000</u>
	\$4,247,200

**2020**

Upgrade existing carpet in building	\$288,800
Fire system upgrades	\$50,000
Bond for construction	<u>\$12,500,000</u>
	\$12,838,800

**2021**

Restroom upgrades in existing building	\$110,000
Replace wall finishes in existing building	<u>\$200,000</u>
	\$310,000

**2022**

Re-Roofing original building & North addition	\$255,000
VIC Relocation	<u>\$280,000</u>
	\$535,000