

City of Springfield
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, JULY 25, 2005

The City of Springfield Council met in a work session in the Jesse Maine Room, 225 Fifth Street, Springfield, Oregon, on Monday, July 25, 2005 at 5:32 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Ballew, Ralston, Fitch, Lundberg, Woodrow and Pishioneri. Also present were City Manager Mike Kelly, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

1. Update by Springfield Area Chamber of Commerce Regarding Conference Center Development.

Community Development Manager John Tamulonis presented the staff report on this item. In March and June 2004 and again in early 2005, the Chambers' representatives discussed with council the potential for developing a civic center and/or conference center in Springfield. In the latter meeting Councilors Pishioneri and Ralston volunteered to be liaisons between the city and the Chamber regarding those efforts. At this meeting, Chair of the Chamber Future Committee, Murray Pettitt and Executive Director, Dan Egan will introduce several members of the Gateway business community to share information on recent conference center activities. They will speak to the need of local businesses for the center, the ability for the center to enhance economic development in Springfield as well as attracting new businesses, and impact it would have on Springfield's meetings and tourism industry. Representatives from several businesses, including the hospitality industry, will be at the meeting.

Mr. Tamulonis introduced Dan Egan, Executive Director from the Springfield Chamber of Commerce.

Mr. Egan introduced Murray Pettitt, Chair of the Springfield Chamber Future Committee; Steve Orr, PacificSource; Richard Boyles, Sycan Corporation; Brian Terrett, PeaceHealth; and Phil Wyler, Symantec. He described a trip this group took to Davis County to look at a newly opened conference center in an area similar to the Eugene/Springfield area.

Mr. Egan presented a DVD regarding the conference center in Davis County and the opportunity for such a center in Springfield. A brief video message from Corkey Gourley, President of the Springfield Chamber, was also presented.

Mr. Egan introduced members of the Convention and Visitor Association of Lane County (CVALCO).

Mr. Pettitt thanked council for the opportunity to give this presentation during their work session. He discussed the goal of the Chamber to assist in the conference center. He said the Chamber had tracked the conference center in Davis County for the last three years. He discussed the obstacles that brought about the development of this center in Davis County. Conference Centers are nearly always built as a partnership of public and private entities. He explained who was invited to be part of a team to look at the possibility of a conference center in Springfield. These

members met on June 28 and all showed support for this project. He said they hoped at the end of the presentation the council would have the information needed to partner on this project.

Richard Boyles, President of Sycan Development Corporation and Insight Hotel Management Group addressed the council. Mr. Boyles said he had been in real estate development for about seventeen years and the hospitality industry for twelve years. He explained some of the hotels his company had built, three of which were located in the Gateway area, and one that was removed. He explained his view on this project and that now was the time for it to come to fruition. He said there was demand for hotel rooms in the Eugene/Springfield area. He discussed the outcome of the feasibility study proposed and the information it could provide. He said meeting space was needed. Time was limited on when such a project could be brought forward. He discussed the Holiday Inn that was soon to be built in Gateway and the opportunity to build a conference center.

Phil Wyler, Symantec, addressed the council. He said their largest facility was located in Springfield and they would soon be adding to their facility, bringing their total number of employees to approximately 2000. He discussed two issues Symantec had in this area. The first was transportation, especially regarding the airport, and the second was large meeting and conference space near their facility. He expressed the desire to have a quality hotel near their facility for visiting executives. He said he presented the DVD to others in the Symantec organization and they were excited about participating. They were looking for the funding source to assist with this project.

Steve Orr, Pacific Source, addressed the council. Mr. Orr discussed the PacificSource site in Gateway and the possibility of adding to their site. He discussed their needs for meeting spaces and hotel accommodations. He said that their facility had some meeting space, but more was needed. He discussed what it would mean to have a conference center in this area. They have pledged \$25,000 to the feasibility study.

Brian Terrett, PeaceHealth, addressed the council. Mr. Terrett said this was a fantastic opportunity for the entire region. He discussed PeaceHealth's role in this project. He noted the need for rooms and meeting spaces in this area. He discussed the Education Center that was in the future plans within RiverBend. He said if PeaceHealth had the opportunity to partner with the city and the private sector to build a conference center and hotel complex, it would go a long way in meeting that need. He discussed the many conferences that PeaceHealth held for its employees and the need for a conference center to accommodate these conferences. He said PeaceHealth had committed their enthusiasm and \$10,000 to the planning phase of this project. He encouraged the City Council to support this project.

Mr. Egan reviewed the pledges from each of the companies that had joined in this partnership for the feasibility study. Mr. Egan and Mr. Gourley had met with Chris Monet and Doug Cross regarding a pledge from Royal Caribbean. He said they would like the city to join in this partnership to help fund the next phase of studies that would qualify a site certain. Following the study, the city could work on agreements that could include parking, transportation, management operations and finances. He discussed the conference center in Davis County and one of the financing tools they used. The committee was asking the city council to allocate \$25,000 to this study and staff time to help answer questions as proposals came forward.

Mayor Leiken thanked the committee for taking the time to present this to the council. He recommended that the work session be extended to 6:15pm to allow time for questions.

Councilor Ballew said she was not a supporter of conference centers because it cost the city money. She asked what happened to the previous studies.

Mr. Egan said many of the conference centers have been self sufficient and add value to the community. He discussed the previous studies.

Councilor Ballew asked how much the city had spent on studies in the past.

Discussion was held regarding the amount of use a conference center would receive in this area and whether or not it could support itself.

Mr. Boyles said the Davis County model would belong to the county after the fifteen year debt service.

Councilor Fitch asked about the total cost of the feasibility study and the timeline.

Mr. Egan said the total cost of the feasibility study would be about \$100,000-150,000 and it could be done by the end of the year.

Councilor Fitch asked if that timeline was within the timing Mr. Boyles spoke of earlier.

Mr. Boyles said studies done by the end of the year would be appropriate.

Councilor Fitch asked how this study would take this project further than the other studies that had been done in the past.

Mr. Egan said the feasibility study would be on one site and would look at ownership agreements and financing. It would be more practical and specific. It would be an examination to see if there were flaws. He discussed the sites that would be available. After this study, the council would know whether or not a center would be built and how the city would get their money back.

Councilor Lundberg asked to have the answers to the following questions before a decision was made:

- Why was the Double Tree Conference Center/Hotel torn down? *(see answer below by Mr. Tamulonis)*
- How much money was the Chamber pledging to this study? *(see answer below by Mr. Egan)*
- Is the Davis County Conference Center making money and if so how much? (additional information regarding their operations)
- What is different with this feasibility study than with the other studies?
- Would the Conference Center act as the Education Center Mr. Terrett from PeaceHealth mentioned? *Yes it would.*
- If the Holiday Inn built something to preclude a conference center, would the timing be right for another hotel?
- Why can't we look at building a resort in Springfield – what are the limits or qualifications to allow a resort?

Mr. Egan said he had access to the legal agreements that Davis County worked out and he could bring that information back to council. He said the Chamber would be able to pledge about \$5000. They had spent about \$40,000 over the last three years to keep this project going.

Councilor Ballew asked how much the city had spent in the past on these studies.

Mr. Tamulonis said the city had spent \$15,000 in the past. He explained those studies that had looked at several sites and the feasibility study that was being proposed which would give specifics. He explained that the hotel that was torn down had to be demolished because it had long-term structural flaws that would cost more to upgrade than to replace.

Councilor Woodrow thanked the committee for their presentation. He said he had worked on this project over the last couple of years. He noted the private sector stepping up to partner with the city to get this done. He appreciated that partnership. He said he was in favor of the request of the \$25,000 and the staff time.

Councilor Lundberg appreciated those that came to tonight's meeting to show support from the private sector.

Councilor Ralston said he supported this project. Several years ago he did not support this project, but he now recognized the need for a conference center in this area. He discussed total costs for such a project. He asked who would be willing to build the conference center and how it could be built without burdening taxpayers. He said the study was more than a feasibility study and would include environmental, land use and transportation studies. The first thing would be to identify the property.

Councilor Pishioneri said he would prefer a convention center which would be larger than a conference center. Springfield had points of destinations and would need more rooms. He was very excited to see the private sector's interest here and noted that a conference/convention center would be as important to these businesses as infrastructure. He said he supported the request for \$25,000 and staff time to keep things going.

Councilor Fitch asked when this needed to be addressed.

Mr. Kelly said staff would wait for council direction whether or not to bring this back for council approval.

Councilor Fitch said it might be important to get the answer to the committee regarding the city's commitment before council recess.

Councilor Lundberg asked that transportation issues be covered in the feasibility study.

Councilor Ballew said she would like to know how much staff time would be requested.

Mayor Leiken discussed a conversation with another Mayor from a city near Portland who noted the amount of things that are happening in Springfield. He said in our community dreams become reality. Springfield was looking at different opportunities and expanding. Having a conference center would be a great benefit. He thanked those who presented and said it was a great opportunity.

Councilor Woodrow asked staff to bring this back to council for a vote on Monday, August 1.

Mr. Egan thanked council.

ADJOURNMENT

The meeting was adjourned at 6:20 pm.

Minutes Recorder – Amy Sowa

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder