



City of Las Cruces

Public Hearing with KPMG
Convention/Civic/Events Center
February 10, 2005
5:30 PM - Council Chambers

Public Services Director Michael Johnson welcomed everyone in attendance to the public hearing for Phase I of the Convention/Civics/Event Center study and provided ground rules for speaking.

Mayor Pro-Tem Dolores Archuleta was recognized. Johnson then introduced representatives from KPMG that would be listening to comments and concerns at the meeting: Susan Sieger, Glen Gough from Tampa, Florida; Don Grinberg from HNTB Architecture; and Rob Richardson from Bohannon Huston, Inc. in Las Cruces. Ken Mompellier, Executive Director and Anna Maya of the Convention & Visitors Bureau were also introduced. Guests were asked to sign in if they would like and provide an email address that will eventually be used to develop some type of information exchange.

Susan Sieger, Project Manager, provided a brief power point presentation outlining the process/steps that will be occurring during Phase I and Johnson indicated a question/answer session would follow the presentation. Sieger gave a brief background description of KPMG and the services they provide as well as what the project approach and timeline would be. Each member of the KPMG team also gave a brief background of their role in the process as well.

Sieger stated she would be the project manager for this study and summarized the roles/responsibilities of KPMG during Phase I. Those items include: community participation, market demand assessment, surveys (citizens and meeting planners), utilization estimates, financial analysis, economic/fiscal impact analysis and funding analysis.

Don Grinberg of HNTB Architecture and Rob Richardson of Bohannon Huston, Inc., each gave a brief description of the roles they would each be playing during the study. Their roles/responsibilities will come in Phase II of the study which will include: community participation, building programming, physical planning issues, site analysis, renderings and cost estimates.

A list of facilities worked on by KPMG were listed and reviewed. Built projects and feasibility/site studies were listed and reviewed for HNTB as well. An unidentified member of the audience posed the following question:

Q. On the list of locations listed, how many of those communities are less than 100,000 in population?

A. Lake Placid, NY; Lake George, NY; Saratoga Springs, NY; Bellevue, WA.

Sieger explained the two-phased approach to the project. Phase I will determine whether or not there is market demand for anything and if so, identify what that is. Finding of the first phase would then be reported back to City Council and it would be at their discretion whether or not KPMG would proceed with Phase II which would deal with the site and financial aspects.

Sieger explained in detail the work tasks in Phase I which began with the kick-off meetings which had been a very focused effort in meeting with as many stakeholders as possible. She stated additional interviews would be with key stakeholders, both internally and externally. KMPG will be holding public update meetings, such as this one since it is a very critical piece of the project. Meeting planners will also be contacted during this phase. KMPG will also summarize industry trends, profile competitive/comparable facilities, develop recommended building program, prepare estimate of utilization, summarize all findings in a report and conduct a work session. She explained that one of the goals is make sure that incremental new business was going to be brought in and the objective was not to move current business from existing facilities and put it in this building. They will determine whether this is business out there that has outgrown current facilities and is being forced to meet in other cities. This would then be the stopping point - is there really demand for a facility of this type? If the answer is yes and City Council agrees and authorizes KMPG to move forward, Phase II would begin. If the answer is no - the study process will be terminated at that point.

Grinberg then identified the work tasks for Phase II which will deal with the site and financial analysis. He explained that the following items would be included in the planned work tasks: develop site selection criteria, conduct site analysis, estimate preliminary construction costs, prepare conceptual designs, estimate financial operations, profile potential operating scenarios, estimate economic/fiscal benefits, identify potential funding sources, hold public update meetings, summarize findings in a report and finally conduct a work session. He explained that the public will have a lot of input on the location.

Sieger explained the potential operating scenarios would also be one of the issues reviewed. Should it be publicly or privately managed? A trend in general is going with privately managed facilities. The economic and fiscal benefits will be clarified as well. Possible funding sources will also be

identified in this phase. Sieger reiterated the fact that public hearings will be held throughout the process. She explained that is very important that this entire process is as open and honest as possible. Although everyone may have their own opinions, all will be informed of the process and what went into the research.

Sieger explained that the timing for Phase I is about three (3) months. During this time surveys will be conducted and getting information from other people. This tends to be a little longer than the financial side since so many people need to be contacted and/or met with. Phase II will see a two (2) month period with the entire process ending in the month of July. A final presentation should be made to the Las Cruces City Council no later than the end of July 2005.

At this time the discussion was opened to the audience for questions/comments. Johnson asked members of the audience to approach the podium and identify themselves for recording purposes.

Robert Zeugner –live in the Laramie High Range area of Las Cruces. Homeowner for 10 years – board member of the Homeowners High Range Association. Did a quick poll of Laramie Drive and spoke to about 75-80% of the people. 100% of them do not want a convention center in Las Cruces. Not only prefer no convention center but would prefer no second part of the study. A majority of the people are against it.

Elsa Altshool – lives on Las Cruces Avenue. We too have a neighborhood association and we to have been completely opposed. More importantly, have heard a great many of the groups that have been asked to do work on whether we need a convention center and each of them seemed to reach pretty much the same conclusion – a community of fewer than 250,000 in population could not support a civic center.

Margaret Markham – Our community has a very different history – it is not a suburb of a major metropolitan area. I am dismayed to hear no word of where the County Government is in this. Why isn't this a joint venture between the City and the County? While you are thinking of building it here – there are all sorts of benefits that will fall beyond the city limits. White Sands, Picacho Hills and the Town of Mesilla are not in the city limits, but all of them will be impacted by this. The emphasis of this community – projections are that this will continue to be a retirement community and I would like to know in what community people that are predominantly over the age of 50 are just dying to have a convention center? There is no way that a convention center in the middle of Las Cruces does not have an impact on business and people living in the surrounding areas. I do think that a long hard look has not been taken at who and what will be affected by a convention center. I speak with some experience – I was a member of the original Civic Center Task Force 20 years ago and I'm hoping that some of you have had access to that report which is somewhere in the city archives. There is room for a multi-purpose community center that will answer many needs. I am one that is opposed for anything that is strictly for the commercial purpose of large commercial conventions.

Edward Lindsay – I have been here 28 years – I think this qualifies me as being a pretty well established citizen of the community. There is a relatively small element in the community, key stakeholders that have strong feelings about a convention center. I'm not particularly against a convention center, although the facility that Ms. Markham suggested as being perhaps of greater value to the community – that is a general purpose center where traveling road shows, symphony orchestras, ballet groups, even to some degree – traveling Broadway performances. I feel there is a much greater need for a facility of that nature, in my perspective, than a convention center. I'm not opposed to a convention center – what I am opposed to is the use of public money for the purpose of furthering the interest of private enterprise here in the City of Las Cruces. I understand the need for city participation in such ventures and would not suggest that some public money is not going to be used for any type of facility that is constructed in Las Cruces – that's part of the process. I want to see private money used – where have been mouths have been encouraging the City to spend public dollars on such ventures as Downtown Revitalization. I have a great problem with Mr. Johnson's staff and the manner in which they drafted your contract. It is a \$90,000 upfront contract for the conduct of Phase I of the study – with another \$200,000+ continuation study to be conducted in the event of an affirmative finding during Phase I. Two of the Councilors took exception to my remarks during the Council's portion of the meeting the other night, and made it very clear that would have liked to have seen both Phase I and Phase II rolled into a single contract. That suggests to me, that at least two Councilors on the Commission are ready to support a convention center and I would not be at all surprised irrespective of your findings if Council does not provide you with authorization to continue with Phase II. Many of my neighbors have voiced their feelings about Downtown Revitalization and convention center to me and what I find is that there is no great opposition to a convention center or Downtown Revitalization, the concern rather is the excessive use of public money to support such an undertaking. There are movers and shakers in this community that would love to see a convention center – anything that brings money into a small central element in the city (banks, real estate companies). How do you propose to really measure the community's feelings with regards to the establishment of a convention center? If you are depending on public forums like this – the only people you are going to get are the people like me who like to come down here and spend their time and feel like they are participating in the conduct of local government, or the people that have a vested interest in seeing a program/facility such as this seen through to completion. How do you propose to really get out in the community and find out how the community truly feels about having a convention center?

A. Susan Sieger - There are a couple of ways. The way we define key stakeholders are anyone that has an interest in the project – we actually consider citizens key stakeholders also. One of the tasks in Phase I is to actually do a random citizen survey. We (KPMG) are going to work with a firm that actually focuses on surveys. After meeting with Councilors, I don't think they actually do have a gauge of the pulse of the community and they thought this was an important part because it never has come to a referendum where citizens have been asked their opinion. More importantly, we need to get this information on the front end rather than at the end. Based on the comments I have heard, I think

there is confusion as to what the facility we are talking about is. Is it a convention center? Is it a civic center? Is it an events center? Is it all of those? I think this is part of our charge as your advisor to figure out what that is and your point is well noted in terms of some of the performing arts center needs. Although there are facilities available at the University and the high school, when you get into institutions such as these, there first and foremost is their own needs – it doesn't always meet the communities needs from that aspect. Generally performing arts centers that meet the needs you are taking about (Broadway) those facilities are infinitely more expensive than the one we are talking about. A 2,000 seat center can easily be \$50 million if you truly want it to be a performing arts center and acoustically sound. Point is – there may be an opportunity to look at a fixed seat auditorium that may not be a true performing arts center in the true acoustics but could handle those more local groups – ballet, symphony. This has been discussed in the course of our meetings. The citizens survey is to provide a little more of an understanding of what the project is – I think that has gotten lost for a variety of reasons, and to understand in concept are you for it or against it. Perhaps, more importantly – if you are against the project – we need to understand what your concerns are. We would like to address those issues when we do have these workshops. We are gauging community support through a random citizen survey.

Edward Lindsay – *Has been informed by citizens that they feel they do not have to come to the meetings because at some point they will be asked by the City Council for some bond money and they can express their opinion at the ballot box. You really need to address the sources of funding in this study and convince the public that their tax dollars are going to be well spent. If City Council does not do a very good job in selling this project to the taxpayer, the ship will again be sunk. If you really want this to happen, Council will have to far better job in salesmanship than they have managed to do in the past.*

A. Susan Sieger – *We are starting with a clean slate – we did not do any of the previous studies. We have reviewed them, and obviously we want to understand what the market was before. The one that was done in 1999-the dynamics have really changed since then with 9-11 and the industry as a whole.*

Margaret Markham – *On that original task force of 20 years ago – there was bond money earmarked for it and more than enough. One citizen got up and indicated that was not the pressing need in this community and if the Council was determined to go ahead with it and not use the money for the pressing needs, he threatened to take it for a vote as a special issue – the Council saw the wisdom – used the money to build a very urgent need – a modern police station – instead of the center. We have urgent pressing needs in this community. If you see the minutes from recent Council meetings – you will see what the priorities in this city are. There is certainly no problem if the private sector wants to joint venture with the Hilton Hotel and help them do better business, but in terms of what this gentleman (Lindsay) brought up – where the voters are going to approve money and re-elect Council members who may have used the money unwisely – we have many, many pressing needs in this community that are far more urgent than any kind of civic center or a convention center.*

Gene Aldridge – *President and CEO of World Marketing, Inc., an international marketing firm. I am a citizen of Las Cruces now. I live in Las Ventanas next to the new hospital. I would like to start by asking a series of questions of you first and then I would like to give you a statement/overview from our perspective. How many of these convention centers that you listed were built with private money – no public funding whatsoever?*

A. Susan Sieger – *None. Typically when that's the case, the hoteliers themselves do the studies internally, they don't hire outside consultants like our firm. They typically have their own corporate offices run those studies. That is one of the primary reasons we wouldn't have been involved in that.*

Gene Aldridge - *Of the feasibility studies that you have done, how many of them have not gone forward out of all those that you listed?*

A. Susan Sieger – *At least four that haven't gone forward.*

Gene Aldridge - *Where were those?*

A. Susan Sieger – *Concord has not gone forward and that is a private/public venture and they had Embassy Suites good to go and they couldn't get the deal done with the developer. So the land that was right off the interstate – that had all the dynamics, the private sector couldn't come to an agreement. First study we did was a city initiative and the second study was a county initiative neither one of them which could move forward. The city of St. Petersburg actually two studies. One they had a multi-purpose building – about a 7,000 seat arena about 16,000 sq. ft. of exhibit space and some meeting rooms and it was built in 1965 and had served it's purpose well but was a financial drain on the city. It was really built to be the primary arena and was at it's time. Since then, we've built a 20,000 seat arena and other arenas in the market have as well. It was built with public money back then and has been paid off for years. The question for St. Petersburg was should we renovate this and how much will it cost to make money or break even? Unfortunately, there was not enough money that could be spent – even if you were to build new – to justify it – it is still going to lose money because the competition around them had changed. Our advice to them was to demolish the building which was completed this December. Their next question was what can we build in its place? Should we build a conference/convention center? Just like this it was a phased approach and the answer was there is no market demand in downtown St. Petersburg. They stopped the study process. If it happens – it will happen with private money.*

Gene Aldridge - *In your professional opinion then, why is that none have been built with private money?*

A. Susan Sieger – *I would not say that none have not been done with private money, I would say usually those are done by hotels. There has been even more private sector development in some markets leading us to believe that the industry is viable despite what*

you may read or hear. My opinion is market by market. You can't generalize by looking at trends. Usually when they are done privately it is part of a hotel.

Are you aware that the Board of Regents of New Mexico State University just recently is trying to cut a deal with a hotel to build a convention center and hotel here?

A. Susan Sieger – *I have heard rumors that they're looking to do some development along those lines – not that they've cut a deal – but that they're exploring from an RFP process.*

Gene Aldridge - *Would you think professionally that two convention centers in one town of this size would be reasonable to assume?*

A. Susan Sieger – *I guess a couple things – I am not familiar with their concept other than what I just said. I think it is certainly an important factor that needs to be considered in our analysis. Once we get the opportunity to speak to it in more detail – we need to. I can't say whether you can or can't because we really haven't defined what the market is. We have worked in markets such as Athens, Georgia and they went and built their own performing arts center and there was actually market demand for a civic center (exhibit space, meeting space and a theater). In that particular market, which is very small, it did make sense.*

Gene Aldridge - *Is it making money – the one in Athens?*

A. Susan Sieger – *I would have to look to be honest.*

Gene Aldridge - *It isn't making money – I taught at Troy State University in Alabama and Georgia and that one in Athens is not making money.*

A. Susan Sieger – *I would talk to Paul Kramer – who runs it to see.*

Gene Aldridge - *Unless he's being subsidized. Some say they are making money once they are subsidized by either the city, county or state or some mechanism. Most in the country that we studied – we did studies across the country – and found not one was making money – not even the one in Portland that pretended to be making money. It was subsidized to the tune of ½ million dollars per year.*

Gene Aldridge - *When you talk about privatization of a convention center and management through privatization, what does that mean to you? How does privatization occur?*

A. Susan Sieger – *There are several ways.*

Gene Aldridge - *Does the city own it and someone privately manages it like in Albuquerque where they're losing \$1 million a year?*

A. Susan Sieger – *There are several ways it can occur. Privatization can be where the city builds it with a hotel and a hotel assumes operations and risks. The city may say they may fund the cost – that’s it – that’s their obligation. You as the hotelier run it. The other option is a more traditional approach where a management company comes in and manages on the City’s behalf. The City still owns it, the City still operates it and they have a management team that manages it – which is what Albuquerque does. SMG recently took it over and would venture to say they haven’t had an opportunity to turn any operations over in a couple of months. The hope is that the private sector and there are really only three of those companies out there, that they can operate it more efficiently because they have the ability to negotiate rates, and more importantly, they run about 60 facilities now and they can route groups through all of their facilities which helps you get more business that you would by yourself. The philosophy is that you get cost savings by their operations because you utilize corporate and you can hopefully get more event activity because they have a “group bind” with associations. You can also do an “authority” but still is a public sector and they manage on your behalf as well.*

Gene Aldridge - *I would like to suggest in your outline that you demonstrated up here on the board – the last item was benefits to the community. I think the community also deserves to talk about opportunities and risks. We would like to hear about risks and opportunities as citizens and we would like to know what they are – just like investors would want to know.*

A. Susan Sieger – *Sure – that is a part of our study.*

Gene Aldridge - *May I suggest that you change that on there so we see the risks as well and they are as clear as the benefits?*

A. Susan Sieger – *Absolutely.*

Gene Aldridge - *In recent studies that we have done and summary reports have been supplied to the City Council over a number of years – from local groups to national groups – the data is overwhelming that there is no money to be made in public investment associated with convention centers in Las Cruces at this time. There is no market demand for the kind of convention center that has been proposed at least in the past. You may come up with a new concept and that would be wonderful if we could have a cultural center, as well as a convention meeting place that is feasible and possible without public money. You said there was no referendum and that is true because City Council knows they would get beat if in fact there was a referendum in this town. They would get beat – we have survey evidence of that and if you want that data I’d be happy to supply it to you.*

A. Susan Sieger – *That would be great.*

Gene Aldridge - *People hit the streets in order to stop the City Council from building a convention center – we have already done that. So there is tremendous resistance of having a convention center that is publicly funded. I want to echo what my colleagues have said here. We are not against a convention center, we not against a civic center, we*

are against public funding of these efforts when businesses who tend to benefit all around, cities like Mesilla who were the instigators of some of the convention discussion here who were the leaders in fact, through the Chamber of Commerce, they get no taxation on this, they pay nothing and they get a free ride and yet their businesses would benefit the most because Mesilla is one of those communities that is a major attraction here. The citizens have spoken on the issue – with respect to public funding. Should the City Council make another mistake in this area – they will find out that the citizens will rise up again. Now we learn that there are secret plans by NMSU to build another convention center and I submit to you – two convention centers in the same town is absolutely ludicrous and it looks to me that what the university is doing to going to spend tax payer money anyway for a convention center regardless of what your study says. Therefore, the tax payer's money is being used once again inappropriately without our consent. How many studies do we have to produce to demonstrate that the overwhelming facts are that no convention center is going to make money for Las Cruces regardless of the economic model you use. Which, by the way would be an interesting thing for you to discuss with all of us at the end of your feasibility study and that is – what econometric models are you using to justify a convention center here or rejection of it? Why are we moving to study it again one more time? We've had all the studies – why are we doing this again? Also, why does the City Council want to spend one more dime of any activity on a convention center? Let the private sector do it and if the private sector won't do it, it means there's no return on investment. And if there's no return on investment, the citizens do not want to hear of it. We have many other priorities here. We need small businesses to hire people here. We certainly don't need a convention center – that is not an economic way to go forward. And you need to know that many of us that have studied this very thoroughly have made this a conclusion – sewage, water, potholes, poverty – this is the biggest poverty county in the state. It's outrageous to me that we would be thinking about spending these kinds of monies when we have health care needs, sewage needs, water needs to be met. I would like to suggest that innovation capital, investment capital and human capital formation is what we need for an economic development model. I think this second, third, fourth and fifth study is a nightmare and most of the citizens probably agree with me.

Klaus Wittern – Even though at times I may be critical of some of the activities that are undertaken, I believe as many have said here, that the private sector should be encouraged to not only play a part, but play the leading part with the government sector being the facilitator, the accommodator, provide the models that are necessary in order to demonstrate that a facility of this kind, can in fact be an economic engine to assist the community, not only in it's activities and support, but in fact have a positive influence on the econometrics of this community. If you are willing to sit down with me I will be happy to give you some of the pointers that I believe are available to this community. The growth that this community will potentially experience within the next 12 to 15 to 20 years are incomprehensible to most in this room and probably to most in this community; if the spaceport is in fact the private sector and it is a private sector driven operation only – it's not NASA, it's not the government, it's private – if they have as they have stated anticipate 1,000 lifts per year in 12 years, then the economics of this community and the demographics of this community are quickly going to be changed – the number of

people that can enter into this county and to Sierra County can be as high as 825,000 new people with 250,000 jobs paying in excess of \$100,000 per year. That is unheard of – this is incredible. I am not suggesting to you that this is fact; I'm suggesting to you that we better look at it because 12 to 15 years is not that far down the road. We clearly have the ability to support that many with water, it may be more expensive than we are used today, but it's not impossible. This community cannot tolerate the agriculture and surrounding area – this oasis – is too important to destroy and I don't think we need to. We have plenty of mesas, plenty of desert to plant houses and grow houses. It is my considered opinion that we need to build or design a better mouse trap for those dollars that are being generated by new economic engines like a convention center. We don't have an economic model that can capture them. We need to understand what public dollars means and where they originate. The hotel industry has cleared it's willingness to "tax itself" with a room rate surcharge. We need to make sure that those dollars are not classified as public dollars – that's a dollar that an economic group of businesses is willing to tax itself and pass onto through a surcharge to their patrons. By virtue of the way the model is currently run, they become public dollars and then the City Council takes control over and now has a right to administer and spend and I think that's not a good model. We need to design a process and a model that keeps the identification of those dollars more intact so that the empowerment of the industry is remaining and they can in fact – through some method – obtain the use of those funds and thereby remove the stigma – this is public dollars, taxpayer money. I concur with everyone in the room that this community does not need to tax itself – the general fund – to support a facility of this kind. Let me commend you on the terminology – that it is now a convention/events/civic center. I believe a convention center is not a good model, because it has a lot of difficulties associated with it. I think an events center can bridge the gap to both sides and has a much greater opportunity to be economically successful. Get the private sector involved, empower the private and you will have very quick successes.

Edward Lindsay – During your deliberations will you have any meetings that could not or would not at some point in time later be construed correctly or incorrectly as private meetings with special interest groups in the community? Or will all of your proceedings be conducted in an open forum where the public is welcome to attend? And will you maintain some definitive public records of those meetings that will be available to the community for review at any later point in time?

A. Susan Sieger – When we have the meetings like we've conducted over the last few days, we don't have any city staff in those – just KPMG staff – because what we hope to accomplish is to get open and honest input from all those individuals and in our study it is not "Joe said x" it's really for us to clearly understand what everyone considers the issues of the market. As it relates to anytime we are speaking to the City regarding findings, I would defer to Mike as to how they see that process. So far all of them have been open.

Edward Lindsay - Will there be some record of – for instance we signed a sheet this evening – and I trust that everyone here signed it? For the meetings you conduct with other representative groups. I'm sure the business community you will have

conversations with them – and you certainly should have – are their going to be records maintained and available to the public of those meetings? Who attended, what was discussed, etc., etc.?

A. Mike Johnson – *What we will have available to you – I will produce – if you would like – I can give you a list of everybody that Susan has met with. She is not going to produce the notes, but I certainly can provide anybody in this room an agenda of everybody that she has met with over the last 2 ½ days. There is a record of that.*

Margaret Markham – *I have no doubt with Mike Johnson and our Assistant Manager, but you people are not aware that the City Council was recently sued and lost because they conducted what was called rolling poll. We have very strong open meetings act in this state and you cannot discuss policy and various things one by one. So our act requires that you must always have an open meeting if you're meeting and discussing certain things and you cannot meet with four of the Councilors privately because that would violate the open meetings act. I think that is what we are getting at.*

A. Susan Sieger – *Good point. We have not discussed any policy – just so we are clear on that.*

Don Heinzelman – *Comment directed to Steve Trowbridge – I left in your mailbox a copy of the Brookings Study – and that Brookings Study was done of convention centers. As you know, the day that that study came out, the Monday before the City Council voted on your decision to accept this particular phase of the development. At that time, what I identified with Dolores Archuleta is I have some profound concerns because the study in USA Today identified what you were identifying – there has been a profound change since 9-11 in the convention center business. I hope that every Council Member reads that study. I hope they take it very seriously because it puts a tremendous burden on you to read that and do the analysis necessary. In that study – they point out that there are very few, if any convention centers in the United States that are now making money. One thing the study points out is that there are no real parameters for a lot of this analysis that takes place – it's very arbitrary. The concern is that when you complete this study and when all these things come out, I want to know the parameters – exactly what is involved in it – because this concerns me. I am new to this city. All the cities that I have lived in – it's hard for me to make the transition because all of those cities have convention centers and have one thing that we don't have here – and that's really ready access and transportation. Transportation is a major issue – if we're thinking of pulling people in, where is the ready transportation? It's hard for me to visualize what is going to work here. I think that one of the challenges of the Brookings Study is priorities. If we are going to spend this money on this center – what is going to happen to the other priorities in the community? This is a poor community. My word of wisdom is to the City Council – is that you have a very serious prospect on your hands. My next comment to you – I hope all of you read this. I agree – if this comes up to a vote – I don't think it will pass.*

Steve Estrada – I've seen the city grow fairly grow in the last couple of years, and I think it is going to continue to grow. I think this is pretty much a done deal. I think we are going to have a convention center pretty soon. I believe you will come up with a study that we do need one. I run three businesses here in Las Cruces – an event organizer. I do a lot of kickboxing, bridal shows, fashion shows. I run a DJ business so I do a lot of weddings. I am real familiar with the ballrooms here in Las Cruces. Peddlers Pavilion will be opening up a building of 10,000 or 20,000 sq. ft. Their building will be paid for before you decide on us having a convention center. I will use them, but I have to do shows in Alamogordo, which is a smaller community than this. I will be doing one on March 5 in Odessa, Texas. I have to go over there because we have a lack of facilities. The facilities around here (hotel ballrooms) cost on an average about \$2,000 to rent and I think that is a pretty ridiculous price for the amount of square feet that is available. You can only fit about 500, maybe 700 at the Hilton or Holiday Inn. The price that I pay to promote an event there – it doesn't compare to the amount of people that I'm allowed to bring in so it does not work for me. I think we need big location – I don't know the differences between a civic center, an events center, and a convention center – but I think we need a facility that we can bring events to this town. El Paso has a lot of events that run through there – ice capades, ballets, operas, concerts, and they do very well. I think this town really needs one.

Mike Mullings – I run L&M Limousine here in town. The facility will give a lot of promises to a lot of young people to see things that they would never see. I have heard people in here say – I don't want it out of my pocket. What's going to come to these centers? Opera, home shows, educational shows, garden shows, TV shows, and kickboxing – these are things that these kids here don't have. The people that you hear talking – I agree with most of you – but our kids here don't have things here – they don't have the facilities to bring events in. I would like to see the people here have a convention center. I'm not pushing for the dollars – I don't understand your dollars. The center you are thinking about now will be obsolete by the time you get your paperwork done. All I can is the best of luck to you from an ex-contractor. If you don't try, you'll never know.

Gene Aldridge – I forgot to mention one item that was a positive suggestion that I thought you ought to put into your calculus. The Ford Foundation is giving a lot of money to border issues. We have – as we all noted – high poverty here. New Mexico is last in almost everything and I think if somebody like KPMG and your crew were to go to Ford Foundation and at least make in inquiry on behalf of the City Council or a rather large donation for cultural development of the area, we would qualify like Juarez and some of the other places where they have already donated money across the border. I think they have an interest in this area. I would suggest to you to go to Ford Foundation or one of those to seek the money that you need.

Klaus Wittern – The transportation issue was brought up – but what wasn't said was commercial air traffic. That is a problem. But so is it for Gross Point in Michigan. Metro is well over 40 miles away. In my opinion we need to put things in perspective. I can get to El Paso International faster than I can get from Gross Point to Metro by a

long shot. I think we need to identify is what is it about us that makes us a potential destination? That is what people want to come to. What is it about the oasis, the mountains and the culture and the geography and what we have to offer? I think that needs to be incorporated into the mission statement for the facility. I believe what should drive any final decision is that it will be supported by the revenues it generates. I think the community needs to say that if we capture 50 percent of those new dollars to support these kinds of infrastructure facilities that can contribute and should contribute. If we build it in the wrong location where there is no radiant effect from it, we lost a great opportunity. I think this part of all of the things that we need to study. In San Antonio, the area surrounding the River Walk is 57 acres. There is an 80 acre parcel – the river runs right through it. It's a canal of EBID that can easily be accommodated to be a river year round. Burn Lake is a facility that can recirculate water at a relatively low cost because the pumping level is not very high. These are the kinds of things that we need to understand and think outside the box. That is the biggest problem with this community – always looking to somewhere else to replicate – we can't afford to replicate – they all made mistakes we don't need to replicate.

Johnson thanked everyone for attending this evening. He explained that they would be available to speak with anyone individually after the meeting if they so desired. He explained that more meetings would take place while this process – a minimum of once a month. He stated they would be back to let everyone know what they were doing, how they were doing and where they were doing it.

Meeting ended at 7:08 pm.

KPMG Public Hearing Attendance Sheet

Name	Email	Phone
M. Gene Aldridge	galdridge@zianet.com	640-3447
Rob Richardson	rrichardson@bhinc.com	532-8670
Klaus Wittern	Phoenix_consult@msn.com	524-2865
D. Heinzelman	n/a	522-0547
Don Grinberg	dgrinbertg@htb.com	617-542-6900
Glen P. Gough	gpgough@kpmg.com	813-301-2281
Susan Sieger	sasieger@kpmg.com	813-301-2313
Robert Zeugner	n/a	532-9219
Valerie Graber	n/a	532-9219
Edward E. Lindsay	eelindsay@earthlink.net	524-0652
Jim Berry	jberry@lascruces.org	524-1968
John Myers	n/a	644-3789
Bob & Dona Hearn	bob-hearn@zianet.com	382-9512
Dolores Archuleta	n/a	n/a
Elsa Altshool	efalt@zianet.com	n/a
Margaret Markham	n/a	523-1121
Charlotte Lipson	lipson@zianet.com	n/a
Dolores M. Halls	dhalls@nmsu.edu	n/a
Daniel B. Jett, Jr.	n/a	n/a
Steve O. Trowbridge	n/a	541-2066
Fred G. Mobley	fmobley@bank-riogrande.com	525-8900
Jackye Meinecke	gardens@zianet.com	525-2782
Tony Martin	mowbark@zianet.com	621-4560
M. Mullings	l-mlimo@zianet.com	522-5411
Jen Lucero	n/a	526-1937
Ken Mompellier	kenm@las-cruces.org	541-2444
Mike Johnson	mjohnson@las-cruces.org	528-3475
Anna Maya	annam@las-cruces.org	541-2444