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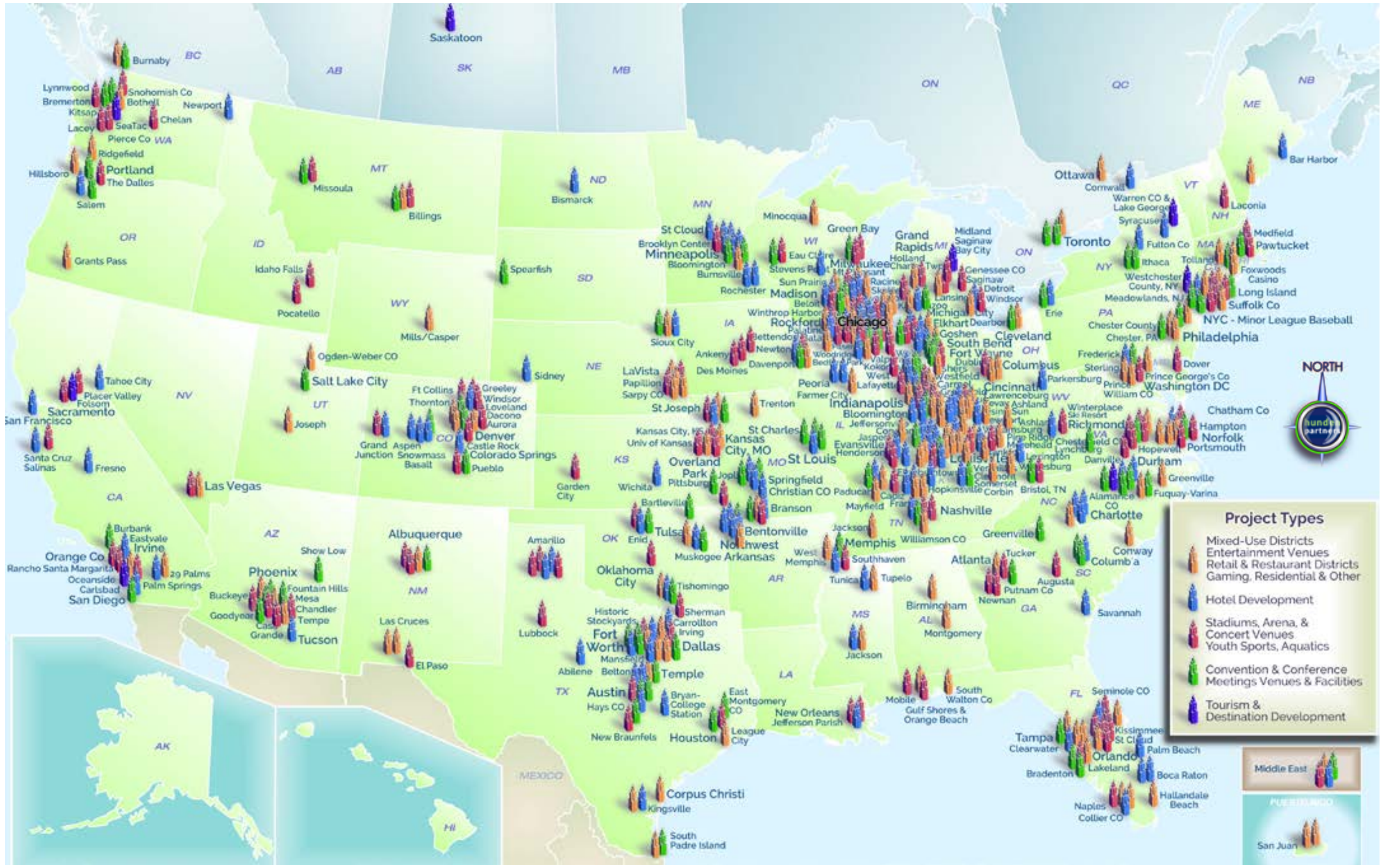
College Station, Texas
Convention Center & Hotel

Market Demand, Financial Feasibility & Impact Study

Phase 1: Council Presentation

February 27, 2025

hunden partners applies market realities to **Live / Work / Play / Visit** placemaking



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Hunden Partners professionals have provided all the above services for hundreds of client projects worldwide for the public, non-profit and private sectors. In addition, our professionals have prior professional career experience in municipal and state government, economic and real estate development, real estate law, hotel operations, and non-profit management. More than 80 percent of our clients are public entities, such as municipalities, counties, states, convention bureaus, authorities and other quasi-government entities empowered to conduct real estate, economic development, and tourism activities.

- Entertainment Venues & Mixed-Use Districts
- Stadiums, Arenas & Event Centers
- **Convention & Conference Centers**
- **Headquarters, Conference & Boutique Hotels**
- Tournament Sports Complexes
- Retail, Restaurant, Residential, Office
- University Assets & Districts
- Fairgrounds & Expos
- Fine Arts Venues, Distilleries & Attractions

Why We're Here

Potential Opportunity: *A multipurpose convention/event center designed to attract external business, including conventions, meetings, niche indoor sports, and live-ticketed entertainment.*

- College Station loses business to other markets without a dedicated large convention and event facility
- Texas A&M event space is hard to market to outside groups
- Goal to diversify the economy and drive tourism during slow periods
- Local events are outgrowing available venues

Study Methodology & Project Overview

Where are you now?

How do you stack up?

What are the opportunities?

How do we get there?

Phase I

- **Current College Station & Surrounding Market Assessment**
- **Market Opportunities Assessment & Future Recommendations**

Phase II

- **Site Selection/ Financial & Impact Projections, Funding Analysis**

Strong Market Position

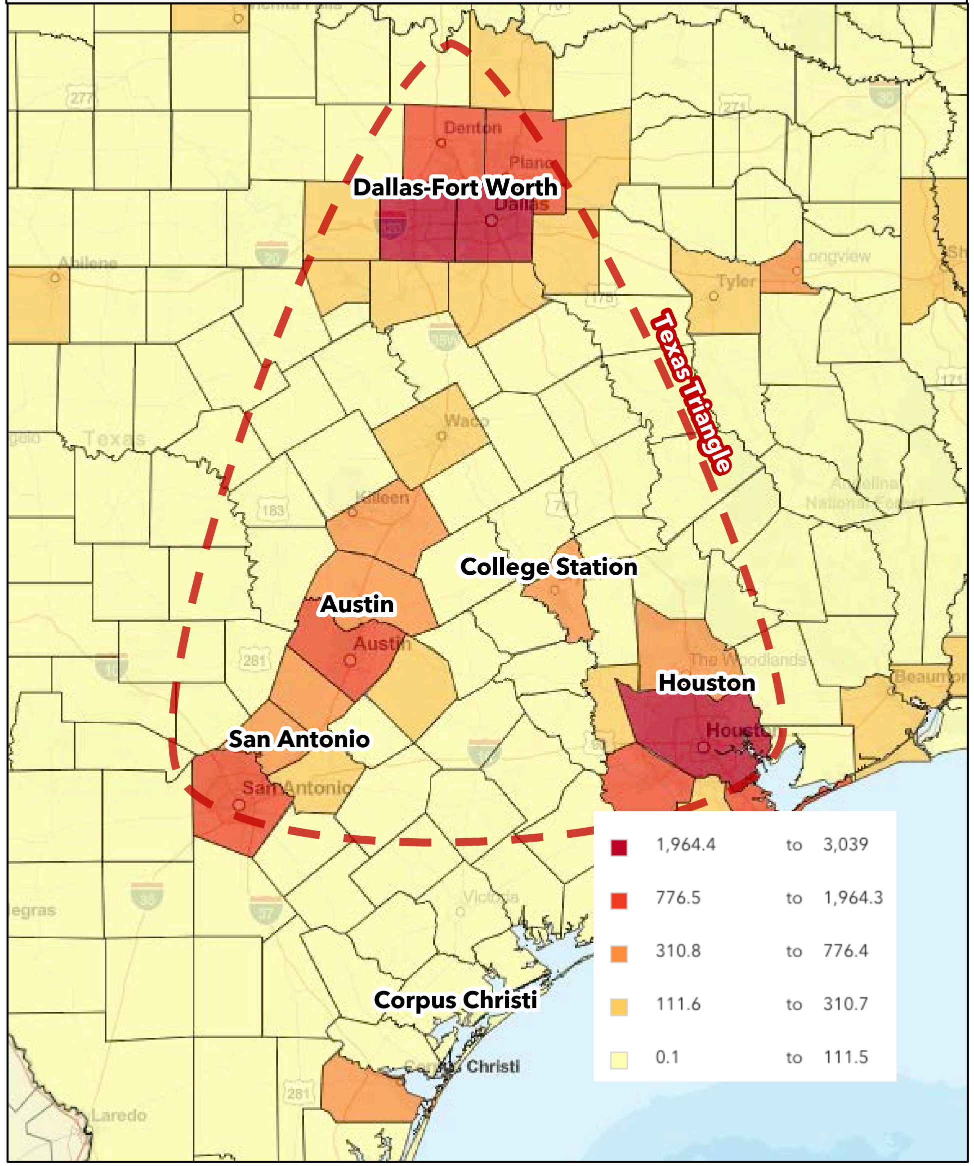
College Station, part of the rapidly growing "Texas Triangle," has seen significant population growth from 2010 to 2024, driven largely by Texas A&M University's expanding enrollment. While growth is expected to slow, it will remain positive through 2029.

College Station Population Growth Rates

34 %	10 %
2010 – 2024 Population Growth	2020 – 2029 Population Growth

Population Density by County

Population per square mile



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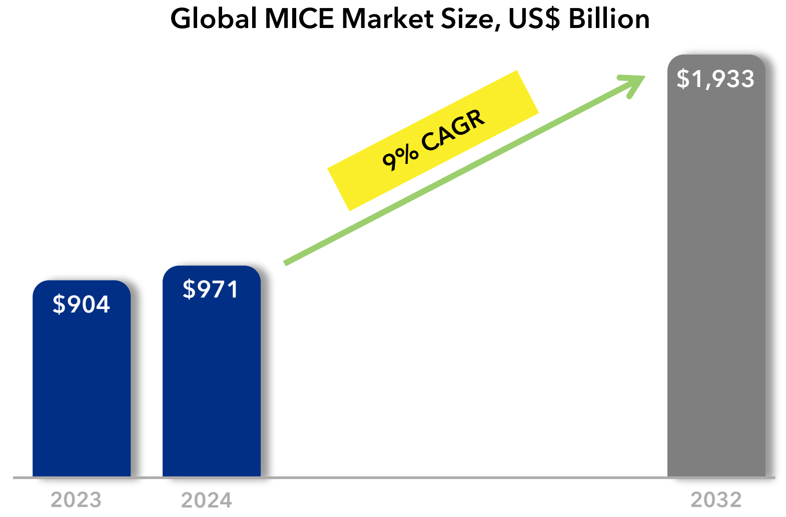
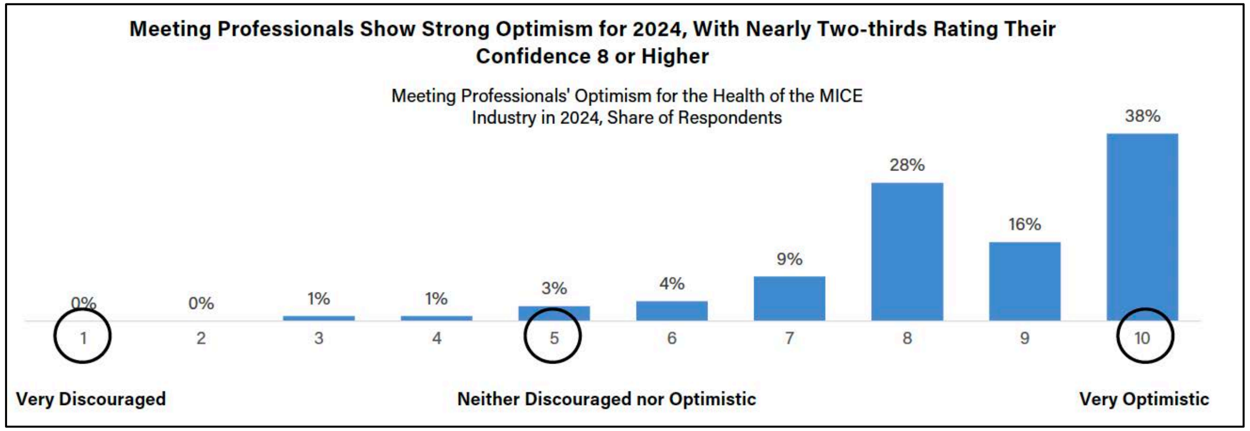
Meetings Industry Recovery and Growth Outlook

- **Demand Growth Accelerating:** The meetings sector is expected to achieve a compound annual growth rate (CAGR) of nine percent by 2032 as the demand for in-person meetings accelerates.
- **Industry Confidence Is High:** 82 percent of meetings professionals rate their optimism at 8 or above, with 38 percent giving a perfect 10 – mirroring the positive outlook of travel CEOs for the future of events.
- **Groups Implementing Cost Control Strategies:** Companies are adjusting budgets by opting for more cost-effective solutions, such as choosing three-star hotels instead of four-star accommodations.





Source: Skift Research State of Travel Report 2024
**MICE: Meetings, Incentives, Conferences, and Exhibitions*

Convention Center Industry

Key Takeaways & Lessons Learned

Convention centers are vital community assets. While often operating at a loss, they play a crucial role in enhancing quality of life, attracting visitors, and spurring local development.

- **Walkable/connected hotels** are a necessity
- **Well-balanced mix of meeting space** sizes and types
- **Professional management** ensures operational efficiency and revenue growth
- **Creative event programming** curbs seasonality and diversifies revenue streams
- Walkable **food & beverage and entertainment enhance guest experience**
- **Capital improvement plan** ensures long-term viability
- Convention Centers **are economic catalysts that spur additional development**

Stakeholder Feedback Summary

20
Stakeholder Meetings

12
Associations, Event Planners, User Groups

2
Regional Convention Centers

Associations, Event Planners, User Groups

- Texas Society of Association Executives (TSAE)
- Meeting Planners International (MPI)
- Texas Association of School Administrators (TASA)
- Texas Energy Managers Association (TEMA)
- Texas Municipal League (TML)
- Texas Association of Counties (TAC)
- Texas Agricultural Aviation Association (TAAA)
- PRA Event Management
- Freeman Company
- Various Sports User Groups

Local & Regional Stakeholders

- Visit College Station
- Hilton College Station
- Texas A&M
- Texas A&M Conference Center Hotel
- Greater Brazos Partnership
- ASM Global
- Live Nation
- Waco Convention Center
- Plano Convention Center

Stakeholder Feedback Themes

The following themes capture the key focus areas from stakeholder discussions and support the formulation of recommendations and study conclusions.

- Rotating state associations would consider College Station if a new convention center is built. These groups prioritize ample ballroom and breakout space
- An optimal development would include approximately **100,000 to 200,000 square feet of sellable function** space and at **least 250 hotel rooms**
- A new facility should feature a **50,000- to 75,000-square-foot exhibit hall** for trade shows and conferences. Exhibit space is oftentimes overdone; prioritize ballroom and meeting space
- Divisible ballroom space of **25,000 to 55,000 square feet** with seating for at least 500 guests is crucial for larger gatherings. Ballroom space is often underserved in regional facilities
- **Walkable hotels are preferred**; however, a connected hotel is most ideal
- Limited airlift poses challenges for corporate events, but College Station's central location and drive-in accessibility appeal to state associations
- The facility should be multipurpose, with the ability to accommodate live entertainment and various sports groups
- Walkable amenities such as restaurants, bars, and attractions are highly desirable
- Texas A&M's event facilities prioritize athletics and student groups, which can lead to scheduling challenges and limited reliability for corporate and association events

Lost Business

The figure to the right outlines the reasons College Station lost business from 2022 to 2024.

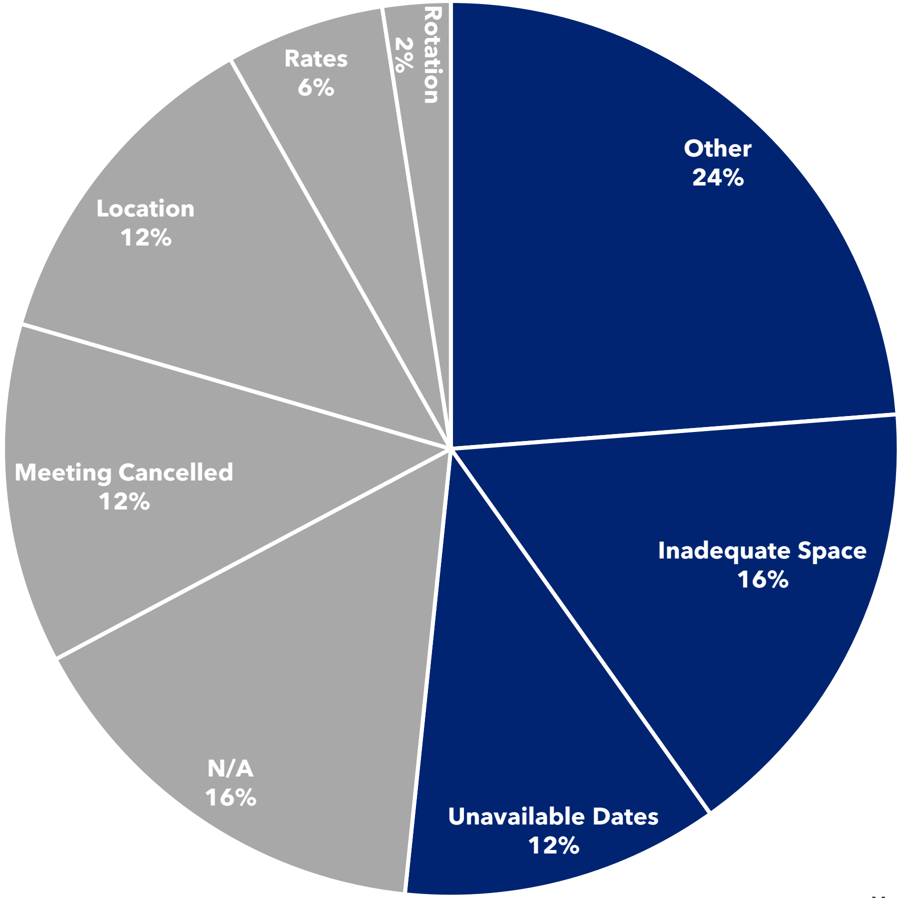
- Of the 131 total lost events, 62 were due to facility gaps, unavailable dates, and other space-related reasons
- Lost events ranged from large conventions to youth sports tournaments
- Room night and economic impact calculations shown are based solely on the 62 events lost due to space constraints

62 Events Lost

24.8K Room Nights

$13.2M Economic Impact

2022–2024 Lost Business Report – Reasons



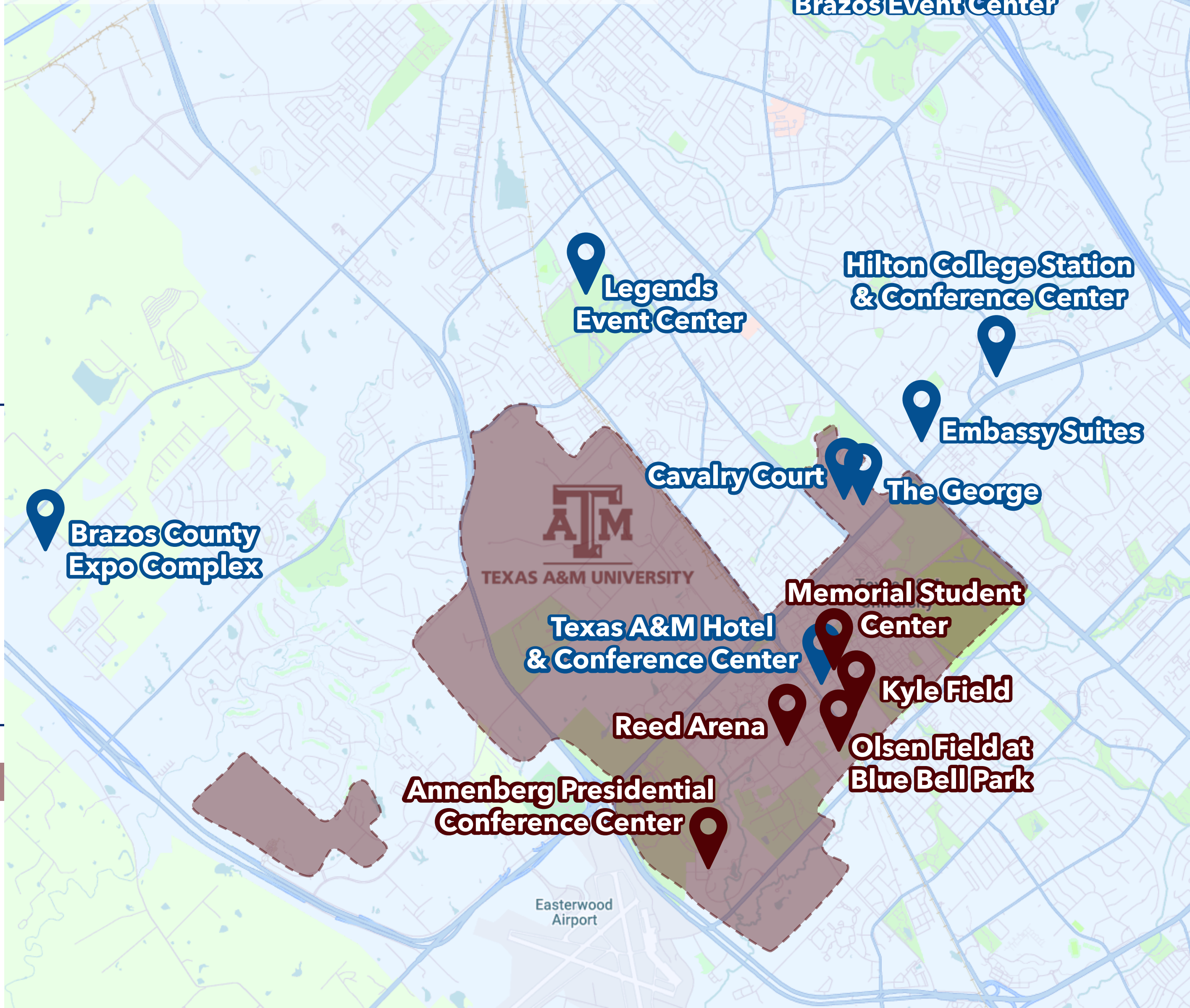
College Station Meetings Market

College Station-Bryan has eight relevant meeting venues with over 5,000 SF of function space. The Brazos County Expo is the only facility with exhibit space, while the Hilton is the only venue with ample function space and a walkable hotel package. Texas A&M facilities prioritize university events and are not considered competitive.

Facility	Location	Facility Type	Total Function Space (SF)
Brazos County Expo Center	Bryan, TX	Event Center	41,600
Legends Event Center	Bryan, TX	Sports Facility	41,500
Hilton College Station & Conference Center	College Station, TX	Conf. Center / Hotel	25,919
The Brazos Center	Bryan, TX	Event Center	20,468
Texas A&M Hotel and Conference Center	College Station, TX	Conf. Center / Hotel	20,453
Embassy Suites by Hilton College Station	College Station, TX	Hotel	7,296
Cavalry Court	College Station, TX	Hotel	6,270
The George	College Station, TX	Hotel	5,236
Average			**21,093**
TEXAS A&M FACILITIES			
Kyle Field	College Station, TX	Football Stadium	87,913
Memorial Student Center	College Station, TX	Student Center	38,527
Reed Arena	College Station, TX	Basketball Arena	30,600
Annenberg Presidential Conference Center	College Station, TX	Conference Center	11,100
Olsen Field at Blue Bell Park	College Station, TX	Ball Park	5,478

Local Meetings Market

College Station-Bryan, TX



Competitive Regional Texas Meetings Market (50K – 200K SF)

Texas ranks third nationally for prime exhibit space, offering a variety of convention and conference facilities. The adjacent table outlines mid-sized venues (50,000–200,000 SF) in suburban-urban markets primarily serve local corporate events and rotating state associations.

Regional Competitive Environment - Convention Centers (sorted by total function space)

Facility	Location	Miles from College Station	Total Function Space	Number of Adjacent / Connected Hotels	Adjacent / Connected Hotel Rooms	Hotel Rooms/ 1,000 SF of Exhibit Space
Loews Arlington Hotel & Convention Center	Arlington	188	191,504	2	1,188	27.5
Lone Star Convention Center & Expo Center	Conroe	66	141,700	–	–	0.0
American Bank Center Convention Center	Corpus Christi	237	135,588	–	–	0.0
Richard M. Borchard Regional Fairgrounds	Robstown	239	102,651	–	–	0.0
El Paso / Judson F. Williams Convention Center	El Paso	665	94,900	–	–	10.4
Moody Gardens Hotel, Spa and Convention Center	Galveston	143	92,945	1	433	8.2
McAllen Convention Center	McAllen	371	87,272	–	–	10.2
Irving Convention Center at Las Colinas	Irving	192	85,459	1	350	20.2
Amarillo Civic Center	Amarillo	512	82,178	–	–	3.7
Waco Convention Center	Waco	90	80,309	1	195	14.9
Galveston Island Convention Center at The San Luis Resort	Galveston	142	69,800	–	–	16.8
Kalahari Resorts & Conventions - Austin	Round Rock, TX	92	71,796	1	975	0.0
Lubbock Memorial Civic Center	Lubbock	431	67,334	–	–	14.3
Marriott Dallas Allen Hotel & Convention Center	Allen	195	66,600	1	300	11.3
The Woodlands Waterway Marriott Hotel & Convention Center	The Woodlands	72	66,532	1	348	17.5
Hampton Inn & Suites Dallas-Mesquite	Mesquite	174	57,738	1	160	9.3
Wichita Falls Multi-Purpose Events Center	Wichita Falls	289	57,270	–	–	5.3
Ford Arena	Beaumont	169	56,332	–	–	0.0
Embassy Suites Frisco Hotel & Convention Center	Frisco	204	60,338	1	330	0.0
Hilton DFW Lakes Executive Conference Center	Grapevine	202	53,558	1	397	0.0
The Woodlands Resort & Conference Center	The Woodlands	70	52,679	1	402	0.0
Average			**84,499**	**1**	**242**	**8.1**

Source: Various Facilities, Smith Travel Research

Overall Market Lift of HQ Hotel Development

- Hunden assessed over 12 convention markets for the impact of surrounding hotels when a new headquarters convention hotel was built
- **Data shows that a HQ hotel benefits both Primary and Secondary hotels, with even stronger gains for Secondary properties due to market compression**

Conclusion: A connected or adjacent convention hotel is essential to maximizing the venue's success and citywide economic impact.

Performance of Primary & Secondary Hotel Sets
10 Years Before & After Introduction of Convention HQ Hotel

	Performance *Before* HQ Hotel	Performance *After* HQ Hotel	10-Year Cumulative Diff
ADR - Average Annual Growth Rate			
Primary Set	1.3%	3.5%	22.4%
Secondary Set	1.3%	4.6%	32.9%
Occupancy - Average Annual Growth Rate			
Primary Set	0.6%	1.4%	8.0%
Secondary Set	0.2%	1.6%	14.1%
RevPar - Average Annual Growth Rate			
Primary Set	1.9%	5.1%	31.8%
Secondary Set	1.5%	6.5%	49.9%
Total Revenue - Average Annual Growth Rate			
Primary Set	5.1%	9.0%	39.0%
Secondary Set	7.0%	9.7%	27.5%

Source: Smith Travel Research, Hunden Partners

Competitive Hotel Market Overview

Hunden's key takeaways from the competitive hotel set are as follows:

- **Post-Pandemic Growth:** Occupancy and ADR have surpassed 2019 levels, with steady demand and supply growth
- **Supply Expansion:** Hotel supply has more than doubled since 2016, but demand has yet to fully absorb it
- **Recent Additions:** 229 new rooms were added in two years, including the recently opened 160-room Drury Plaza Hotel

2024 Key Market Indicators (Competitive Set)	Occupancy 64.1%	ADR $177.95	YOY ADR Growth 8.9%	RevPAR $114.04
Development Pipeline (10-Mile Radius)	Current Supply 6,268 Rooms	Delivered Past 2 Yrs 229 Rooms	Delivered Next 2 Yrs 0 Rooms	Proposed Next 2 Yrs 272 Rooms

Implications

Convention Center, Meetings, Entertainment & Hotel Market Analysis

Limited Meeting Space Supply

College Station lacks meeting space necessary to attract regional events, leading to lost business. Texas A&M's facilities are not widely accessible.

State Association Demand

Rotating state associations have shown interest in College Station and would consider the city as a host destination if a new convention center were developed.

Flexible Space

A convention center should focus on ballrooms and breakout rooms while adding an exhibit hall to expand event options.

Hotel Supply Growth & Demand Lag

Hotel supply has doubled since 2016, but demand has not kept pace, keeping occupancy below 2016 levels.

Limited Group Business

A lack of meeting space limits group travel, leading to lower weekday occupancy and lost revenue opportunities.

Implications

Case Studies & Best Practices Analysis

HQ Hotels Boost Competitiveness

Developing an HQ hotel has significantly improved convention centers' ability to attract regional and national events, expanding their market reach beyond local business.

Walkability & Activation Drives Success

A lack of walkable hotels is a key competitive disadvantage. Adjacent retail, dining, and entertainment enhance destination appeal for meetings and events.

Private Management Ensures Smooth Operations

While not all successful convention centers are privately operated, leading private firms drive revenue, align with municipal goals, and maximize economic impact.

Preliminary Conclusions

Multipurpose Flexibility is Essential: College Station lacks high-quality, adaptable space for various events. A versatile venue would ensure year-round activity by attracting conventions, conferences, sports, and entertainment events

Strong Hotel Package Drives Convention Demand: A successful convention facility needs a connected, walkable hotel package to attract overnight events

Suburban Venue Offers Cost-Effective Alternative: A suburban facility provides a more affordable option than large, full-service hotels and offers appropriately sized space for small to mid-sized events

Differentiation Through Walkability & Amenities: The development must stand out from established venues in the region by emphasizing walkability and integrating nearby dining, shopping, and entertainment options

Leveraging Texas A&M Facilities to Boost Demand: Stronger integration with Texas A&M's event facilities could attract association and group business, reducing the need for a fully dedicated convention center

Recommendations

Feature	Capacity
Convention Center Program Exhibit Hall / Flexible Event Floor, Grand & Junior Ballroom, Meeting Rooms	**70,000 – 100,000 SF** Total Sellable Function Space
Connected Hotel Program In-House Meeting Space - Grand & Junior Ballroom, Meeting Rooms	**275 – 400 Keys** 24,000 – 30,000 SF Function Space

147,000 – 212,000 SF Total (Full Convention Center Sizing Including Back-Of-House)

Minimum Land Needed w/ Structured Parking: 7 – 9.5 Acres*
Minimum Land Needed w/ Surface Parking: 15 – 20 Acres*

***acreage includes hotel**