

DAVIS COUNTY

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DAVIS COUNTY COMMISSIONERS RESPOND TO CENTERVILLE LETTER

FARMINGTON – Davis County Commissioners today received a letter from the Centerville City Council opposing the proposed expansion of the Davis Conference Center, giving reasons for their opposition.

The Davis Commissioners express their disappointment that the Centerville Council members would not first invite a dialog to discuss their concerns and questions, as we believe that many of their concerns could have been addressed and a better understanding of the rationale behind the decision to move forward could have been shared.

The Centerville letter states that “the expansion of the Conference Center would be a long term financial burden on taxpayers...,” and that the “Center is heavily subsidized by taxpayers.” In fact, the bulk of the financing for the conference center expansion and for operations will be paid for with revenue generated from the county’s hotel transient room tax. This tax is generated primarily by visitors to Davis County and not the general Davis County populace.

The Centerville letter notes that according to the executive summary of the expansion feasibility study, the operating deficit for the Center will increase from what it is today. The primary reason for the increase in the deficit, as expressed in the detail of the feasibility study, is that the expanded center will be in a position of host larger conferences and exhibitions which bring in more people from out of the area that will make use of Davis area hotels, restaurants and shopping, and generate nearly double the economic activity from what is currently generated due to Conference Center activity. These larger conferences, however, are in a position to demand greater incentives for coming, such as discounted facility rental rates and so on. The question then becomes, do these larger meeting produce more in new tax revenue than what they require in subsidies? According to the feasibility study, the answer is yes, looking at all new taxes generated (city, county and state taxes). The Commissioner felt it was worthwhile to move forward on this basis.

The Centerville letter cites a 2005 Forbes magazine story indicating that meeting and conference attendance is flat, while meeting space availability is increasing. According to our feasibility study and the study’s author, while that was true in 2005, the trend for meeting demand seems to be on the rise again in recent months. Also, the Forbes study cites data on a nationwide basis – conditions vary by region. The detailed work done in the Davis Conference Center study showed a healthy meetings market in our area, with significant potential for increasing our market share.

“Our Convention and Visitor Bureau staff have told us that we have had to turn away over 40 meetings, worth about \$5 million in local economic impact, because our Center was either too small or was already booked for the dates they wanted,” said Davis County Commissioner Alan Hansen. “Given that we already have over 700 events a year in the Center, and the economic impact that will result from larger groups, it really does make economic sense to move forward with the expansion.”

The feasibility study also showed a very strong positive response about potential future use of the Davis Conference compared to other facilities in the area. The reason appears to be that those who have seen the Davis Center are attracted by the characteristics and location of the center, giving Davis County a better position in the market than many other conference centers in the region. For this reason, we believe we have a good chance of capturing more than our fair share of the potential market.

The Centerville letter suggests there are better ways to spend the money proposed for the Conference Center expansion to achieve a greater economic impact. The letter suggests that a regional performing arts center is one that should be considered.

Frankly, we fail to see how a facility that will primarily be patronized by local residents, spending money that is already here in the county, would result in a greater economic impact than creating a facility that would attract more out of area visitors who would bring new money to hotels, restaurants and shopping in the area.

We invite the Centerville City Council members, and all others who may be interested, to meet with us to discuss questions, concerns and details. We would be happy to share the information we have.

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