

**GRAND JUNCTION CITY COUNCIL
WORKSHOP AGENDA**

**MONDAY, JUNE 18, 2001, 7:00 P.M.
CITY HALL AUDITORIUM, 250 N. 5TH STREET**

MAYOR'S INTRODUCTION AND WELCOME

- 7:00 **COUNCILMEMBER REPORTS**
- 7:10 **CITY MANAGER'S REPORT**
- 7:15 **REVIEW OF FUTURE WORKSHOP AGENDAS** [Attach W-1](#)
- 7:20 **REVIEW WEDNESDAY COUNCIL AGENDA**
- 7:30 **TWO RIVERS CONVENTION CENTER CONSTRUCTION UPDATE AND DISCUSSION ON OPERATIONS AND MANAGEMENT:** Public Works Director Mark Relph will update City Council on the construction project. City Manager Kelly Arnold will discuss future operations and management of the Convention Center. [Attach W-2](#)
- 8:30 **EXECUTIVE SESSION TO DISCUSS PENDING LITIGATION**
- 9:00 **ADJOURN**

This agenda is intended as a guideline for the City Council. Items on the agenda are subject to change as is the order of the agenda.

FUTURE CC WORKSHOP AGENDAS

JULY 9, MONDAY 7:00 PM:

- 7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA & REVIEW FUTURE WORKSHOP AGENDAS
- 7:25 CITY MANAGER'S REPORT
- 7:30 VISION COMMITTEE UPDATE
- 8:15 WATER PRESENTATION BY JIM LOCHHEAD

JULY 16, MONDAY 7:00 PM:

- 7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA & REVIEW FUTURE WORKSHOP AGENDAS
- 7:25 CITY MANAGER'S REPORT
- 7:30 COMMUNICATIONS AUDIT
- 8:10 DOWNTOWN DEVELOPMENT AUTHORITY WILL DISCUSS PARKING AND TIF

JULY 30, MONDAY 7:00 PM:

SPECIAL JOINT WORKSHOP WITH THE PLANNING COMMISSION FOR THE ONE YEAR REVIEW OF THE ZONING & DEVELOPMENT CODE

AUGUST 13, MONDAY 7:00 PM:

- 7:00 COUNCIL REPORTS, REVIEW WEDNESDAY AGENDA & REVIEW FUTURE WORKSHOP AGENDAS
- 7:25 CITY MANAGER'S REPORT
- 7:30 OPEN

FUTURE WORKSHOP ITEMS

1. BOTANICAL SOCIETY MASTER PLAN
2. DARE & SCHOOL RESOURCE PROGRAMS
3. HAZARDOUS DEVICE TEAM
4. FORESTRY OPERATIONS
5. PARKS/SCHOOLS COOPERATIVE AGREEMENTS
6. MUNICIPAL COURT OPERATIONS: August
7. ELECTRONIC RECORDS MANAGEMENT SYSTEM:
8. LIQUOR LICENSING PROCEDURES
9. TOUR OF NATURAL GAS FACILITIES: (After GMS overview) August??
10. SOLID WASTE COLLECTION IN NEWLY ANNEXED AREAS
11. CRIME LAB
12. HAZMAT
13. GOLF OPERATIONS
14. CODE ENFORCEMENT OPERATIONS

Attach W-2

June 12, 2001

To: Mark Relph, Joe Stevens

From: Jim Shanks

Re: Two Rivers Convention Center Progress Report

Building

Foundation: The piling, piling caps, grade beams, columns, and elevator shaft for the new addition have all been constructed. There was an error in the layout of the steel piling resulting in 6 additional piles being driven and several pile caps being enlarged. This problem resulted in a construction delay of approximately 2 weeks compared to the original schedule. Shaw is working on a revised schedule with the anticipated completion date still being the first week in December. Groves Masonry is beginning to construct the masonry walls.



Concrete Column

Masonry wall foundation

Demolition: The demolition inside of the building is proceeding on schedule. The existing walls and bathrooms have been demolished. The contracting is removing the exterior canopy today. An interesting note, the copper vent piping in the women's bathroom was completely corroded through. The kitchen equipment has been removed and the equipment that is to be refurbished is stored in the exhibit hall awaiting the kitchen contractor. The existing dishwasher that is planned to be reused does not appear to be in very good condition.

Acoustic Design: Parks has contacted Jim Barath, an acoustic design consultant from Monterey, Ca., to view the exhibit hall and give the City a proposal to design acoustic and sound system improvements. Mr. Barath will be in Grand Junction on June 19th to view the building and meet with City staff to discuss the

project. He has previously done design work for the City at Stocker stadium.



Old meeting room area

Asbestos: The asbestos tile mastic in the kitchen area has been removed. The asbestos containing soffit material on the south and east side of the building has been removed. The remaining soffit material on the exhibit hall is approximately 50% removed.

Progress Payment: A progress payment was made to Shaw in the amount of \$263,889. This payment is for work completed to date (less 10% retainage) and represents 5.7% of the GMP. 100% of this progress payment was charged to the Two Rivers building project.

Costs Outside GMP: The following costs were incurred which are outside of the GMP (does not include any architectural fees):

| | |
|--------------------------------------------------------|-------------------|
| Nelson Engineering (asbestos removal) | \$1,571.00 |
| Xcel Energy (building utility relocations) | \$15,373.00 |
| Mesa County (building permit) | \$3,312.00 |
| Mountain West Insurance (builder's risk policy) | \$3,196.00 |
| City of Grand Junction (50% of water tap) | |
| \$975.00 | |

Parking lot

The parking lot demolition work is nearing completion. All of the existing pavement and concrete in the old parking lots and in Colorado Avenue have been demolished. The old swimming pools and building foundations have been removed. During the excavation of the LaCourt motel foundation a utility tunnel was discovered that has asbestos wrapped steam and water lines. This material was determined to be friable "air cell" asbestos wrapping and will require special handling for its removal. The low bid submitted for this work was from Nelson Engineering for \$38,255.

This cost was not anticipated in the original budget. However, the cost of the utility relocations in Colorado Avenue which was

estimated to cost \$70,000 has been quoted at \$30,000. The asbestos abatement work will take approximately 4 weeks to complete. They are starting on the west side of the site to accommodate the demolition of the sidewalk and curb along 1st Street. This additional work is not anticipated to result in any construction delays in the parking lot.

The revised plans for the construction of the parking lot around the Catfish restaurant is complete. The Development Engineer has informed us that we are now required to reconstruct the existing alley at the south end of the parking lot. Rolland Engineering will be performing the design of this work. Shaw will provide an estimate for the additional excavation and concrete work. There is an existing gas line and sanitary sewer beneath the alley. Excel Energy and the City sewer department are evaluating the need to replace these lines.



Looking SE

Parking lot costs outside GMP:

The following costs outside of the GMP were incurred for the parking lot:

| | |
|-------------------------------------------|-------------|
| City of Grand Junction (50% of water tap) | |
| \$975.00 | |
| Geotechnical Eng. Group (pavement design) | |
| \$1,446.50 | |
| Xcel Energy (relocate power in Co. Ave) | \$21,361.00 |
| Xcel Energy (parking lot street lights) | \$23,083.00 |
| Ciavonne & Assoc. (75% of plaza prelim.) | |
| \$2,237.09 | |



Asbestos wrapped steam line



**Tent covering for
asbestos removal**

MEMORANDUM

TO: GRAND JUNCTION CITY COUNCIL
FROM: KELLY ARNOLD, CITY MANAGER
DATE: JUNE 14, 2001
RE: TWO RIVERS CONVENTION CENTER
WORKSHOP



On Monday night we'll have the following schedule on this subject:

- Update on construction remodel project;
- Discussion of Two Rivers Convention Center Operations and Management.

When Council approved the Two Rivers Convention Center (TRCC) remodel project, a promise was made to have a discussion about the operations and management aspect. To meet this promise, I assigned Dave Varley the task of reviewing the past and current history of operations and management. Also I asked him to identify specific issues that needed policy guidance and some recommendations. Attached is a copy of his report.

As City Manager, I am responsible for the overall administration of TRCC. But in order to succeed, I need some general policy guidance from City Council on some critical issues. This guidance seems to break itself out into three issue categories: TRCC facility use; Management of TRCC; and miscellaneous items related to TRCC.

TRCC Facility Use

Some of the basic facility use questions that need direction from Council will help guide Council on other administrative directions. The first basic question is:

- 1) Should TRCC be treated primarily as a community center or a convention center? Even if it is desirable to keep some blending of uses, some direction should be provided on the primary use.
- 2) If the use is primarily as a community center, then does it meet the Council's continued budgetary approval to subsidize this use at current level or more?
- 3) If the use is primarily as a convention center, does Council approve the following possibilities:
 - Teaming with a local hotel(s) and being more aggressive in attaining more convention business?
 - Allowing more marketing flexibility including local use and setting policies/procedures depending upon the size of the convention?
 - Attempt to operate more on an enterprise fund approach or continue to subsidize and at what level?

Management of TRCC

Some of the questions from the uses of the facility may drive the management of TRCC. My initial inclination at this point of time is to continue to have the management of TRCC as the direct responsibility of the Parks and Recreation Department. Also, I concur that a professional manager of the facility would be helpful. This concurrence is also on the manager be designated at a division head level reporting directly to the Parks and Recreation Director. This inclination is based upon the possibility of using TRCC more aggressively as a convention center. If it's primary use is to be a community center, then it could be concluded our current staffing level is appropriate.

The most important fact that makes my mind up on this recommendation is the difficulty we had two years ago recruiting and filling a manager level position. The problem conveyed to me was the salary of the position and the inability to recruit good candidates at that salary. If it is a division level position, with a higher salary and more responsibility, then it may be easier to recruit for a professional, experienced, and customer oriented individual.

Some of the questions for Council are:

- Does Council support a professional manager of the facility?
- Should there be further investigation of management or should we move expeditiously on filling a facility manager position so it will be in place in time for the opening of TRCC?

Miscellaneous issues/questions regarding TRCC

Throughout this review process many issues and questions have been raised, including some that could be considered “outside the box” of our norm when considering operations at TRCC. With the facility under a remodel and rejuvenation, now is the time to venture “outside the box” and make sure we ask all of the questions that we need to ask. If those questions are asked and answered, then we can ultimately set a course for success within the parameters we have set. Here is just an example of two of the questions that have been raised that may merit further discussion; there are probably others that can be raised by Council.

- Should the name of the facility be changed? Does Two Rivers Convention Center really mean what we want? Does the name work now or is there a better name?
- Are there other opportunities for partnerships that meet economies of scale. For example, does it make some sense to investigate the possibility of the Avalon being managed/operated by the same staff as TRCC? The economies of scale for having one management staff, one custodial staff, and one set up staff, may merit further review. Also, it would allow potential flexibility between the two facilities for their use if it was managed by one agency. This would allow single operation of the premier public facilities bookending downtown.

It would be helpful for most of the Council direction to be determined at the workshop. With time of the essence in considering the fact that the facility will be reopened in six months or less, there will need to be some time to get in place the various personnel, procedures, and other related operational items for the opening of TRCC.



TWO RIVERS CONVENTION CENTER OPERATIONS AND MANAGEMENT REPORT JUNE, 2001

I. INTRODUCTION

Two Rivers Convention Center (TRCC) is currently being remodeled and expanded. This is the largest improvement to the facility since its construction. The building will be closed during the remodel and it will reopen in December, 2001. During this remodel is an opportune time to examine the operations of Two Rivers. Such an examination will let us make changes and improvements that will enhance the service we provide when the facility reopens.

This report looks at the operations of Two Rivers and suggests changes that can be made in conjunction with the remodel and expansion. In addition, it tries to address comments that have been made in the past that Two Rivers should be housed under a different City Department and answer the question about who should run Two Rivers.



The research for this report consisted of numerous individual interviews. Those interviewed were asked their perceptions of and recommendations for Two Rivers. People interviewed included individual City Council Members, frequent and recent users of the facility, the VCB Board, interested citizens and committee members, Two Rivers and other City staff. Research also included review of financial figures, two recent studies regarding TRCC and comparison with other facilities. The main purpose of this report is to provide information to help the appropriate officials make decisions regarding the operation and management of Two Rivers Convention Center.

II. WHAT IS TWO RIVERS CONVENTION CENTER?

A. HISTORY

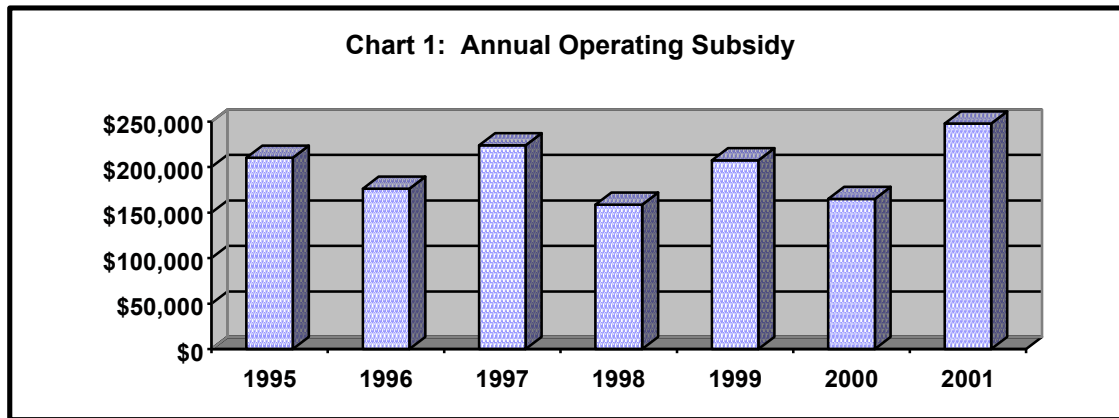
Two Rivers Convention Center opened for business in September, 1975. When it was constructed, the idea was that its development would attract a major hotel downtown and it would help anchor the development/redevelopment of the west end of Main Street. Two Rivers was not built with a kitchen because it was assumed that a large hotel would be built next door. The hotel did not materialize so eventually a kitchen was built in the space that was originally designed for storage.

Historically, TRCC has basically served as a community center. The lack of adjacent hotel rooms has hurt its ability to be a

convention center. Over the years, the main use for TRCC has been for local meetings and small, special interest events.

B. CURRENT USE

Two Rivers is currently managed by the City's Parks and Recreation Department and has approximately 23,000 square feet of space including an exhibit hall of 18,600 square feet. The facility has historically operated at a deficit with the annual operating subsidy ranging between \$150,000 and \$250,000.



During the past few years two different studies concerning TRCC were conducted. Both of these studies determined that TRCC has served mainly as a community center. One of these studies, performed by a national facility consultant, described it as a "hybrid" type of facility. This definition derived from its limited ability to draw from out of the area because there was not a major hotel close to it and the facility is too small to host major events.¹

Most of the users of Two Rivers come from the local area. TRCC captures a major portion of the micro, or local market, such as local businesses, government, social, fraternal or religious groups and trade shows.² Fewer than 20% of the groups using the facility originate from outside a 50-mile radius of Grand Junction.³ The majority of the events at TRCC are single-day or less events such as luncheons and meetings. Multiple day use of the exhibit space is infrequent when compared to other facilities, reflecting the hybrid nature previously described.⁴

The nature of the business that TRCC captures is also reflected in its revenues. Over 70% of total revenue is from food and beverage sales, not room rental. This percentage has been as high as 82% but it has been declining the past few years.⁵ The national facility consultant reports that in smaller communities like Grand Junction, convention centers are used more as a community asset and a place for local groups to meet.⁶ Local experience confirms that conclusion.

One of the studies analyzed several different facilities and it found that most of the centers located in non-resort areas draw less than 10% of their demand from an out of town market and are

considered true community centers. "In most cases, the cities involved had built their centers for a different purpose, but were now resigned to keeping the space as a community asset, which included funding operating deficits with little hope of recovery of deficits through economic impact".⁷ While TRCC does attract some business from outside the area, the economic impact to the City is quite small. The latest figure estimated that the facility generated about \$60,000 in taxes to the City.⁸

One of the main reasons TRCC does not compete for conventions and trade shows is the lack of adjacent hotel/motel accommodations.⁹

Another reason has been the small size of the facility and the lack of a dedicated ballroom. Also, there is very little marketing because only the exhibit space is consistently available as contracts with local organizations tie up the meeting space.¹⁰ In order to attract any significant convention business it is estimated that it would require at least 200-250 hotel rooms in close proximity to the facility.

C. USER VIEWS AND OPINIONS

Part of the research for this report consisted of interviewing numerous users of the facility. This included City Council members, the VCB Board, users from the previous year, representatives from the Parks Board and Downtown and City staff.

While not everyone agreed on all of the issues, there were common threads. There was some differing opinion about customer service but most people said they were satisfied with the service they received. The majority also said that the food was adequate and many stated that it has been improving recently.

Another common view is that most people think Two Rivers serves primarily as a community center. A few people think it can and should be a convention center but the majority believes that the local community and local users should be the target market for Two Rivers. Most people are excited about the current remodel but they also believe the changes and improvements are not significant enough to turn the facility into a convention center.

The users that were interviewed also believe that the Center has served the community well over the years. It has filled a role in the community by accommodating events that could not be held anywhere else. Some people also believe that TRCC has been treated as a "step child" over the years and has not received the attention it deserves.

The interviewees were also asked for comments, complaints and suggestions for improvement. These are noted in subsequent sections of this report.

D. ISSUES AND AREAS OF CONCERN

While doing research for this report several areas of concern were discovered. The following list includes pertinent issues and areas that need improvement:

Operating Subsidy: Two Rivers is an enterprise fund but it does not generate enough revenue to cover its operating expenses. Each year the City's general fund has to subsidize this facility.

Several people think that TRCC should at least break even and others think the City should continue to subsidize it because it is a valuable community asset.

It is the conclusion of this and the two prior reports that based on the nature of the facility and comparing it to other, similar facilities, it is reasonable to expect that there will always be a subsidy. One of the TRCC studies made this observation: "It is truly a rare convention center that operates on a break-even basis. Deficits are normal and should be considered to be the cost of maintaining the community asset".¹¹

Defining a Role: While most people think TRCC should concentrate on being a community center, others want the facility to serve more like a convention center. Both of the studies that were reviewed, and it is a similar conclusion of this report, conclude that it would be impossible for TRCC to become a successful convention center. A survey of event planners for Colorado state associations indicated that 47% would not consider Grand Junction for their event.¹²

Another study stated that "The predominance of demand for meetings in Grand Junction is, and is expected to remain, the local market. While Grand Junction is viewed favorably by the statewide market, there are impediments to growth from this market which include locations issues (cost and accessibility), seasonality and facilities location and availability".¹³ Another impediment to attracting conventions is the lack of a ballroom. Most groups that book convention facilities require a dedicated ballroom for their activities.¹⁴

The Facility Itself: Many of the complaints about Two Rivers deal with the building. There is a common belief that the building is old, outdated and ugly. Specific items mentioned include poor acoustics, poor lighting, poor audio/visual capability, shortage of meeting room space, inadequate rest rooms and kitchen.¹⁵ Many of the people interviewed asked for the addition of a business room. This would be a room for the users/renters of the facility and it would contain amenities such as a telephone, internet access, a fax machine and a photocopier. The current remodel and expansion should address most of the concerns that fall into this category.

Profit/Loss: With the current accounting methods it is difficult to determine exactly which events are making or losing money for the facility. During the discussion of the remodel a cursory analysis determined that TRCC loses about \$257 on average, for each service club lunch. Big banquets, proms and trade shows were projected to be a net profit to the facility of between \$1,000 and \$2,000. A system needs to be set up in order to more accurately track facility revenues and expenses.¹⁶

Booking and Operating Policies: Several of the users complained about the booking policies. One reported problem is that there is not a clear bookings and reservation policy including a prioritization policy. Local service clubs sometimes feel like they have been bounced around to make room for larger groups while big events may be turned away because they have been preempted by a longstanding commitment to a service club

luncheon. Related to this is the issue that certain basic operating policies need to be developed and/or enforced.¹⁷

Flexibility: There is a desire among some that Two Rivers be more "flexible" in some of its operating policies. For example, some would like flexibility in the rates and how they are charged. Others would like more flexible operating policies such as the prohibition on outside food and drink.¹⁸ These basic operational questions need to be resolved.

Both Ends: Staff often gets hit from both ends. The facility is criticized because of the large operating subsidy that is required but then there are also requests to "work with" non-profits and others to reduce fees. Also, some of the complaints are difficult to resolve because they are of the customer's own making. For example, a large group may request just two bar setups to keep costs down but then they complain about the long lines for alcohol service.¹⁹

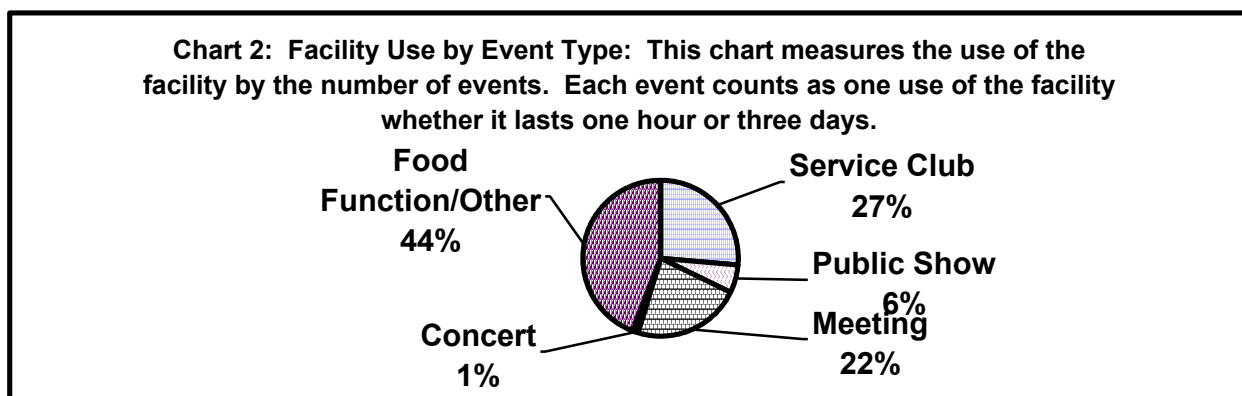
Lack of Procedures: There are very few procedures for the kitchen activities and other basic operations. Implementing procedures and standards in many areas such as training, purchasing and food cost control, food preparation, control of inventory and cost control of liquor is essential. The recently hired Chef is currently addressing many of these issues.²⁰

III. THE CASE FOR A COMMUNITY CENTER

A strong case can be made that Two Rivers should continue to operate as a community center. Three main points support this position. First, Two Rivers' history is as a community center. Since the facility was constructed its role has mainly been to serve the local community. That is what it has been doing for the past twenty-six years and people have come to expect and rely on the facility to meet those needs.

Second, the real strength of TRCC is its ability to operate as a community center. Most people believe the unique features of Two Rivers are its size, its location and its ability to host events that cannot be hosted in another facility. Certain characteristics of the building, such as its lack of a ballroom, make it very difficult to be a convention center. Another impediment to filling the role of a convention center is the lack of a large block of hotel rooms within walking distance.

Third, the biggest demand for a facility like Two Rivers comes from the local market. This has been true during the history of TRCC and it is projected to be that way into the future. The



majority of events that Two Rivers is capable of hosting come from within a 50 mile radius of Grand Junction. There is some potential to increase the number of outside events but the bulk of business for TRCC is projected to remain the local market. The demand for local events such as banquets, weddings and trade shows will always be much greater than the demand for regional, statewide, or other conferences.

If TRCC continues to be a community center and focus exclusively on being a community center then it will be better able to serve the needs of the local community. However, the tradeoff is that this would come at the expense of larger, outside groups and the economic benefits to the community will be less. Two Rivers has suffered an identity crisis for not being recognized for what it is.

IV. THE CASE FOR A CONVENTION CENTER

While TRCC has mainly operated as a community center, some people think it should, and could, be a small convention center. With the addition of Hawthorn Suites and the building being remodeled and expanded Two Rivers could work to capture more convention business. This would require a much more aggressive marketing campaign and a different set of operating priorities.

There is a finite amount of convention business that TRCC could capture. Although that amount is small, it is better than none because it is shown to be the most profitable for Two Rivers. With these conditions, some people would like to see the emphasis shift from local business to regional, convention business. The proprietors of the new hotel next to Two Rivers believe that additional convention business could be attracted downtown and there is the possibility that another hotel could be built. They feel that downtown provides a nice attraction for out of town visitors and this type of business could be greatly increased.²¹

If the role of TRCC shifts to that of a convention center it will have to be deliberate. While such a shift could provide a greater economic impact to the City, it will likely come at the expense of local users such as service clubs.

V. HOW SHOULD TWO RIVERS OPERATE?

A. FIRST, DECIDE WHAT IT IS

The first and foremost question to decide is what role should Two Rivers play? Once this question is decided then the proper procedures and policies can be adopted to implement the desired role. Two Rivers needs clear direction. After everything else is in place, such as a clear mission and appropriate policies, then the issue of who manages it is less important.

B. IF IT IS A COMMUNITY CENTER

If it is decided that Two Rivers is a community center then certain things must happen. First, operating policies that recognize local groups and events as the primary recipients of space and service, should be adopted. This could include giving preference to local groups and letting them book or reserve the facility up to a year in advance and giving them a guarantee for a certain room in the facility. Also, the rates and charges should be examined and the idea of having different rates for profit and non-profit groups could be explored. If it is going to be a community center then the subsidy may be larger. This fact should be acknowledged and accepted as the cost of providing this service to the community.

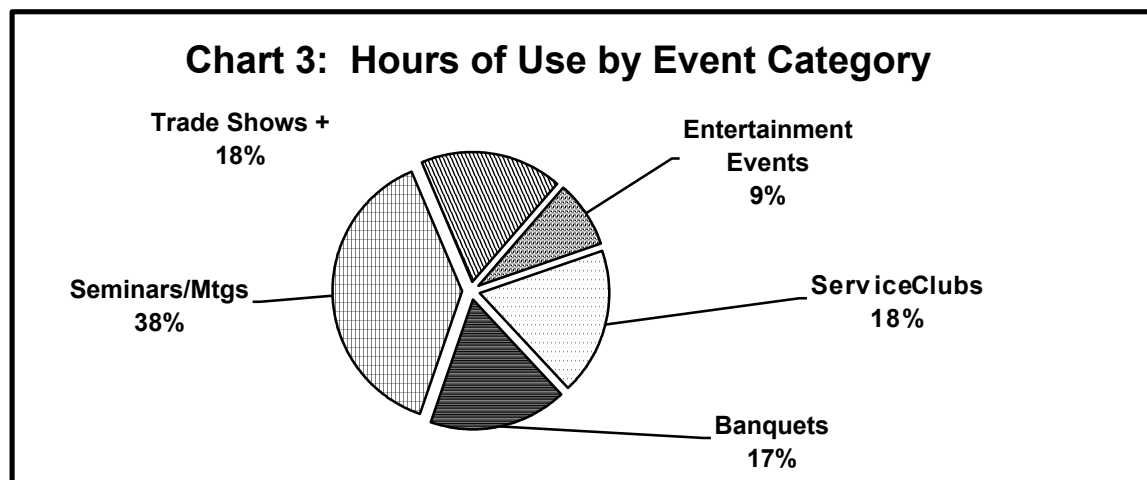
C. IF IT IS A CONVENTION CENTER

If the primary role for Two Rivers is a convention center then different things must happen. First, the booking policies should be changed to give preference to outside groups. This change would let convention groups book the facility ahead of local users, even regular users. Also, policies could be adopted that would restrict use by local groups such as service clubs.

Second, it would be necessary to examine the rates that are being charged. It appears that the food service is priced at a point where the facility loses money. Also, it may be appropriate to have a policy that gives financial breaks to outside groups if they would have a sizeable economic impact on the community. If TRCC is a convention center then there is a greater expectation that it will have a lower subsidy.

A third important item would be to increase the marketing and sales effort. There has been little or no marketing of the facility in the past, partly due to the fact that the policies made it difficult to attract outside users.

The booking policy could be combined with other operating policies that would make TRCC more attractive to outside conventions. Hopefully, this would increase the use of the facility by groups outside of Grand Junction but would have only a minor impact on use of the building by local groups.



D. RECOMMENDED CHANGES AND IMPROVEMENTS

Now that Two Rivers is closed for the remodel, there is an excellent opportunity to make changes and improvements. During the course of this study we came across several changes and improvements that should be made before the facility reopens in December.

1. Provide clear directions. Over the years TRCC has received conflicting messages. A set of clear expectations is needed so the facility will know what it is and how it is expected to operate.
2. Develop clear booking policies. Staff needs to know what these policies are so they can provide consistent answers to the users.
3. Develop operating policies and procedures. There is a shortage of written policies at TRCC. Policies are needed so people will know what the rules are and how the facility operates. Too much of the daily operations have never been written down so they can change when personnel change. TRCC staff is working on this issue and this is one of their priorities while the building is closed for the remodel.
4. Develop flexible policies. The policies should provide flexibility so the staff can work with and accommodate the needs of the various users. Two examples are the outside food policy and how rates are calculated
5. Update the rental fees and food service charges. It appears that some of these rates are too low while others may be right in line or a little too high.
6. Decide on the rates and stick to them. Decide whether or not certain groups such as non-profits will get discounted rates. Once the rates are adopted let all the groups know and then stick to them.
7. Provide a business room for the users. This can include such things as an internet connection, a telephone, a fax machine and a photocopier.
8. Track revenues and expenses better to determine which events are profitable and which events are adding to the subsidy.
9. Increase the sales and marketing effort and work closely with the Visitor and Convention Bureau.
10. Make operating and/or staffing changes so users will be able to plan their entire event by dealing with just one person. Also, arrange it so one person is in charge and can make decisions for the facility.
11. Improve training for employees and focus on customer service.
12. Keep the facility clean, both inside and out.
13. Explore public/private partnerships The Hawthorn Suites Hotel has expressed a desire to team up with TRCC. They would like to put together a "package deal" with Two Rivers that would allow them to respond to sales leads from the VCB. They want to provide one stop shopping for sales leads where they supply the rooms and Two Rivers supplies the meeting space.

VI. WHO SHOULD MANAGE TRCC?

A. CITY PARKS AND RECREATION DEPARTMENT

Two Rivers is an enterprise fund in the City's Parks and Recreation Department and has been in this Department for a number of years. Two positions currently share the management of Two Rivers and these two positions report to the Recreation Superintendent. This arrangement has several advantages. One of the advantages is that this Department runs other facilities such as the Lincoln Park Barn and the football and baseball stadiums.

They are used to running these and are oriented to serving the users of facilities. They also supervise numerous recreation programs and are geared up to provide good customer service. This Department also manages a large number of part-time employees and TRCC uses many such employees.

One of the disadvantages to the Parks and Recreation Department is that they are not experts at sales and marketing. They provide many recreation programs but are not set up to market such a facility outside the Grand Junction area. Also, they have many other high priority items that compete for their time.

B. THE VISITOR AND CONVENTION BUREAU

Some people believe the Visitor and Convention Bureau should manage Two Rivers because they are already in the marketing and hospitality business. The biggest advantage of the VCB is that they would be able to use their marketing and sales expertise. This could increase the amount of convention business from outside the Grand Junction area.

One of the disadvantages of the VCB is that they are not experts in running a facility. Their expertise lies in marketing, not in managing facilities. Also, some people think this would be a conflict of interest for the VCB. Specifically, some people in the hotel community feel that TRCC would gain an unfair advantage over other facilities when competing for meeting and convention business. Additionally, there is a fear that managing Two Rivers could detract the VCB from its marketing efforts, diluting the focus of its mission.

The VCB Board recently discussed this issue. There was not a strong desire by the Board to take on the duty of managing TRCC.

No matter who manages Two Rivers, there could be closer cooperation and the VCB could still market the facility.

C. DOWNTOWN DEVELOPMENT AUTHORITY

It has also been mentioned that the DDA should manage Two Rivers because it is located in the downtown area. Most people we spoke with did not think this was a viable solution. Two Rivers is owned and operated by the City of Grand Junction and it seems appropriate that it remain a division or department of the City.

The mission of the DDA is geared more toward economic development and redevelopment, not managing a facility such as Two Rivers.

D. CITY ADMINISTRATION

A few people have suggested that Two Rivers be run or managed by the City Manager's office. Actually, this is the way it was set up years ago. For various reasons it was decided that it did not work and it would be more appropriate to move the operation over to the Parks and Recreation Department. If City Administration directly managed TRCC it certainly would give that operation a high profile in the City. This might call a little more attention to the facility but there are no significant reasons why this would inherently change the operation or management of Two Rivers.

The best thing that can be done to improve the operation of TRCC is to decide what we want it to be and give it clear direction and expectations. Once we know what is expected from the facility and we know what its role is, we can develop the appropriate policies and put the proper management in place.

E. PRIVATE COMPANY

Another option for the management of Two Rivers is to contract it out to a private company. There are several companies in the country that specialize in operating public facilities. This type of arrangement has some advantages over the City running it.

One of the possible advantages is that the facility may be run more efficiently. A private company may be more inclined to look at "the bottom line" when it manages a facility. Some companies are able to achieve cost savings as they pay lower wages or engage in other practices to lower their costs. Another advantage is that this would remove the City from the daily operation of the facility. Complaints over fees or service could be referred to and handled by the private company.

There are also disadvantages to having a private company operate Two Rivers. One of these is the fact that it is a community facility and the citizens and users may feel a loss of ownership.

Many people like to be able to contact staff or elected officials to air complaints or ask for improvements to the facility. A management company may serve to unnaturally and uncomfortably insulate the City from the operations of TRCC.

A private company would not make the subsidy disappear. This type of facility generally never breaks even and, therefore, the City would continue to subsidize its operations.

Another disadvantage is that most private companies that specialize in this field operate facilities that are more truly convention centers or events centers. Two Rivers is a small facility and it will likely be operated more like a community center.

VII. CONCLUSION

The City's Two Rivers Convention Center has played an important role in the community since its completion in 1975. Over the years Two Rivers has served very well as a community center or "hybrid" center. The majority of events held at TRCC are of a local nature and several service clubs hold their weekly meetings there. Most users of the facility are pleased with the service they receive and believe that the target market for TRCC should continue to be the local community.

Now that Two Rivers is closed for the remodel, we are in an excellent position to make some changes and improvements before it reopens. We should take advantage of this opportunity to improve the service we provide.

The first thing that should happen is a decision about what we want Two Rivers to be. Historically, it has served mainly as a community center for local events and it is projected that this will continue to be the biggest demand in the future. Studies show there is a limited convention market that Grand Junction would be able to capture. This is based on the demand in the industry and the physical attributes of Two Rivers. The lack of a dedicated ballroom and a large number of hotel rooms nearby make it difficult, if not impossible, for Two Rivers to compete for major conventions. The facility's size will continue to make it attractive to local trade shows, banquets, weddings, dances and other events. Local events will continue to be the dominant business for Two Rivers.

Even though the facility has certain shortcomings when compared to larger convention centers, it could still increase the amount of non-local business it attracts. It may be possible to increase the amount of convention business while still meeting most of the local needs. The additional meeting space that will be added during the remodel and the associated improvements will make Two Rivers more attractive to a wider variety of groups. Along with this is the new hotel next door which adds some rooms in a convenient location. If the booking and operating policies were revised to give some preference to larger, outside conventions and groups it is possible that Two Rivers could serve more like a convention center and increase the number of outside events it attracts. .

For instance, outside groups would be able to book the facility up to eighteen months in advance and they would be guaranteed certain rooms in the facility. Large local groups that rent the facility for one day or multiple days could reserve the building up to twelve months in advance. Smaller local groups that use the facility would be able to reserve space six to twelve months in advance but they could be moved around if a larger, outside group rented the building and needed their space. This change may, however, cause some disruption to some of the local groups that now use the facility.

There are also a few changes that could improve the management of the facility. The first change would be to hire a full-time professional manager. In general, the staff at TRCC is doing a good job but they are being spread too thin. We heard numerous compliments about the staff and about the improving quality of the food service. However, there needs to be one person who is

in charge of the facility and who is responsible and accountable for all of the operations. A general manager should be hired and he/she should be responsible for the entire operation. Below this manager should be three to four different sections such as food and beverage service, sales/promotion, event coordination and maintenance/operations.²² This would improve the service in all areas and would be very beneficial to those booking the facility.

In addition to hiring a professional manager, appropriate booking policies and operating procedures need to be developed and implemented. These will determine how the facility is operated and they will set clear expectations and service standards for all involved.

Once a manager is on board and the appropriate policies are in place it is less important where Two Rivers is housed in the organization. It should remain with the City but it should be elevated in the organization to something akin to a division and should receive more attention attendant to that status. The new manager should be at the same level as other division managers and should report directly to the Parks and Recreation Director. This would give Two Rivers the attention it needs in order to provide the expected service.

Two Rivers has played an important role since its inception. With the current remodel taking place the City is spending millions of dollars to improve this community asset. This commitment shows the importance of this facility to our community. In order to get the most out of this expenditure we should decide what we expect from Two Rivers and then be willing to commit to make it happen.

¹ Hire & Associates, *Market and Facilities Assessment and Potential Hotel Demand Analysis of the Two Rivers Convention Center in Grand Junction, Colorado*, February, 1997, pp. II-3, II-4.

² Hires, p. III-2.

³ Hires, p. II-11.

⁴ Hires, p. II-11.

⁵ Hires, p. II-11.

⁶ Hires, p. II-12.

⁷ Hires, p. III-5.

⁸ Hires, p. II-12.

⁹ Conventions Sports & Leisure International (CSL), *Market Program, Financial and Economic Analysis for Potential Enhancements to Grand Junction Convention and Meeting Facilities*, November, 1998, p. 32.

¹⁰ Hires, p. II-12.

¹¹ Hires, p. II-12.

¹² CSL, p. 22, exhibit V-1

¹³ Hires, p. III-6.

¹⁴ CSL, p. 29.

¹⁵ Hires, p. II-2.

¹⁶ Mari Steinbach, Recreation Superintendent, *TRCC Project Renovation, Service Decisions Surrounding Project Timelines*, October, 2000.

¹⁷ Randy Coleman, Mesa State College Intern, David Varley, Assistant City Manager, *Interviews with TRCC Users, Council Members, VCB Board, Staff and others*, March - May, 2001.

¹⁸ Coleman, Varley, *Interviews*.

¹⁹ Coleman, Varley, *Interviews*.

²⁰ Pinion Grill, Pat and Steve, *On Site Inspection & Analysis at TRCC*, March, 1998.

²¹ Coleman, Varley, *Interviews*.

²² CSL, p. 59.