

The Citizen's Initiative: Analysis of a Convadium

Summary and Fact Sheet

The Chargers have proposed a ballot measure known as the Citizen's Initiative which seeks to build a joint stadium and convention center expansion facility (convadium) downtown with a total estimated cost of \$1.8 billion. Taxpayers will be expected to pay for \$1.15 billion of the project at a minimum.

Proponents of the Citizen's Initiative have touted that the facility will operate similarly to Lucas Oil Stadium in Indianapolis which was built as a joint stadium and expansion of the Indianapolis Convention Center. This report is an analysis of that facility's operations by way of examining the Occupancy Reports and Event Lists for the 2011-2014 calendar years. The Mayor's Office requested these documents in their list of questions for the Chargers. The Chargers did not provide any information in their response. The documents were procured directly from Lucas Oil Stadium staff.

The report finds that:

- Lucas Oil Stadium's total occupancy rate was low by industry standards. The facility was booked at an average total occupancy rate of 29.04% from 2011-2014.
- Lucas Oil Stadium's occupancy rate was much lower than the adjacent Indiana Convention Center's which was 47.59% from 2012-2014.
- The occupancy rate for the exhibit halls at Lucas Oil Stadium was inflated by NFL and other sporting events that counted the rooms as booked for their events.
- Lucas Oil Stadium's field is the main driver of both events and attendance. Events that booked the field accounted for roughly 98% of the attendance at the facility.
- The Citizen's Initiative dictates that revenue from sporting and entertainment events that book the field will be used to pay for stadium operations and maintenance costs which will subsidize part of the Charger's rent.
- Events like tours, high school proms and graduations, fraternity and sorority events, and wedding functions such as ceremonies, rehearsal dinners, and photo shoots made up a substantial amount of the events that did not require use of the field. These events are generally driven by local attendance and do not help generate much TOT revenue.

If the Chargers want support for the Citizen's Initiative, they will need to demonstrate that the facility will operate more effectively than Lucas Oil Stadium. Based on the low occupancy rates, heavy reliance on the field for events, and the types of events, it is reasonable to conclude that the facility does not add value as a convention center expansion. A stand-alone roofed stadium would undoubtedly be able to accommodate all of the events held at Lucas Oil Stadium. It would be beneficial to the public if the Chargers could provide a concrete example of where the convadium model can operate as an efficient convention center expansion that caters to actual convention business.