

Las Cruces Convention Center expansion, hotel plan moving forward

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Posted: 09/05/2015 02:36:46 PM MDT

lcsun-news.com

LAS CRUCES >> The Las Cruces Convention Center drew more conventions to town, but ended its fiscal year \$120,000 in the red. That's a slight improvement over last year, which had a deficit of \$130,000. The convention center operates on a roughly \$1.5 million annual budget. Those results come on the heels of plans to expand the convention center and for New Mexico State University's Aggie Development Corp. to build a hotel on adjacent property.

Rebecca Bolton, general manager of the convention center, has been pushing for both the hotel and expansion to draw more convention business. She said the addition of breakout rooms at the convention center will help draw larger conventions and the hotel will add to the center's ability to draw more events.

The center is located at the southwest corner of El Paseo Road and University Avenue.

In the 2013 reporting year, which runs from July to July, the center hosted "six or seven" conventions, Bolton said. In 2014, that number rose to "nine or 10" and for the year that ended in July 2015, 14 conventions, including one international gathering, were reported.

The convention center's largest customer this year was the Accelerated Christian Education organization, which brought about 2,500 participants to the center and New Mexico State University in May.

Bolton said roughly 80 percent of convention centers nationwide run a deficit. Many are funded by lodgers taxes. The main point of having a convention center is to bring more people to town to support the local economy, and to fill hotel rooms and bolster that same lodgers tax, she said.

Key agreements

Meanwhile, work to expand the Las Cruces Convention Center and to build an adjoining hotel is progressing, with key agreements hoped for in the next couple of months.

The city is eyeing a portion of the roughly \$12.6 million that will be generated from the hold harmless gross receipts tax put in place last July to expand the convention center. Other projects suggested for using the GRT funds include funding the construction of a sound stage for film and TV productions; investments in buildings, such as a "spec" building that could be tailored later on to attract a new company; business incubator activities, such as helping people create business plans; and improvements to the city-owned airport. The city has yet to issue bonds to secure the funding, but that could happen later this month.

NMSU's Aggie Development is moving forward with plans to lease a parcel of land west of the center to build a hotel.

"The city and NMSU are collaborating and working with a potential hotelier for the site next to the Las Cruces Convention Center," said city manager Robert Garza. "The university will be receiving a final proposal in the coming weeks. Meanwhile, the city is proceeding to procure the services of an architect to begin developing plans for the center expansion. Our goal remains to have an expansion created and delivered in close coordination with the hotel developer."

Having the development projects take place at the same time, possibly by the same architect or at least with close coordination between two architects, will give a uniform look to the facilities.

"They really need to be tied together, do it all at once if possible," Bolton said. The facilities need the "same architecture, to have the same vision so it looks like one continuous destination. If they can't attach (the two structures) the land in between should be transitional, able to be used for receptions."

Hotel plans

Scott Eschenbrenner, president and CEO of Aggie Development, said the university is working with developers who will lease the hotel property, construct, own and manage the facility. Meetings have been held and NMSU hopes to have a letter of intent from a developer by the end of September. By mid-October, Eschenbrenner hopes to present the letter to the Aggie Development board of directors.

"I think that we are all seeing the impact of this project come together," Eschenbrenner said. "There are several things hinging on this — the hotel, NMSU Heritage Farm Project — there are several things kind of working together to make what could be a very successful project over there."

Once the land deal is inked, it should take roughly six months to finalize agreements, leases, complete final architectural drawings and go through the permitting process, he said. Following that, it will be a year to 15-month process to complete the projects.

Garza said the city's plan is to complete the convention center expansion in roughly the same time frame.

Need to grow

Key to the expansion are breakout rooms and an additional ballroom that could be divided into smaller rooms for conference attendees to conduct separate sessions. An attached hotel would open possibilities for more summer events at the convention center, Bolton said. And, since educational conventions are a significant portion of the center's business, they are both necessary to accommodate larger, more profitable conventions. The lack of a hotel adjacent or connected to the convention center has been a deal-breaker for many organizers inquiring about coming to Las Cruces, she said.

NMSU's Eschenbrenner agreed that the project is needed and needed soon.

"We are hopeful everybody will work together to see this project come together in a timely manner," he said.

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