



**December 9, 2008  
WORK SESSION  
MAYOR AND CITY COUNCIL  
TOWN OF OCEAN CITY**

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In attendance: Mayor Rick Meehan, Council President Joe Mitrecic, Council Secretary Lloyd Martin, Council Members Jim Hall, Margaret Pillas, Mary Knight, Doug Cymek and Joe Hall, City Manager Dennis Dare, City Solicitor Guy Ayres, Assistant to City Manager Kathy Mathias, Finance Administrator Martha Lucey, City Engineer Terry McGean, Tourism/Convention Center Director Mike Noah, Tourism/Convention Center Assistant Director Debbie Travers, Ocean City Fire Chief Chris Larmore, Public Works Director Hal Adkins, Public Works Transportation Superintendent George Thornes, Deputy City Clerk Kelly Allmond, Members of the Press and Interested Parties.

Council President Joe Mitrecic called this work session to order at 12:05 p.m.; then, **Council Member Doug Cymek moved to convene into closed session to consult with the City Solicitor with respect to current litigation matters; to consult with the City Solicitor with regard to negotiations on a franchise contract; to consult with Staff, Consultants or other individuals about pending or potential litigations; and, to discuss a matter directly related to a negotiation strategy or the contents of a bid or proposal if public discussion or disclosure adversely impacts the public body's ability to competitively bid or make proposals; seconded by Council Secretary Lloyd Martin. The vote was unanimous.**

The Open Session reconvened at 1:10 p.m..

1. Council President Joe Mitrecic reported on the closed session held prior to this open session at 12:00 p.m.. Topics of discussion were legal and contractual matters. **Council Member Jim Hall moved to reduce the annual vehicle vending franchise fee to \$80,000.00, if paid in full by January 2, 2009; seconded by Council Member Mary Knight. The vote was unanimous.**

**Council Secretary Lloyd Martin moved to close the closed session; seconded by Council Member Doug Cymek. The vote was 5-0 with Council Members Mary Knight and Joe Hall out of the room.**

2. In accordance with the Town's Employee Recognition Program, Public Works Director Hal Adkins introduced Public Works Construction Employees Ralph Petrella and Robert Birch.
3. Bid opening:

**Jamestown Road Milling and Paving  
(Staff Estimate = \$343,500.00, \*Bid Bond Required)**

Vendor	Bid
American Paving, <location not stated>	\$262,469.00
Jerry's Inc., Milford, Delaware	\$326,140.00
George & Lynch, Dover Delaware	\$280,428.00

**Council Member Jim Hall moved to acknowledge the apparent low bid from American Paving with remand to Staff for review; seconded by Council Member Mary Knight. The vote was unanimous.**

4. City Manager Dare led the discussion on the Convention Center Expansion Study. He introduced David Raith, Chief Financial Officer Maryland Stadium Authority who remained present for questions and comment. Susan Sieger, President of Crossroads Consulting Services presented the analysis of the Convention Center Economic and Marketing Study (see Attachment A). City Engineer Terry McGean made his recommendation based on this study (see Attachment B). Council Member Jim Hall suggested a scheduled gathering, at the Convention Center, for a walking tour. Council President Joe Mitrecic asked Assistant to City Manager Kathy Mathias to schedule the walk-through for 4:30 p.m. on Monday, December 15, 2008.
  
5. [*In the November 12, 2008 Work Session, the Council asked the Tourism/Convention Center Director Mike Noah and Staff to choose a model website for the establishment of Request for Proposals.*] Tourism/Convention Center Director Mike Noah provided the following update:

November 19, 2008 Memorandum from Director Noah to the Mayor, Council and City Manager Dare  
*“Pursuant to the wishes of the Mayor and City Council during the work session of November 12, 2008, the Department of Tourism has solicited input from the Chamber of Commerce and the Hotel-Motel-Restaurant Association to find a model website. This model website would have within it all the needs as suggested by our stakeholders and the Tourism Commission as a whole. The department was also tasked to find out the associated costs of the implementation of these changes in our website. With the help of members of the City Council, the Chamber of Commerce and Hotel-Motel-Restaurant Association, there were over 25 suggested websites. Out of the 25, the department selected 7 to investigate methods and costs for development of this potential and unique website for the Town of Ocean City:*

1. Annapolis, Maryland
2. Virginia Beach, Virginia
3. Fort Lauderdale, Florida
4. Daytona Beach, Florida
5. Williamsburg, Virginia
6. Charleston, South Carolina
7. Bermuda

*Some of the websites are direct competitors of the Town of Ocean City. We selected a cross section that represented local, regional and international tourism destinations. The comments from these destinations as to how their website was developed and implemented range from a developmental cost of \$400,000 to a low of \$50,000, the low end being a band-aid approach of an existing website. One of Ocean City’s nearby competitors suggested that the re-development of Ocean City’s website from wire frame content management, database and final product would cost about \$200,000. Another competing destination informed us that they spent \$130,000 for an upgrade of their site and did not get everything they asked for. The majority of the sites investigated utilized either their ad agency or a division of their ad agency to develop, maintain and host their website.*

*We would like to thank the Chamber of Commerce, the Hotel-Motel-Restaurant Association and the members of the City Council who supplied suggested websites; however it has been difficult to identify a model website that has all of the suggested components as utilized by our stakeholders. Each and every website investigated is unique and has been custom built for their needs. None fully represent all elements we need for our re-designed website.”*

WEBSITE DISCUSSION CONTINUED

Council Member Doug Cymek said that, through his own cost-comparison research, he found MGH's fee very reasonable. Council Members Pillas, Joe Hall and Jim Hall maintained that a Request for Proposal is necessary.

Council President Mitrecic reasoned that the costs to hire a consultant to prepare the RFP, plus, MGH's Consulting fee (necessary to maintain marketing consistency), plus the cost of hiring a firm to design and implement the website will far exceed the costs originally proposed by MGH. **Council Member Doug Cymek moved to accept the MGH Advertising's website design proposal; seconded by Council Member Mary Knight. The vote was 4-3 with Council Members Jim Hall, Pillas and Joe Hall opposed.**

Also, Council Member Joe Hall pointed out that MGH's Advertising Contract expires in July of 2009. Mayor Meehan and Council Member Knight expressed concern for hiring a new marketing firm in the middle of the summer season as it may interfere with the established campaign. Tourism/Convention Center Director Mike Noah recommended an agency review as a means for selecting a marketing firm. **Council Member Joe Hall moved to set a date for an agency review; seconded by Council Member Margaret Pillas. The vote was 6-1 with Council Member Mary Knight opposed.**

6. Ocean City Fire Chief Chris Larmore reported on the Surf Rescue Debriefing (see below).

**December 4, 2008 Memorandum from Chief Larmore to the Mayor and Council**

*"Recommendations from the Fire Department concerning Surf Rescue for your consideration:*

- *Better visibility on buoys (possibly strobes)*
- *Land-line reels in shift supervisors vehicles & front line engines*
- *Night vision goggles and a Thermal Imaging Camera deployed*
- *Stationing Beach Patrol when surf conditions warrant*
- *Beach closure at times*
- *Adjusting tire pressure for beach access in shift supervisors' vehicles*
- *High-visibility wet suits*
- *A "2 in 2 out" policy*
- *Additional training/knowning limitations*
- *Deploy a Department person to a high floor of a building, if applicable for better visibility*
- *Stage the engine at the head of the street and deploy the light tower*
- *Have Communications automatically alert the Coast Guard and check on the availability of Trooper 4 on confirmation of a working rescue*
- *Recommendation to Mayor and City Council to explore an ordinance to limit hours of swimming to decrease exposure to these incidents."*

**Council Member Joe Hall moved to accept the Fire Department's recommendations and proceed with a draft ordinance to limit swimming; seconded by Council Member Mary Knight. The vote was unanimous.**

7. City Manager Dennis Dare, accompanied by Public Works Director Hal Adkins, Public Works Transportation Superintendent George Thornes and Parks and Recreation Director Tom Shuster, presented the following **Cost Reduction Measures**:

**A. Tram Service:**

- (1) December 3, 2008 Memorandum from Public Works Transportation Superintendent George Thornes to City Manager Dare

- *“Trams start on Good Friday and operate every weekend there after including Fridays.*
- *During these weekends the revenue did not meet the operating costs by a minimum of \$500.*
- *Post season, the trams operate every weekend in October, weather permitting.*
- *The first two weekends in October the trams just met the operating costs.*
- *Recommend starting the trams one week before Memorial Day and close immediately following Sunfest.*
- *Elimination of service in shoulder months would save \$33,065 in summer 2009.”*

**Council Member Mary Knight moved to commence the Trams Service on the Thursday of Springfest and then run it daily through Sunfest; seconded by Council Member Joe Hall. The vote was 6-0 with Council Member Margaret Pillas absent.**

- (2) Secondly, Director Adkins proposed changing the Tram’s punch-card fare from \$20.00 for 10 rides, to, \$20.00 for 8 rides. **Council Member Mary Knight moved to change the Tram’s punch-card fare to \$20.00 for 8 rides; seconded by Council Secretary Lloyd Martin. The vote was 6-0 with Council Member Margaret Pillas absent.**
- (3) Thirdly, Director Adkins advised that, in the Summer of 2008, the free rider-ship on the tram was valued at \$122,000.00 (with the far majority of it being senior citizen pass holders). He said that, although the abolishment of this program will not realize \$122,000.00 in additional revenue, it will certainly reduce the Tram’s deployment needs including man-hours, fuel and ultimately unemployment. **Council Member Mary Knight moved to discontinue the free Tram-rides with resident Senior Citizen bus permit program;** the motion failed for lack of a second.
- (4) Lastly, Director Adkins reminded the Council that the Trams are equipped with drop-down DVD screens which can be used for advertising. Mayor Meehan asked Director Adkins to contact Direct Media for a potential-revenue analysis. Council Member Joe Hall asked that bus advertising be included in this analysis.

B. **Park & Ride Bus Service:** December 3, 2008 Memorandum from Public Works Transportation Superintendent George Thornes to City Manager Dare

- *“Opens the Monday before Springfest and closes October 15<sup>th</sup>.*
- *Recommend opening for special events (Springfest) and closing immediately after.*
- *Recommend opening for the season on the Friday before Memorial Day.*
- *Recommend closing after Sunfest.*
- *Elimination of service in shoulder months would save \$28,318 in summer 2009.”*

**Council Member Jim Hall moved to accept the recommendation for the Park & Ride Bus schedule, except, the bus service will be available for certain special events (specifically, the annual Car Show Events in May and October); seconded by Council Member Joe Hall. The vote was 6-0 with Council Member Margaret Pillas absent.**

C. **ADA Para-transit Fare:** December 3, 2008 Memorandum from Public Works Transportation Superintendent George Thornes to City Manager Dare

- *Attached is a graph displaying the overall operating costs vs. revenue.*
- *The dollar amount for operating costs and our portion of expenses are in bold print.*
- *MTA has awarded operating funding of \$110,000 since 2002.*
- *The footnotes explain the current fare system.*
- *Also attached is the history of our revenue.*
- *Changing the fare structure could increase our revenue substantially.*
- *A Public Hearing would be needed for a fare change.*

**Council Secretary Lloyd Martin moved to proceed with scheduling a Public Hearing regarding changes to the ADA Para-transit fare; seconded by Council Member Joe Hall. The vote was 5-1 with Council Member Jim Hall opposed.**

D. **Revenue Enhancement Measures for Eagles Landing Golf Course:** December 4, 2008 Memorandum from Parks and Recreation Director Tom Shuster to City Manager Dare:

*“In the past the Town participated with Pam’s Golf to book golf packages that directed golf play to Eagle’s Landing Golf Course. At that time Pam’s Golf was owned by Dean and Pam Geracimos and located in the Ocean City area. Pam’s Golf has been the largest source of package golf rounds to Eagle’s Landing.*

*In 2007 Pam’s Golf experienced financial difficulties and subsequently filed for Chapter 7 Bankruptcy in late summer of that year. Pam’s owed Eagle’s Landing \$124,728 for package golf rounds played on the course. Dean Geracimos subsequently sold Pam’s Golf assets to Lew Meltzer, Owner of River Run Golf Club. Lew Meltzer renamed the company “Pam’s O.C. Asset Acquisition, LLC” and continued the golf packaging in the Ocean City area. His staff contacted us requesting our continued participation.*

EAGLES LANDING DISCUSSION CONTINUED...

*The Mayor and Council reviewed the new Pam's proposal in October 2007 and voted not to participate with Pam's LLC in 2008. Dennis Dare notified Pam's management on October 16, 2007 of this decision.*

*Eagle's Landing package golf rounds have fallen significantly in 2008. This decline in package round income is directly related to our decision to not participate with Pam's. Given our losses in package play income, I recommend that we revisit our decision from last October with the Mayor and City Council and determine if we should reconsider Eagle's Landing's participation for 2009.*

*I would also like to brief the Council on our plans to increase local golf play through a "locals rate" possibly associated with the Talon Club program."*

**Council Member Jim Hall moved to enter into an Agreement with Pam's Golf for the 2009 golf season; seconded by Council Secretary Lloyd Martin. The vote was 3-3 with Council President Mitrecic and Council Members Cymek and Joe Hall opposed.** The motion failed. **Council Member Jim Hall moved to ask Director Shuster to contact Pam's Golf LLC, and schedule a meeting to discuss possible participation in 2009; seconded by Council Member Mary Knight. The vote was 6-0 with Council Member Margaret Pillas absent.**

8. City Manager Dare proposed changes to the General Employee Pension Contribution to require a 5% contribution until retirement; and, to change the pension calculation date to the employee's anniversary date. **Council Member Joe Hall moved to approve; seconded by Council Member Doug Cymek. The vote was 6-0 with Council Member Margaret Pillas absent.**
9. Chief Building Official Kevin Brown proposed an ordinance to amend Chapter 10, entitled *Buildings and Regulations*, amending the window requirements for structures in accordance with the International Building Code (see Attachment C). **Council Member Joe Hall moved to proceed with the First Reading in the next Regular Session; seconded by Council Member Mary Knight. The vote was 6-0 with Council Member Margaret Pillas absent.**
10. City Solicitor Guy Ayres proposed an ordinance amending Chapter 38, entitled *Floods*, modifying the critical area, and, addressing requirements for HVAC elevation (see Attachment D). **Council Member Mary Knight moved to proceed with the First Reading in the next Regular Session; seconded by Council Secretary Lloyd Martin. The vote was 6-0 with Council Member Margaret Pillas absent.**
11. The discussion of the legislative committee assignments was rescheduled for the next Regular Session.

**Council Member Mary Knight moved to adjourn at 5:24 p.m.; seconded by Council Secretary Lloyd Martin. The vote was 6-0 with Council Member Margaret Pillas absent.**

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MEMORANDUM

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**DATE:** 12/2/08  
**TO:** DENNIS DARE  
**CC:** KATHY MATHIAS, MIKE NOAH  
**FROM:** TERENCE J. MCGEAN, PE  
**RE:** CONVENTION CENTER ECONOMIC AND MARKETING STUDY

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Crossroads Consulting, the firm hired to conduct the Economic and Marketing Study for the Convention Center, presented their recommendations to City Staff and The Maryland Stadium Authority on Thursday October 30, 2008. The purpose of the study was to:

- Evaluate the existing economic impact of the Ocean City Convention Center to the State of Maryland and the Town of Ocean City.
- Analyze the current and potential market for the Convention Center.
- Based on the above research to make recommendations regarding operational improvements, capital improvements and possible expansion of the Convention Center to better address the needs of potential target markets.
- Estimate the costs and potential economic impacts of any recommended expansion.

By way of explanation, it is helpful to recall why this particular study was conducted. A similar study was performed by Economic Research Associates (ERA) prior to the original expansion project. That study recommended, among other things, that the Convention Center be expanded to include an additional 80,000 square feet of exhibit space. During the numerous discussions that followed the release of that study, it was decided to reduce the exhibit hall size to 50,000 square feet with the ability to add on the remaining 30,000 square feet in the future, should the building's economic performance warrant the additional space.

By the year 2000 it was clear that the expanded Convention Center was a success and the projections in the ERA Study had been met or exceeded. For instance, the ERA Study predicted that the expanded convention center would generate average annual event attendance of 126,400. By 1999 the Center was hosting over 250,000 attendees and has exceeded 400,000 since 2004. In addition, available days to book new events have become scarce and the Center has to turn away business.

In 2002, the City and Stadium Authority worked with the Authority's on-call Architect to examine the architectural feasibility and cost to add the additional exhibit space along with additional bay-front meeting rooms to the building. When presented to the Council and the Stadium Authority, both bodies questioned moving forward with such a significant project on the basis of a study that was over 10 years old. It was also apparent that much more additional data on current users of the

MEMORANDUM: CONVENTION CENTER ECONOMIC AND MARKETING STUDY

building was needed. Because of the unique nature of Ocean City, using typical national economic models for delegate spending, nights stayed etc will not accurately predict the true spending habits of our Convention Center attendees. For example, many more attendees in Ocean City will bring their family and stay additional days before or after the actual event to take advantage of the resort.

Therefore, the Convention Center staff conducted an extensive survey of all building attendees for an entire year and collected detailed information on lost business. The City and Stadium Authority then conducted a Request for Proposals to secure the services of a consultant to perform the Economic and Marketing Report. Crossroads Consulting was selected to perform the Study and began additional data collection, analysis and stakeholder interviews in January 2008. During the study, the concept of a Performing Arts Center located on the Convention Center Property was brought forward and the Consultant was tasked with a brief analysis of such a facility.

In June 2008, Crossroads completed the Market Analysis portion of the study. It suggested that while the Center has adequate meeting space, additional exhibit space was needed. However, the exhibit space should not be an addition to the existing hall but instead should be a separate space of equal or greater size than the existing exhibit hall such that simultaneous events could be held with minimal "mixing" of attendees. Although the current room is sub-dividable, many events are too large for the smaller subdivided space. In addition, the partition is not a very effective sound barrier and the shared entrance corridor makes it difficult to control access to the split hall. The study also noted the need for additional parking, and since any expansion would result in a net loss of surface parking, the study recommended construction of a parking garage as part of any expansion. Finally, the study identified other shortcomings of the existing building such as lack of internet connectivity, sub-prime exhibit space in Hall C, and confused use of the ballroom.

The consultant advised that the cost to construct a stand alone performing arts center would be prohibitive, but did recommend creating an auditorium within the convention center that could serve as both a performing arts center and host general sessions for conventions and tradeshows.

The consultant then prepared a number of different architectural concepts to show how the new exhibit hall, performing arts center, and parking garage could fit on the site. The Stadium Authority then brought in a construction management team to accurately estimate the cost of each alternative. The economic consultant then compared the cost of each alternative to the additional economic impact of the expansion to make her final recommendations. These recommendations were presented verbally during a meeting with the city and Stadium Authority staff.

The cost of the recommended expansion with the parking garage is estimated to be between \$60 to \$75 Million dollars. Although the expansion is economically feasible under some scenarios, it is not workable under others. The degree of uncertainty with both the study findings and the economy as a whole, led the consultant and the staff to recommend against expansion in the near term. Instead, the consultant recommends a phased approach consisting of near term improvements and repairs, intermediate additions and finally expansion. City staff also recommended other improvements and repairs to the building to keep it up to date and increase energy efficiency.

In the near term, we are recommending moving forward with the following:

- Conversion of the west ballroom to a performing arts venue/auditorium including raised, fixed seating, new stage curtains, new stage lighting, and new sound system.
- Enclosing the existing exterior rear deck behind the stage for use as a banquet room/exhibit and meeting space with bay views. This will provide an attractive space to help sell the

MEMORANDUM: CONVENTION CENTER ECONOMIC AND MARKETING STUDY

building and replace much of the lost dining space once the West Ballroom is converted to an auditorium.

- Technology improvements through-out the building including creation of a business center, better wireless connectivity, an Audio/Visual system in the Boardroom, projection screens in the meeting rooms, and enhanced building graphics.
- Energy Efficiency improvements including replacement of the electric resistant heating system to gas fired boilers in the main exhibit hall, replacement of the kitchen water heater, and new lighting in Hall C.

Many of the above items will need to be completed in the near future to keep the building operating in an efficient and competitive manner. It would seem to make sense that we take advantage of the State's increase in the food tax borrowing limits to make these needed improvements.

The consultant also recommends that in the long term, we select one of the expansion alternatives for additional design. Since we will need to hire an architect to design the Ballroom/Auditorium Conversion and Bayview room improvements, I would recommend setting aside a small amount of money to have this same architect prepare conceptual designs and renderings of the full expansion should the economy and future demand warrant it. At a minimum the architect will need to make sure that the near term improvements do not conflict with the ability to expand in the long term.

As we look towards the future and a better economy, we can discuss implementing the intermediate and long term expansion recommendations either in phases or as a single project if and when the Mayor and Council feel it is appropriate.

OCCC Short Term Enhancements (0-2 years)

Item	Estimate	Total	Note
Ballroom Modifications/Renovation			
Ballroom 1 to fixed seating	1,250,000		1,700 raised, fixed theater quality seats, original to building, electrical problems
New Stage Lighting	150,000		curtains are 20 years old
New Stage Curtains	40,000		
New sound system	98,000		
subtotal		1,538,000	
Energy Efficiency/Improvements			
Boilers at A/B Hall	500,000		Estimate using 2 packaged gas fired per penthouse. Save \$40k/yr
Kitchen Hot Water heater	35,000		Existing failing, energy savings
New lighting in C-Hall	25,000		energy savings
subtotal		560,000	
Enhanced Technology			
Business Center	300,000		From I leery Estimate
motorized screens in mtg rooms	27,300		13 screens
AV system in boardroom	20,000		includes doc camera, big screen HD Monitor, podium
Enhanced wireless	25,000		
New Building Graphics	100,000		
subtotal		472,300	
Banquet Room		2,000,000	enclose deck behind stage, convert old kitchen to restrooms
Design fees and contingencies		400,000	
Total Proposed Short Term Improvements		4,970,300	

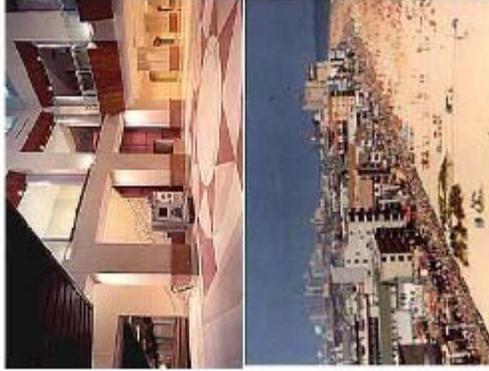
**OCCC Intermediate Term Enhancements (2-5 years or as warranted)**

Lower Hall Renovations	2,000,000	Renovate Hall C to high end meeting
Parking Garage	20,000,000	
<b>Total Proposed Intermediate Enhancements</b>	<b>22,000,000</b>	

**OCCC Long Term Enhancements (5+ years or as warranted)**

Expansion w/new exhibit hall	48,000,000
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# Market and Economic Study Ocean City Convention Center Expansion



**Presentation  
December 2008**



**ATTACHMENT B**

## Specific research tasks conducted

- Conducted interviews and/or work sessions with a variety of groups including, but not limited to, representatives from the MSA, City and County government, area hoteliers, area attractions, and the Chamber of Commerce
- Summarized trends in the convention/meetings industry
- Profiled select demographic and economic data
- Analyzed attributes of comparable destinations and facilities
- Analyzed historical event activity at the OCCC
- Surveyed and/or interviewed existing users as well as potential users of an expanded facility
- Assisted management in preparing preliminary building program recommendations and an estimate of utilization for an expanded OCCC based on market research
- Assisted management in estimating financial operations and economic/fiscal benefits for an expanded OCCC

## Market findings - strengths

- Established leisure/hospitality market dedicated to visitor needs; providing outlets to maximize economic impact
- Significant population base and presence of associations headquartered within surrounding drive-in market
- Despite the lack of a headquarters hotel property, the TOC's significant overall hotel supply, availability of rental properties, affordability and shuttle service allow the facility to overcome a potential drawback
- Supply of attractions, rental properties and family-friendly reputation which could positively influence travel party sizes and extend lengths of stay for convention and other group business held at the OCCC
- Historically, the OCCC has hosted a relatively high number of conventions/tradeshows, many of which are repetitive users, indicating the facility and community are attractive to a particular niche within the broader association market

## Market findings - challenges

- Lack of proximate major airport and distance to the interstate can cause high traffic volume for drive-in attendees during busier seasons which is a competitive disadvantage relative to other comparable venues
- Seasonality of hotels which could present a challenge if a large citywide event(s) attempts to book during the off-season
- Lack of state-of-the-art technology such as facility-wide wireless capabilities
- Configuration of function space at the existing OCCC makes it difficult to accommodate simultaneous events as such the most common reason for lost business is date availability
- Approximately 70% of events using one exhibit hall book Hall A or Hall B, limiting date availability for groups requiring greater than 25,000 SF of exhibit space
- Exhibit Hall C is not prime exhibit space; its columns limit its marketability for events that require a clear span
- Interviews with users and input from management indicate that the limited supply of on-site parking is a challenge for some groups given the facility's high drive-in attendance; this would be exacerbated by use of the existing surface parking lot for expansion

## Market findings - opportunities

- Despite the OCCC's relatively limited prime exhibit space and the challenge of a hospitality market that is not year-round, it has consistently attracted a significant number of events that draw from outside of Maryland
- The OCCC's current size was cited as its most significant constraint by both meeting planners and sporting event organizers
- Approximately 80% of association meeting planners and 88% of sports event organizers indicated they would consider hosting their event at an expanded OCCC
- An expansion of the OCCC's exhibit space would allow it to continue to host more, simultaneous events as well as attract new regional/national business in a niche that is well-suited to the market
  - More sporting events & social, military, educational, religious and fraternal events
  - These types of events typically attract a greater drive-in attendance, are held in family-friendly destinations and seek affordable options

## Market findings - opportunities

- Attracting additional events during the shoulder season to support area businesses
- Meeting planner respondents indicated that many attendees would likely extend their stay in Ocean City beyond the length of the event for one to three days suggesting a relatively high potential to generate economic impact
- The existing OCCC does not compare favorably in terms of the size and configuration of space with other comparable facilities
  - Consequently, if OCCC does not expand and reconfigure its space, it is likely that the facility's utilization will continue to trend toward more State- and local-based business
- Expansion of exhibit space and high-end, flexible meeting/ballroom space would place the facility in a better competitive position to attract more convention, tradeshow, meetings and sporting events/competitions and to better meet the increasing space needs of various local user groups

# Recommended building program

Component	Square Footage of Space at Existing OCCC	Preliminary Recommendations	
		Square Footage of Space For Expanded OCCC	Square Footage of Space For Expanded OCCC
Exhibit Hall (SF)	63,400	113,400	118,400
Ballroom/Meeting Space (SF)	59,900	59,900	59,900
<b>Total Function Space (SF)</b>	<b>123,300</b>	<b>173,300</b>	<b>178,300</b>
Number of Meeting Rooms	<b>25</b>	<b>31</b>	<b>31</b>
Ratio of Meeting/Ballroom Space to Exhibit Space	94%	53%	51%

- These numbers do not include any support space such as prefunction and registration areas, circulation space, storage and restrooms
- Ideally, any expansion of the existing facility would be contiguous in nature although this may be difficult given the existing site plan
- Exhibit hall should be column free space and be divisible similar to Halls A and B and it should be developed in proximity to some meeting and ballroom space so that it can support stand-alone event activity requiring all three function areas
- Construction cost estimates for expansion range from \$60 to \$75 million depending on the design scheme – all include a new parking garage

**Estimated utilization at an expanded facility indicates the potential to increase events and attendee days**

Proposed Expanded OCCC			
Event Type	3-Year Historical Average	Hypothetical Range of Event Activity For a Stabilized Year of Operations	
		Lower End	Upper End
<b>Number of Events</b>			
Conventions/Tradeshows	38	48	50
Consumer Shows	42	45	48
Banquets/Receptions	12	30	36
Meetings/Seminars	29	40	45
Events/Competitions	8	14	6
<b>Total</b>	<b>129</b>	<b>177</b>	<b>195</b>
<b>Number of Event Days</b>			
Conventions/Tradeshows	105	120	125
Consumer Shows	88	90	96
Banquets/Receptions	12	30	36
Meetings/Seminars	44	60	68
Events/Competitions	23	42	48
<b>Total</b>	<b>273</b>	<b>342</b>	<b>373</b>
<b>Average Attendance Per Event</b>			
Conventions/Tradeshows	1,944	2,300	2,400
Consumer Shows	3,822	4,000	4,500
Banquets/Receptions	n/a	500	600
Meetings/Seminars	223	300	350
Events/Competitions	1,902	2,000	2,200
<b>Total Attendee Days</b>	<b>204,129</b>	<b>276,000</b>	<b>300,000</b>
Conventions/Tradeshows	161,808	180,000	216,000
Banquets/Receptions	n/a	15,000	21,600
Meetings/Seminars	9,867	18,000	23,600
Events/Competitions	44,369	84,000	105,600
<b>Total</b>	<b>420,173</b>	<b>673,000</b>	<b>666,800</b>

**Estimated financial operations at an expanded OCCC indicate an annual operating loss between \$2.8 million and \$3.1 million**

**Proposed OCCC Expansion  
 Estimate of Operating Revenues over Operating Expenditures – Current 2011 Dollars**

Category	3-Year Historical Avg	Hypothetical Range of Financial Operations	Incremental Range of Financial Operations	\$1,632,000
Total Operating Revenues	\$1,928,000	\$3,555,000	\$1,630,000	\$1,632,000
Total Operating Expenditures	4,625,000	6,194,000	1,569,000	2,158,000
Estimate of Operating Revenues Over Operating Expenditures Before Reserve for Replacement, Depreciation & Debt Service	(2,717,000)	(2,639,000)	(953,000)	(238,000)
Reserve for Replacement Fund	0	(178,000)	(191,000)	(161,000)
Estimate of Operating Revenues Over Operating Expenditures Before Depreciation & Debt Service	(3,271,000)	(2,817,000)	(814,000)	(427,000)

- Other non-operating revenues and expenditures including governmental contributions as well as depreciation and interest income are excluded in this analysis.



**Estimated economic benefits associated with an expanded OCCC range from \$230.2 million to \$262.8 million annually**

Estimated Economic Impact from OCCC Operations Category	Estimated for Expansion Stabilized Year		Historical OCCC Operations FY 2005-FY 2007 Avg	Estimated Incremental Impact Stabilized Year	
	Range	Range		Range	Range
Direct Spending	\$164,417,000 -	\$187,790,000	\$116,896,000	\$47,521,000	\$70,894,000
Induced/Indirect Spending	\$65,758,000 -	\$75,020,000	\$46,873,000	\$18,883,000	\$28,147,000
Total Spending	\$230,173,000 -	\$262,810,000	\$163,769,000	\$66,404,000	\$99,041,000
Total Employment (number of FTE jobs)	3,030 -	3,470	2,150	880	1,320
Total Earnings	\$82,276,000 -	\$93,917,000	\$58,579,000	\$23,697,000	\$35,338,000

**Notes:**

Amounts are presented in 2011 dollars.

Historical economic impact for the OCCC is based on the three year average for FY 2005 to FY 2007 operations.

FTE – denotes full-time equivalents.



**Estimated annual fiscal impacts associated with an expanded OCCC range from \$13.9 million to \$15.9 million**

Tax Source	Estimated Fiscal Benefits of OCCC Operations			Estimated Incremental Impact Stabilized Year Range
	Estimated for Expansion Stabilized Year Range	Historical OCCC Operations FY 2005-FY 2007 Avg		
<b>Town of Ocean City</b>				
Hotel/Motel Tax	\$2,825,000	\$3,226,000	\$1,995,000	\$830,000
Food & Beverage Tax	\$197,000	\$226,000	\$137,000	\$60,000
Admissions & Amusements Tax	\$160,000	\$186,000	\$122,000	\$38,000
<b>Subtotal</b>	<b>\$3,182,000</b>	<b>\$3,638,000</b>	<b>\$2,254,000</b>	<b>\$928,000</b>
<b>State of Maryland</b>				
Sales & Use Tax	\$7,682,000	\$8,765,000	\$6,469,000	\$2,213,000
Personal Income Tax	\$1,964,000	\$2,242,000	\$1,400,000	\$564,000
Corporate Income Tax	\$822,000	\$938,000	\$585,000	\$237,000
Auto Rental Tax	\$285,000	\$331,000	\$195,000	\$90,000
<b>Subtotal</b>	<b>\$10,753,000</b>	<b>\$12,276,000</b>	<b>\$7,649,000</b>	<b>\$3,104,000</b>
<b>TOTAL</b>	<b>\$13,935,000</b>	<b>\$15,914,000</b>	<b>\$9,903,000</b>	<b>\$4,032,000</b>

Notes:  
 TOC fiscal benefits are generated by Worcester County taxes that are distributed to the TOC.  
 Amounts are presented in 2011 dollars.

- Approximately 90% of fiscal benefits are estimated to be incremental new to the State of Maryland which equates to between \$2.8 million and \$4.2 million annually (in 2011 dollars) in a stabilized year of operations.



**ATTACHMENT C**

First Reading \_\_\_\_\_

Second Reading \_\_\_\_\_

ORDINANCE 2008-

AN ORDINANCE TO AMEND CHAPTER 10,  
ENTITLED BUILDINGS AND BUILDING REGULATIONS,  
OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE MAYOR AND CITY COUNCIL OF OCEAN CITY THAT CHAPTER 10, ENTITLED BUILDINGS AND BUILDING REGULATIONS, OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND BE, AND THE SAME IS HEREBY AMENDED BY REPEALING AND REENACTING WITH AMENDMENT SECTION 10-51, SUBSECTIONS 10-52(5) AND (6), SECTION 10-71, ADDING A SUBSECTION TO SECTION 10-72, REPEALING SUBSECTION 1121 OF SECTION 10-91, REPEALING AND REENACTING WITH AMENDMENT SECTION 10-111, SECTION 10-131, SECTION 10-171, RENUMBERING SUBSECTION 103.6 TO 103.5, RENUMBERING SUBSECTION 304.15 TO 304.14, REPEALING AND REENACTING WITH AMENDMENT SECTION 10-151, SECTION 10-152, SECTION 10-162, SECTION 10-165, AND ADDING SUBSECTION 10-226(d)(3), AS FOLLOWS.

Sec. 10-51. Adopted.

Those certain documents, copies of which are on file in the office of the City Clerk, being marked and designated as the International Building Code, 2006 Edition, except for section 105.2, Appendix H section H 101.2 Appendix K, and chapters 27, 28 and 29 and with an addition to section 1013.3 that the bottom rail or curb of a guardrail will reject the passage of a two-inch-diameter sphere, thereof, be and it is hereby adopted as the building code of Ocean City, County of Worcester, State of Maryland, for the purpose of establishing rules and regulations for the construction, alteration, removal, demolition, equipment, use and occupancy, location and maintenance of buildings and structures, including permits and penalties, save and except such portions as may herein be deleted, modified or amended, and the same are hereby adopted and incorporated as fully as if set out at length herein, and the provisions thereof shall be controlling in the construction of all buildings and structures within the corporate limits of Ocean City.

Sec. 10-52. Amendments.

(5) Window requirements for all structures shall be in accordance with the International Building Code, except all windows and doors shall have design pressure rating both positive and negative of at least 35 in buildings with a mean roof height equal to or less than 29 feet in height. Any building with a

mean roof height of more than 29 feet in height shall be required to have a minimum design pressure rating of at least 45. In addition, all emergency egress or rescue windows from sleeping rooms must have a minimum net clear opening of five and seven-tenths square feet. The minimum net clear opening height dimension shall be 24 inches. The minimum net clear opening width dimension shall be 20 inches, except in accordance with the International Residential Code.

(6) Stair requirements.

A. Stair requirements for all new single family homes, duplex, and townhouses no more than 3 stories in height shall be in accordance with the International Residential Code 2006 Edition.

B. Exterior stair requirements for commercial and multi-family buildings requirements shall be in accordance with the Town of Ocean City Code Chapter 34.

C. Stairs located within dwelling units of multi-family buildings shall be in accordance with the International Building Code, 2006 Edition.

D. Means of egress requirements shall be in accordance with Chapter 34 and NFPA 101 Life Safety Code.

...

Sec. 10-71. Model Energy Code adopted.

The Model Energy Code, being particularly the International Energy Conservation Code, 2006 Edition save and except such portions as may herein be amended, of which not less than three copies have been and are now filed in the office of the City Clerk of Ocean City, is hereby adopted and incorporated as fully as if set forth at length herein, and from the date on which this division shall take effect, the provisions therein shall be controlling in establishing energy conservation in new building construction.

Sec. 10-72. Amendments to Model Energy Code.

...

503. Building Mechanical System.

Section 503 is excepted herefrom, and in lieu thereof, all mechanical systems must meet or exceed Maryland Mechanical Code.

...

Sec. 10-91. Adopted; amendments; additions.

...

1121. Guardrails (REPEALED)

...

Sec. 10-111. Adopted.

The International Existing Building Code, 2006 Edition except section 105.2, as the same may from time to time be amended by the Mayor and City Council of Ocean City, of which not fewer than three copies thereof have been and are now filed in the office of the City Clerk of Ocean City, is hereby adopted and incorporated as fully as if set forth at length herein; and from the date on which this section shall take effect, the provisions therein shall be controlling in establishing standards for required renovation and rehabilitation of existing buildings.

...

Sec. 10-131. Standard Code for the Elimination or Repair of Unsafe Buildings adopted; amendments.

The International Existing Building Code, 2006 Edition section 115 thereof, and the whole thereof, save and except such portions as may hereinafter be amended, of which not less than three copies have been and are now filed in the office of the City Clerk of Ocean City, is hereby adopted and incorporated as fully as if set forth at length herein, and from the date on which this section shall take effect, the provisions therein shall be controlling in the elimination or repair of unsafe buildings within the area of jurisdiction of Ocean City, Maryland, subject to the following amendments:

...

Sec. 10-141. Adopted; amendments.

A certain document three copies of which are on file in the office of the Chief Building Official of the Mayor and City Council of Ocean City, being marked and designated as "The International Property Maintenance Code, 2006 Edition," as published by the International Code Council is hereby adopted as the Property Maintenance Code of the Mayor and City Council of Ocean City, in the State of Maryland; for the control of buildings and structures as herein provided; and each and all of the regulations, provisions, penalties, conditions and terms of said Property Maintenance Code are hereby referred to, adopted, and made a part hereof, as if fully set out in this section, with the additions, insertions, deletions and changes, as hereinafter set forth:

...

103.5 Fees. The fees for activities and services performed by the department in carrying out its responsibilities under this code are as, from time to time, adopted by resolution of the Mayor and City Council of Ocean City.

...

304.14. Insect screens. During the period from January 1 to December 31, every door, window and other outside opening required for ventilation of habitable rooms, food preparation areas, food service areas, or any areas where products to be included or utilized in food for human consumption are processed, manufactured, packaged or stored, shall be supplied with approved tightly fitting screens of not less than 16 mesh per inch (16 mesh per 25 mm) and every swinging door shall have a self-closing device in good working condition.

Sec. 10-151. Adopted.

Those certain documents, copies of which are on file in the office of the City Clerk, being marked and designated as International Residential Code, 2006 Edition, except Chapter 12 thru 32, appendix E,N,O,P,Q as published by the International Code Council is hereby adopted as the building code of Ocean City for regulating the design, construction, quality of materials, erection, installation, alteration, repair, location, relocation, replacement, addition to, use or maintenance of one- and two-family dwellings and townhouses not more than three stories in height in Ocean City, and providing for the issuance of permits and collection of fees therefor; and each and all of the regulations, provisions, conditions and terms of such International Residential Code, 2006 Edition, published by the International Code Council on file in the office of the City Clerk are hereby referred to, adopted and made a part hereof as if fully set out in this ordinance.

Sec. 10-152. Revisions, climatic and geographic design criteria.

- (a) Roof snow load -- 20 pounds per square foot
- (b) Wind -- 120 miles per hour
- (c) Seismic design category -- C
- (d) Weathering -- Severe
- (e) Frost line depth -- 18 inches
- (f) Termite -- Moderate to heavy
- (g) Decay -- Slight to moderate
- (h) Winter design temperature -- 15 degrees

(i) Flood hazards

1. Adoption of flood ordinance, July 2, 1973.
2. Current flood hazard map FIRM, February 4, 1988.
  - A. Panel 1,245207-0001-G, February 4, 1988.
  - B. Panel 2,245207-0002-F, March 4, 1986

...

Sec. 10-162. National Electrical Code adopted.

Except as may be provided otherwise in this article, the requirements of the National Electrical Code, 2005 Edition and NFPA 70, being the regulations of the National Fire Protection Association for electrical wiring and apparatus, shall be deemed to be the requirements imposed by this article, said National Electrical Code being hereby adopted by reference as the electrical code of Ocean City and being herein incorporated in its entirety by reference.

...

Sec. 10-165. Licensing requirements.

- (a) An electrician's license, issued by Worcester County, Maryland, is required to perform electrical work.

...

Sec. 10-226. Variances.

...

(d) Exemptions . . .

...

- (3) Structures built for the containment of sprinkler systems and equipment to retrofit existing high-rise buildings, are hereby exempt from the minimum design requirements of section 10-228 provided that the structures are designed with break-a-way walls, flood vented in accordance with chapter 38 and all equipment elevated to a minimum of 3.0 feet above the

base flood elevation.

AND BE IT FURTHER ENACTED AND ORDAINED that the mandatory implementation of section 1609.1.2 of the International Building Code and section R301.2.1.2 of the International Residential Code are delayed until September 1, 2009 and shall apply to all new building construction and substantial improvements, except that wood panels must be utilized, where that option is available. Replacement of existing windows and doors in existing buildings must meet or exceed the minimum design pressure rating as described in 10-52(5) Amendments.

INTRODUCED at a meeting of the City Council of Ocean City, Maryland held on December 15, 2008.

ADOPTED AND PASSED by the required vote of the elected membership of the City Council and approved by the Mayor at its meeting held on January 5, 2009.

ATTEST:

\_\_\_\_\_  
CAROL JACOBS, Clerk

\_\_\_\_\_  
RICHARD W. MEEHAN, Mayor

Approved as to Form:

\_\_\_\_\_  
JOSEPH M. MITRECIC, President

\_\_\_\_\_  
GUY R. AYRES, III, City Solicitor

\_\_\_\_\_  
LLOYD MARTIN, Secretary

**ATTACHMENT D**

First Reading \_\_\_\_\_  
Second Reading \_\_\_\_\_

ORDINANCE 2008-

AN ORDINANCE TO AMEND CHAPTER 38,  
ENTITLED FLOODS, OF THE CODE OF  
THE TOWN OF OCEAN CITY, MARYLAND

NOW, THEREFORE, BE IT ENACTED AND ORDAINED BY THE MAYOR AND CITY COUNCIL OF OCEAN CITY THAT CHAPTER 38, ENTITLED FLOODS, OF THE CODE OF THE TOWN OF OCEAN CITY, MARYLAND BE, AND THE SAME IS HEREBY, AMENDED BY REPEALING AND REENACTING WITH AMENDMENT THE DEFINITION OF CRITICAL AREA IN SUBSECTION 38-31(b) AND SUBSECTION 38-52(5), AS FOLLOWS-

Sec. 38-31. Definitions and rules of construction.

...

(b)

...

Critical area. For the purposes of this article, the following two areas:

(1) That area east of the easterly right-of-way line of Baltimore Avenue lying north of 26th Street and south of 33rd Street.

(2) That area lying east of a point 250 feet west of the beach replenishment project line, lying north of 33rd Street and south of the division line between the State of Maryland and the State of Delaware.

...

Sec. 38-52. Review of building permit applications.

...

(5) Be constructed with electrical, heating, ventilation, plumbing and air conditioning equipment and other service facilities that are designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding. This requirement shall be mandatory for all replacement of any service facilities. All new and replaced Service facilities or equipment shall be elevated in accordance with Chapter

38-71 titled Minimum elevation requirements, with the exception that the bottom of all duct work shall be a minimum of one foot above FEMA Flood Elevation Requirement.

INTRODUCED at a meeting of the City Council of Ocean City, Maryland held on December 15, 2008.

ADOPTED AND PASSED by the required vote of the elected membership of the City Council and approved by the Mayor at its meeting held on January 5, 2009.

ATTEST:

CAROL JACOBS, Clerk

RICHARD W. MEEHAN, Mayor

Approved as to Form.

\_\_\_\_\_  
JOSEPH M. MITRECIC, President

\_\_\_\_\_  
GUY R. AYRES, III, City Solicitor

\_\_\_\_\_  
LLOYD MARTIN, Secretary