



Cyprus Tourism Organisation

**Development of the
International Limassol Conference Centre
(ILCC)**



Executive Summary

May 2008

Introduction

- 1.1 Cyprus currently lacks a quality International Conference Centre with a high capacity, able to host large events. Earlier studies have outlined the existing Conference Tourism market and its potential. One of the studies has concluded that the Limassol district has been found suitable to fill the gap of a large international Conference Centre in Cyprus.
- 1.2 The GBR Consulting - TPA Group is picking up from this point by undertaking on behalf of the CTO the location and feasibility study for the International Limassol Conference Centre (ILCC) with the following characteristics:
 - Sites will be pre selected by the CTO;
 - The conference centre should have a capacity of 1,750 – 2,000 seats theatre style in the main auditorium;
 - The conference centre should be internationally appealing.
- 1.3 In addition our brief included that
 - The Cyprus Government is prepared to fund the construction of the project with CYP Pounds 4 mln (Euro 6.8 mln);
 - The estimated range of construction cost is between CYP Pounds 16 – 30 mln (Euro 27 – 51 mln);
 - The operation should be self financed and the Government is not prepared to finance the operations;
 - The architecture of the proposed conference centre should have a 'landmark' element.

The International Meeting Market

- 1.4 According to the ICCA – International Congress & Convention Association – 57.3% of all international meetings take place in Europe based on 2006 data, which is 0.4% higher than 2000. North America is losing market share from 14.4% to 11.1% comparing 2000 with 2006, while Asia is increasing from 14.7% to 17.4%.
- 1.5 Regarding the size of the meetings, it is very important to mention that 84% of all meetings have less than 1,000 participants in 2006, while in 2000 number was 78%. In 2006 40% of the meetings had less than 250 participants, compared to 28% in 2000.
- 1.6 Since 2000, the average number of participants per meeting dropped each year, reaching the lowest average of the past 10 years in 2005 with 644 participants.
- 1.7 Furthermore, over the past 10 years meetings are lasting shorter; from an average of 4.48 days in 1997 to 4.00 days in 2006. Medical Science, Technology and Science in general are the key subjects of international meetings.
- 1.8 Finally, Western Europe is traditionally one of the key locations in the meeting industry, but central and Eastern Europe are emerging new destinations, while Asia is steaming ahead with massive infrastructure development and the Middle East is increasingly attracting high level conferences and meetings.

International large capacity Top Conference Centres in Europe

- 1.9 Based on a research among international PCOs, 25 top large event Conference and Exhibition Centres were identified, which includes centres in the Mediterranean region in Barcelona, Istanbul, Madrid, Milan, Monaco and Nice.
- 1.10 Maximum flexibility of the space is required, where the same hall could be used for different functions, of which the main are Conferences, Exhibitions, Banquets, Break Out Rooms, Concerts and Sport Events.
- 1.11 With respect to the multi-functionality, spaces must have movable partitioning systems to create modules and to adapt the sizes of rooms to the event. These same spaces must also be able to host several types of events in the same day: a seminar followed by a buffet meal, meetings, a cocktail buffet for one or several customers.
- 1.12 Finally, we also want to highlight that Barcelona, Glasgow and also Athens took the opportunity to regenerate an entire area with the development of a conference and exhibition centre, creating at the same time clear landmarks:

The ILCC: View of local stakeholders and international PCOs

- 1.13 With respect to the view of international PCOs, one can say, based on 15 questionnaires collected from leading international PCOs, that
 - 92% of the respondents considers the size of 1,750 – 2,000 just right for the ILCC, provided that all other aspects have an excellent rating;
 - 87% preferred a location outside the city centre;
 - the centre's services and infrastructure as well as the hotel infrastructure and security are the most important factors for them.

Finally, they mentioned that an experienced international team should preferably run it and that the airport with excellent international connections is of utmost importance for attracting international events.
- 1.14 With respect to our interviews with potential investors within Cyprus as suggested to us by the CTO and the Limassol Chamber of Commerce it has become clear that
 - There is no group of investors;
 - There is little demand within Cyprus for large conferences / corporate events above 200 pax
 - The market up to 500 participants is in direct competition with hotels;
 - There is local and international demand for exhibition space in Limassol as well as for concerts, product launches and banquets.
- 1.15 With respect to our interviews with local PCOs and DMCs the following main conclusions can be drawn:
 - All respondents, with the exception of one, believe that it is important, just like the international PCOs, that the ILCC is close to the 4 and 5 star hotels; however, they also stated than there is a severe lack of 4 and 5 star rooms to accommodate the needs of a conference centre with a capacity of 1,750 – 2,000 seats.

- The proposed size of 1,750 – 2,000 seats is correct, but Limassol is not able to support it in terms of:
 - Hotel capacity (see above);
 - Number of connections / flights to Cyprus from Europe (respondents have lost potential events on this argument);
 - Entertainment / attractions: where do we send the participants?
- There is no local demand for events of the proposed maximum size.

Pre-selected sites

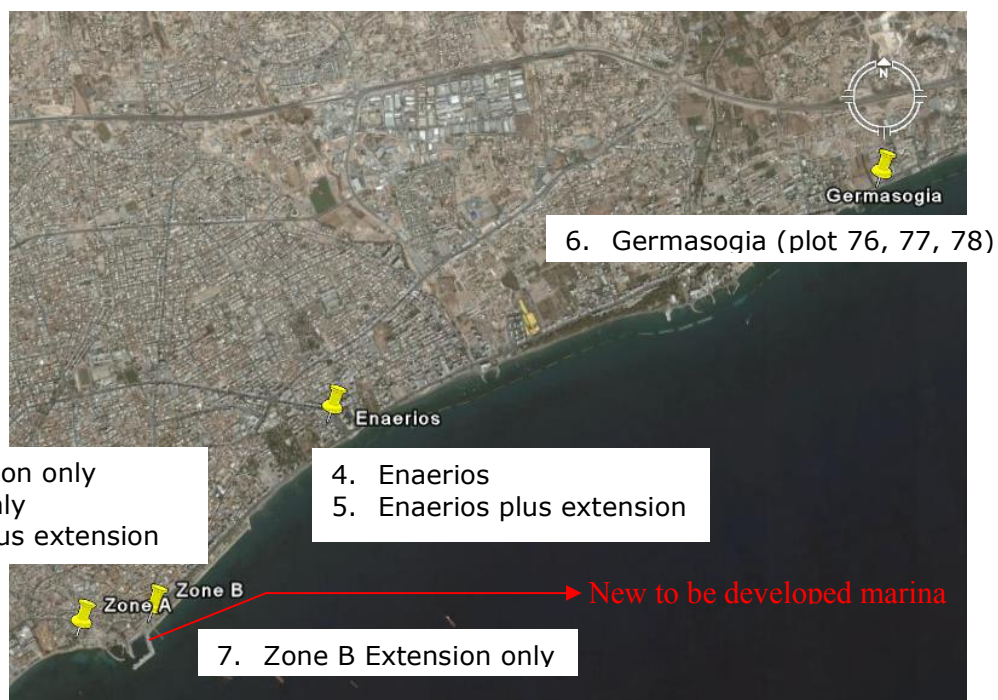
1.16 Initially the CTO had supplied the following long list of sites to be evaluated: Sfalagiotisa, Palais de Sport, Tsirio, Agios Athanasios, Enaerios and Germasogia (private plot, sold).

1.17 However, after our presentation of 13/7/2007 to the CTO and interested stakeholders from the Municipalities of Limassol, Germasogia, Agios Athanasios and Mesa Yitonia as well as the Limassol Chamber, Town Planning Authorities and representatives of hotels, it was agreed that

- The suggested sites are unsuitable for the development of the ILCC with a main auditorium of 1,750 – 2,000 seats;
- The sites are not appealing internationally and therefore will not be competitive in the international conference centre market;
- Limassol is directly related to the sea, the city's strongest mark;
- The development of the ILCC could be an opportunities for regenerating a whole area.

We suggested as alternatives the sites on the west side (Zone A) as well as the smaller eastern side (zone B) of the new to be developed marina.

1.18 After receipt of opinions of the various participants of the meeting of 13/7/9, the CTO prepared a new long list, including the following sites (see map):



Demand Analysis

- 1.19 We have estimated on the basis of interviews with International PCOs, local PCOs and DMCs and our database of international benchmarks the demand for the various types of events, which we expect to stabilise in year 5. For that particular year we estimate a total of 123 events and 70,925 delegates / visitors, resulting in a total of 109,100 delegate days as displayed below:

Type of event	Events	Delegates / visitors	Total days (show and moving)	Delegate days
Association meetings	10	6,075	60	24,300
Small conferences / meetings	24	4,200	34	7,500
Corporate events	43	14,100	78	30,750
Social events	38	22,550	76	22,550
Exhibitions	8	24,000	50	24,000
Total	123	70,925	298	109,100

ILCC Specifications

- 1.20 Based on the analysis above the ILCC should consist of a main conference hall, break out rooms, lobby – prefunction – foyers, exhibition space, restaurant and other.
- 1.21 The main hall, which should be able to host a maximum of 2,000 pax will serve as main conference hall as well as banquet / ball room as well as exhibition space for large stand alone exhibitions. The equivalent size to serve properly the maximum of 2,000 pax is 1,800m².
- 1.22 Meeting / break out rooms are a vital component of the conference centre. Based on international; benchmarks and our demand analysis the ILCC requires 1,800 m² of break out rooms.
- 1.23 Pre-function space refers to space located just outside of or adjacent to the event space. A conference centre with a main hall with a capacity of 2,000 pax requires according to international benchmarks 1,500 m² of pre-function space, which can also be used as exhibition space.
- 1.24 Regarding exhibition space, demand for stand alone exhibitions is expected. Considering that for such a stand alone exhibition event the main hall space can be used (1,800 m²) as well as the pre function space (1,500 m²) we propose to add 4,100 m² core exhibition space bringing the total to 7,400 m² of exhibition space, conform the specifications provided by the local PCOs and DMCs. In case of a large conference, the core exhibition space of 4,100 m² is more than sufficient based on international benchmarks, the questionnaires among international PCOs and the interviews with local PCOs and DMCs.
- 1.25 For the described ILCC we consider restaurant facilities of in total 500 seats necessary for the proper operation of the centre. The 500 seats could be divided to two main restaurants, where each restaurant can be smaller for small groups, thus creating a pleasant atmosphere.
- 1.26 Besides the above building elements, parking is also an important aspect, especially with respect of the domestic events and in particular the exhibitions that will be organised. We foresee in 400 parking places for cars and 12 – 15

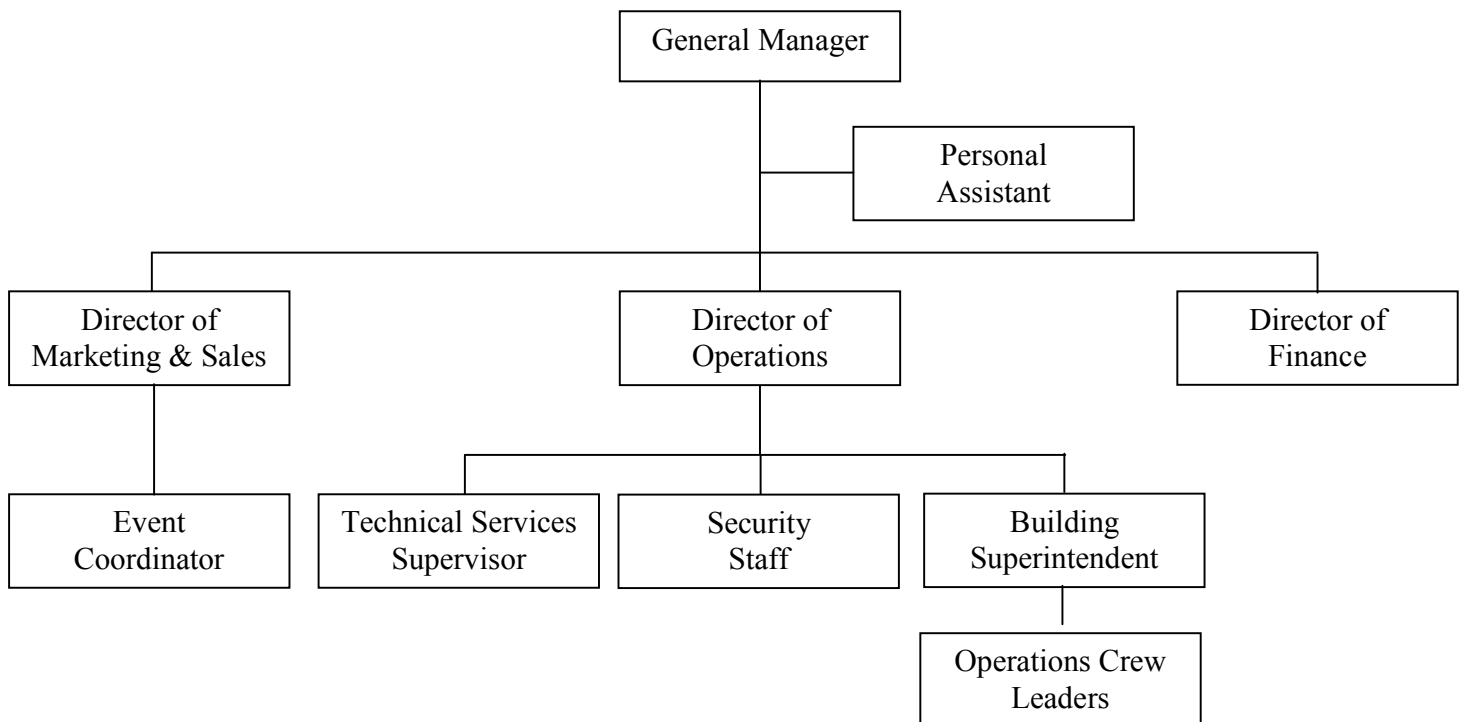
parking places for coaches for the ILCC. Major part of it will be underground for environmental, aesthetic and practical reasons.

1.27 In conclusion the total indicative minimum allotment of space for the new ILCC would be:

1.	Main conference hall	1,800 m ²
2.	Break out rooms	1,800 m ²
3.	Lobby-prefunction-foyers	1,500 m ²
4.	Exhibition space	4,100 m ²
5.	Restaurant	1,200 m ²
6.	Other spaces (E/M, Kitchen, Storage Offices, WC, cloak rooms, circulation etc.)	3,100 m ²
Total		13,500 m²
Parking for 400 cars and 12-15 coaches (can be underground)		13,000 m²

Organisation

1.28 Based on international benchmarks the proposed organisation structure is displayed in the diagram below.



1.29 The Food & Beverage Department and cleaning will be outsourced.

Town Planning Considerations

1.30 Given the importance of the ILCC from a regional and national perspective as well as its implications on the functioning of the city of Limassol, it is necessary to also consider its location from a town planning perspective.

- 1.31 The development of the ILCC provides a unique chance to exploit the positive effects for the development of the city. The location of the ILCC requires important town planning intervention and should conform to the requirement of the Town Planning Authorities (Σχέδιο Πόλεως Λεμεσού). Key considerations are:
- a. Issues regarding development:
 - The differentiation between the western and eastern areas of Limassol, which is related to the downgrading and the relative abandonment of the old industrial and poor districts which are located in the west;
 - The existence of the old harbor and industries located in strategic areas of the coast, obstructing the expansion of the centre towards the south and west and creating functional/operational, circulation and pollution problems and downgrading the aesthetics;
 - The natural and visual cutting off of the centre from the sea restricting the possibility of rational planning and exploitation in relation to the coast;
 - No renewal of the main functions / operations in the centre and the absence of an alternative attraction pole, entertainment, culture and others.
 - b. Main goals of the Town Planning for the upgrade and revival of the city centre:
 - The re-establishment of the operational connection of the centre of Limassol with the sea;
 - The embellishment and exploitation of the wider area of the old harbour and the creation of the new marina connects with other activities for the benefit of the city as a whole;
 - The active town planning program for the exploitation of areas of strategic importance, which are currently downgraded or abandoned, with an aim to their regeneration.
- 1.32 Regarding the options in Zone A in combination with the projected marina will operate as a catalyst for the regeneration of this important area of the city of Limassol, which should be part of the city town planning. Regeneration study of the area will give more possibilities and improving flexibility of the plan. The extra traffic circulation created by the ILCC does not imply a substantial burden as it is not a residential area and traffic can be channelled directly to the axes of F. Roosevelt and Alexandrias.
- 1.33 On the other hand, the location of Enaerios and Germasogias are situated in developed residential areas with sea view and beaches for swimming. The areas do not offer possibilities for matching corresponding uses and operations. Furthermore, they do not meet the Planning goals.
- 1.34 Locating the ILCC in either of these two areas can only have negative effects for these areas, including increased traffic circulation, noise pollution, change of the natural characteristics of the area and probably objections from citizens. These negative effects are also recognized by the Town Planning Authorities which:

- have pointed out the already very high traffic problems in the area of Enaerios
- have expressed strong reservations for the possibility and feasibility of the area of Germasogia as the natural characteristics of the area as an urban beach (ενδοαστική παραλία) will change drastically.

Design considerations

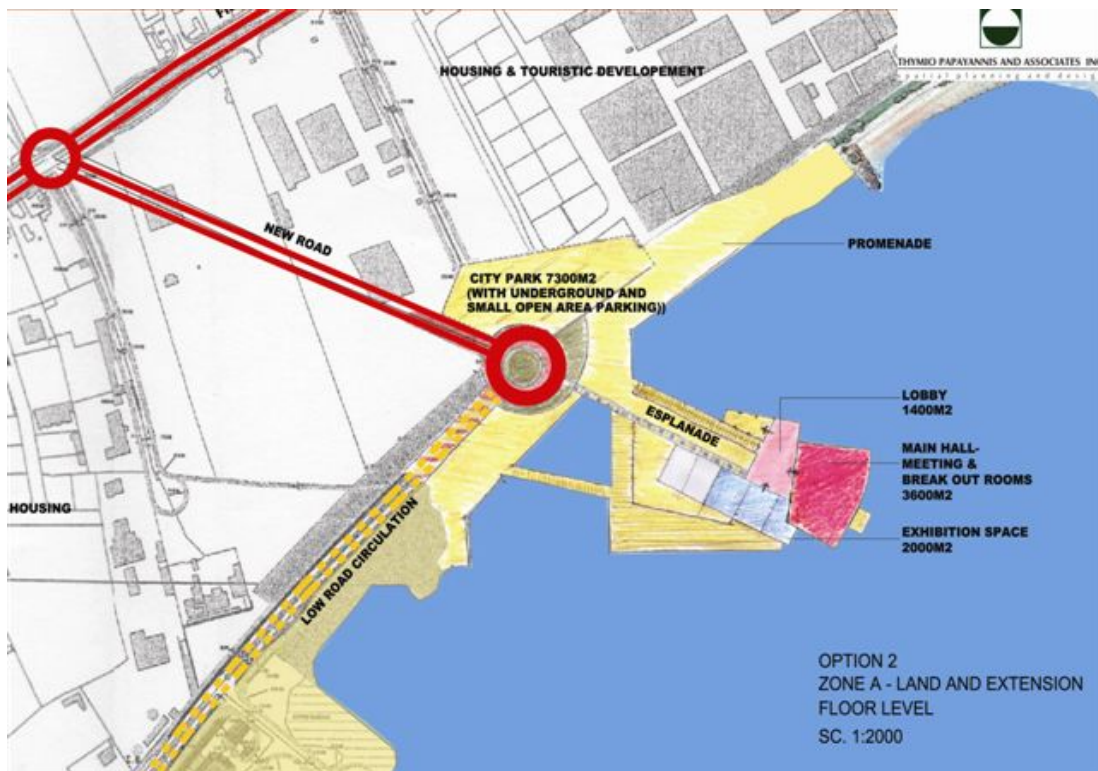
1.35 For the option Zone A Land & Extension we have taken into account the following planning objectives:

- It is necessary to have a unified / holistic approach in regenerating the wider area;
- Creation of 2 major thematic zones - with distinct development character: zone for residential purposes only and zone for residential and tourist development
- Organising traffic in such a way so as to avoid generating through traffic between the port and the marina. In other words, so as to avoid creating a coastal road, similar to the main coastal road of Limassol, which cuts off the city from the sea and the park. The intention is that the city, in this part, will touch functionally and aesthetically at the sea shore.
- Organising traffic within zones on the basis of junctions dependant on the existing main road network.

Regarding the creation of a landmark into the water space could be organised on an axis - a wide street of approximately 20m width, an Esplanade that goes into the sea. The Esplanade will be at 2 levels, the sea level which will be at an approximate level +2 and the upper level, at + 8, which is the conference areas level.

The planning intention is that the sea goes into / under the building complex, i.e. becoming part of the design and thereby encouraging immediacy with the water and enjoyment of the sunset.





- 1.36 For the option of Zone A land only, we were informed that the owners of the land will not be leaving before the next 4 years. As the ILCC should be fully operational for the Cyprus 2012 European Union Presidency, 'Zone A Land only' will no longer be a feasible option.
- 1.37 For the option of Zone A Extension Only we believe from an architectural point of view that it is strictly inferior to the alternative of Zone A, 'Land and Extension' as in the latter, the parking can be placed mostly underground in the land. In this way the recreational value of the coastline is not diminished and the connectivity of the city with the sea is not affected.
- 1.38 For option Enaerios Land Only we have included in the report designs in an attempt to fulfil the requirements of the ILCC on this plot. However, it is our firm opinion based on the requirements outlined above that the above solution is only a theoretical solution, as the main function areas (main hall, exhibition areas, meeting rooms, restaurants and entrance foyer) are on different levels and not accessible from a central area in the building resulting in a chaotic flow of people. Therefore, such a building will not conform to international high quality standards and therefore will be neither appealing nor competitive in the international event market.
- 1.39 For option Enaerios plus extension into the sea we have included in the report designs of the conference centre into the sea and an underground parking at the site of Enaerios. However, it is our firm opinion that from a town planning perspective this solution does not fit at all in the crowded and congested city centre and that above all does not fit in the wider area destroying views, coast line and city life, especially during large scale events with thousands of visitors.
- 1.40 The option of Germasogia refers to a very narrow strip of coastline with beaches, which is used by the local population. There is basically no land available, meaning that all the requirements, including parking should be built into the seas. We have included in the report the design implications for this option.

It is our firm opinion though that, from a town planning perspective, this option in front of a residential area is not acceptable as we take away valuable recreational space as well as sea view. Furthermore, the site is disconnected from other city functions like sightseeing, shopping and therefore the development of the ILCC on this site will not contribute to the further development of the city.

- 1.41 For the option of Zone B extension only, there is no land available to develop parking, all facilities have to be built into the sea. Considering the location of zone B with on the west the new to be constructed marina, opposite the old town and right on the east the city centre, it is our opinion that no architectural solution can be found to properly fit the ILCC. Furthermore, chapter 14 will reveal that this site has the lowest rating of all. Finally, the Town Planning Authorities have indicated that the whole zone is used for the marina.

Estimated Development Costs

- 1.42 The total estimated development cost for the proposed centre at alternative locations, is displayed below.

	Zone A, Extension & Land	Germasogia / Zone A extension only
Construction cost		
- Conference centre	23.5	23.5
- Parking		
underground & open space	9.2	2.0
open space		
- Landscaping	0.9	0.6
- Breakwater works & platform	2.0	2.7
Total construction cost	35.5	28.8
Furniture & Fittings	2.8	2.8
Architectural fees, consultants & project administration	3.6	2.9
Legal commissions and fees	1.1	0.9
Other and contingency costs	1.7	1.4
Total estimated development cost	44.7	36.8

Site appraisal through rating

1.43 We have rated the pre selected sites on the basis of various criteria. These and the results are displayed in the table below. As Enaerios 'land only' is not a feasible option to develop a functional, appealing and competitive Conference Centre of international standards as outlined above, we have not included it in the rating.

Criteria	Enaerios & extension	Germasogia	Zone A Extension only	Zone A land Only	Zone A land & extension	Zone B extension only
Accessibility	198	290	210	210	210	178
Attractiveness of the area	294	272	420	420	420	306
Aesthetics / Architectural	168	104	104	365	329	104
Legal criteria	100	100	100	100	100	100
Overall score	760	766	834	1095	1059	688

1.44 It is clear that the options of Zone A have the highest scores, followed on a distance by Germasogia and Enaerios & extension. Zone B extension only scores the lowest marks.

Strengths and Weaknesses Analysis

1.45 The following tables describe for each option their strengths and weaknesses.

Site and respective grading	Strengths	Weaknesses
Enaerios – General	<ul style="list-style-type: none"> ▪ Close to the sea ▪ Close to the old town, a visitor attraction ▪ Site owned by Public Sector 	<ul style="list-style-type: none"> ▪ The plot is in the busiest, already congested, part of the city and will become overtly congested with the ILCC. This will be especially true regarding exhibitions, which could attract thousands of visitors. ▪ Severe difficulties will be created in the city during construction. ▪ Major objections are to be expected from residents because an open space will be converted to a public building with intensive use.
Enaerios – Land only		<ul style="list-style-type: none"> ▪ Because of the residential and commercial areas on either side of the site, it will be necessary to allow some space on either sides of the site. The remaining dimensions do not allow the development of a modern competitive conference and exhibition centre.
Enaerios – with Extension		<ul style="list-style-type: none"> ▪ Creating the ILCC in the sea, negates the opportunity to develop the Enaerios piece of land (a prime piece of real estate), as it will be too expensive to create ILCC's parking in the extension as well. Therefore, the ILCC's parking will have to be created in the Enaerios. It will, therefore, not be possible to develop additional commercial retail space as this will add more burden in what is already the busiest part of the town. ▪ Moreover, as the area is already highly developed, current residents / office users will object strongly to having their sea view obstructed and daily life disturbed during construction and operation of the ILCC, especially when attracting thousands of visitors during exhibitions. ▪ There will be no opportunity for further development as land reclaim from the sea is extremely difficult and costly.

Site and respective grading	Strengths	Weaknesses
Zone B extension only	<ul style="list-style-type: none"> Attached to the old town of Limassol and the shopping district Sea access with space around for recreation 	<ul style="list-style-type: none"> Small plot not offering further expansion Extension into the sea is mandatory, but one can discuss whether “sea space” should be used for Conference, Exhibition and parking. Bad road circulation Very difficult access to the high way Disturbance of city life It will change dramatically the character of the old port, its history, and the neighbouring area, which should remain a major attraction pole for the citizens.

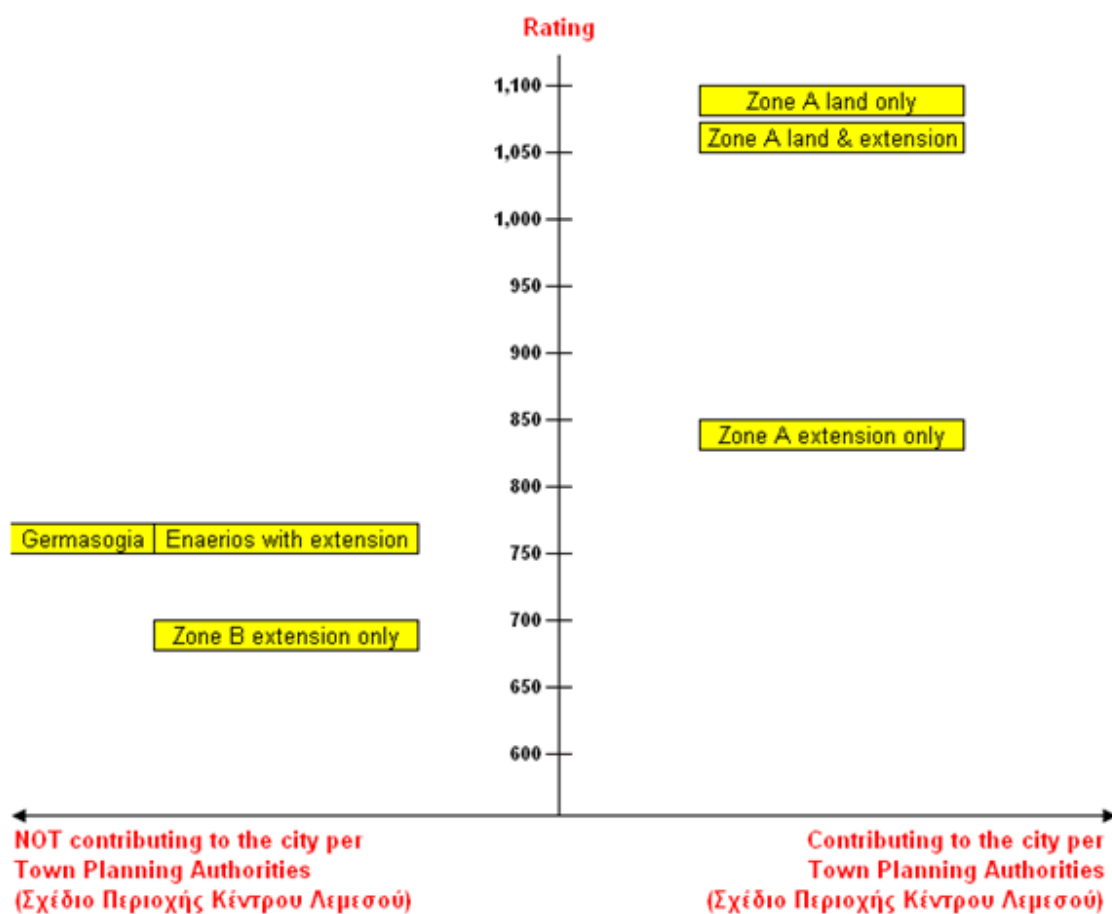
Site and respective grading	Strengths	Weaknesses
Germasogia	<ul style="list-style-type: none"> Close to the 4 and 5 star hotels Excellent access to the highway Offers opportunity to use Enaerios as part of a PPP scheme. 	<ul style="list-style-type: none"> Construction in this site (a coastline) necessitates the destruction of a beach, which is used for recreation of the local population. It also necessitates extension in the sea and it is doubtful whether this is an optimum solution in an already established area. As there are no parking facilities nearby, parking will also have to be created in the extension in the sea, which will be very costly. Moreover, as the area is already highly developed, current residents / office users will object strongly to having their sea view obstructed and daily life disturbed during construction and operation of the ILCC. Site is disconnected from other city functions like sightseeing, shopping etc. Therefore, the development of the ILCC does not contribute to the further development of the city of Limassol. There is not sufficient space on the coastal access roads to create entrance / exit hubs for the ILCC and the parking.

Site and respective grading	Strengths	Weaknesses
Zone A – general	<ul style="list-style-type: none"> ▪ Large brown field offering sufficient space for development of the ILCC, parking and recreational areas. ▪ Such development could include a hotel, or hotels can be developed in areas marked in local city plan for Tourism Development, to the west of the site. ▪ Brown field currently has sea access (coastal road is planned though and in our opinion this plan should be revised). ▪ Opportunity for further expansion. ▪ Unique opportunity to regenerate the entire area thus contributing enormously to the development of the city and creating added value that can finance the project. ▪ Close to the port and business district of Limassol, which suits the nature of a conference and exhibition centre. ▪ Attached to the old town of Limassol, which gives a spin to the local shopping market. ▪ Good access to the shopping district with pedestrian access. ▪ Positive connection with the new to be built marina. ▪ Offers opportunity to use Enaerios as part of a PPP scheme. 	<ul style="list-style-type: none"> ▪ Far away from the existing 4 and 5 star hotels. ▪ Bad road access, particularly to the highway (needs to be addressed). ▪ Access network has to be developed; connections with shuttle buses from the side to the east of Limassol where the majority of 5 star hotels are located.
Zone A – land only	<ul style="list-style-type: none"> ▪ Can develop scheme to utilize some of the existing industrial buildings to enhance the architectural qualities of the project and promote the history of the town / country. Thus creating a landmark building as part of the ILCC, minimizes need to create a new (costly) landmark building for the conference centre. ▪ Does not utilize prime (seaside) location for a conference centre, a fundamentally introvert activity. ▪ Will not affect coastline. ▪ Some of the existing buildings on the side could be used and integrated in the development of the ILCC preserving the historical character of these buildings. 	

Zone A – extension only		<ul style="list-style-type: none"> Building in an extension in the sea will minimize links with the area and the city in general, partly invalidating the regeneration push of the project and the connection of the ILCC with city life. It will also be much costlier than utilizing some land to create parking and other auxiliary facilities.
Zone A – mixed solution	<ul style="list-style-type: none"> Can utilize land area to develop parking facilities, minimizing costs and human interference in the sea. Can create landmark building in the sea. Can take advantage of sea views for the ILCC in terms of recreational areas, restaurants etc. 	

Short list of Prevailing sites

1.46 We have mapped the above analysis in the following graph:



We have therefore shortlisted the following two sites: Zone A, land & extension as well as Zone A, extension only.

Funding options

- 1.47 Often conference and exhibition centres have direct and indirect public sector support as they have significant economic impact to the city, as also calculated below in a scenario for Limassol.
- 1.48 Various public sources of funding could include hotel occupancy tax, auto rental tax, one-time government grant/allocation, ongoing government budget item; non-specific source, airport fees, food & beverage taxes on prepared foods etc.
- 1.49 Also the facilities themselves can be a source of contractually-obligated income including building naming rights, room naming rights, pouring rights, catering rights, advertising revenue, hotel room payments (a small amount per room related to the centre) and PCO activities.

However, as many conference facilities are state owned, Governments choose not to disturb the existing PCO landscape by exploiting such services and take advantage by establishing relationships as a conference centre with all relevant PCOs. Furthermore, antagonizing existing PCOs may destroy all chances of bringing conferences to the conference centre. For this reason PCO services are very rarely offered by conference centres.

- 1.50 According to the information received from the Cyprus Planning Bureau (Γραφείο Προγραμματισμού), the construction of the ILCC could be eligible for financing from the EU Structural Funds. The Subsidy can be 85% of the 'Funding Gap', i.e. the difference between the Present Value of the future Net Profit (discounted at 8%) of the operation and the corresponding Cost to create it. Chances of approval of funding from EU Structural Funds will improve when project is part of a regeneration plan and are hindered by the development of the Cultural Centre (Μέγαρο Πολιτισμού) in Nicosia.

Profit and Loss Forecast

- 1.51 After detailed analysis, incorporating local and international benchmarks regarding rental prices and costs, the following table shows the expected Profit and Loss account for the first 5 years, where year 5 is stabilisation year.

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
<u>Event Revenue</u>					
Space Rental	€ 292,172	€ 488,231	€ 810,541	€ 987,543	€ 1,109,987
Equipment rental	€ 14,609	€ 24,412	€ 40,527	€ 49,377	€ 55,499
Food and Beverage commission	€ 128,750	€ 189,348	€ 412,922	€ 530,588	€ 592,545
Sub-total	€ 435,530	€ 701,990	€ 1,263,990	€ 1,567,508	€ 1,758,032
<u>Other Revenue</u>					
Advertising and Sponsorships	€ 384,000	€ 384,000	€ 384,000	€ 384,000	€ 384,000
Parking	€ 69,040	€ 100,120	€ 155,200	€ 189,480	€ 214,960
Sub-total	€ 453,040	€ 484,120	€ 539,200	€ 573,480	€ 598,960
Other Revenue	€ 17,771	€ 23,722	€ 36,064	€ 42,820	€ 47,140
Total Operating Revenue	€ 906,342	€ 1,209,832	€ 1,839,253	€ 2,183,808	€ 2,404,132

Expenses					
Salaries and Wages	€ 377,830	€ 377,830	€ 377,830	€ 377,830	€ 377,830
Temporary Labor	€ 46,017	€ 102,528	€ 212,767	€ 311,076	€ 349,646
Maintenance & Repairs	€ 98,125	€ 130,375	€ 189,375	€ 225,375	€ 252,625
Cleaning	€ 26,950	€ 26,950	€ 26,950	€ 26,950	€ 26,950
Utilities	€ 377,150	€ 400,550	€ 442,250	€ 467,750	€ 486,950
Advertising & Marketing	€ 175,000	€ 175,000	€ 125,000	€ 125,000	€ 125,000
General and Administrative	€ 192,500	€ 192,500	€ 192,500	€ 192,500	€ 192,500
Insurance	€ 246,000	€ 246,000	€ 246,000	€ 246,000	€ 246,000
Other Operating Expenses	€ 107,770	€ 115,621	€ 126,887	€ 138,074	€ 144,025
Reserve For Replacement	€ 18,127	€ 24,197	€ 45,981	€ 54,595	€ 72,124
Total Expenses	€ 1,665,469	€ 1,791,551	€ 1,985,540	€ 2,165,150	€ 2,273,650
Net Operating Income	€ -759,127	€ -581,720	€ -146,287	€ 18,658	€ 130,482

1.52 Considering that the development cost is between 37 and 45 million Euros, it is obvious that the ILCC can not be developed as a pure private investment; indeed given the losses of the first 3 years, it takes 15 years for the undiscounted cumulative Net Operating Income to break even.

1.53 We recommend the following Funding Options, which are in line with established international practices of public authorities funding such projects.

	Zone A		Zone A	
	Land and Extension		Extension only	
Total development cost	€ 44.7 mln	100%	€ 36.8	100%
Commitment of Cyprus Government	€ 6.8 mln	15%	€ 6.8 mln	18%
EU Funding	€ 37.9 mln	85%	€ 30.0 mln	82%

1.54 As fallback positions, in case either Government funds or EU funds are not available to the extent required, we recommend the following:

- the Limassol municipality sells the 'Enaerios' plot (which has been made available for the development of the ILCC) or rights for its development, possibly with restrictions to satisfy important environmental criteria given its location in the centre of the city, so as to cover any shortfall;
- should Cyprus proceed with issuing a casino license(s), it earmarks part of the License Fee for creating the ILCC or makes it an obligation of the licensee to build the ILCC;
- it utilises some of the "Funding Options" above.

1.55 Finally, we do not recommend another PPP scheme, not only because it could jeopardise the EU funding, but also because it is extremely unlikely that a PPP scheme can be developed which brings benefits that cover substantially the development costs of the ILCC.

Economic Impact Assessment

1.56 Although the centre will operationally break even after 15 years, it is evident that the development of the ILCC will bring significant benefits to the city of Limassol.

- 1.57 The table below shows the total financial impact for various sectors on the basis of 11,400 new international visitors (out of 71,000 total delegates / visitors) and the assumption that delegates stay in total 4 days, 75% comes with partners to the events and 50% will come back to Limassol at some point and all bring their partner with them:

	(x mln)
Hotel sector	€ 10.8
Retail sector	€ 9.2
Travel Trade	€ 0.8
State	
- Airport Tax	€ 0.7
- VAT	€ 2.2
- City tax	€ 0.1
Total	€ 23.7

Time planning

- 1.58 We have included in the report a detailed time planning scheme for the full implementation of the ILCC, which should be scheduled for delivery no later than early 2012. It is attached at the end of the executive summary.

Critical Success Factors

- 1.59 A fully integrated approach is necessary in order to make the ILCC successful, including

- The conference centre must be part of a greater effort to attract tourists, investors and residents;
- Support from the residents;
- Collaboration with local, regional and national authorities;
- Intensive marketing;
- Support from an active, well organised Convention Bureau;
- Good opportunities for recreation and 'experiences';
- Good hotel infrastructure in both quality and quantity terms.

Regarding hotel infrastructure, the plans for the new to be developed marina includes a hotel, but details have not been disclosed to us so far. The entire regeneration of Zone A offers opportunities as well, particularly as Town Planning authorities have indicated zones that include tourism development in the region.

- 1.60 With respect to the ILCC itself the following critical success factors could be considered:

- Top-quality, well-conceived building that meets the market's needs;
- Flexibility in configuring the building in various ways;
- Well-trained management and operations team;
- Long term strategy: results take time;
- Continuous reinvestment and maintenance

Site recommendation

- 1.61 Of the 2 short listed options, 'Zone A extension only' and 'Zone A Extension and Land', we recommend 'Zone A Extension and Land' despite being the more expensive option. The reason is that in the former option the parking space will also be in the sea which will be environmentally detrimental and in direct opposition to the purpose of creating the ILCC as a pivot in the effort of regenerating Zone A.

ΛΕΜΕΣΟΣ – ΔΙΕΘΝΕΣ ΣΥΝΕΔΡΙΑΚΟ ΚΕΝΤΡΟ (ILCC)
ΠΡΟΤΑΣΗ ΧΡΟΝΟΔΙΑΓΡΑΜΜΑΤΟΣ ΥΛΟΠΟΙΗΣΗΣ ΤΟΥ ΕΡΓΟΥ

		2008						2009						2010						2011						2012		
		1-2	3-4	5-6	7-8	9-10	11-12	1-2	3-4	5-6	7-8	9-10	11-12	1-2	3-4	5-6	7-8	9-10	11-12	IAN	MAP	MAI	ΙΟΥΝ	ΣΕΠ	ΝΟΕ	IAN	MAP	MAI
0. ΕΠΙΛΟΓΗ ΘΕΣΗΣ																												
01	Συνάντηση με ανώτερους λειτουργούς όλων των εμπλεκόμενων Υπουργείων, παρουσίαση πρότασης/εων συμπεράσματα																											
02	Παρουσίαση της τελικής πρότασης στο Υπουργικό Συμβούλιο (αν απαιτείται)																											
03	Τελική απόφαση θέσης																											
A. ΦΑΣΗ: ΕΚΠΟΝΗΣΗ ΒΑΣΙΚΩΝ ΜΕΛΕΤΩΝ																												
1. Ανάθεση 1^{ης} φάσης μελετών Συνεδριακού Κέντρου - Πολεοδομική Μελέτη περιοχής																												
1.1	Προκήρυξη																											
1.2	Υποβολές εκδηλώσεων ενδιαφέροντος																											
1.3	Αξιολόγηση- Επιλογή																											
1.4	Υπογραφή σύμβασης, Έναρξη μελέτης																											
1^α Επιλογή Συμβούλου Υλοποίησης Έργου (Νομικού, Τραπεζικού, Επιχειρηματικού). Παράλληλη διαδικασία που θα ετοιμάσει το διαγωνισμό operator και contractor																												
2. Πολεοδομικές Κατευθύνσεις ανάπτυξης ευρύτερης περιοχής																												
2.1	Χρήσεις - λειτουργίες, κυκλοφορία																											
2.2	Βασικές αρχές και επιλογές σχεδιασμού του χώρου																											
2.3	Αναγκαίες πολεοδομικές ρυθμίσεις																											
3. Προκαταρκτική Πρόταση																												
3.1	Προκαταρκτική Μελέτη Συνεδριακού Κέντρου μετά των άμεσων διαμορφώσεων και υποδομών χώρου																											
3.2	Προκαταρκτική Μελέτη Λιμενικών Έργων																											
3.3	Κυκλοφοριακή Θεώρηση Έργων																											
3.4	Master Plan άμεσης - ευρύτερης περιοχής																											
4. Μελέτη Περιβαλλοντικών Επιπτώσεων																												
4.1	Προμελέτη Περιβαλλοντικών Επιπτώσεων Συνεδριακού Κέντρου -Υποβολή - Έγκριση																											
4.2	Μελέτη Περιβαλλοντικών Επιπτώσεων και Έγκριση Περιβαλλοντικών Όρων																											
4.3	Συγκρότηση - Υποβολή Φακέλου Έγκρισης Καταλληλότητας Γηπέδου ILCC																											
5. Προμελέτη Κτιριακών Έργων και Έργων Υποδομής																												
5.1	Προμελέτη Κτιριακών Έργων και Μελετών Έργων Υποδομής																											
5.2	Διαγωνισμού Μελετο- Κατασκευής																											

B. ΦΑΣΗ: ΟΛΟΚΛΗΡΩΣΗ ΜΕΛΕΤΩΝ - ΥΛΟΠΟΙΗΣΗ ΤΟΥ ΕΡΓΟΥ	
1.	Διαγωνισμός Υλοποίησης Έργου
1.0	Προεπιλογή ανεξάρτητου ή κοινού Operator και Αναδόχου
1.1	Πρόκήρυξη
1.2	Υποβολές Προσφορών (τεχνικών και οικονομικών) με τυχόν προτάσεις του Operator επί των Προμελετών Κτιριακών Έργων και Οριστικοποίηση Μελετών Έργων Υποδομής
1.3	Αξιολόγηση - Επιλογή
1.4	Υπογραφή σύμβασης
2.	Έναρξη υπολοίπων φάσεων μελετών κτιριακών έργων
2.1	Οριστική Μελέτη
2.2	Έκδοση Πολεοδομικής Αδείας
2.3	Μελέτη Εφαρμογής
3.	Έναρξη Έργων Υποδομής (χωματουργικά, λιμενικά κλπ.)
4.	Έναρξη Κτιριακών Έργων - Περίοδος Κατασκευής
5.	Ολοκλήρωση – Προσωρινή Παράδοση
6.	Δοκιμές Λειτουργίας
7.	Οριστική Παράδοση