

San Diego Convention Center Corporation

Market Demand Analysis



Mayor's Citizen Task Force
Presentation

Our Firm

- Worldwide professional services organization – audit, tax, and advisory services
- Specialization in Convention & Tourism Advisory Services
- Over 30 years of experience in planning initiatives for convention centers, conference centers, multi-purpose centers, amphitheatres, performing arts venues, and sports and other public assembly facilities
- Industry leadership evidenced by annual publication of the *Convention Center Report*, which tracks key trends for the industry

Our Approach

- Initial expansion study for the Center in the mid-1990s
- Conducted additional expansion study in 2005 and follow-up in 2007/08
- Independent and objective approach
- Detailed market analysis

Market Demand Analysis Overview



Demand Points

- Center is operating at or above practical maximum capacity
- Loss of potential business most frequently due to lack of available dates/space

SDCC Continues to Operate at or Above Practical Maximum Occupancy...

	Fiscal <u>2003</u>	Fiscal <u>2004</u>	Fiscal <u>2005</u>	Fiscal <u>2006</u>	Fiscal <u>2007</u>
Conventions & Trade Shows					
Events	70	75	66	83	76
Attendance	426,797	512,515	516,011	543,260	641,255
Room Nights	703,446	710,817	660,658	637,099	729,258
Exhibit Hall Occupancy	54.5%	61.4%	53.4%	56.2%	67.4%
All Events					
Events	231	233	224	281	220
Attendance	810,784	895,358	860,058	950,760	983,706
Room Nights	706,319	714,519	675,308	646,184	738,758
Exhibit Hall Occupancy	65.1%	75.2%	66.0%	68.8%	79.1%

SDCC Future Bookings Remain Strong...
 (2010-2012 bookings should increase
 as many events not yet confirmed)

	Fiscal <u>2008</u>	Fiscal <u>2009</u>	Fiscal <u>2010</u>	Fiscal <u>2011</u>	Fiscal <u>2012</u>
Conventions & Trade Shows					
Events	69	66	53	46	32
Attendance	621,875	533,502	506,350	462,200	313,772
Room Nights	721,907	709,888	629,125	646,295	521,194
Exhibit Hall Occupancy	66.1%	58.4%	59.6%	48.0%	38.5%
All Events					
	Fiscal <u>2008</u>	Fiscal <u>2009</u>	Fiscal <u>2010</u>	Fiscal <u>2011</u>	Fiscal <u>2012</u>
Events	114	72	54	47	33
Attendance	956,270	702,502	646,350	602,200	453,772
Room Nights	724,846	711,188	629,125	646,295	521,194
Exhibit Hall Occupancy	76.2%	65.0%	63.6%	51.1%	42.4%

Demand Points

- Center is operating at or above practical maximum capacity
- Loss of potential business most frequently due to lack of available dates/space
- San Diego's hotel supply has continued to expand

SDCC Proximate Hotel Supply – ¼ Mile

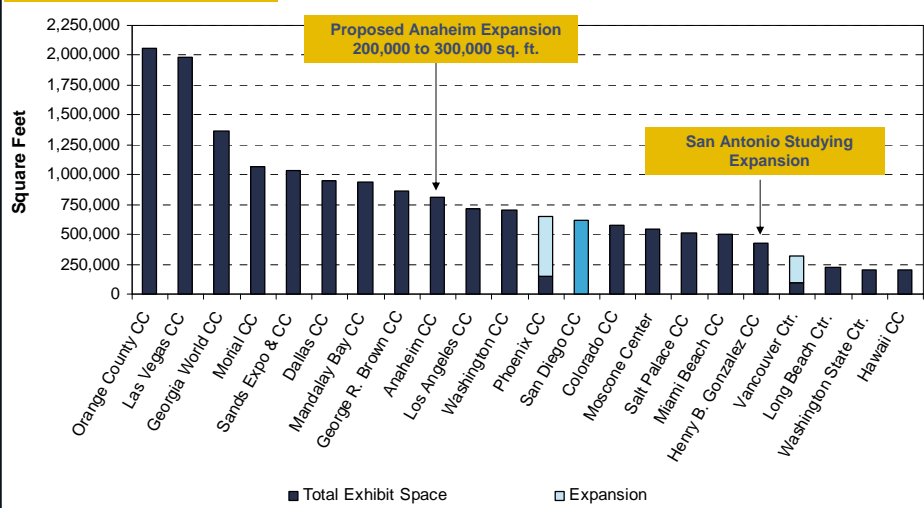
Center	Location	Hotel Rooms
Sands Expo & Convention Center	Las Vegas, NV	23,038
Mandalay Bay Convention Center	Las Vegas, NV	12,976
Moscone Center	San Francisco, CA	6,629
San Diego Convention Center	San Diego, CA	6,303
Henry B. Gonzalez Convention Center	San Antonio, TX	6,127
Washington State Convention & Trade Center	Seattle, WA	5,293
Orange County Convention Center	Orlando, FL	5,186
Anaheim Convention Center	Anaheim, CA	4,804
Las Vegas Convention Center	Las Vegas, NV	4,206
Morial Convention Center	New Orleans, LA	3,917
Colorado Convention Center	Denver, CO	3,524
Washington Convention Center	Washington, D.C.	2,722
Phoenix Convention Center	Phoenix, AZ	2,471
Salt Palace Convention Center	Salt Lake City, UT	2,070
Miami Beach Convention Center	Miami, FL	2,016
George R. Brown Convention Center	Houston, TX	1,920
Hawaii Convention Center	Honolulu, HI	1,774
Georgia World Congress Center	Atlanta, GA	1,740
Vancouver Convention & Exhibition Center	Vancouver, BC	1,633
Long Beach Convention & Entertainment Center	Long Beach, CA	1,587
Los Angeles Convention Center	Los Angeles, CA	1,481
Dallas Convention Center	Dallas, TX	236

Demand Points

- Center is operating at or above practical maximum capacity
- Loss of potential business most frequently due to lack of available dates/space
- San Diego's hotel supply has continued to expand
- Competitors are moving forward with enhancements

How Existing Space of SDCC Compares...

Chicago has 2.6 million sq. ft. of Exhibit Space



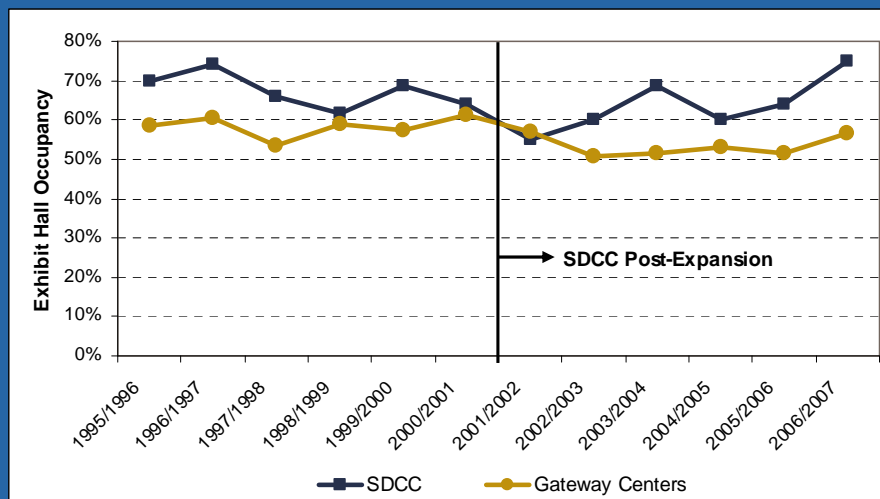
Demand Points

- Center is operating at or above practical maximum capacity
- Loss of potential business most frequently due to lack of available dates/space
- San Diego's hotel supply has continued to expand
- Competitors are moving forward with enhancements
- Past and potential customers have expressed interest in an expanded Center
- Past events have and existing events are at risk of outgrowing the Center
- Room night loss from these events outgrowing the Center

Demand Points

- Center is operating at or above practical maximum capacity
- Loss of potential business most frequently due to lack of available dates/space
- San Diego's hotel supply has continued to expand
- Competitors are moving forward with enhancements
- Past and potential customers have expressed interest in an expanded Center
- Past events have and existing events are at risk of outgrowing the Center
- Room night loss from these events outgrowing the Center
- Center has outperformed many of its competitors and the industry

Outperforming Industry



*Includes conventions, trade shows, and consumer shows only.

Summary of Demand Points

- Center is operating at or above practical maximum capacity
- Loss of potential business most frequently due to lack of available dates/space
- San Diego's hotel supply has continued to expand
- Competitors are moving forward with enhancements
- Past and potential customers have expressed interest in an expanded Center
- Past events have and existing events are at risk of outgrowing the Center
- Room night loss from these events outgrowing the Center
- Center has outperformed many of its competitors and the industry

Demand Analysis Supports Center Expansion

- Demand factors point to pent-up demand for an expanded center
- Demand for additional convention center space is independent of the size of the building expansion
- Based on market demand analysis, a building expansion resulting in up to 1 million square feet of exhibit space is supported

San Diego
Convention Center
Corporation

Market Demand Analysis



Thank You