State of the Convention and Tradeshow Industry and Convention Center Performance

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May 2009

Best Practices

Convention Center Sales and Convention Center Operations

A Report from the Joint Study Committee

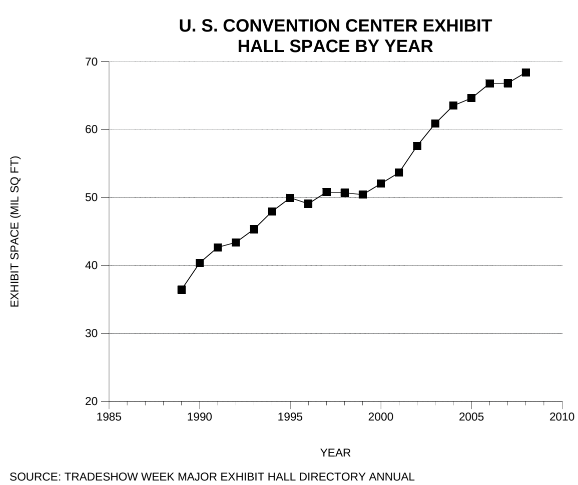
August 25, 2007

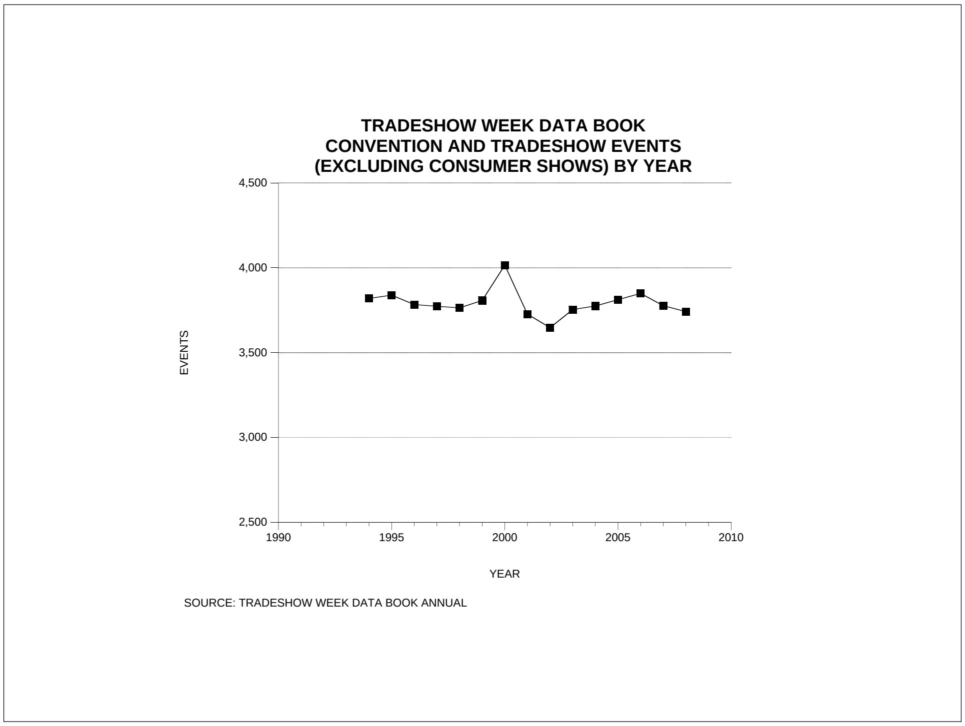
Destination Marketing Association International

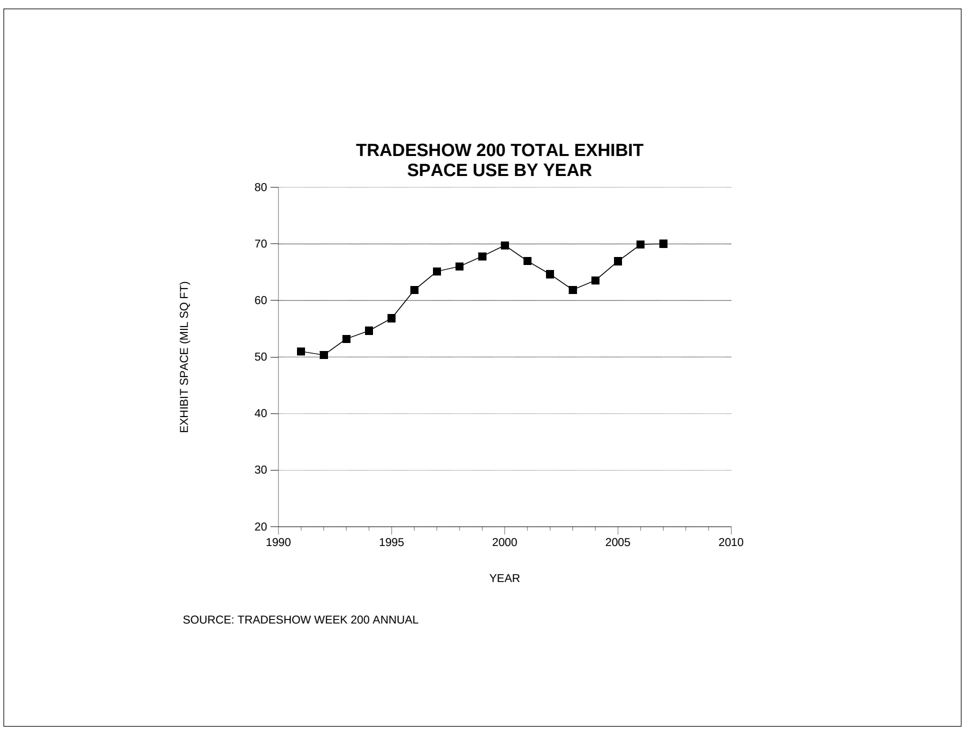
iaam
International Association of Assembly Managers, Inc.

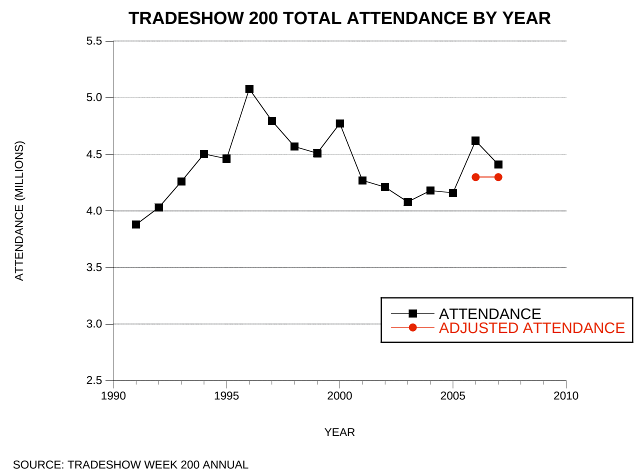
Even those convention centers with significant dedicated public funding are under greater pressure to at least cover expenses or make a profit on their operations. Complicating these transitional conditions is the recognition that supply of available exhibit and meeting space across the nation currently exceeds demand, resulting in a "buyers market". Pressure to perform financially and discounting rental rates to

As stated earlier, as greater pressure for improved financial performance has grown, so has the amount of available space inventory as new communities develop new and expanded convention centers. The resulting "buyers market" has exacerbated an already competitive environment resulting in the need to discount rental rates or increase services that can create a competitive advantage. It is within this



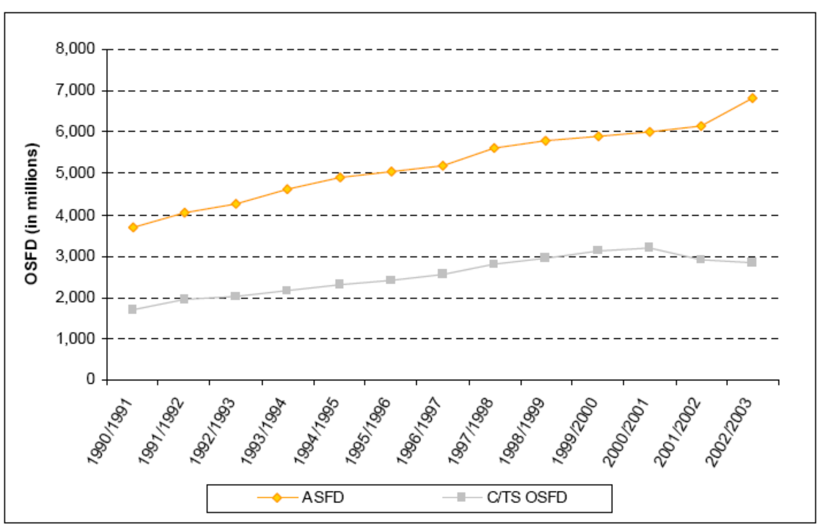

TRADESHOW WEEK DATA BOOK
CONVENTION AND TRADESHOW EVENTS
(EXCLUDING CONSUMER SHOWS) BY YEAR
EVENTS
4,500
4,000
3,500
3,000
2,500
1990
1995
2000
2005
2010
YEAR
SOURCE: TRADESHOW WEEK DATA BOOK ANNUAL


TRADESHOW 200 TOTAL EXHIBIT
SPACE USE BY YEAR
EXHIBIT SPACE (MIL SQ FT)
80
70
60
50
40
30
20
1990
1995
2000
2005
2010
YEAR
SOURCE: TRADESHOW WEEK 200 ANNUAL



Capital Improvement Board of Marion County
Indiana Convention Center & RCA Dome Expansion Study

Table 74 - Growth of Available and Occupied Space at Gateway Centers

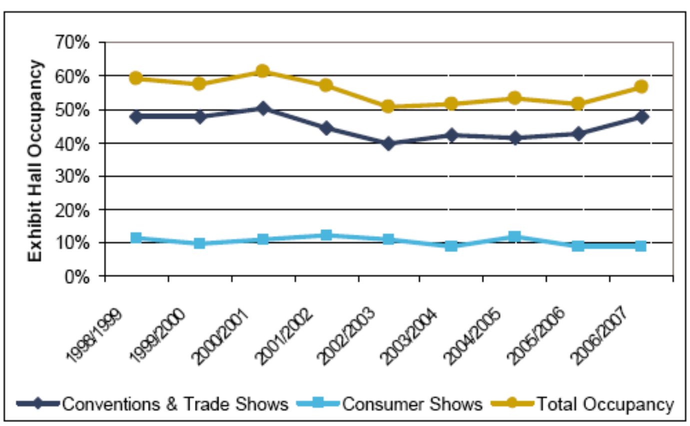


San Diego Convention Center Corporation

San Diego Convention Center
Strategic Plan Update

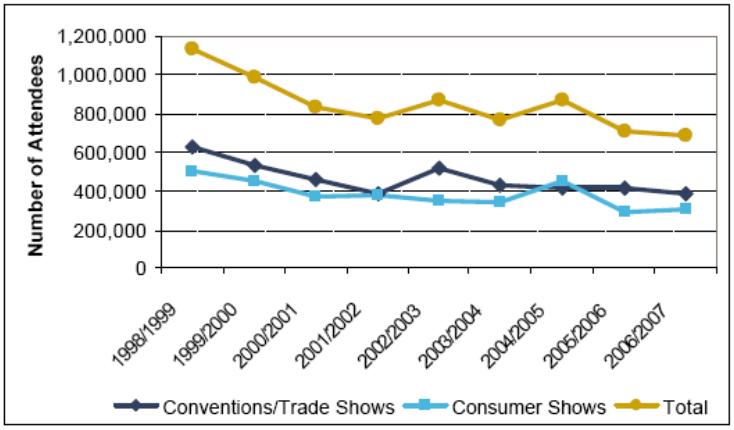
December 21, 2007

Exhibit Hall Occupancy of Gateway Centers



Source: PricewaterhouseCoopers

Average Attendance of Gateway Centers



Source: PricewaterhouseCoopers

PRICEWATERHOUSECOOPERS

2003 Convention Center Report

Total Attendance by Destination Type

	Conventions / Trade Shows	Consumer Shows	Total
Gateway	523,000	351,000	874,000
National	212,000	152,000	364,000
Regional	60,000	105,000	165,000

Total Attendance by Center Size

	Conventions / Trade Shows	Consumer Shows	Total
More than 500,000 Sq. Ft.	750,000	413,000	1,163,000
100,000 to 500,000 Sq. Ft.	167,000	227,000	394,000
Less than 100,000 Sq. Ft.	52,000	83,000	135,000

PRICEWATERHOUSECOOPERS

2008 Convention Center Report

	AVERAGE ATTENDANCE	
	Conventions / Trade Shows	Consumer Shows
Destination Type:		
Gateway	419,300	301,400
National	141,300	155,300
Regional	49,000	156,300
Center Size:		
More than 500,000 Sq. Ft.	569,700	390,400
100,000 to 500,000 Sq Ft.	195,400	234,800
Less than 100,000 Sq. Ft.	41,700	66,900

Top 20 Healthcare Meeting Cities in 2008

All Reported Meetings

Rank	Location
1	Orlando
2	Chicago
3	San Diego
4	Washington, D.C.
5	Las Vegas
6	Boston
7	San Antonio
8	San Francisco
8	Phoenix
10	New Orleans
11	Seattle
12-tie	Atlanta Philadelphia

CONVENTION CENTER CASES

HENRY B. GONZALEZ CONVENTION CENTER
SAN ANTONIO, TEXAS

EXPANSION FEASIBILITY ANALYSIS

November, 1990

Prepared for:

The City of San Antonio

Prepared by:

GA/PARTNERS
HOUSTON, TEXAS

a unit of the
Arthur Andersen
Real Estate Services Group

HBG CENTER UTILIZATION

Attendance data from the San Antonio Convention and Visitors Bureau for the HBG Center were available for years 1986 through 1989, and bookings for 1990 and 1991. Use of the HBG Center increased from 177,801 total delegates in 1986 to 336,966 in 1989, a 90-percent increase over three years (see Table III). This rapid growth in delegate attendance was primarily due to the expansion of the HBG Center in 1986 and the Bureau's extensive marketing effort. The HBG Center has attracted more and larger events as evidenced by the modest change in the number of total events. The average number of delegates per event increased from 2,403 delegates per event in 1986 to 4,331 delegates per event in 1989.

TABLE III. HENRY B. GONZALEZ CONVENTION CENTER ATTENDANCE

Year	Number of Delegates	Percent Change From Previous Period	Number of Events	Percent Change From Previous Period
1986	177,801	N/A	74	N/A
1987	210,293	18.27%	67	-9.46%
1988	262,961	25.05%	71	5.97%
1989	336,966	28.14%	76	7.04%
1990 *	193,600	N/A	N/A	N/A
1991 *	75,400	N/A	N/A	N/A
Average Change **		23.75%		0.89%

* Conventions booked as of March 1990

** Change from 1986 – 1989

Source: San Antonio Convention & Visitors Bureau

The data in Table X indicate that the number of potential delegates that may attend the HBG Center by the year 2000 could range between approximately 500,000 and 874,000. The 7 percent solution of approximately 660,000 attendees represents a reasonable solution consistent with projected national growth rates discussed earlier. The ten and four percent projections reflect what are believed to be the upside and downside ranges of growth, respectfully, based on current assessments of national and regional convention attendance growth. Again, note that these potential demand estimates are not constrained by the availability of convention center space or hotel rooms.

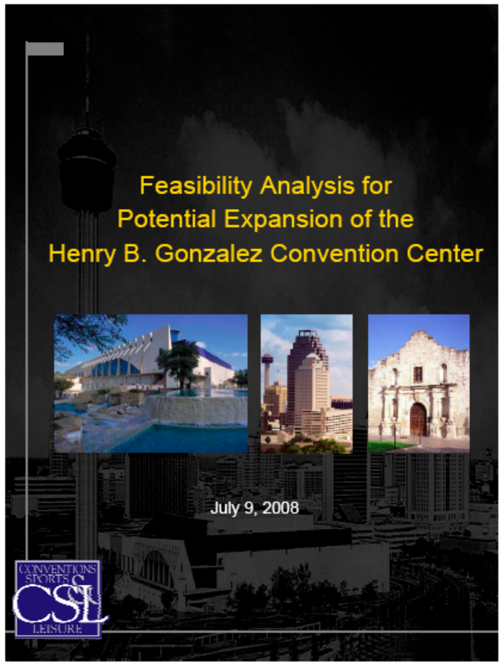
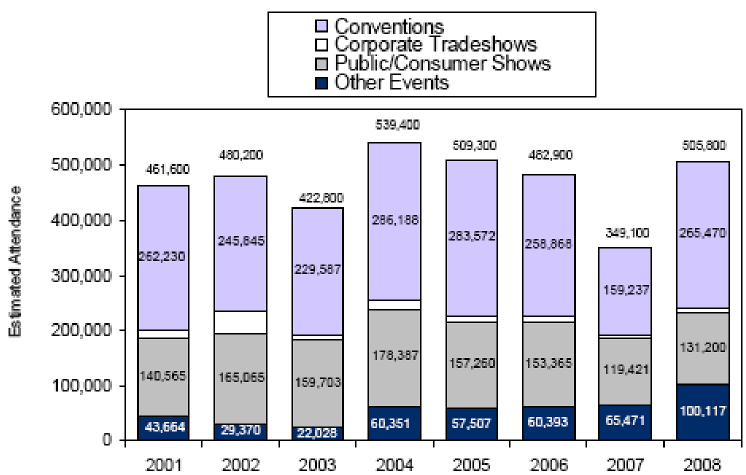
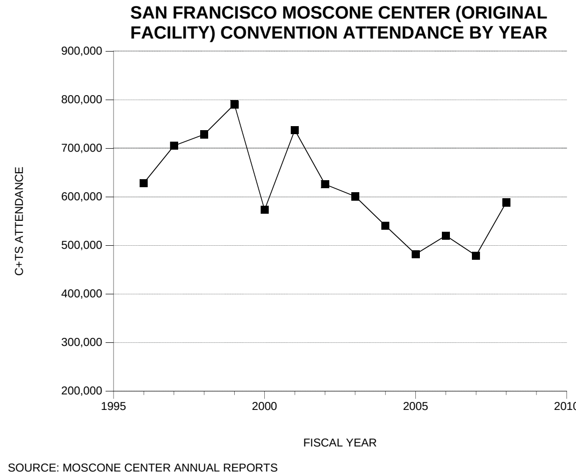
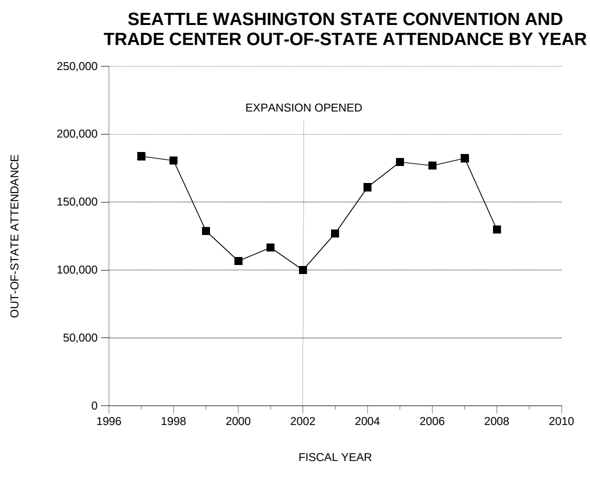


Exhibit III-3
Total Attendance Among Exhibit Space Users by Event Type
(2001 – 2008)



Note: Figures include all events held at the Center that utilized exhibit space. Attendance data for 2007 and beyond was incomplete and has not been considered in this analysis.
Source: CSL International, facility management, 2008


SAN FRANCISCO MOSCONE CENTER (ORIGINAL FACILITY) CONVENTION ATTENDANCE BY YEAR
C+TS ATTENDANCE
900,000
800,000
700,000
600,000
500,000
400,000
300,000
200,000
1995
2000
2005
2010
FISCAL YEAR
SOURCE: MOSCONE CENTER ANNUAL REPORTS


SEATTLE WASHINGTON STATE CONVENTION AND TRADE CENTER OUT-OF-STATE ATTENDANCE BY YEAR
EXPANSION OPENED
OUT-OF-STATE ATTENDANCE
250,000
200,000
150,000
100,000
50,000
0
1996
1998
2000
2002
2004
2006
2008
2010
FISCAL YEAR
SOURCE: WSCTC ANNUAL REPORTS

San Diego Convention Center Corporation

Market Demand Analysis

Mayor's Citizen Task Force Presentation

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

Jacob K. Javits Convention Center
Operating Corporation

Jacob K. Javits Convention Center
Expansion Study

Presented by:

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Phone: (813) 218-2917
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Contact: Robert V. Canton, Director

- ***JKJCC will lose existing business if it does not expand.***
  - Past users of JKJCC are having difficulty obtaining desirable dates for their event. Some events have been forced to take less desirable dates or relocate to another facility/destination.
  - Several major recurring trade show users are outgrowing the facility and have stated that they will be forced to leave JKJCC if the facility is not expanded.
  - Existing events are constrained in their ability to grow based on the capacity of JKJCC.
  - JKJCC is losing market share of the largest trade shows in the country.

- ***JKJCC will attract new events if it is expanded.***
  - New York City is an attractive destination for events due to its delegate drawing power and its status as a location to conduct business. New York City has a strong national and international appeal and is viewed as the business capital of the world. New York City is a major market with a strong business community and good access to broader Mid-Atlantic and East Coast markets. This provides a good draw for attendees and increased demand for exhibit space.
  - Additional trade shows and conventions are interested in bringing their event to JKJCC but are unable due to size constraints and date availability.
  - New York City is a destination where many shows must have a presence.
  - Negative current facility characteristics will be modified with expansion including limited exhibit space, meeting rooms, and ballroom space.

Jacob K. Javits Convention Center Utilization Estimates

	Convention & Trade Show	*Public Show*	*Total*
No-Build			
Number of Attendees	1,114,000	1,562,000	2,676,000
Total Occupied Square Foot Days	141,691,000	32,720,000	174,411,000
Incremental			
Number of Attendees	504,000	33,000	537,000
Total Occupied Square Foot Days	98,274,000	6,980,000	105,254,000
Expansion			
Number of Attendees	1,618,000	1,595,000	3,213,000
Total Occupied Square Foot Days	239,965,000	39,700,000	279,665,000

Introduction

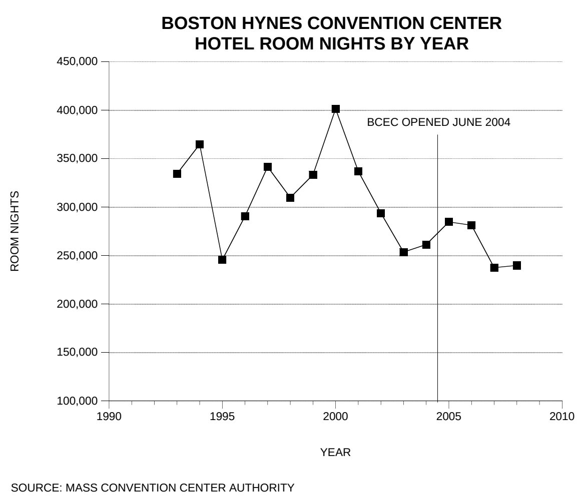
To obtain an independent perspective regarding the marketing and promotion of the Boston Convention and Exhibition Center ("BCEC") to potential conventions and trade shows, the Greater Boston Convention and Visitors Bureau ("GBCVB") engaged PricewaterhouseCoopers ("PwC") to provide an evaluation of:

- the convention center industry and related demand for facilities and services;
- the BCEC's potential market share of conventions and trade shows;
- best practices in the marketing of convention and trade show destinations; and
- the relationship between existing and planned hotel capacity and the rooms necessary for the BCEC to realize its potential market share.

This report is not intended to evaluate the "feasibility" of convention center development, as the construction of the BCEC is already under-way and scheduled for opening in 2004, upon which it will provide 516,000 square feet of exhibit space and approximately 200,000 square feet of meeting and ballroom space. Rather, as the long-term success of the Center relies on issues not solely limited to the building program, the objectives of this report are to provide information and evaluation of those characteristics, the extent to which Boston can successfully capture its fair share of events, and to quantify the market opportunity for the BCEC.

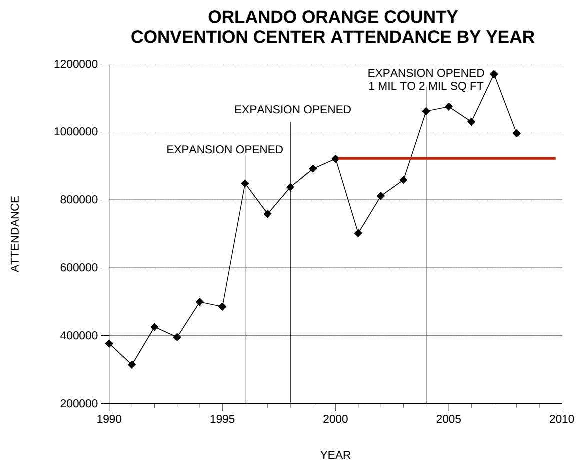
- It is estimated that attendees to the BCEC will generate approximately 612,000 to 697,000 room nights annually upon stabilization or 1.7 room nights per attendee. The ratio of 1.7 is consistent with the performance of comparable and competitive facilities such as the Philadelphia Convention Center, San Diego Convention Center, Baltimore Convention Center, Georgia World Congress Center in Atlanta, and others. These destinations realize 1.2 to 2.3 room nights per convention/trade show delegate with an average of 1.7.

- As described previously, it is anticipated that the Hynes Convention Center will continue to be used and should continue to achieve a high rate of occupancy. While larger events should be encouraged to transfer to the BCEC, Hynes will continue to be highly competitive for smaller regional, national and international professional association conventions given the attractive "destination package" it offers in the form of event space, adjacent/connected hotels, retail, restaurants, and entertainment options. In the short- term, the benefits to Boston and the Commonwealth of having two facilities are significant; however, it may be appropriate for officials to consider some type of re-use of

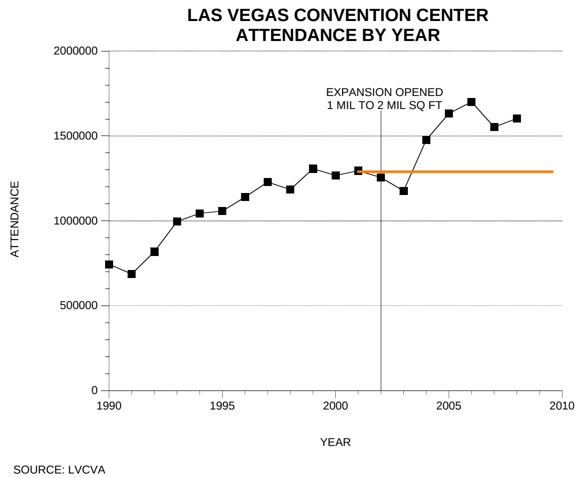


BCEC	FY08	CY08
Bull's Eye* Events		
# of Events	22	18
# of Attendees	276,747	279,047
# of Rooms	351,984	292,930
Total Events		
# of Events	115	117
# of Attendees	488,895	443,785
# of Rooms	389,738	329,474

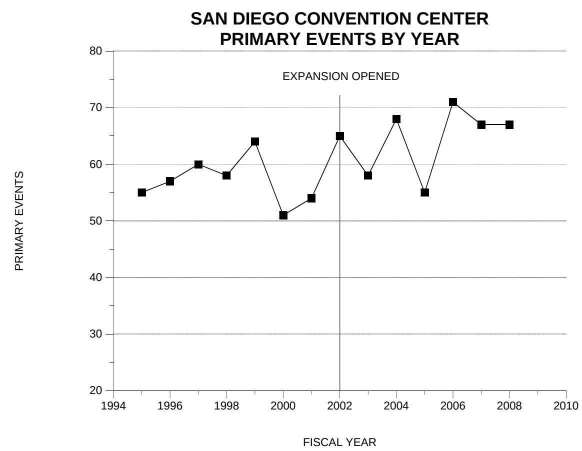
*Bull's Eye events have at least 1,000 rooms on peak and utilize one exhibit hall.

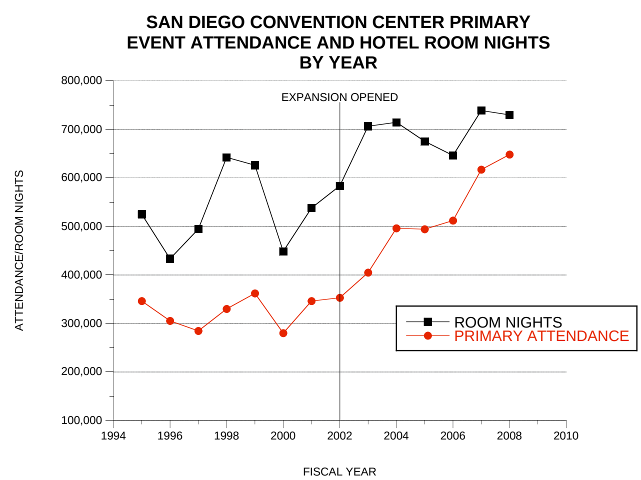


SOURCE: ORANGE COUNTY CVB AND CONVENTION CENTER

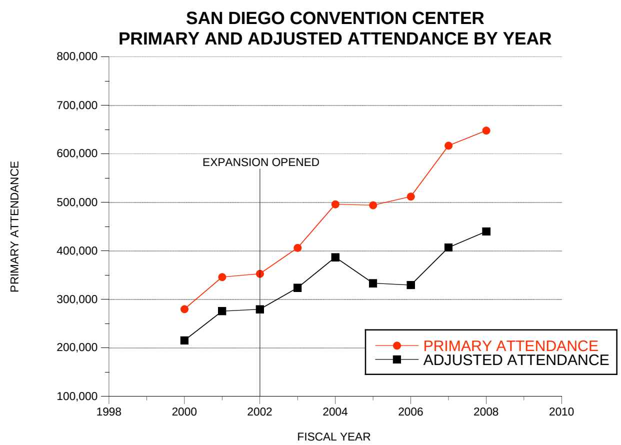


SAN DIEGO CONVENTION CENTER





SOURCE: SAN DIEGO CONVENTION CENTER CORPORATION nights per attendee. For national and state conventions there appears to be a downward trend in the number of room nights per attendee. This apparent downward trend in the ratio of attendees to room nights may indicate that more room nights are occurring outside the convention block. In addition, it should be noted that in recent years, several large events such as Comic-Con, the ASR Trade Expos (two per year), and the Rock n' Roll Marathon Expo, have been attracting more local attendees that do not require significant levels of room nights.



NOTE: ADJUSTED ATTENDANCE EXCLUDES COMIC CON, MARATHON, ASR

SDCC Large Conventions/Trade Shows & Corporate Events

Organization/Event	*Attendance*	*Room Nights*	*Most Recent Fiscal Year at Center*	*Last Fiscal Year Confirmed*
American Academy of Orthopaedic Surgeons	31,700	74,700	2007	2011
ASIS International	25,000	35,100	2007	2007
National Safety Council	15,000	24,700	2007	N/A
Environmental Systems Research Institute	14,500	21,200	2007	2016
American College of Obstetricians & Gynecologists	7,000	21,000	2007	N/A
Comic-Con	123,000	20,300	2007	2012
International Society for Technology in Education	12,000	19,800	2007	N/A
Produce Marketing Association	18,600	18,700	2007	2007
Microsoft Convergence	8,800	18,300	2007	2007
Design Automation Conference	10,000	10,400	2007	N/A
Healthcare Information & Management Systems Society	25,500	63,600	2006	2006
ACE Hardware	16,000	24,500	2006	N/A
National Association of Drug Chain Stores	6,000	17,000	2006	N/A
American Pet Products Manufacturing Association	12,000	8,300	2006	2008
Society for Neuroscience	31,600	62,600	2005	2017
American Society of Hematology	19,500	37,600	2005	N/A
Society for Human Resource Management	20,000	32,300	2005	N/A
Anaheuser Busch, Inc	7,100	15,500	2005	N/A
Microsoft	10,500	34,000	2004	N/A
Golf Course Superintendents Association of America	19,000	29,200	2004	2022
Association of Peri-Operative Registered Nurses	15,000	20,900	2004	N/A
American Academy of Family Physicians	16,300	33,500	2003	N/A
American Society for Training & Development	8,000	23,400	2003	N/A