

CONVENTION PARTNERSHIP

The Tough Questions Convention Partnership Panel Discussion June 28, 2010

Past Projections

Is the glass half full or half empty? Boston has enjoyed great success in the convention industry over the past 6 years but critics claim that we are still below projections made in the mid 1990's.

What are the facts?

Supply & Demand

Critics caution there is more convention center space supply than there is demand in North America and it is unwise to add to supply in an overbuilt industry. What is the convention industry's historical, current and projected supply and demand? How should Boston be thinking about this dynamic?

What happened to building occupancies after expansions in other cities (Atlanta, Las Vegas, and Orlando) and what are the lessons for Boston?

What is the "no build" scenario? What if we did nothing? What does this facility need to do to maintain or grow market share?

Which is the best market segment to attract? What is the international opportunity?

Competition

Is there a higher risk associated with having a bigger profile in the industry? What are the realities of competing as one of the top 5?

How can we set this facility apart? Technology, green/sustainability, design? And what could be the cost of setting it apart? Are we creating a more expensive project?

Financing

How do we finance the various initiatives? How do we finance without trade-offs? What revenue sources are available? Hotel tax capacity?

What are the ranges (from best case to worst case) for possible development and construction revenue sources? What are potential development and construction cost/expense ranges including all contingencies? What is the range on net of revenues and expenses?

City & State Priorities / Opportunity Costs

What are the broader priorities of the Commonwealth and the City (industrial, economic development, transportation, education, and housing)? How does convention center and hotel expansion fit in? What are the opportunity costs?

Hotel Inventory & Development

What are the experiences, good and bad, of other cities who've engaged in convention hotel financing? What are the red flags that we can learn from?

What is the impact of a 1,000+ room hotel on the existing hotel inventory, particularly in the waterfront?

What is the interplay of room nights? Did the BCEC adversely affect the Hynes?

How has the lack of hotel rooms on the waterfront affected our ability to book business?

Economic Development & Place Making

What is the role of convention centers in broader economic development strategy? What role can expansion play in development of the waterfront district and city building?

How do we value "place-making" and international business development opportunity? What does it mean to bring BIO to Boston to attract those types of businesses to invest corporately in Boston?

Technology

How will virtual meetings and other technology platforms affect our future business?

Mobility & Transportation

What are the transportation infrastructure needs, like the Silver Line? Would attendees use public transportation?

Success & ROI

How can we measure ROI of any investment decision? What is the best long-term metric for success?