



MARKET FEASIBILITY STUDY FOR THE PHOENIX CONVENTION CENTER AND SURROUNDING HOSPITALITY ASSETS

Presented to the Economic Development & Equity Subcommittee

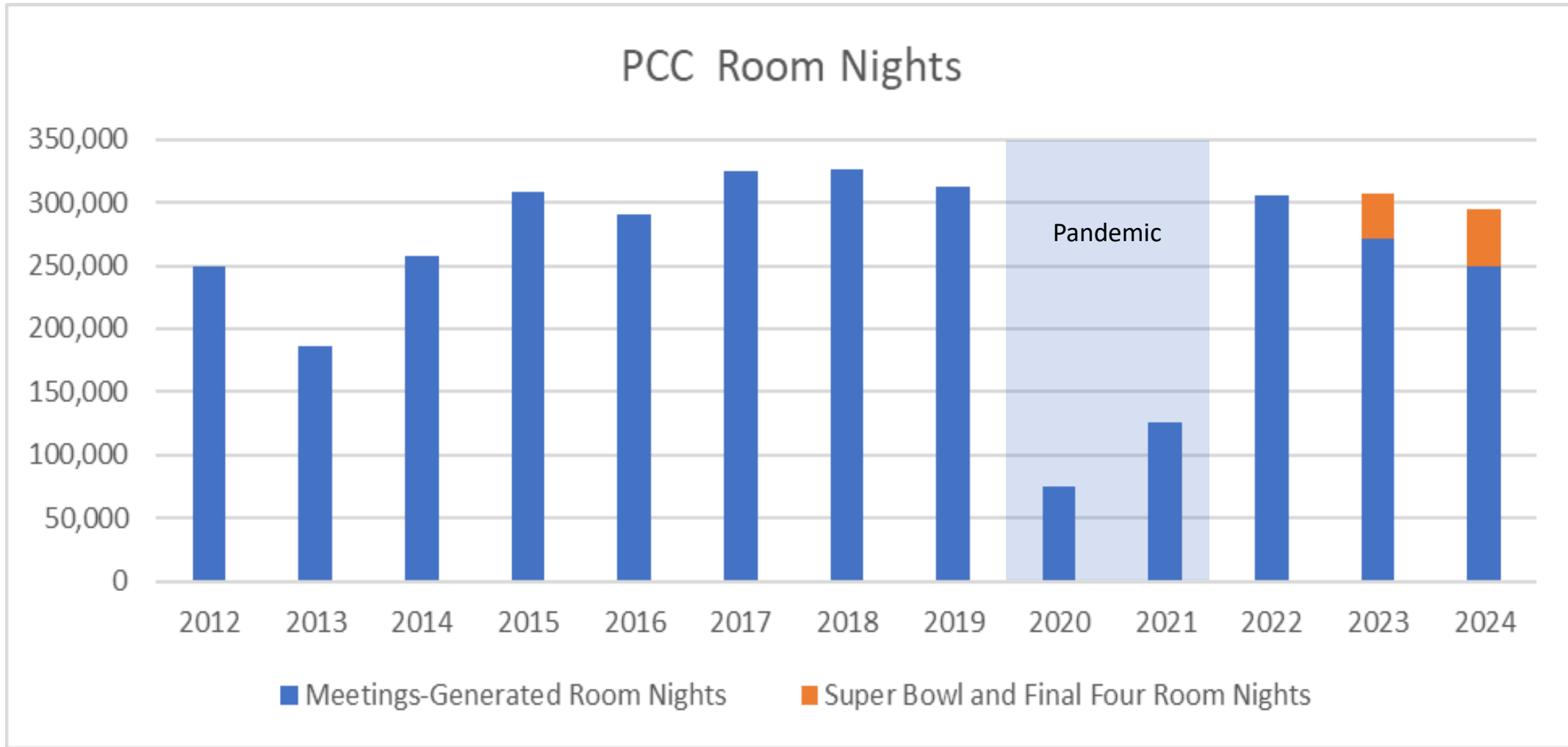
STUDY UPDATE

October 26, 2022

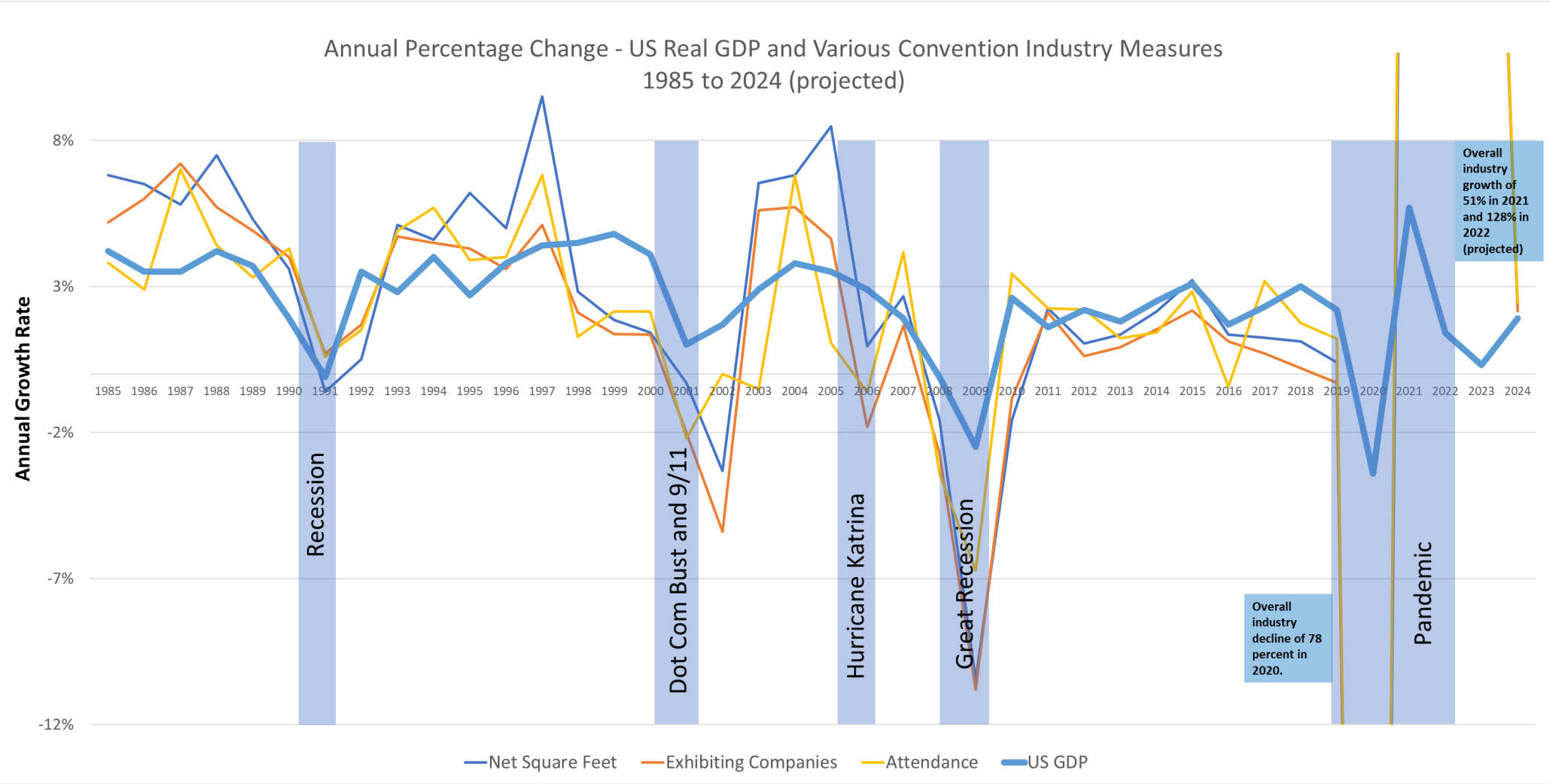


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1. COVID Impacts to Convention Business / PCC Room Nights
 2. Convention Industry Trends
 3. PCC Competitive Market Assessment
 - Sellable Space
 - Hotel Inventory
 - Hospitality Assets
 4. PCC Future Expansion Needs
 5. Convention/Entertainment District Planning

PCC Room Night History



A History of Industry and Economic Cycles



Source: U.S. Bureau of Economic Analysis, Conference Board, St. Louis Fed, Center for Exhibition Industry Research, CSL research, 2022.

Significant Competitive & Comparable Product Investment



DALLAS CONVENTION CENTER

A ten-year phased district-wide master plan including a \$2 billion project to build a new convention center.



SEATTLE CONVENTION CENTER

The \$1.9 billion project will more than double the current convention center's capacity.



NEW ORLEANS MORIAL CONVENTION CENTER

5-year \$557 million renovation/expansion project.



COLORADO CONVENTION CENTER

New 80,000-square foot ballroom, 35,000-square foot pre-function area and 20,000-square foot outdoor terrace.

Significant Competitive & Comparable Product Investment



SAN DIEGO CONVENTION CENTER

Massive expansion, seeking approval for 400,000 sf expansion of the Center, including exhibit, meeting and ballroom space.



LOS ANGELES CONVENTION CENTER

\$500 million upgrade with 700,000 square feet connecting the South and West Halls, plus 861 new headquarter hotel rooms.



ORANGE COUNTY CONVENTION CENTER

80,000 square feet of ballroom space, 60,000 square feet of meeting space and 200,000 square feet of multipurpose event space.

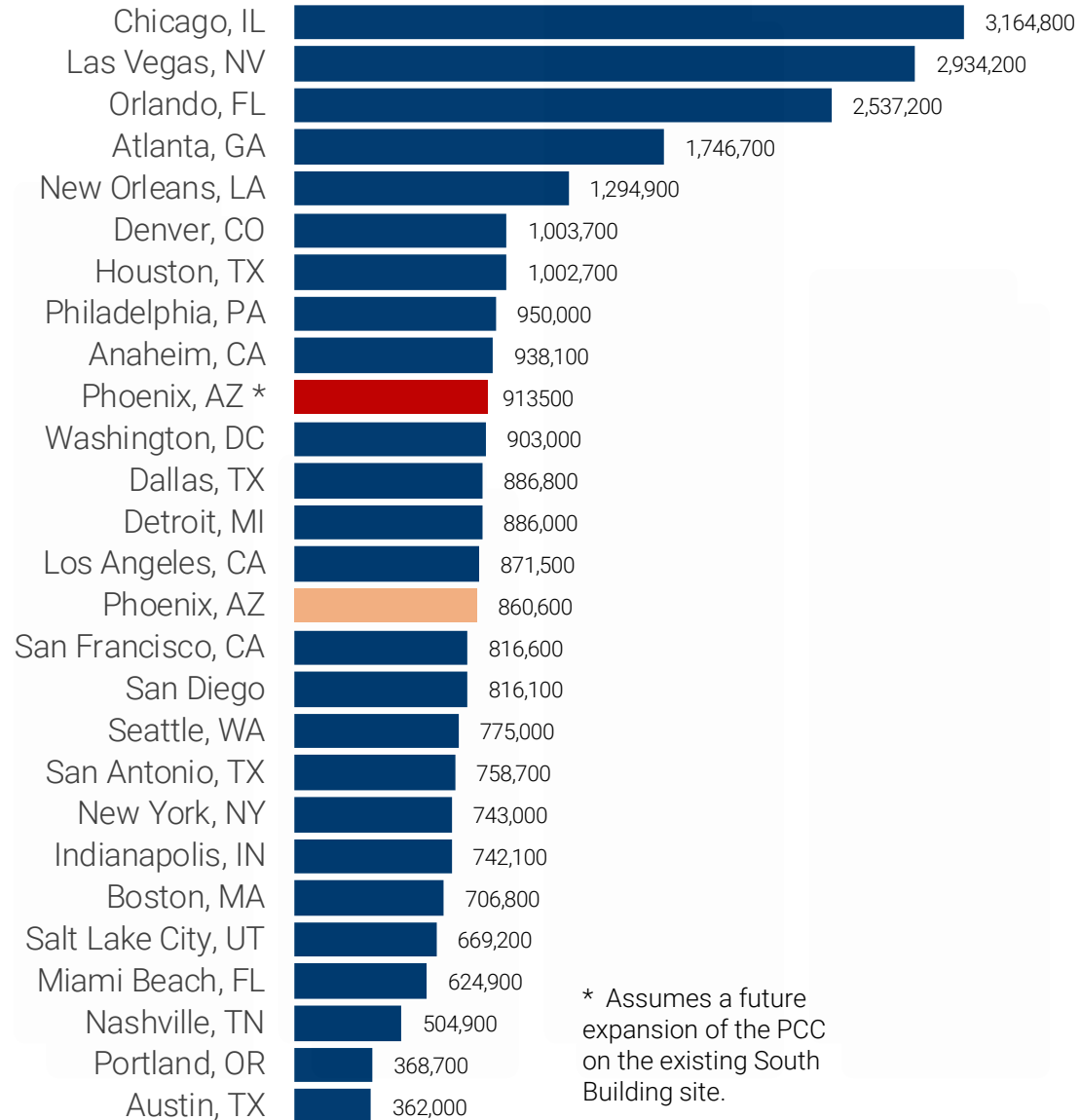


LAS VEGAS CONVENTION CENTER

\$1 billion, 1.4 million square foot West Hall expansion, including 600,000 of added exhibit space.

Sellable Space Industry Rankings

Total Sellable Space



* Assumes a future expansion of the PCC on the existing South Building site.

Of the top 26 comparable convention markets, PCC ranks #14. Future expansion could increase this ranking significantly.

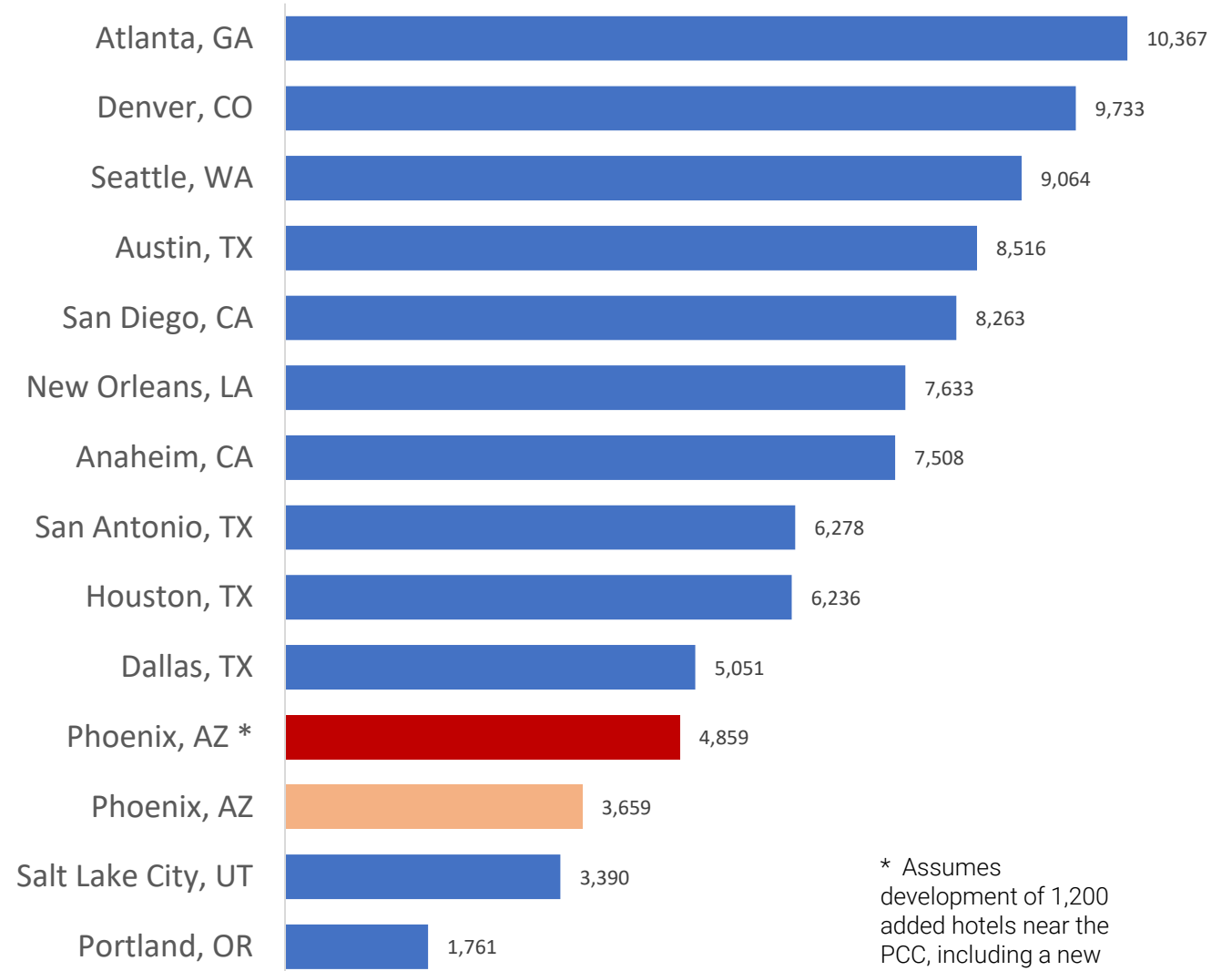
Various hotel and district investment would likely be required to support added PCC space.

Convention-Accessible Hotel Inventory Comparisons

The lack of available hotel inventory near the PCC puts Phoenix at a competitive disadvantage

Additional headquarter hotel rooms needed to support future growth

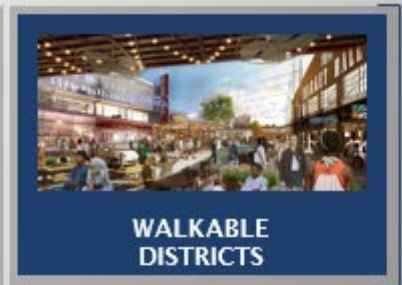
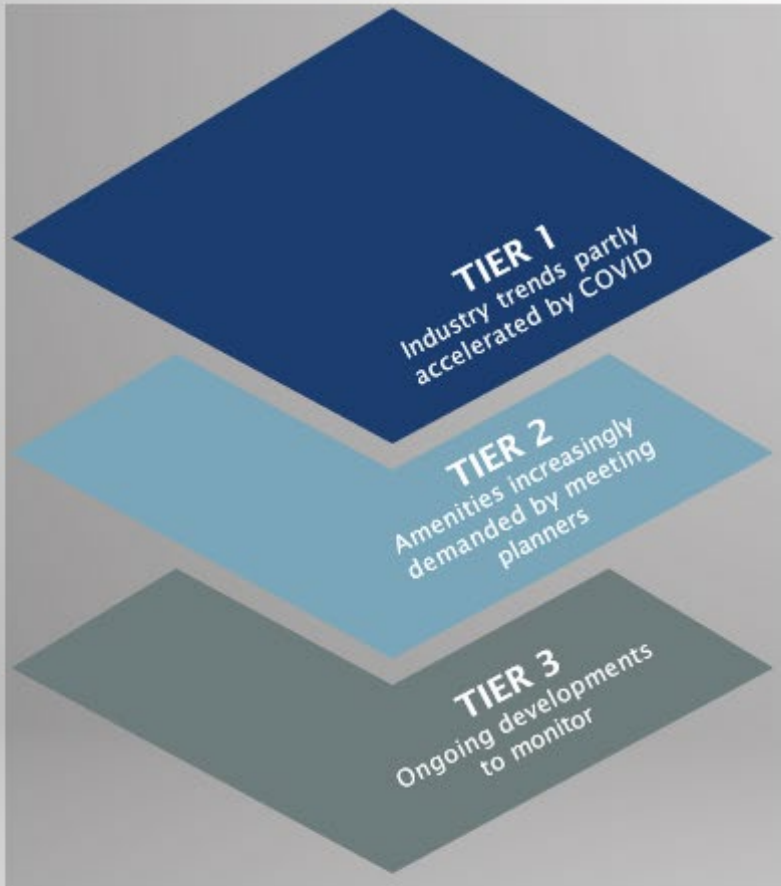
Hotel Rooms Within One-Half Mile of Center



* Assumes development of 1,200 added hotels near the PCC, including a new headquarter hotel.

Convention & Destination Trends

NEXT GENERATION CONVENTION CENTER TRENDS



ADDRESSING TRENDS



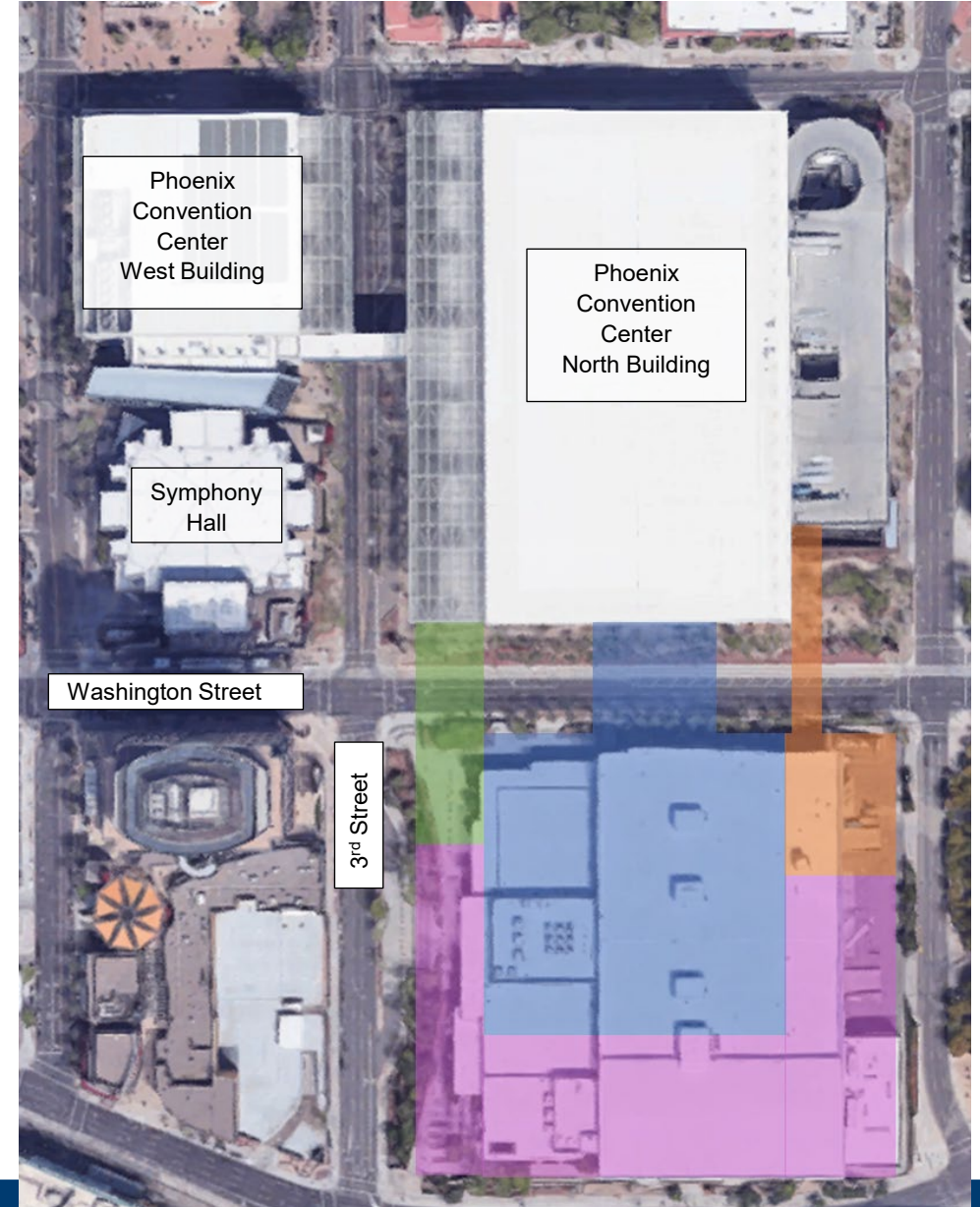
PCC Future Expansion Needs - 6 to 10 years

Expansion would result in:

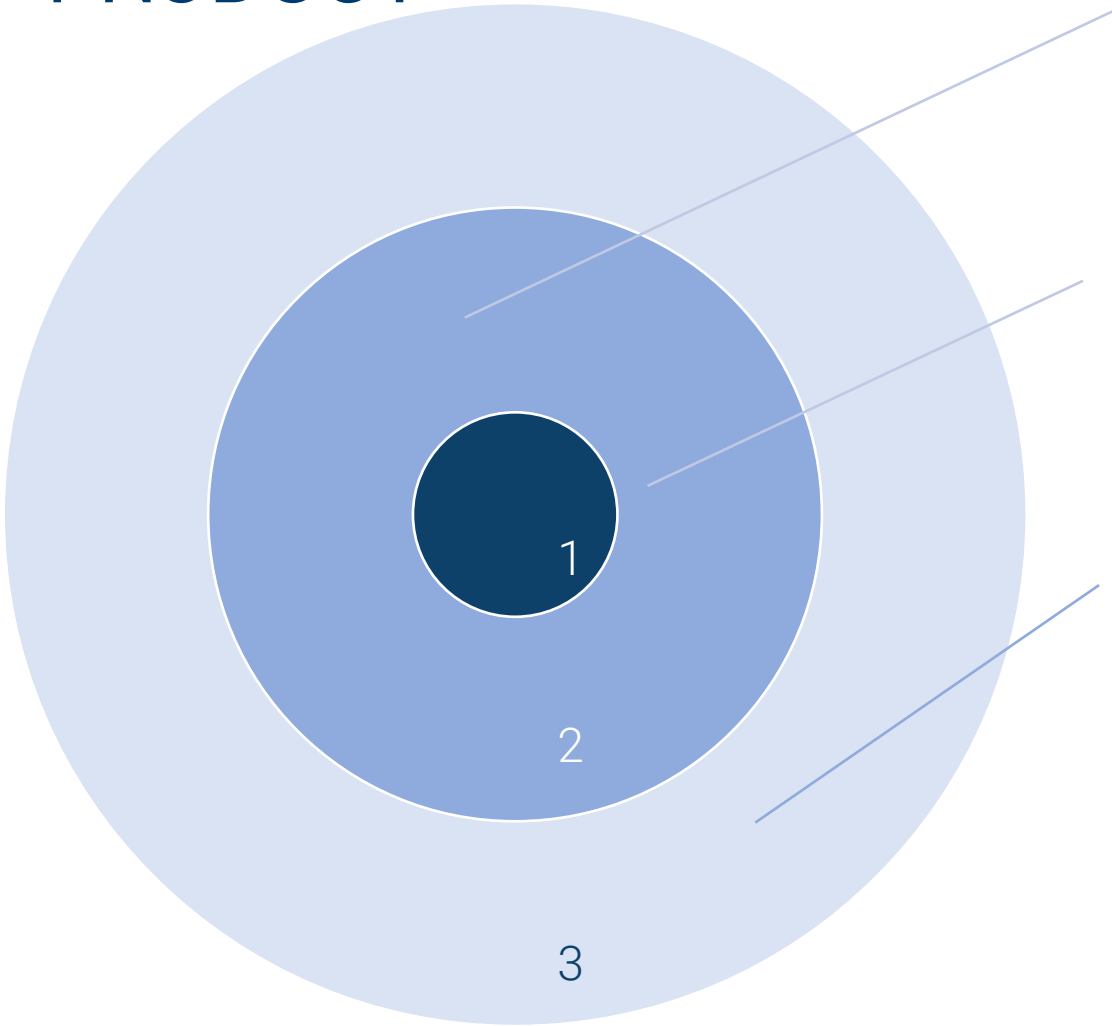
- Up to 150,000 sq. ft. contiguous expansion of upper exhibit hall over Washington Street
- Supporting meeting room, ballroom, loading dock and lobby spaces

Both halls could accommodate over 90 percent of the national market.

- Added exhibit space
- Added prefunction space
- Added loading dock space
- Commercial development opportunities



CONSIDERING ALL ASPECTS OF THE PRODUCT



The Building

Designing a building program positioned for the future



The District

Creating a walkable 24/7 environment around the Center for citywide conventions



The Destination

Connecting to the districts within and surrounding the urban area that cater to the visitor industry.



Pedestrian Placemaking

- Pocket Parks
- Seating
- Shade Structures
- Street Performers



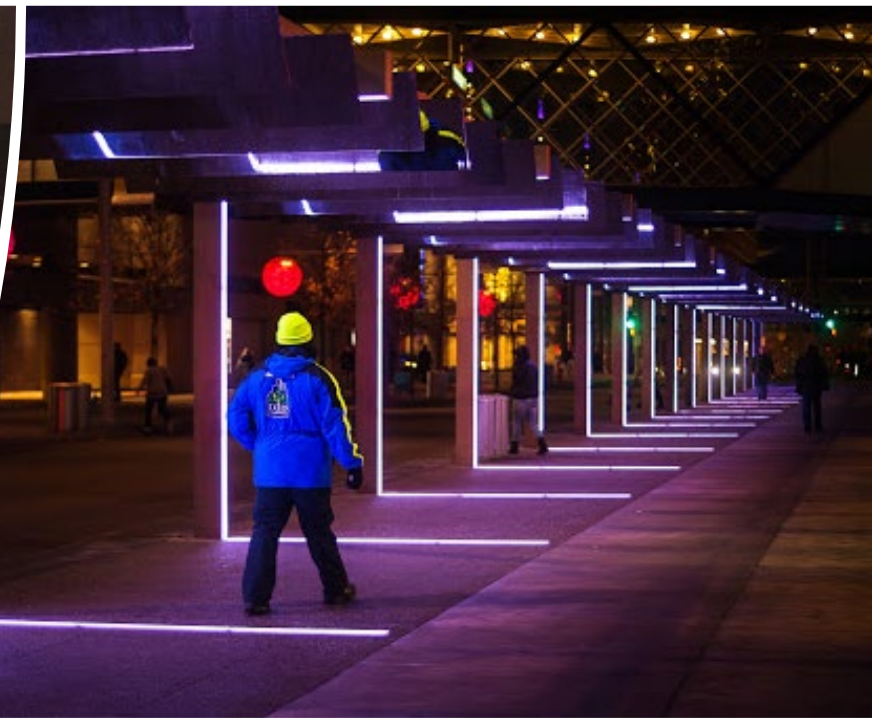
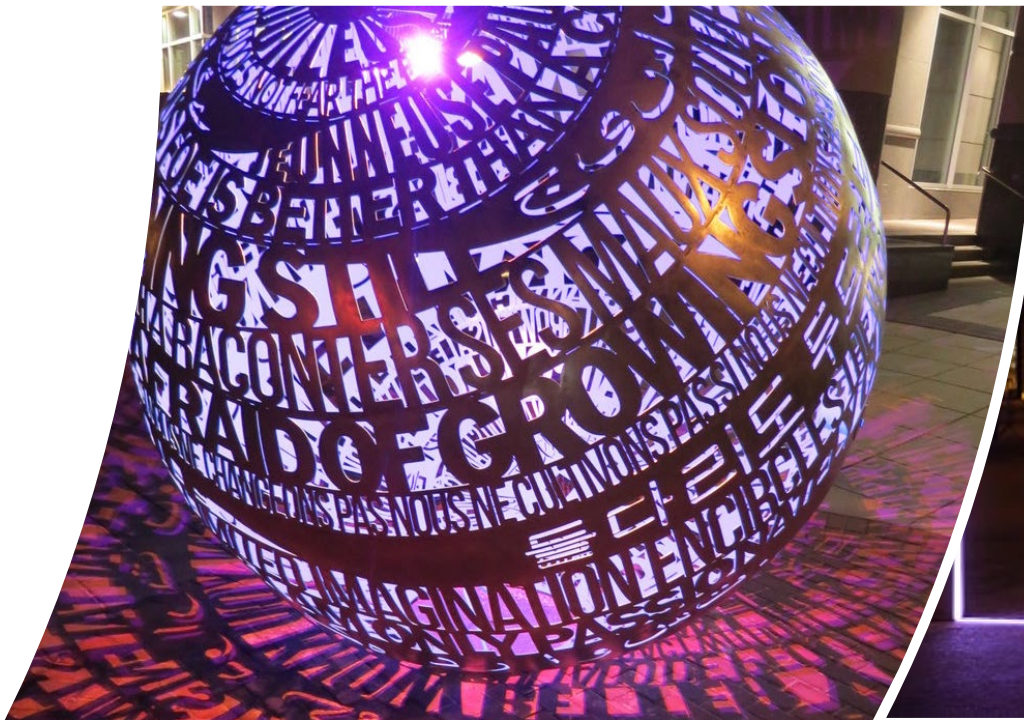
Wayfinding

- Monumental Art
- Continued Kiosk Investment
- Strategically Placed Directional Signage
- Sponsorship Opportunities



Nighttime Activations

- Lighting
- Projection Experiences
- Programming

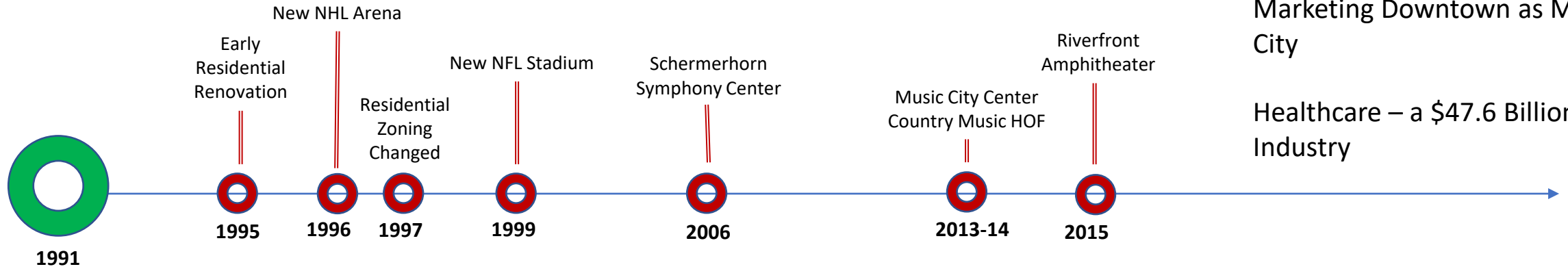


Technology

- Microtransit
- Wayfinding Apps



The Nashville Story

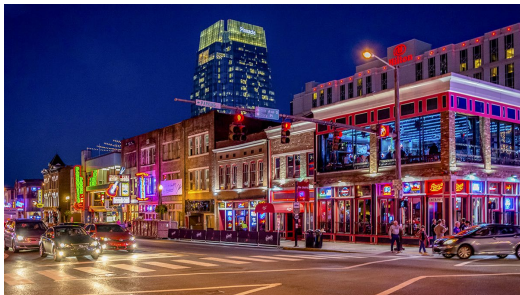


Vanderbilt University – 13,500 students plus faculty

Early 2000's – Branding & Marketing Downtown as Music City

Healthcare – a \$47.6 Billion Industry

Best Pizza: Pizza Hut
Best Seafood: Red Lobster



Summary

- Future PCC Facility Needs: Up to 150,000 sq. ft. exhibit hall expansion in 6 to 10 years.
- Increase Inventory of Convention Hotel Rooms: 800 - 1,200 rooms needed in near term.
- Entertainment District Planning: Develop a walkable 24/7 district near the PCC as a next step.

