

A nighttime photograph of Philadelphia, Pennsylvania. The image shows a mix of modern and historic architecture. On the left is the Pennsylvania Convention Center, a large glass-walled building. In the center and right are older buildings, including Independence Hall with its iconic clock tower. A busy street with traffic and streetlights is visible in the foreground. A semi-transparent purple rectangle is overlaid in the center, containing the text 'Conventions, Hotels & Tourism'.

Conventions, Hotels & Tourism

Conventions, Hotels & Tourism

Center City's hospitality industry grew substantially larger and more diversified during the last two decades. Since 1991, the number of downtown hotel rooms increased by 95% from 5,677 to just over 11,000. When combined with leisure employment, these sectors now account for 11% of Center City's jobs.

Growth has come from multiple sources. The opening of the Pennsylvania Convention Center in 1993 enabled Philadelphia to attract major new conventions and trade shows. This created demand for much larger hotels like the Downtown Marriott and the Loews Hotel, which are also available to book large groups that do not use the Convention Center.

The demand for existing hotels will quickly increase with the opening of the \$786 million expanded Pennsylvania Convention Center, which can now accommodate larger and simultaneous conventions and trade shows. With the addition of more than 550,000 square feet, the new Center offers more than 1 million square feet of rentable space, 528,000 square feet of contiguous exhibit space and the largest ballroom on the East Coast. To maximize the potential of the expanded building, Philadelphia requires 2,000 more hotel rooms downtown.

The addition of new cultural facilities, restaurants and major new offerings around Independence Mall has expanded tourism from a three-hour stop between Washington and New York into a two-night visit generating almost \$1,000 per party. While 41% goes to the cost of a hotel room, another 59% is spent on shopping, dining, attractions and transportation.

Promoted extensively to very diverse customers since 1996 by the Greater Philadelphia Tourism Marketing Corporation (GPTMC), Philadelphia has added new boutique hotels such as the Palomar and Le Meridien to nationally recognized brands like Hilton, Hyatt, Holiday Inn and Four Seasons.

US Airways' promotion of PHL as a major domestic hub and the addition of lower-priced Southwest Airlines

routes, have made Philadelphia even more accessible to all types of travelers. US Airways' expansion of European routes has worked in tandem with state-funded international marketing by the Philadelphia Convention & Visitors Bureau (PCVB) to drive substantial growth in the number of overseas visitors. The Philadelphia region hosted 36 million domestic and 594,000 overseas guests in 2009, the latest figures available.

Blockbuster shows such as "Cleopatra: The Search for the Last Queen of Egypt" at the Franklin Institute and "Late Renoir" at The Philadelphia Museum of Art drew thousands of new patrons. The National Museum of Jewish American History and President's House added further options to Center City's offerings. Longstanding icons continued to enthrall visitors and residents alike. The Philadelphia Museum of Art saw 680,544 visitors, the Liberty Bell welcomed 2,271,938 and the Philadelphia Zoo entertained 1,255,604 in 2010.

This year will see the completion of new landscaping at the Rodin Museum and park improvements on Logan Square. Across from the new front door to the Convention Center on North Broad Street, the Pennsylvania Academy of the Fine Arts' Lenfest Plaza will create an attractive pedestrian link to the Benjamin Franklin Parkway, where the new Barnes Foundation will open in early 2012.

While the economic downturn continues to affect hotel room rates, which have declined from a 2008 peak of \$172 to \$145 per night, occupancy has remained strong, closing out 2010 at 72%. The diversity of demand for hotels — from business and leisure travelers, airline personnel and trade show attendees — has sustained Philadelphia, unlike those markets dependent on just one sector, like tourism.

With the PCVB touting the expanded Convention Center and GPTMC garnering wide visibility for its "With Love" campaign, Center City's hospitality industry is poised to rebound.

Conventions, Hotels & Tourism

Pennsylvania Convention Center

	Original	2011 Expansion	Current Total
Exhibit Hall Space	440,000 SF	239,000 SF	679,000 SF
Main Level	315,000 SF	213,000 SF	528,000SF
Street Level	125,000 SF	26,000 SF	151,000 SF
Number of Halls	4	3	7
Ballroom Space	32,000 SF	55,400 SF	87,400 SF
Grand Hall	35,000 SF	-	35,000 SF
Broad Street Atrium	-	23,400 SF	23,400 SF
Number of Meeting Rooms*	50	29	79

* Includes ballroom and terrace ballroom breakouts.
Source: Philadelphia Convention & Visitors Bureau, 2009

The expanded Convention Center offers

528,000 square feet
of exhibit space, one of the largest on the East Coast.

Conventions, Trade Shows & Gate Shows, 2010

Conventions & Trade Shows	Attendees
Questex Media Group	24,000
American Contract Bridge League	19,000
National Science Teachers Assoc.	15,000
National Athletic Trainers Assoc.	10,000
American Speech-Language-Hearing Association	10,000
American Society for Cell Biology	9,000
Barbershop Harmony Society	7,500
Gate Shows	
Flower Show	240,000
Auto Show	170,000
Home Show	56,000
Philadelphia Museum of Art Craft Show	15,000
Mummerfest	5,000

Source: Philadelphia Convention & Visitors Bureau, 2010

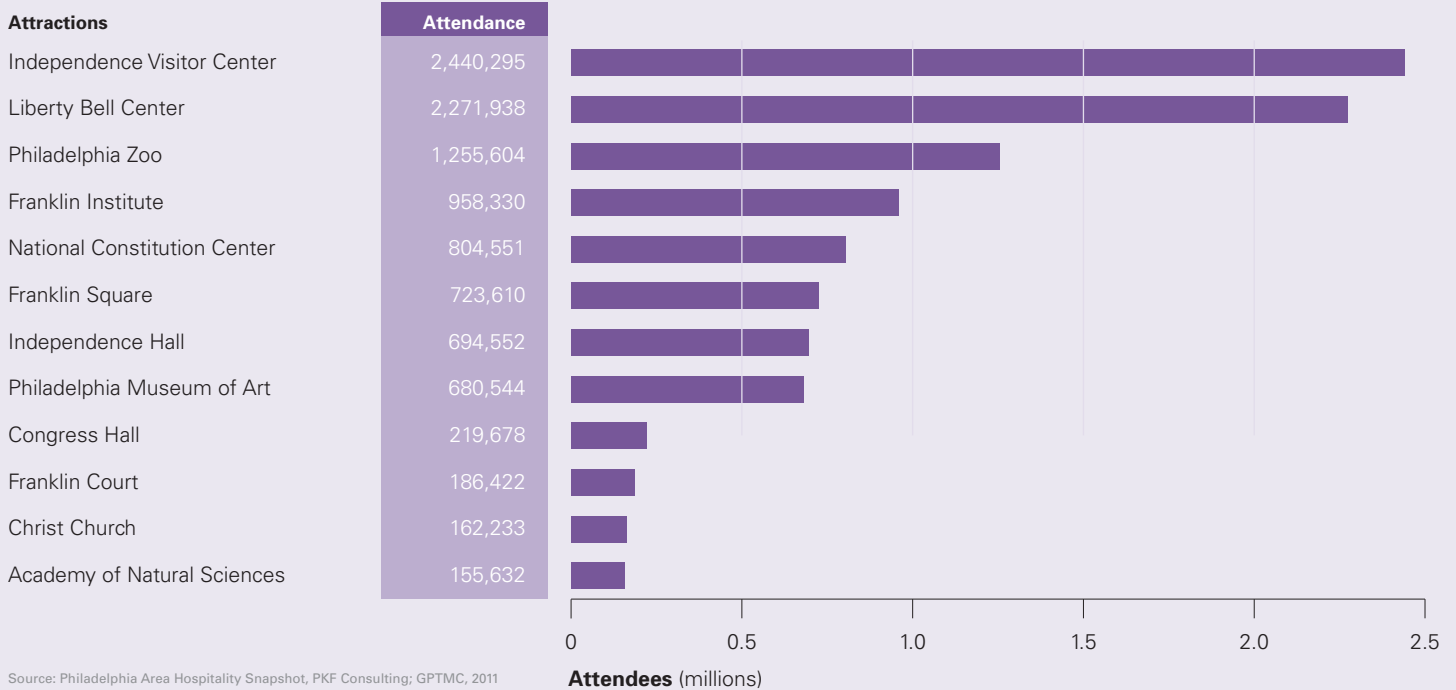


Largest Conventions & Trade Shows Anticipated for 2011

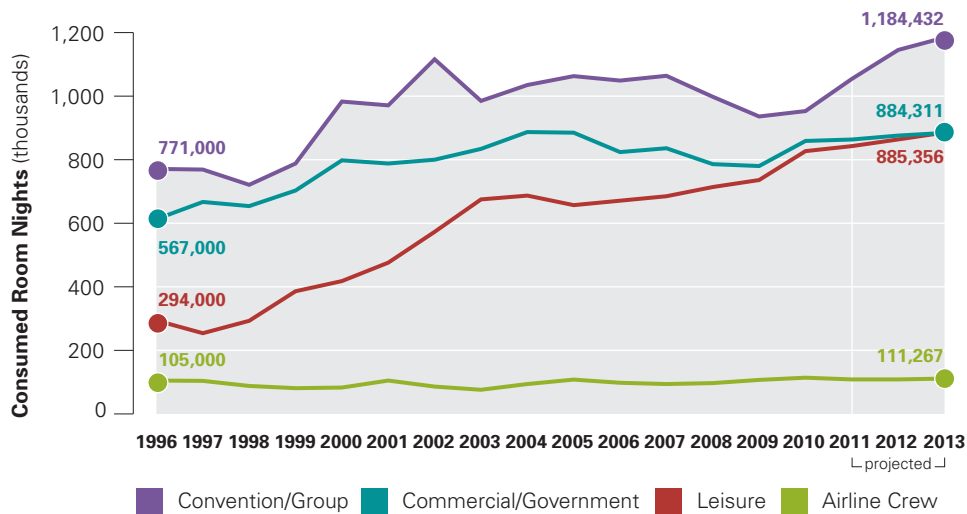
Conventions & Trade Shows	Attendees
Lightfair International	23,000
True Value Company	20,000
Association of periOperative Registered Nurses	14,000
National Safety Council	14,000
American Society of Nephrology	12,000
International Society for Technology in Education	10,000
Jesus Awakening Movement in America	10,000

Source: Philadelphia Convention & Visitors Bureau, 2010

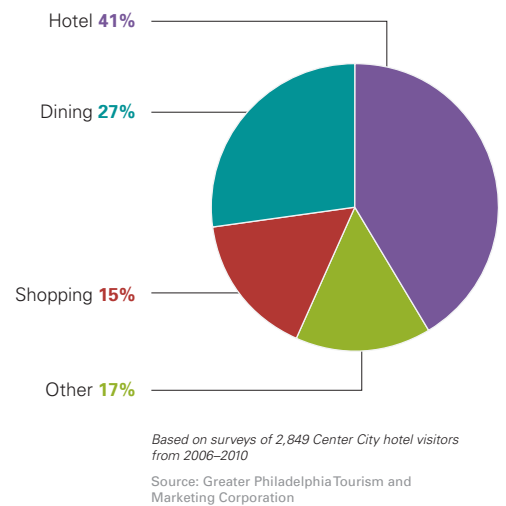
Attendance Levels at Selected Visitor Attractions, 2010



Occupied Center City Hotel Room Nights by Purpose of Trip



Trip Spending for Center City Hotel Visitors

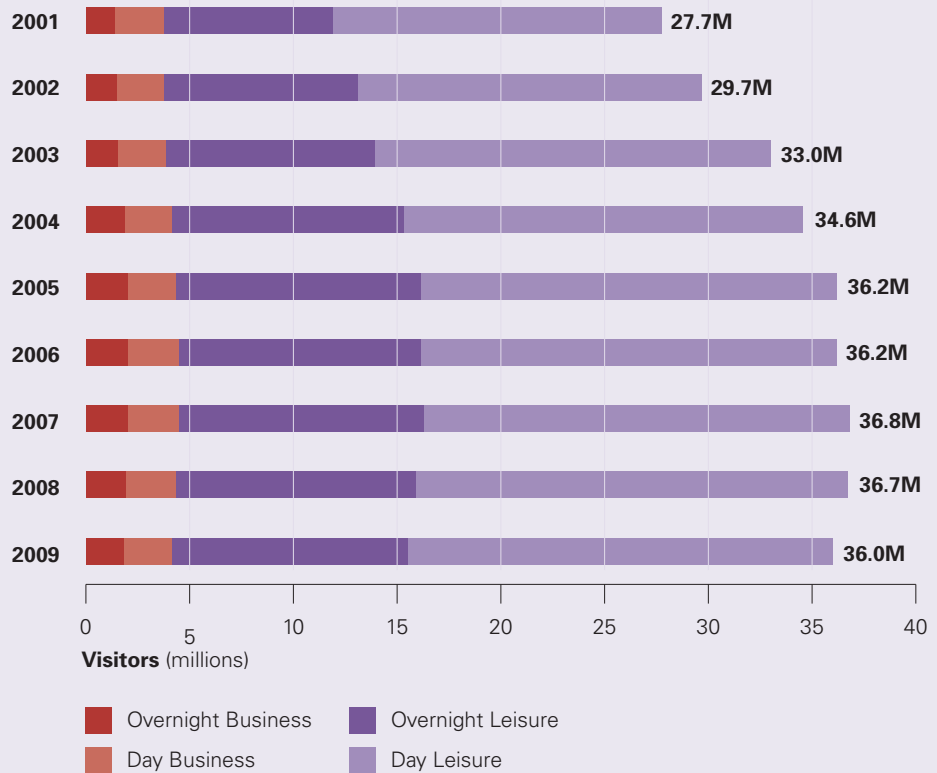


The average travel party spends **\$952** during a two-night visit.

Conventions, Hotels & Tourism

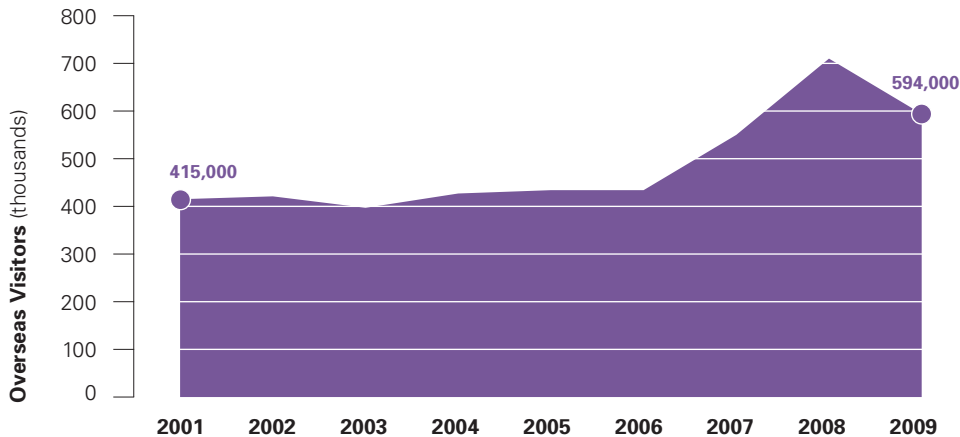


Domestic Visitation to the Region, by Trip Purpose



Source: Greater Philadelphia Tourism and Marketing Corporation, 2010

Overseas Visitation to the Philadelphia Five-County Region



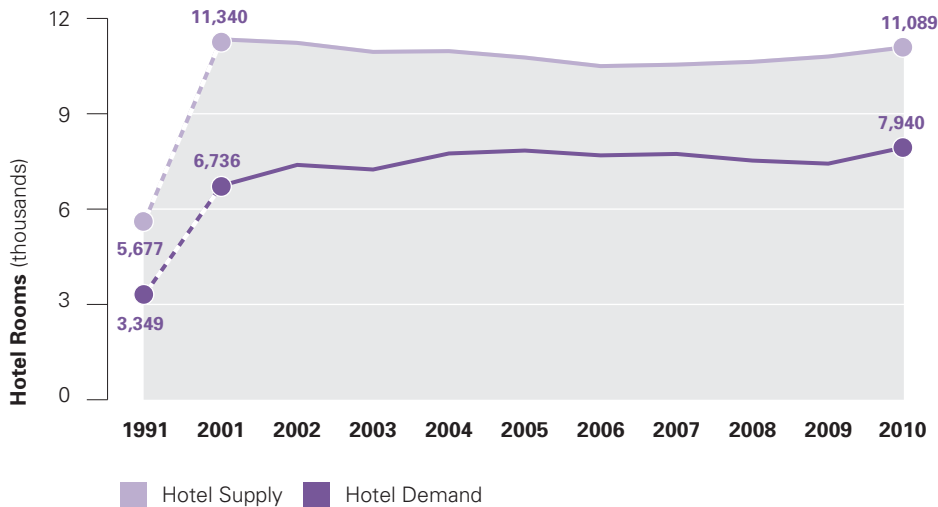
Source: Philadelphia Convention & Visitors Bureau by U.S. Dept. of Commerce, Office of Travel and Tourism Industries, 2010

Traveler spending supported

167,328 jobs
in southeastern Pennsylvania in 2009.

Average Daily Supply and Demand for Center City Hotels

20 years

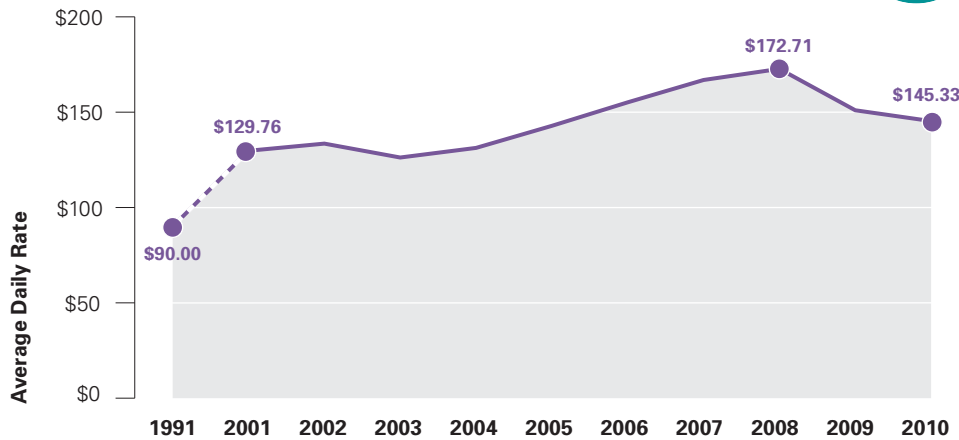


Source: Smith Travel Research from Greater Philadelphia Tourism Marketing Corporation



Average Daily Rate for Center City Hotels

20 years



Source: Smith Travel Research from Greater Philadelphia Tourism Marketing Corporation

The number of Center City hotel rooms has

increased
95%
since 1991.

Domestic Travel Spending, 2009

Metric	Bucks	Chester	Delaware	Montgomery	Philadelphia	Total
Economic Impact	\$763 million	\$797 million	\$674 million	\$1.32 billion	\$4.61 billion	\$8.16 billion
Jobs Supported	11,443	9,038	9,142	17,443	36,598	83,664
Taxes Generated	\$109 million	\$112 million	\$93 million	\$185 million	\$715 million	\$1.21 billion
Wages Generated	\$249 million	\$250 million	\$227 million	\$453 million	\$1.43 billion	\$2.61 billion

Source: Greater Philadelphia Tourism and Marketing Corporation, 2010