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**The Convention Center: A White Elephant Already?**

Officials at the Greater Pittsburgh Convention and Visitor's Bureau (GPCVB) are gushing over the progress that has been made at the yet-to-be-complete David L. Lawrence Convention Center. Bookings are up, they say, over those at the old Center, and a variety of groups are promising that Pittsburgh is on their list of convention/meeting sites as soon as the yet-to-be-started convention center hotel is complete.

There are two problems with the latest information released by the GPCVB: first, the bookings from now through the end of the decade are lower than those in the final eight years of the old Center and, second, they are confusing the role of the Center and the hotel in terms of economic spin-offs.

In terms of bookings, the latest numbers from the GPCVB put the number of non-public shows at 91 with a projected attendance of 360,665 and an economic impact of \$249 million. On an annual basis, the number of shows translates into roughly 11 per year with attendance of just over 45,000. Now compare that with the GPCVB's numbers from 1992 to 1999, the eight-year time frame leading up to the demolition of the old Center and the construction of the new one. During those years there were a total of 315 non-public shows and an attendance total of 927,910. On an annual basis, this translates into 39 shows per year and attendance of nearly 116,000. Thus, in order for the new Center--which has far more amenities than the older one--to equal business during the coming decade, the number of shows must increase more than three-fold from its current level.

**Comparison of Shows and Attendance**

Years	Booked Non-Public Shows	Attendance
1992-99	315	927,910
2003-10	91	360,665

That will be a difficult feat to accomplish given the trends we have documented in the national convention industry in the last several years. Supply has increased dramatically while the demand indicators (attendance, shows, and space use) have gone down. The availability of convention and meeting space in the Pittsburgh region alone illustrates this point. The recent bookings by the GPCVB beginning in late March through mid-April were projected to bring in 16,620 attendees to 29 separate meetings. Three of those conferences will be held at the convention center; the remainder will meet at various hotels or other meeting venues. In all, 7,020 (42%) attendees will meet at locations other than the new Center.

Another location that could likely pull in smaller meetings is the elusive convention center hotel. GPCVB officials and the region's elected leaders have focused on this structure as a necessary complement to the convention center. GPCVB officials have stated that this missing piece of the puzzle is "costing the community money". Officials have lobbied for a new tax on rental cars in Allegheny County and it has been mentioned that if the private sector cannot get the hotel built, a public authority or a new non-profit agency could possibly build and own the hotel.

All this represents a 180-degree turn from the lavish claims made by proponents during the sales tax debate and the subsequent Plan B discussions. The Center, they said, would lead to a jump in visitors' activity and lead to spin-offs such as hotels and restaurants. Indeed, the Mayor was quoted in the Post-Gazette in October of 1997 as stating that "there are now a lot of people interested in building hotels in Pittsburgh" and that the new Center's construction "would attract two new hotels". No mention was made of the need for state or local tax dollars to go into the project. The construction of a publicly financed hotel raises serious concerns for the precedent it sets and its impact on existing hotels.

In short, the picture painted by the GPCVB should be viewed with skepticism. Bookings are rising, but they are a far cry from the level they were in the past decade at the old convention center and don't justify the expenses at the larger Center. The Center that was sold as a catalyst for growth and corollary development is now said to be unable to play that role until the public pays for a hotel. How long must we wait for taxpayer-funded loss leaders to finally pay off?

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**Eric Montarti, Policy Analyst**

**Jake Haulk, Ph.D., President**

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<p>Allegheny Institute for Public Policy 305 Mt. Lebanon Blvd. * Suite 305 * Pittsburgh PA 15234 Phone (412) 440-0079 * Fax (412) 440-0085 E-mail: <a href="mailto:aipp@alleghenyinstitute.org">aipp@alleghenyinstitute.org</a></p>
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