Feasibility Study for the Manchester Convention Center Manchester, New Hampshire

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1. Executive Summary

Overview

The City of Manchester engaged HVS Convention, Sports & Entertainment Facilities Consulting ("HVS") to analyze the market potential and anticipated demand for a proposed convention center development in Manchester, New Hampshire. HVS concludes that there is significant market demand to support the proposed Manchester Convention Center. Throughout this report, HVS examines market characteristics of the local area, trends in the convention industry, comparable and competing facilities, and demand potential for the proposed convention center.

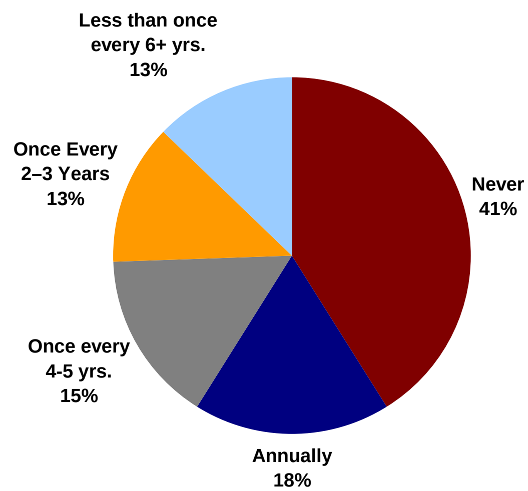
Market Trends

During the past few years, the convention and meeting industry has resumed growth after a three year period of decline corresponding with a national economic recession at the beginning of the decade. Since the beginning of 2008, attendance declined from the prior, most likely a reflection of the economic slow down. Across the nation, supply of convention centers has been increasing significantly, but the growth in supply has slowed over previous years. New Hampshire has not been part of this growth in space unlike Massachusetts and other neighboring states.

Survey Results

HVS surveyed event planners to assess their attitudes toward Manchester as an event destination and to gauge their interest in bring events to a proposed convention center or to a renovated Radisson Hotel and Convention Center ("Radisson"). While event planners currently rank Manchester below average with respect to the ability to attract attendees and overall destination appeal, a majority of these planners admit they are not knowledgeable about Manchester. Moreover, the proposed convention center could significantly address these concerns. Currently, despite not being knowledgeable about Manchester, about 18 percent of event planners surveyed in this study indicated they would annually use a new convention center in Manchester, as shown in the chart below, while 41 percent said they would never hold an event at the proposed convention center in Manchester.

Chart 1-1
Frequency of Use at the Proposed Convention Center in Manchester



Source: HVS Survey

HVS also interviewed a smaller number of event planners in one-on-one telephone interviews. We asked these event planners several questions relating to their use of the Radisson, especially regarding their facility requirements and their satisfaction.

Roughly half of the key informants interviewed hosted consumer shows at the Radisson, while one third hosted tradeshows/conventions. A majority of key informants remarked that staff friendliness and helpfulness during their events were exceptional, while a number of key informants noted that the function space was one of the most positive attributes of the Radisson. Planners noted that accessibility and location, with Manchester in the center of New England, acted as positives attributes of the City. The most negative influences on their desire to hold events at the Radisson include its dated/tired aesthetics and pricing policies. Additional concerns include poor acoustics, poor food quality, booking problems, and the inability to break out the exposition hall into smaller areas.

Facility Recommendations

The size of the Radisson's function space limits its ability to serve a significant portion of local and regional demand. HVS sees potential for the City of

Manchester to better serve the current demand, as well as potential to attract a much larger portion of the regional market with a larger convention center. HVS recommends new and/or expanded infrastructure so as the City of Manchester's total convention facility package includes approximately:

- 60,000 square feet of exhibition space,
- 15,000 square feet of ballroom space
- 12,000 square feet of meeting space, and
- A 400-room full-service hotel.

Demand Projections

Based on our market research, surveys, and an evaluation of comparable facilities, HVS forecasts stabilized demand potential of approximately 250 events, with annual attendance of approximately 105,750 people. Achieving these projections would require a marketing plan that effectively focuses on local and regional conventions and tradeshows and consumer shows.

The following report provides a detailed discussion of our market analysis, industry trends, comparable facilities, competitive facilities, survey and interview findings, and demand analyses for the proposed Manchester Convention Center.

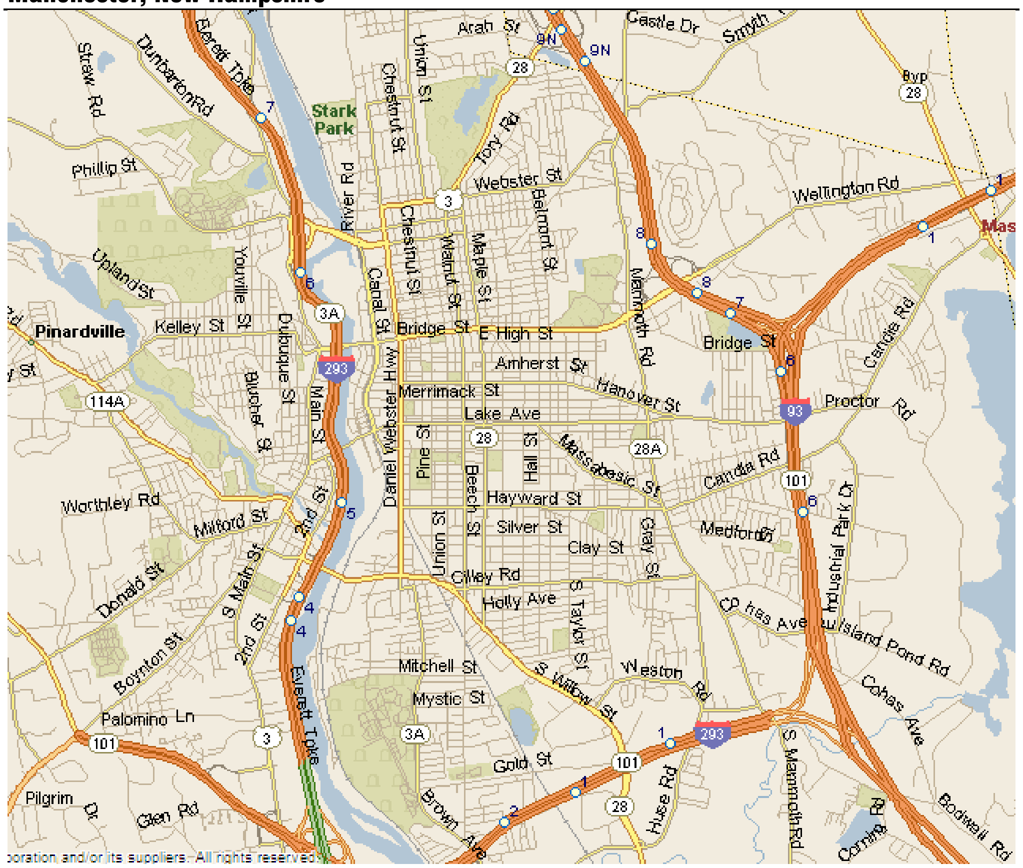
2. Market Analysis

Market Overview

The market area analysis reviews economic and demographic trends that potentially affect the ability of Manchester, NH to attract convention center events. The economic vitality of the area surrounding a proposed subject property is an important consideration in forecasting convention demand. The market area for a convention center is the geographical region where the sources of demand and the competitive supply are located.

The proposed Manchester Convention Center sits in the City of Manchester, the county of Hillsborough, and the state of New Hampshire. The City is part of the Manchester/Nashua Metropolitan Statistical Area (MSA). HVS will focus on economic data and market trends in Manchester and the surrounding Manchester MSA.

Manchester, New Hampshire



Source: Microsoft Streets & Trips

As the largest city in Northern New England (Main, Vermont, and New Hampshire), Manchester is a market distinct from the larger nearby Boston metropolitan area. Approximately 35-square miles in size, Manchester's population remains relatively stable and is currently at around 107,000. Manchester is located along the Merrimack River and is proximate to several major highways and interstates. The city sits 58 miles northwest of Boston and less than 12-hours (via car) from several major cities in the eastern United States and Canada.

Economic & Demographic Overview

Based on fieldwork conducted in the area and our in-house data sources, HVS evaluated various economic and demographic statistics to determine trends in economic growth. HVS used historical statistics from the U.S Census data and information published by the Bureau of Economic Analysis. A primary source of economic and demographic statistics used in this analysis is

ESRI (Environmental Systems Research Institute, Inc.), which provides data, collected and organized by their own geographic information system technology.

Population Trends

Changes in population can indicate whether an economy is growing or shrinking. This data can also suggest whether growth rates are sustainable in a community or whether some short-term action or phenomenon is creating rapid growth or decline. The overall strength and stability of a local economy can contribute to a community's ability to support a convention center and provide continued investment in visitor infrastructure needed to support growth in the meeting and convention business.

Table 2-1 shows historical, current, and projected population data for the city of Manchester, Hillsborough County, the Manchester-Nashua MSA, New Hampshire, and the nation, as estimated by ESRI.

Table 2-1
Population

Market	1990	2000	2007	2012	CAGR 2000-2007	2007-2012
Manchester City	99,545	107,006	113,964	119,310	1.1%	0.9%
Hillsborough County	336,073	380,841	414,036	437,419	1.4%	1.1%
Manchester-Nashua MS	336,073	380,841	414,036	437,419	1.4%	1.1%
New Hampshire	1,109,252	1,235,786	1,352,812	1,435,390	1.5%	1.2%
United States	248,709,873	281,421,906	306,348,230	325,526,398	1.4%	1.2%

Source: ESRI 2007

The City of Manchester experienced small population increases from 2000 through 2007 for a compounded annual rate of 1.1 percent. Population in the county, MSA, and the nation experienced grew at a rate of 1.4 percent each; the state's population expects to moderate to an annual rate of 1.5 percent. According to 2012 projections, slight but steady increases in population will continue to hover around one percent for the city, county, MSA, state and nation.

Income Trends

Personal income levels are one of the most important indicators of a community's economic health. Trends in per capita personal income reflect the relative spending capacity of area residents, providing another benchmark for assessing the region's ability to develop and maintain both public and private services and attractions.

Table 2-2 shows income trends, as reported by ESRI, in the City of Manchester, the county, MSA, state, and nation.

Table 2-2
Income Trends

Market	2000			2007			2012 Projections			Avg. HH Income Growth Trends	
	Average Household Income	Median Household Income	Per Capita Income	Average Household Income	Median Household Income	Per Capita Income	Average Household Income	Median Household Income	Per Capita Income	2000-2007	2007-2012
Manchester City	$50,362	$40,773	$21,244	$65,652	$52,200	$27,441	$78,797	$61,858	$32,967	4.5%	3.7%
Hillsborough County	65,582	53,590	25,198	87,062	68,835	33,184	106,078	81,086	40,449	4.8%	4.0%
Manchester-Nashua MSA	65,582	53,590	25,198	87,062	68,835	33,184	106,078	81,086	40,449	4.8%	4.0%
New Hampshire	61,083	49,474	23,844	79,496	62,216	31,189	96,063	72,795	37,842	4.5%	3.9%
United States	56,644	42,164	21,587	73,126	53,154	27,916	88,685	62,503	33,873	4.3%	3.9%

Source: ESRI 2007

In 2007, the city of Manchester had a per capita income of approximately $27,441, lower than figures for Hillsborough County, the Manchester MSA, and New Hampshire and slightly lower than the nation. The average household income in Manchester was $65,652 in 2007. Household income grew steadily from 2000 to 2007; projections for 2012 predict continued forward growth in household income.

Work Force Characteristics

The characteristics of a market's workforce provide an indication of the type of transient visitation local businesses will likely generate. For example, sectors such as finance, insurance, and real estate (FIRE), wholesale trade and services produce a considerable number of visitors who are not especially rate sensitive. The government sector often generates transient room nights. However, per-diem reimbursement allowances often limit the accommodations selection to budget and mid-priced lodging facilities. Contributions from manufacturing, construction, and transportation, communications, and public utilities (TCPU) employers can also be important for the meeting industry, depending on the type of company.

Providing additional understanding of the local economy, Table 2-3 lists the ten largest employers in the City of Manchester.

Table 2-3
Largest Employers

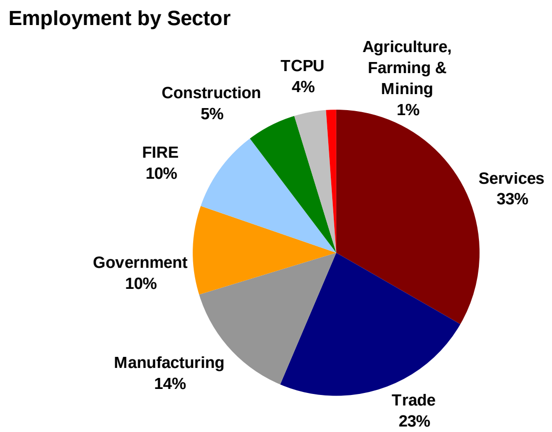
Company	Number of Employees
Elliot Hospital	2,821
Catholic Medical Center	1,700
Verizon Communications	1,650
Public Service of New Hampshire	1,250
Citizen Bank	1,225
TD Banknorth	1,150
Anthem Blue Cross & Blue Shield	753
Southern New Hampshire University	700
St. Anselm College	580
Bank of America	425

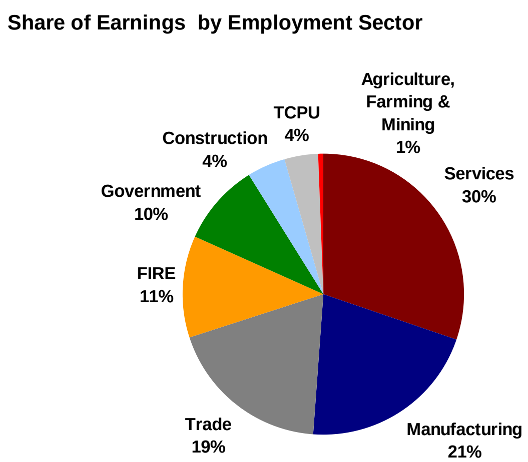
Source: Manchester Economic Development, Respective Employers

The healthcare industry accounts for the two largest employers in Manchester. The largest employer is Elliot Hospital with 2,821 employees, followed by the Catholic Medical Center with 1,700 employees. Verizon Communications, which will most likely initiate some demand for meeting and convention space, has 1,650 employees.

Figure 2-1 shows the distribution of total employment by sector and the distribution of earnings by industry for the Manchester-Nashua MSA.

Figure 2-1
Employment by Sector in MSA & Share of Earnings by Industry for Market MSA





Source: Woods & Poole 2008

The services and trade sectors make up the two largest sectors of employment, capturing 33 and 23 percent of the market respectively. Government and FIRE sectors make up 10 percent of the market each. As is typical in most markets, the services sector had the largest share of earnings in 2006 with 30 percent of the subject market; followed by income earned in the manufacturing and trade sectors. FIRE and government sectors make up 11 and 10 percent of market earnings respectively.

Unemployment Statistics

Labor market characteristics also can help to indicate economic health. Growth in employment can be an indicator of a growing economy and successful economic development efforts, while unemployment rates can help determine the constraints of the subject's labor market. Additionally, unemployment rates affect labor costs, and consequently will impact many convention center employees.

Table 2-4 gives full employment data for the city of Manchester and unemployment rates for the county, MSA, state, and nation.

Table 2-4
Labor Force Data

	City of Manchester				Unemployment Rate			
Year*	Labor Force	Employment	Unemployment	Unemployment Rate	Hillsborough County	Manchester MSA	New Hampshire	U.S.
1997	56,302	54,663	1,639	2.9%	2.8%	2.7%	3.1%	4.9%
1998	57,027	55,481	1,546	2.7	2.7	2.5	2.9	4.5
1999	57,867	56,389	1,478	2.6	2.8	2.4	2.8	4.2
2000	58,978	57,452	1,526	2.6	2.6	2.5	2.7	4.0
2001	59,832	57,723	2,109	3.5	3.5	3.2	3.4	4.7
2002	60,188	57,368	2,820	4.7	4.9	4.3	4.5	5.8
2003	61,007	58,168	2,839	4.7	4.7	4.3	4.4	6.0
2004	61,409	58,894	2,515	4.1	4.0	3.7	3.6	5.5
2005	61,460	59,075	2,385	3.9	3.7	3.5	3.6	5.1
2006	61,846	59,457	2,389	3.9	3.5	3.5	3.4	4.6
YTD 2007	61,820	59,536	2,284	3.7	3.3	3.3	3.2	4.7**

** 1997-1999 reflects 2000 Census-based geography and new model-based controls at the state level, while 2000-2006 reflects revised inputs, reestimation, and new statewide controls through 2006.*
*** October 2007*

Source: US Department of Labor Statistics

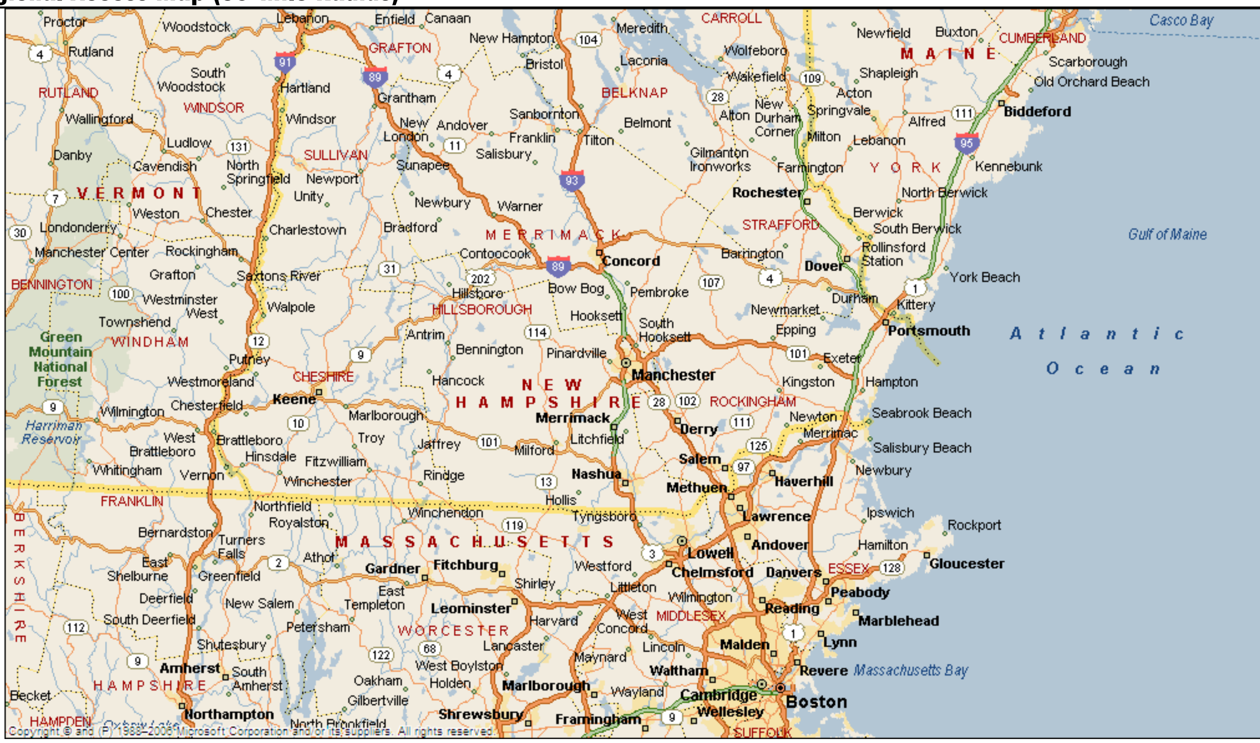
From 1997 through 2001, the city of Manchester maintained an unemployment rate below or equal to the county, MSA, state and nation. The citywide unemployment rate is currently about 3.7 percent, slightly higher than the county, MSA, and state of New Hampshire. From 2000 through 2003, unemployment increased in all of the above categories, reflecting the lagging employment effects of a national economic recession, which occurred in 2001. Since then, unemployment rates declined significantly each year through 2006. From 2004 through to the present, the county, MSA and state consistently maintain unemployment rates less than the city of Manchester. Year-to-date employment data indicate a relatively stable labor market for 2007.

Transportation

Transportation access is a key variable in determining a community's attractiveness as a destination for meetings, conventions, and transient hotel business. Meeting and event planners specifically seek locations for their events that will allow them to maximize attendance and convenience for their delegates. Therefore, highway and air transportation infrastructure is an important consideration for any community planning a convention center and hotel development.

The following map shows the road and highway systems serving Manchester and the greater Manchester-Nashua area.

Regional Access Map (50-Mile Radius)



Source: Microsoft Streets & Trips

Manchester is proximate to several major thoroughfares including Interstate 93, Interstate 293, and U.S. Highway 3. I-93 moves north toward Concord, NH, Vermont, to Montreal, Canada. To the south I-93 passes through Boston where it merges with Interstate 95, which runs along the eastern coast of US Highway 10, a four-lane, east-west roadway that merges with I-95. It moves northeast through Massachusetts, Maine, toward Canada. An expansion of the I-93 will widen the road from Salem, MA through Manchester; additional space is set aside for a proposed commuter line between the two cities.

Table 2-5
Distance to Metro Areas

City	Distance (Miles)	Drive Time (Hours)
Boston	55	1.00
New York City	248	4.50
Montreal	260	4.50
Philadelphia	342	5.75
Quebec	346	6.00
Washington D.C.	476	8.00
Toronto	582	9.00

Source: Microsoft Streets & Trips

Manchester is roughly an hour drive from Boston, allowing visitors easy access to Boston for recreation and/or travel purposes, a strong competitive advantage for a convention center. New York City and Montreal are 4.50 hour drives from Manchester, reasonable drive times for overnight meetings, conventions or exhibitions. Four other major northeastern US and Canadian cities are less than nine hours from Manchester, enabling a wide market to reach Manchester.

Air Access

Airport passenger counts are important indicators of potential statewide and regional demand. Moreover, an area's airlift capacity is a key factor in determining whether a location is suitable for hosting statewide, regional and national events. Depending on the proximity of other markets that may be within driving distance, airport traffic is a key indicator of a market's potential to attract major regional or national events. The following map shows several of the region's airport facilities and their proximity to Manchester.

Airport Map

Source: Microsoft Streets & Trips 2007

Manchester-Boston Regional Airport, formerly known as the Manchester Airport, is a public airport located south of the city. The airport lies in two communities, Manchester and Londonderry. Formerly known as the Manchester Airport, in 2006 the airport changed its name to the Boston-Manchester Regional Airport, in an effort to increase visibility Major commercial airlines that service the airport include Air Canada, Continental, Delta, Northwest, Southwest, United, and US Airways. The airport, continually undertaking expansion and improvement measures since 1992, is currently constructing an additional runway and expanding its terminal space.

Boston Logan International Airport is New England's largest transportation center; the airport boundary encompasses approximately 2,400 acres in East Boston. The airport features five runways, 33 airlines, and four passenger terminals with 102 gates. Since 1994, the $4.4 billion Logan Modernization project produced overhead walkways connecting the central parking garage to the terminals, a new international arrival hall, a new MBTA station, an improved roadway system around the airport, and the state-of-the-art environmentally friendly Terminal A.

The city of Manchester is proximate to the Concord Municipal Airport, the Nashua Municipal Airport, and the Pease International Tradeport. These facilities serve the general aviation market, and offer minimal or no commercial service. Located in Portsmouth, New Hampshire, the New Hampshire Air National Guard actively uses Pease International to provide full agriculture, customs, and immigration services within its Foreign Trade Zone. On occasion, Allegiant Air, which flies to Orlando-Sanford, FL, and Boston-Maine Airways, which flies to Bedford, MA, commercially serves Pease International.

Table 2-6 shows recent operating statistics for the two commercial airport facilities serving the proposed subject property's sub-market.

Table 2-6
Airport Statistics

	Manchester-Boston Regional Airport		Boston Logan International Airport	
Year	Total Passenger	% Change	Total Passenger	% Change
2000	3,169,301	--	27,412,926	--
2001	3,233,555	2.0%	24,474,930	-10.7%
2002	3,366,834	4.1%	22,696,141	-7.3%
2003	3,601,661	7.0%	22,791,169	0.4%
2004	4,003,307	11.2%	26,142,516	14.7%
2005	4,332,707	8.2%	27,087,905	3.6%
2006	3,896,532	-10.1%	27,725,443	2.4%
YTD 2006	2,650,850	--	13,637,325	--
YTD 2007	2,588,695	-2%	13,823,457	1%

Source: Respective Facilities

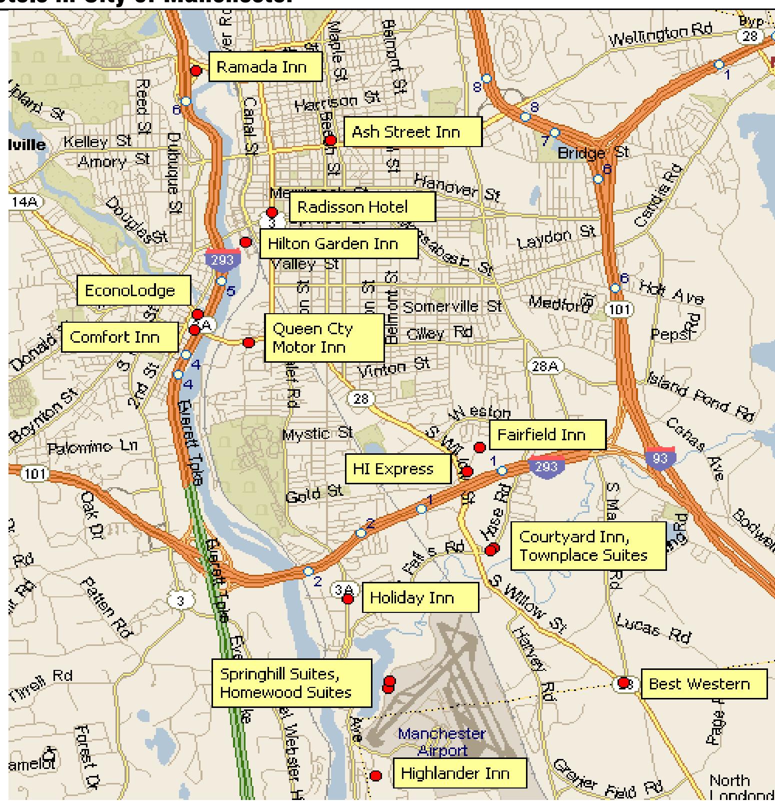
Between 2001 and 2002, total passengers at the Manchester-Boston Regional increased 4.1 percent. Manchester-Regional experienced steady increases in passenger volume; in 2004, total passengers increased 11.2, followed by an increase of eight percent in 2005. By 2006, however, total passengers decreased by ten percent, partly reflecting a national downtrend in number of flights. YTD 2007 figures indicate a two percent decrease in passenger volume from the same time of year in 2006.

The Boston Logan International Airport experienced a 10.7 percent decrease in total passengers from 2000 to 2001, followed by a 7.3 percent decrease from 2001 to 2002. This loss may be due in part to the events of September 11, 2001, but the nearly 11 percent decrease from 2000 to 2001 suggests additional reasons for passenger drop off. As one of the nation's major international airport, the event of September 11th surely influenced the continued decrease of passengers, while Manchester-Regional, as a smaller air facility, did not experience the same kind of losses. Logan International began to recover from the decrease in passenger volume, gaining approximately 15 percent from 2002 to 2004. Total passenger volume continued to increase each subsequent year.

Local Hotel Inventory

A convention center's ability to attract out-of-town groups depends greatly on the availability of adjacent or nearby hotel rooms within walking distance. The following map shows the location of various hotels located within the city of Manchester.

Map of Hotels in City of Manchester



Source: Microsoft Streets & Trips 2007

The majority of Manchester's hotels are proximate to the Manchester Airport, downtown Manchester near the Merrimack River, and Interstate 293. The majority of the market's upscale hotels and specialty inns are located downtown.

Table 2-7 provides a list of hotels in the greater Manchester market area as reported by *Smith Travel Research*, including meeting space square footage and number of units.

Table 2-7
Market Area Hotel Inventory

Property Name	Location	Rooms	Meeting Space (SF)	Chain Scale
Radisson Hotel	Manchester	250	65,000	Upscale
Radisson Hotel	Nashua	336	27,190	Upscale
Atkinson Resort & Country Club	Atkinson	16	12,000	Upscale
Crowne Plaza Hotel	Nashua	230	11,750	Upscale
Quality Inn - Airport	Bedford	175	11,226	Midscale
Holiday Inn	Nashua	208	10,363	Midscale
Courtyard by Marriott	Nashua	245	10,000	Upscale
Highlander Inn	Manchester	87	7,500	Upscale
Best Western Executive Court Inn	Manchester	135	4,630	Midscale
Comfort Inn	Manchester	100	2,348	Midscale
Hampton Inn & Suites	Concord	145	1,996	Midscale
Centennial Inn	Concord	32	1,785	Upscale
Hilton Garden Inn (Downtown)	Manchester	125	1,728	Upscale
Bedford Village Inn	Bedford	15	1,500	Upscale
Four Points by Sheraton	Manchester	120	1,375	Upscale
Holiday Inn Manchester (Airport)	Manchester	96	1,200	Midscale
Residence Inn by Marriott	Nashua	129	1,060	Upscale
Courtyard Manchester (Airport)	Manchester	139	637	Upscale
Comfort Inn	Concord	100	616	Midscale
Hampton Inn & Suites	Bedford	91	600	Midscale
Homewood Suites by Hilton (Airport)	Manchester	124	576	Upscale
Fairfield Inn	Nashua	115	400	Midscale
Springhill Suites (Airport)	Manchester	100	365	Upscale
Best Western Inn & Suites	Concord	66	360	Midscale
Best Western Granite Inn	Nashua	103	350	Midscale
Holiday Inn Express	Manchester	107	325	Midscale
Ash Street Inn	Manchester	5	--	Upscale
Country Barn	Nashua	21	--	Economy
Fairfield Inn	Concord	104	--	Midscale
Fairfield Inn (Airport)	Manchester	102	--	Midscale
Firebird Motel	Hooksett	18	--	Economy
Hill-Brook Motel	Bedford	18	--	Economy
Lillian's Motel	Nashua	22	--	Economy
Motel 6	Nashua	80	--	Economy
Queen City Inn	Manchester	45	--	Economy
Robert Frost Motor Inn	Nashua	20	--	Economy
Sleep Inn	Londonderry	99	--	Midscale
The Manor Motel	Penacook	60	--	Economy
Econo Lodge	Manchester	112	--	Economy
Super 8 (Airport)	Bedford	93	--	Economy
Comfort Inn	Merrimack	70	--	Midscale
Towneplace Suites	Manchester	77	--	Midscale
Days Inn	Concord	40	--	Economy
Days Inn	Hudson	40	--	Economy
Extended Stay America	Nashua	101	--	Economy

Source: Smith Travel Research, Respective Facilities

There are currently 4,516 hotel rooms and roughly 177,000 square feet of hotel meeting space throughout the greater Manchester area. The 46 lodging facilities represent a mix of upper, midscale and economy hotel and motel properties. Only the Radisson and the Hilton Garden Inn offer downtown upscale rooms.

Table 2-8 shows the hotel and rooms supply in the Manchester market arranged by service level.

Table 2-8
Market Area Hotel Supply by Chain Scale

	Hotel Properties	Percent of Total	Hotel Rooms	Percent of Total
Upscale	15	33%	1,953	42%
Midscale	18	39%	2,013	43%
Economy	13	28%	670	14%
Total	**46**	**100%**	**4,636**	**100%**

Source: Smith Travel Research, Respective Facilities

Midscale properties represent the majority of the market's lodging, comprising 39 percent of hotel properties and 43 percent of the room supply. Upscale properties comprise 15 percent of the market, and provide 1,953 rooms or 42 percent of the rooms supply. Though they make up 28 percent of the lodging market, with 670 rooms, economy properties represent just 14 percent of all rooms. This is due to their substantially smaller size compared to mid- and upscale properties.

Activities & Attractions

The greater Manchester area benefits from a wide variety of cultural, tourist and recreational attractions and activities, including:

Manchester Millyard Museum – features historical and cultural exhibits, tours, lectures, school programs, and family events. The Manchester Historical Association (MHA) owns and operates the Manchester Millyard Museum. The MHA sponsors the Millyard Research Center. Their collections include thousands of archeological artifacts, textiles, books and images from the area's 11,000 year history. The Museum facilities and gift shop are open Monday through Saturday. Access to the research center is by appointment only.

SEE Science Center – is an interactive science museum, whose "touch & try" exhibits appeal to young children and adults. Permanent exhibits include a LEGO recreation of Manchester's historic Millyards and a fully equipped chemistry lab. The center is open seven days a week and offers both public and private programs, including birthday parties and an annual summer camp.

Verizon Wireless Arena – home of AHL hockey team the Manchester Monarchs, the approximately 11,000-seat arena hosts large events including rock, classical, and popular music concerts, truck rallies, and figure skating exhibitions and events.

Amoskeag Fishways Learning & Visitors' Center - is an award-winning environmental education and interactive learning center located along the Merrimack River. Since 1995, the center's large exhibit hall is open year-round and features hands-on activities in the Merrimack Watershed. Primary topics include river wildlife ecology, electric hydro and solar power, fish biology, urban wildlife, survival skills, and Native American history and culture. Special programs are offered throughout the fish migration season in May and June.

Currier Museum of Art - is currently closed while the facility undergoes a 30,000 square foot expansion to be completed in 2008. During the museum's closure, an expanded museum shop is housed at Currier Downtown facility. In addition to an extensive collection of American and European works, the museum features include an Art Center offering classes and lecture programs for children and adults, and is also the orientation point for tours of Frank Lloyd Wright's Zimmerman House. The popular museum is featured in a book entitled *1,000 Places to See Before You Die*.

Table 2-9 presents a more comprehensive list of activities and attractions in the greater Manchester area.

Table 2-9
Area Attractions & Activities

Attraction	City, State	Type
America's Credit Union Museum	Manchester, NH	Museum
America's Stonehenge	North Salem, NH	Cultural/Historic
Amoskeag Fishways & Learning Center	Manchester, NH	Cultural/Historic
Anheuser -Busch Brewery Tours	Merrimack, NH	Cultural
Budweiser Brewery Tour	Merrimack, NH	Cultural
Canobie Lake Park	Salem, NH	Sports/Recreation
Canterbury Shaker Village	Canterbury, NH	Cultural/Historic
Capitol Center for the Arts	Concord, NH	Performing Arts
Charmingfare Farm	Candia, NH	Family/Education
Christa McAuliffe Planetarium	Concord, NH	Family/Education
Currier Museum of Art	Manchester, NH	Museum
Franco-American Centre	Manchester, NH	Cultural
Manchester Freedom - Women's Football	Manchester, NH	Sports/Recreation
Manchester Millyard Museum	Manchester, NH	Historical/Cultural
Manchester Monarchs - AHL Hockey	Manchester, NH	Sports/Recreation
Manchester Wolves - Arena Football	Manchester, NH	Sports/Recreation
Museum of New Hampshire History	Concord, NH	Museum
New Hampshire Fisher Cats - AA Baseball	Manchester, NH	Sports/Recreation
New Hampshire International Speedway	Manchester, NH	Sports/Recreation
Palace Theatre	Manchester, NH	Performing Arts
Robert Frost Farm	Derry, NH	Cultural/Historic
Rockingham Park	Salem, NH	Horse Racing
SEE Science Center	Manchester, NH	Family/Education
Tanger Outlet Center	Manchester, NH	Shopping
The New England Sampler	Manchester	Shopping
Tupelo Music Hall	Londonderry, NH	Performing Arts
Verizon Wireless Arena	Manchester, NH	Family/Recreation
Zimmerman House	Manchester, NH	Cultural/Historic

Source: Greater Manchester Convention & Visitor's Bureau

The greater Manchester area offers a variety of unique indoor and outdoor attractions and activities. A majority of Manchester's attractions focus on sports and exploring the outdoors and include fewer arts and performing arts events and attractions. As HVS's conversations with key leaders of Manchester have revealed, visitors often inquire about cultural and historical aspects of Manchester and are thoroughly pleased with the Riverwalk and Mill tour. However, many visitors are disheartened that they are sent to surrounding towns to shop, due to the lack of quality retail stores within New Hampshire. Acting as a hub, Manchester provides an outlet to hiking, skiing, beaches, and Boston shopping, an advantage in and of itself. A wide variety of recreational options can increase a destination's overall ability to attract meetings and events.

Market Summary & Conclusions

Manchester benefits from positive economic indicators, with strong population and personal income growth. The Manchester-Boston Regional Airport offers easy and convenient visitor access to Manchester, while there a large number of limited-service hotels for visitors. However, full-service hotels, nightlife and high-quality retail outlets act as potential negative factors for group demand. Overall, both the location of Manchester, proximate to a number of large, popular New England cities, situated near hiking, skiing and boating areas, enhances the market's ability for to draw group demand.

3. Convention Industry Trends

The section of the report describes the convention and meeting industry and analyzes trends in the number of events, attendance, and the supply of meeting and exposition facilities. The definitions provided herein will aid in understanding the market analysis and the demand potential for the proposed project.

Facility Characteristics

Exhibition centers, convention centers, and trade centers typically provide several types of space used in different combinations depending on the type of event.

- **Exhibition space** Typically, the largest single area in a convention center, good quality exhibition space adapts to many uses. With high ceilings and clear spans, these large contiguous areas divide with movable, soundproof walls so that individual halls can support various configurations and the venue can host multiple simultaneous events. Concrete floors with heavy loading capacity support truck loading and heavy exhibits. Neutral in their design with a low level of finishes, exhibit halls function like empty stages, appropriately decorated for each event. Loading docks with high doors allow easy loading access, and allow trucks to drive on the floor. Floor boxes and/or ceiling drops provide utilities for exhibitors, which may include: electricity, telecommunication hookups, and water, compressed air, and natural gas.

- **Ballroom space** supports banquets, entertainments, general assemblies, meetings, and light exhibits. Ballrooms typically have the highest level of finish in the convention center with permanent carpet and various lighting fixtures. Like exhibit halls, ballrooms also offer high ceilings, clear spans, and divisible space with soundproof movable walls. Light rigging points and movable staging equipment supports presentations and entertainment events. Sound attenuation and sophisticated sound systems are also important features of a ballroom. Proximity to kitchen facilities is vital for the efficient delivery of food service.

- **Meeting or breakout rooms** support small groups; ranging from 500 to 10,000 square feet. Meeting room blocks, divide into smaller units to provide maximum flexibility. Usually carpeted, with high level of finish, flat floors, and no fixed seating, meeting rooms configure for an assortment of meeting styles. Meeting rooms offer variable lighting setups and sound attenuation, and newer facilities offer access to advanced telecommunications technology. Some meeting rooms, designed exclusively for presentations, may have fixed tiered theater-style seating and video projection capabilities. Boardrooms are elegant meeting rooms with the permanent installation of a conference table.

- **Breakout space** - synonymous with meeting space.

- **Assembly halls and theaters** are frequently located within convention centers. These rooms have a large number of fixed seats and stages. Convention centers often connect to arena facilities occasionally used as assembly spaces for events with a large number of attendees.

- **Multi-purpose space** is most often used an exhibit hall or as banquet space. Similar to exhibit halls, multi-purpose rooms offer the amenities necessary for hosting exhibitions, but the level of finish is more like that of a ballroom. A multi-purpose space may also combine arena and exhibit-hall functions.

- **Pre-function space** is located just outside of or adjacent to the event space. Pre-function areas support the circulation of pedestrian traffic throughout the facility, serve as registration areas, and are essential to the control of access to event spaces.

- **Back-of-the-house space** comprises storage, loading docks, administrative offices, service corridors, kitchens, mechanical spaces, and other areas that are vital to the operation of the facility but not visible to the public.

Types of Meetings and Facility Needs

The convention and meeting industry includes several types of events, from large trade and exhibition events to conferences and corporate meetings. Each type of event has unique facility needs. Certain events require large amounts of contiguous space, whereas other events require several smaller meeting rooms. A single event may use different types of space, including exhibit halls, banquet rooms, breakout meeting rooms, and theater seating. Event facilities need to offer the proportions of different types of space that are appropriate for their markets. We have summarized the key attributes of various types of events and their facility requirements in the following table.

Table 3-1
Event Types and Characteristics

Event Types and Related Facility Requirements

Event Type	Common Attendance Range	Primary Purpose	Major Facility Requirements	Typical Facility Used
Conventions with Exhibits	500 to 30,000	Information exchange and sales	Exhibition, breakout meeting space, and banquet space	Convention Centers
Conventions without Exhibits	300 to 5,000	Information exchange	Meeting space and banquet space	Hotels; Conference Centers; Convention Centers
Tradeshows	1,000 to 50,000	Sales	Exhibition and breakout meeting space for some events	Convention Centers; Trademarts; Fairgrounds
Consumer Shows	3,000 to 50,000	Advertising and sales	Exhibition Space	Convention Centers; Trademarts; Fairgrounds
Combination Shows*	3,000 to 50,000	Advertising and sales	Exhibition Space	Convention Centers; Trademarts; Fairgrounds
Corporate & Other Meetings	Less than 100	Training and information exchange	Meeting space (minimal)	Hotels; Conference Centers; Convention Center Meeting Rooms
Conferences	50 to 2,000	Information exchange	Meeting space and banquet space	Hotels; Conference Centers; Convention Center Meeting Rooms
Social, Military, Educational, Religious, Fraternal	25 to 1,000	Civic & social	Meeting and/or banquet space	Civic center or auditorium
Concerts and Entertainment	500-10,000	Entertainment	Stage, seating, lighting, concession areas, ticket booths, lobby	Arenas; Stadiums; Theaters; Auditoriums; Convention/Civic Centers
Assemblies	1,000 to 50,000	Information exchange	Stage, seating, breakout meeting rooms	Convention Centers; Arenas; Stadiums; Fairgrounds

**A tradeshow with private access is followed by a consumer show with public access.*

Source: HVS

HVS measures convention center demand by the number of events held in a facility. We organize events by event category. The following definitions describe each of the event categories that commonly take place in convention centers.

Conventions — Associations, professional groups, and other membership organizations hold conventions; attendance ranges from 300 to 30,000 attendees, the average of which is approximately 800 to 900. The larger of these meetings typically take place in convention centers with exhibit halls of 100,000 square feet or more. Smaller events take often occur in hotels and conference centers. Conventions usually consist of a number of concurrent meetings with a few general sessions. Facility needs include assembly space for general sessions, banquet facilities, and numerous breakout rooms. Approximately two-thirds of conventions use exhibit space for displays and booths.

Tradeshows — Tradeshows provide a means for wholesalers and retailers to transact business with industry buyers. Trade associations, independent show organizers, and other companies sponsor and produce trade shows. Similar to conventions, tradeshows require exhibit halls. As such, they are generally restricted to convention centers as opposed to hotel or conference center event spaces.

Like conventions, tradeshows offer a forum for exchanging industry ideas. Tradeshows are more product and sales oriented than conventions. They are exhibit-intensive, and exhibitors prefer column-free, single-story, open-space facilities. Exhibitors construct temporary custom booths for product display. Tradeshows typically attract a large number of attendees who originate from outside the host city, but their length of stay is shorter and their average spending lower than that of convention attendees. Many tradeshows are increasing the amount of meetings and other breakout sessions they conduct in order to augment the educational component of their events, attract more attendees, and keep attendees in the host city for longer periods.

Consumer Shows — Consumer shows are public, ticketed events featuring the exhibitions of merchandise for sale or display. Consumer shows provide a means of product distribution and advertising. Some consumer shows, such as auto and boat shows, comprise of recreational and entertainment components as well. Consumer shows range in size from small, local, specialized shows with a few hundred attendees to large shows with many thousands of attendees. The larger consumer shows may occur in convention centers, shopping malls, fairgrounds, and other public-assembly facilities with large exhibition areas.

Most attendees are local residents, although a few large consumer shows have a regional or national draw. Exhibitors often come from out of town and may follow a series of events occurring in different venues. Site selection considerations for consumer shows include the size and income of the local population, the availability of facilities, and the number of competitive shows in the market. Many consumer shows are beginning to incorporate educational seminars, and the availability of meeting space is becoming increasingly important for these events.

Corporate and Other Meetings — Corporate meetings include training seminars, professional and technical conferences, sales meetings, shareholder events, product introductions, and management meetings. Attendance ranges up to 100 with an average of fewer than 50. Hotels with meeting space, conference centers, and, sometimes, meeting room blocks of larger convention centers, host smaller events. Corporate meetings usually require meeting rooms or ballroom space but not exhibition space. Larger functions typically take place at convention centers. Corporate meeting planners and attendees prefer facilities with business amenities and a high quality, professional appearance.

Conferences — Conferences are events held by associations, professional groups, and other membership organizations. These events do not always require exhibit space but are otherwise similar to conventions. They require meeting space for general sessions, food service areas, and breakout meeting rooms. Hotels and conference centers host the majority of conferences.

Conventions and conferences generate a greater amount of new spending in the area economy than consumer shows and local meetings because a large percentage of attendees originate from outside the local area, typically stay several nights in the host city, and spend money on accommodations, food, retail goods, transportation, and entertainment.

Social, Military, Educational, Religious, Fraternal, and Ethnic Events — Referred to as "SMERFE" events, these events include weddings, fund-raising events, educational seminars, religious gatherings, parties, and other community events that have a civic, social, or entertainment purpose. These events typically require a ballroom or multipurpose space where food and beverage services and, in some cases, entertainment can be provided. SMERFE events are the most common type of events in most civic centers and locally oriented conference facilities. Generally, SMERFE groups are highly price sensitive with respect to hotel-room and space-rental rates.

Concerts and Entertainment — Convention centers sometimes host concerts and other types of entertainment events. The absence of fixed seating and a raked floor limits the types of events convention centers can accommodate. Concerts are problematic in exhibit halls because the concrete floors and spaciousness creates acoustic challenges. Sports events like boxing matches are sometimes set up in exhibit halls. Exhibit halls can also accommodate tournaments that include several performance spaces with simultaneous events, such as a series of mats for a wrestling meet.

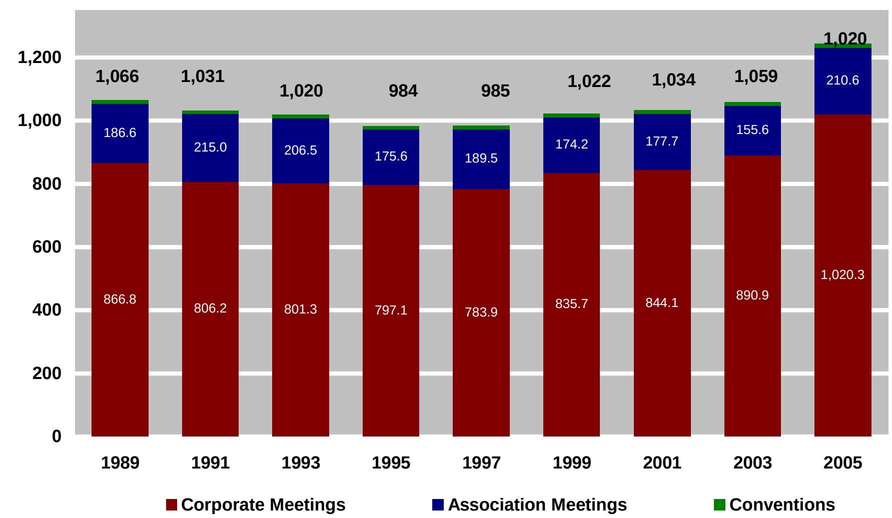
Assemblies — Assembly events usually involve a ceremony, a speech, or another similar activity that attracts a crowd of spectators. These events attract anywhere from 1,000 to 50,000 people or more and many require arena or stadium seating. Assemblies stem from many of the same sources as SMERFE events, but they are less likely to involve a food and beverage element. These events do not usually require large amounts of exhibit and meeting-room space.

Number of Meetings

HVS analyzed demand trends based on data from the *Meetings Market Report*, published every two years, since 1974, by Meetings & Conventions Magazine. Meeting planner survey data collected by third-party research firms provides the main source of data for the *Meetings Market Report*. HVS reviewed data from the most recent *Meetings Market Report* (2006), which reflects data from 2005. This data indicates continued increases in demand in the meetings and convention industry, as measured by two key demand variables: the number of events booked last year and the annual attendance at these events.

Corporations, associations, and convention planners book more than one million meetings in the United States each year. The following graph shows the total number of meetings held annually in these three specific meeting segments throughout the past 17 years.

Figure 3-1
Total Number of Meetings (in Thousands)



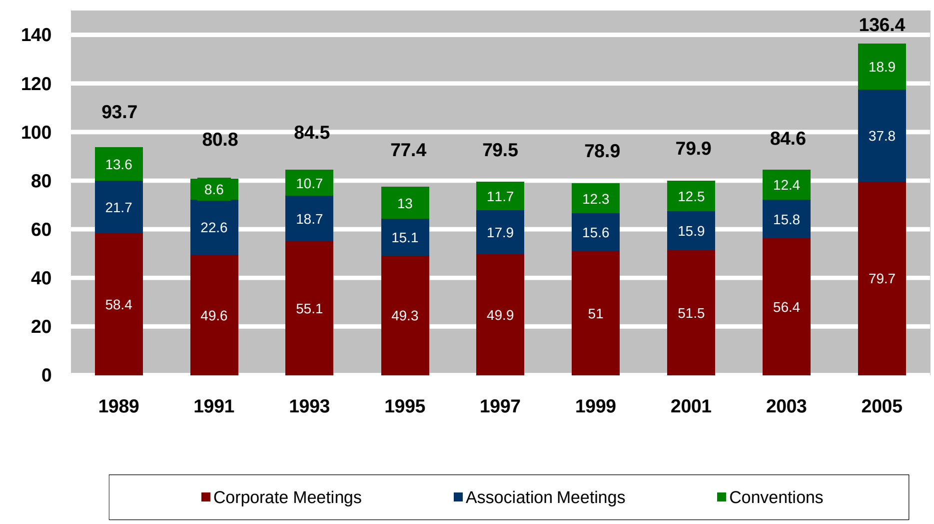
Source: Meetings & Conventions

For the past two decades, the United States has hosted approximately one million meetings and conventions each year. Most events are corporate meetings, but associations also generate a large number of meetings. Over the past 17 years, between 10,200 and 12,700 conventions took place in this country on an annual basis. The total number of meetings and conventions has stayed in a somewhat narrow range from 1989 to 2003. In 2005, survey methodology changed, increasing the total number of meetings significantly. However, we believe that the 2005 data indicates there is some real growth.

Attendance Trends

In the United States, approximately 80 million people participated in meetings and conventions each year from 1989 to 2003, while roughly 136 million people participated in meetings and conventions in 2005. The following graph shows total attendance figures for the meeting industry between 1989 and 2005.

Figure 3-2
Attendance (in Millions)



During the 1990s, total attendance in the meetings industry declined from its peak level in the late 1980s. This downward trend leveled in 2001 with a larger increase in 2003. The significant rise in attendance in corporate and association meetings and conventions in 2005 is in part due to the survey methodology change previously discussed. However, we believe that this data represents some real growth in attendance.

The table below shows the average meeting size for these three market segments over the past 17 years. The compound annual growth rate ("CAGR") for each meeting category shows the rate of change in average attendance over each two-year period on an annual basis.

Table 3-2
Average Attendance by Type of Event

Type of Event / Growth	1989	1991	1993	1995	1997	1999	2001	2003	2005
Conventions									
Average Attendance	1,079	843	907	1,193	1,035	1,060	1,059	1,016	1,488
CAGR [1]	--	-11.6%	3.7%	14.7%	-6.8%	1.2%	0.0%	-2.0%	21.0%
Associations									
Average Attendance	116	105	91	86	94	90	89	102	179
CAGR [1]	--	-4.9%	-7.2%	-2.6%	4.8%	-2.6%	0.0%	6.5%	33.0%
Corporate Meetings									
Average Attendance	67	62	69	62	64	61	61	63	78
CAGR [1]	--	-4.4%	5.7%	-5.2%	1.5%	-2.1%	0.0%	1.9%	11.1%

[1] *Compound annual growth rate*

Source: Meetings & Conventions

While attendance had been in decline from 1989 onward, the average meeting size was falling as well. Before 2005, meeting size peaked in 1995 when the average convention had 1,193 people in attendance. Data from 2003 showed a 2.0 percent decrease in convention attendance, but also showed a 6.5 percent increase in association attendance and a 1.9 percent growth in corporate meeting attendance. While data from 2005 represents a change in survey methodology, a part of the increase signifies real growth. Therefore, data from 2005, in addition to increases in 2003, along with previously discussed demand factors, indicates a climb in demand in the industry.

Tradeshow Trends

The following table shows the historical growth in exhibit-space square footage, the number of trade and consumer shows, and the net square footage of exhibit space that exhibitors use. *Tradeshow Week* data focus on larger consumer shows, trade shows, and conventions in the United States and Canada with exhibitions that typically occur in convention and exhibition centers.

Table 3-3
Historical Annual Supply of Exhibit Space, Number of Trade & Consumer Shows, and Net Square Footage Used

Year	SF of Exhibit Space (millions)	% Change	Number of Trade & Consumer Shows	% Change	Net Square Feet Used (millions)	% Change
1989	47.3	--	3,289	--	3,218	--
1990	52.0	9.8%	3,783	15.0%	3,388	5.3%
1991	54.6	5.0%	3,887	2.7%	3,510	3.6%
1992	55.9	2.3%	4,066	4.6%	3,489	-0.6%
1993	57.7	3.3%	4,172	2.6%	3,507	0.5%
1994	60.6	5.1%	4,316	3.5%	3,686	5.1%
1995	60.1	-0.9%	4,315	0.0%	3,855	4.6%
1996	62.0	3.2%	4,400	2.0%	4,094	6.2%
1997	63.0	1.6%	4,336	-1.5%	4,299	5.0%
1998	63.0	0.0%	4,295	-0.9%	4,591	6.8%
1999	63.4	0.6%	4,503	4.8%	4,858	5.8%
2000	65.5	3.3%	4,637	3.0%	5,047	3.9%
2001	67.6	3.2%	4,333	-6.6%	5,203	3.1%
2002	72.4	7.1%	4,342	0.2%	5,125	-1.5%
2003	77.2	6.6%	4,578	5.4%	4,854	-5.3%
2004	80.5	4.3%	4,778	4.4%	4,834	-0.4%
2005	82.3	2.2%	4,889	2.3%	5,012	3.7%
2006	85.1	3.4%	5,001	2.3%	5,590	11.5%
2007	85.9	0.9%	5,036	0.7%	6,409	14.7%
CAGR 89-07		3.0%		2.0%		4.1%

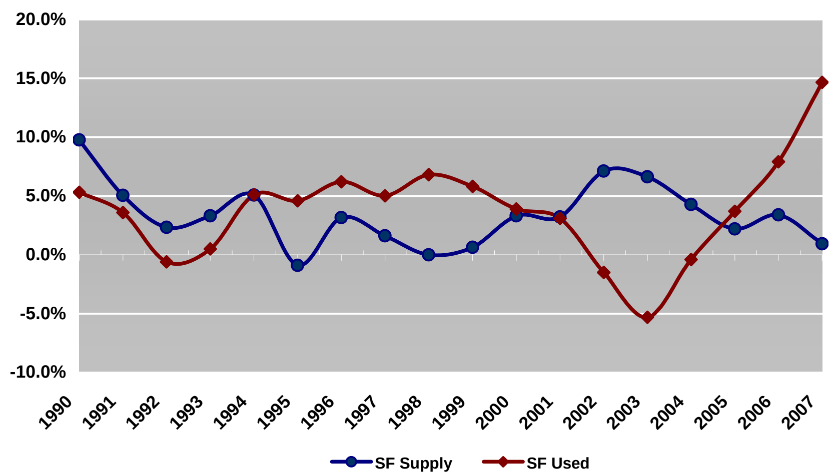
Source: Tradeshow Week

The demand for exhibit space declined between 2000 and 2004. During this same period, a substantial number of facility expansions and new projects increased the supply of exhibit space at a rate that exceeded the historical supply growth rate. Because communities and developers plan and fund projects many years before their completion, changes in supply generally lag behind key economic indicators. This phenomenon created a booking environment that strongly favored event planners, as facility managers made significant financial concessions in their efforts to attract business from a smaller pool of events with more competition.

In 2005, demand growth resumed. Demand growth continued at an accelerating pace through 2006 and 2007 as this industry, and the economy at large, expanded. Currently, the demand for exhibit space and the level of supply is at its highest level in history.

The following graph presents in graphic form the previously shown *Tradeshow Week* data on the total square feet of exhibit space available and the total amount of square feet that events utilize.

Figure 3-3
Annual Percent Change in Square Feet of Exhibit Space and Square Feet of Exhibit Space Used



Source: Tradeshow Week

The chart shows that the rate of change in the demand for exhibit space was consistently above the rate of change in supply between 1994 and 2001. During this period, strong growth in the demand for space resulted in the planning of several expansions and new convention centers. However, the economic downturn helped cause the demand for space to plummet beginning in 2001. Responding to this decline in the demand for space, the rate of increase in the supply began a steady decline in 2003 with a small increase in 2006. The rate of increase in demand increased steadily from 2003. In 2007, the change in supply was 0.9 percent and the change in demand was 14.7 percent, indicating growth in demand and further decline in the increase of supply.

The following table presents exposition budgets of organizations, as reported by event planners. HVS analyzed data from the *Annual Meeting Markets Survey*, a report from Convene Magazine, which surveyed event managers and planners.

Table 3-4
Exposition Budget Trends

Year	< 100	100-499	500-999	1,000-2,500	2,500+
2006	8.0%	18.0%	15.0%	19.0%	20.0%
2005	6.0%	14.0%	17.0%	24.0%	25.0%
2004	9.7%	24.2%	17.7%	23.2%	20.2%
2003	6.1%	32.6%	19.6%	24.8%	17.2%
2002	6.6%	27.3%	14.8%	27.0%	14.5%
2001	6.0%	21.0%	17.0%	25.5%	18.5%
2000	8.0%	22.0%	17.0%	24.0%	16.0%
1999	9.0%	32.0%	16.0%	22.0%	13.0%
1998	9.0%	29.0%	20.0%	26.0%	16.0%
1997					
1996	7.6%	36.1%	14.5%	20.3%	15.1%

Source: Annual Meeting Markets Survey

In past years, most planners reported their organizations' exposition budget was $1- $2.5 million, while a majority of planners recorded budgets of $2.5 million and above for the first time in 2005. From 1996 to 2004, a large percentage of budgets recorded were between $100,000 and $499,999, while a much smaller percentage recorded budgets in that bracket in 2005 and 2006. The large percentage of budgets over $1 million from 2004 to 2006 indicates growth in size of exposition budgets.

The following table presents average expenditures per day for delegates, event organizers, and exhibitors, from data of the *ExPact 2004 Convention Expenditure and Impact Study.*

Table 3-5
Expenditures

Delegate Expenditures	Daily Expenditures	% of Total
Lodging and Incidentals	$126.45	47.62%
Food and Beverage	$76.16	28.68%
Hotel Food and Beverage	$26.38	
Other Food and Beverage	$49.78	
Entertainment/Recreation	$8.29	3.12%
Tours and Sightseeing	$5.57	
Recreation	$1.86	
Sporting Events	$0.86	
Retail	$29.16	10.98%
Transportation	$25.30	9.53%
Local Transportation	$8.42	
Auto Rental	$6.66	
Gas, Tolls and Parking	$10.22	
Other	$0.17	0.06%
Total	$265.53	

Event Organizer Expenditures	Daily Expenditures	% of Total
Food and Beverage	$28,235.23	26.57%
Exhibition Space Fees	$24,876.67	23.41%
Services Hired	$23,415.45	22.04%
Equipment Rental	$10,309.55	9.70%
Staff Living	$6,575.13	6.19%
Advertising (in Event City)	$3,811.05	3.59%
Technology Services	$1,758.04	1.65%
Additional Space	$1,277.16	1.20%
Local Transportation	$1,076.55	1.01%
Other	$4,916.60	4.63%
Total	$106,251.43	

Exhibiting Company Expenditures	Daily Expenditures	% of Total
Staff Living	$897.79	50.16%
Vendor Services	$219.86	12.28%
Food and Beverage	$217.07	12.13%
Equipment Rental	$188.97	10.56%
Advertising (in Event City)	$51.53	2.88%
Local Transportation	$50.44	2.82%
Services Hired	$37.86	2.12%
Additional Meeting Rooms	$28.15	1.57%
Other	$98.34	5.49%
Total	$1,790.01	

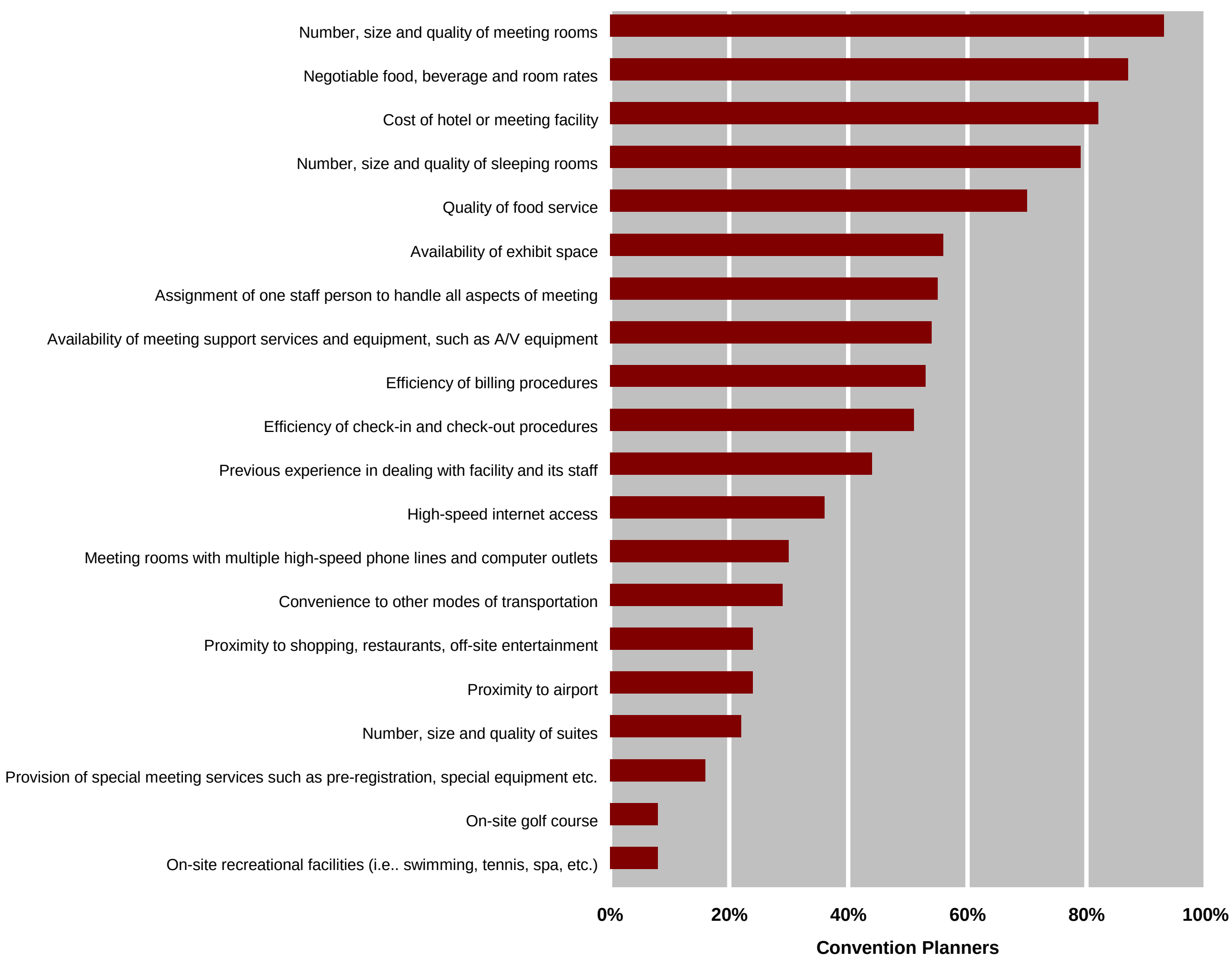
Source: ExPact2004

Delegates and exhibiting companies spent the most on lodging, with exhibiting companies spending over 50 percent of their expenditures on lodging alone. Event organizers spent almost the same percentage on exhibition space fees and services hired as on food and beverage. Delegates spent roughly 28 percent on food and beverage, while retail spending topped both transportation and entertainment for delegate expenditure.

Event Planner Location Criteria

HVS presents the following data from *Meeting Market Report*'s survey asking respondents how important certain factors were in selection of a destination for their major convention. The graph below shows the factors that meeting planners ranked in order of importance for the destination selection process.

Figure 3-4
Share of Convention Planners Citing Factors as Important in Selection of Destination



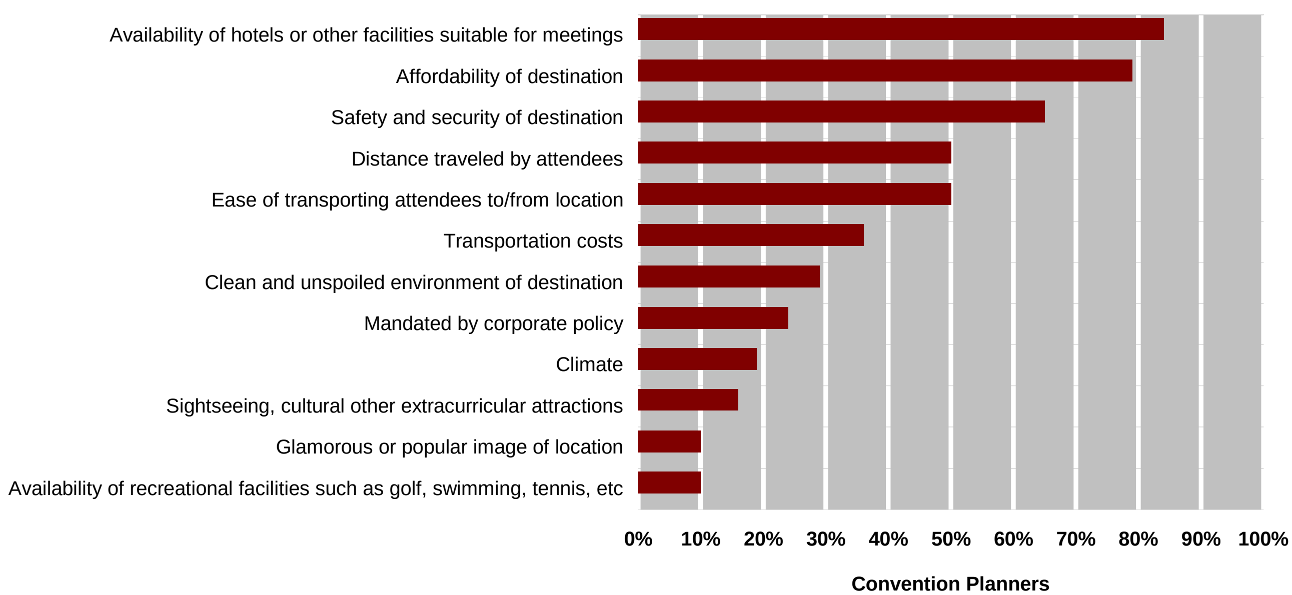
Source: Meetings and Conventions

Key criteria for planners included the availability of hotels or other facilities suitable for meetings and affordability of the destination. In addition, ranking high in importance, was safety and security of destination, distance traveled by attendees, and ease of transporting attendees to/from the location. Both the image of the location and the availability of recreational facilities fall least important in determining a destination.

Meetings and Conventions also asked respondents the importance certain factors in selecting a facility or hotel for their major convention. The factors most often cited as the most important for site selection were number, size and quality of meeting rooms, and negotiable food, beverage, and room rates. Also influential to planners' decisions was the cost of hotel or meeting facility and the number, size and quality of sleeping rooms.

The Manchester Convention Center will fulfill crucial planner needs for an exposition center, meeting rooms, and hotel rooms, a combination which most of its competitors do not offer. Concerning cost, in this industry leverage can shift quickly between event organizers and facility owners, depending on trends in supply and demand. HVS assumes that a sophisticated operator will be engaged to evaluate the need for flexibility in price negotiations.

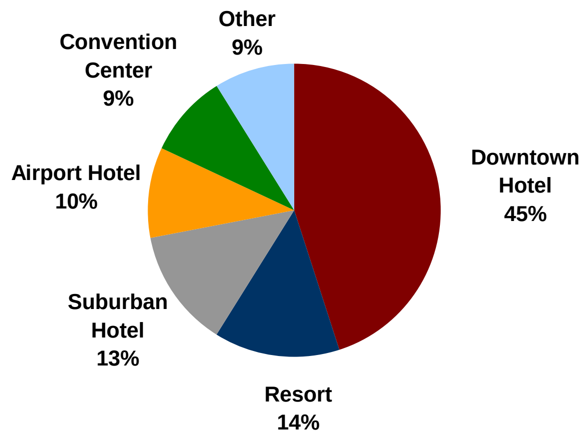
Figure 3-5
Share of Convention Planners Citing Factors as Important in Selection of a Facility/Hotel



Source: Meetings and Conventions

Convene Magazine asked planners at what type facility they held their conventions. The following graph presents the average percentage of conventions held in various types of locations in 2006. The graph illustrates that downtown hotels continue to draw the largest number of events, while resorts and suburban markets also draw a fair number of events.

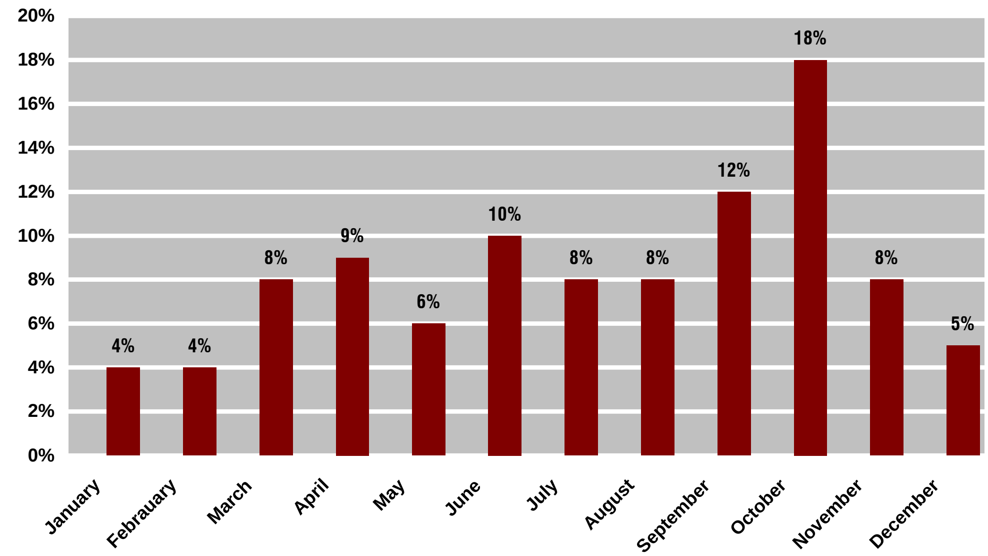
Figure 3-6
Location



Source: Annual Meetings Market Survey

The following graph presents the seasonality of expositions, displaying which months draw the greatest number of events. October and September draw the greatest number while June and April also are popular months. The winter months of November, December, and January, on average, attract the least amount of meetings and conventions. Exposition demand historically peaked in the spring and fall months.

Figure 3-7
Seasonality

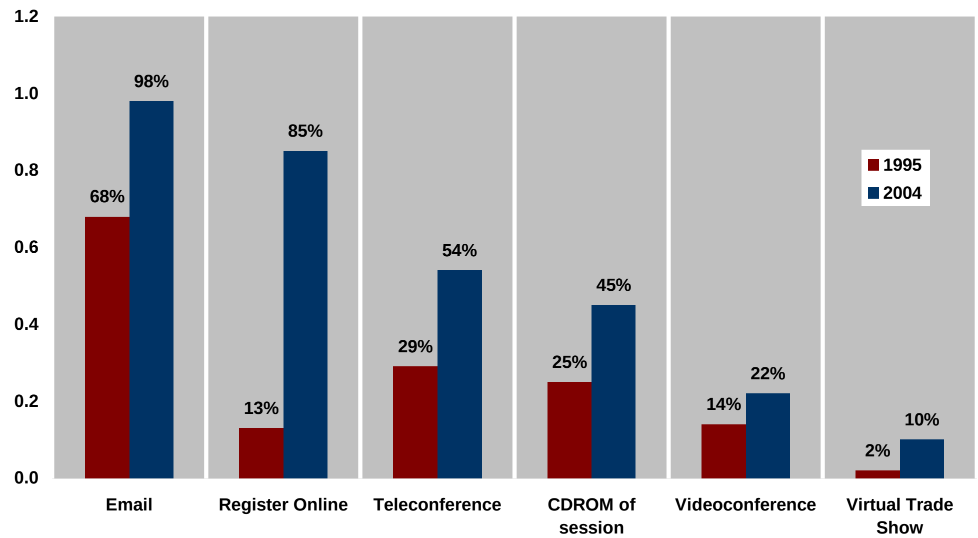


Source: Meetings and Conventions

Use of Technology in Meeting Facilities

Overall, the meeting and conference industry uses a moderate amount of technology during events – typically computers with Internet access and audiovisual presentation equipment. Meeting planners increasing need greater use of technological requirements and greater complexity of technology.

Figure 3-8
Technology Used to Deliver Meeting Content

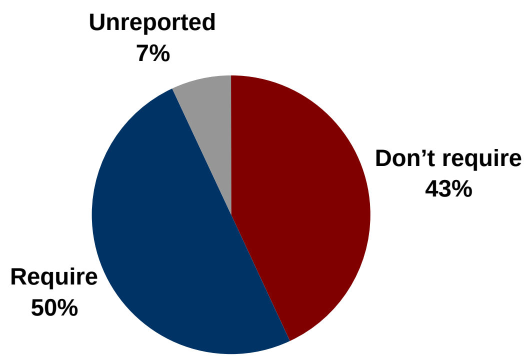


Source: Annual Meetings Market Survey

From 1995 to 2004, the amount of planners who use online registration skyrocketed, with only 13 percent requiring it in 1995 and 85 percent employing it in 2005. For use during meetings and conventions, planners require teleconference ability 54 percent of the time in 2004, a large difference from only 29 percent in 1995. Videoconferencing grew slightly more popular, while the virtual trade show still lacks strong demand.

The variety of methods used for delivering meeting content indicates that conference center facilities need flexibility in their configurations. Conference center facilities need to incorporate design elements that facilitate the use of a wide variety of technologies. The numerous methods used for delivering meeting content suggest that planners prefer portable elements or easily adaptable elements to permanent, built-in elements. Over 50 percent of planners required wireless access at meetings and conventions in 2006 as shown in the graph below.

Figure 3-9
Wireless Access 2006



Source: Annual Meetings Market Survey

Emerging Industry Trends

Over the past few decades, the meeting and convention industry evolved dramatically from a budding industry to a more mature one that facilitates in driving the national economy. Currently, industry expenditure estimates total over $40 billion per year. As an established industry, the rapid growth of the last four decades will most likely not persist. However, expectations going forward indicate continued evolution and growth on a controlled scale. HVS identified the following emerging industry trends.

Supply and Demand Equilibrium — Since the majority of convention and meeting facilities involve public funding, the expected relationship between supply and demand found in the private sector does not necessarily hold true for the meeting and convention industry. Stimulating the local economic activity and attracting new visitors to the community motivate public entities to develop event centers. Furthermore, public entities do not require the facility to achieve a return on investment. Rather, convention and meeting facilities act as "loss leaders" for overall expenditures in the local economy. This disengagement between the rationale for an increase in supply and the given available demand, potentially could lead to overbuilding, as currently planned new construction and expansions finish in the next few years. However, limitations on tax resources to support these developments constrain public entities. If event facilities do not produce the expected economic impacts, the justification for increasing public support of convention and meeting facility development will diminish in political viability. These political constraints, in the long- run, keep the supply of space commensurate with demand.

Quality of Supply — As the industry has matured and competition among cities has become more intense, meeting planner expectations for quality have increased. For example, planners often decide to locate a meeting at a particular location based on the proximity of full-service hotels to event facilities. Cities lacking suitable hotel properties typically lose business to cities with a superior "hotel package." Similarly, planners expect advanced communications technologies in event centers. Furthermore, surveys of meeting planners show the importance of quality in the site-selection process. In an oversupplied market, planners will increasingly expect higher quality venues with greater adjacent amenities.

Emergence of "Destination Meeting Resorts" — Several resort communities such as Las Vegas and Orlando emerged as primary meeting resort destinations. These cities underwent rapid growth in the supply of hotels, resort conference centers, and convention center facilities, and new business quickly absorbed this new supply. Destination meeting resorts have a strong tourist appeal and an attractive climate in common, and they offer an appealing experience for the event attendee. Planners respondent positively in their ability to attract a large number of attendees. Cities with such strong appeal experience great success in terms of attracting the number of attendees.

Propensity to Travel — The declining cost of travel (in real terms) and the increase in the propensity to travel drive long-term growth in the meeting industry. Recent events temporarily reducing the ability and desire to travel, clearly demonstrate the importance of propensity to travel for this industry. In the long run, however, expansions in the transportation system and continued innovations that reduce costs and increase the ease of travel will likely support the growth of the meeting industry.

Improved Communications Technology — Over the past decade, industry experts speculated a great deal that improvements in telecommunications technology would supplant the need for face-to-face meeting. To date, there is no evidence that video conferencing or the Internet are viable substitutes for in-person communication. Society still prefers person-to-person interaction to exchange ideas and information and build relationships. Rather improvements in communications technology, which contributed to overall economic growth, also fostered the growth of the meeting industry.

Mixed-Use Developments —Many cities, states, areas and developers see convention centers as an opportunity to spawn a mixed-use attraction, an area often including hotels, retail, dining, sports venues, and entertainment options, in addition to a housing a convention center. Convention centers often acts as the center of their own "districts", offering almost everything a delegate, event organizer of exhibitor could want in one area. The growth of mixed-use developments will continue to change the meeting and convention industry as supply transforms.

Implications for the Manchester Convention Center

HVS assumes the proposed Manchester Convention Center will primarily target regional conventions and tradeshows, as well as consumer shows. Continued growth in the industry depends largely upon continued growth of the national and local economies. The economic downturn that began in 2001 created difficult conditions for most industries, including the event and travel industries. Demand growth resumed in the industry during the past few years, although due to the weakening economy, attendance at events declined in the first part of 2008. The number of events and attendance continues to grow, along with budgets. Developers should be mindful of the realities of economic cycles when planning for new or expanded convention centers.

In the following section of this report, we will assess the proposed Manchester Convention Center's facility plans, event planners' needs and wants, and other factors that will influence the proposed facility's demand potential. The findings from that research, along with the industry trends discussed in this section, will help us determine the demand potential for the proposed Manchester Convention Center.

4. Competitive and Comparable Venues

Introduction

In this section of the report, HVS presents an analysis of similarly situated venues and compares them to both the proposed Manchester Convention Center and the existing facility — the Radisson. HVS researched key features of their local area markets that determine the attractiveness of the destination and the capacity of the venues to host various types of events. This analysis is an important consideration in our forecasts of the levels of utilization of the subject property. For the purposes of this analysis, HVS researched 20 venues, 13 of which are regional competitive venues and seven of which are national comparable venues:

Regional Venues: Large Convention/Exhibition Centers

- Boston Convention & Exhibition Center
- John. B. Hynes Veteran's Memorial Convention Center
- Seaport Hotel and World Trade Center
- Connecticut Convention Center
- Rhode Island Convention Center

Regional Venues: Multipurpose Venues and Hotels

- Empire State Plaza Convention Center
- DCU Center
- MassMutual Center
- Mohegan Sun
- Foxwoods
- Boston Marriott Copley Place

- Holiday Inn by the Bay Hotel and Convention Center
- National Guard Armory

National Comparable Venues

- RiverCenter Convention Center
- Dixie Center
- Arlington Convention Center
- Monona Terrace Convention Center
- Fort Smith Convention Center
- Boise Centre
- Century Center

HVS chose to include historical data on a select group of facilities that best represent the potential facility program, market area and demand of the proposed Manchester Convention Center. Additionally, detailed neighborhood descriptions, describing the local amenities and attractions, are included in these venues' descriptions. These ten facilities include the above listed national comparable venues, as well as the Rhode Island Convention Center, the Empire State Plaza Convention Center and the Connecticut Convention Center.

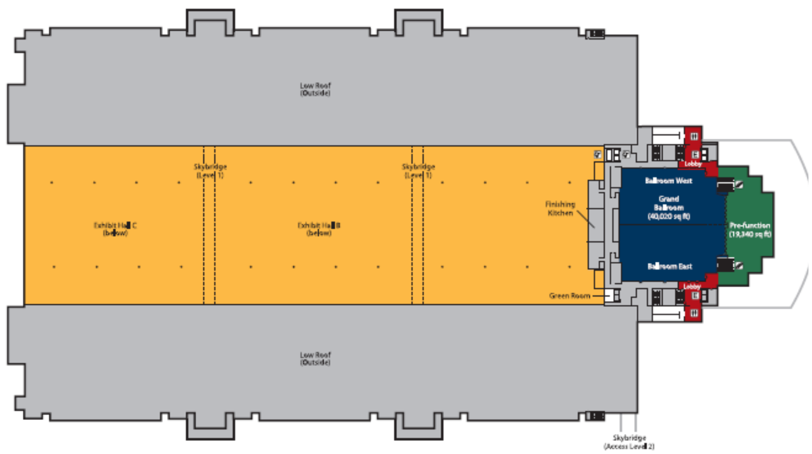
Regional Venues: Large Convention/Exhibition Centers

Boston Convention & Exhibition Center

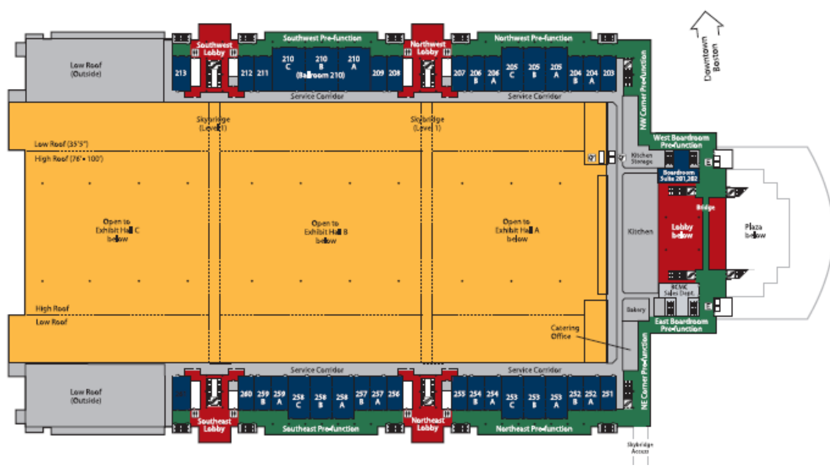
The Massachusetts Convention Center Authority ("MCCA") owns and operates the $800 million Boston Convention and Exhibition Center ("BCEC"), designed by Rafael Vinoly Architects in a joint venture with the HNTB Corporation. The BCEC, opening in 2004, sits a few blocks from the waterfront, in the newly developing area of South Boston, and is within a ten-minute drive from the Boston Logan Airport.

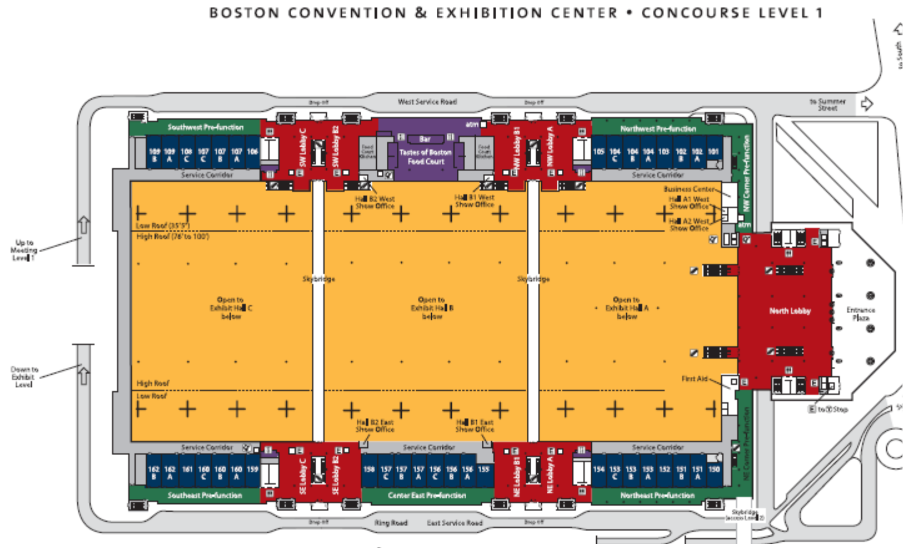
Figure 4-1
Boston Convention & Exhibition Center Floor Plan

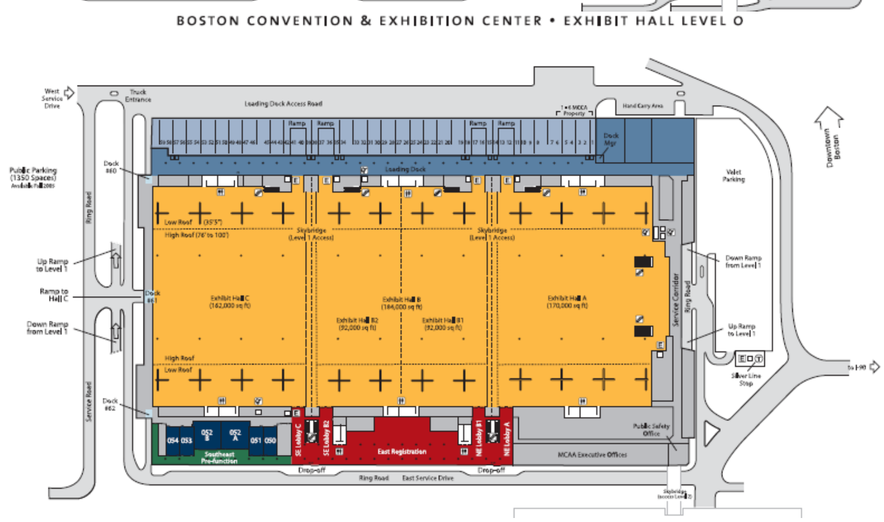
BOSTON CONVENTION & EXHIBITION CENTER • BALLROOM LEVEL 3



BOSTON CONVENTION & EXHIBITION CENTER • MEETING LEVEL 2







Source: Boston Convention and Exhibition Center

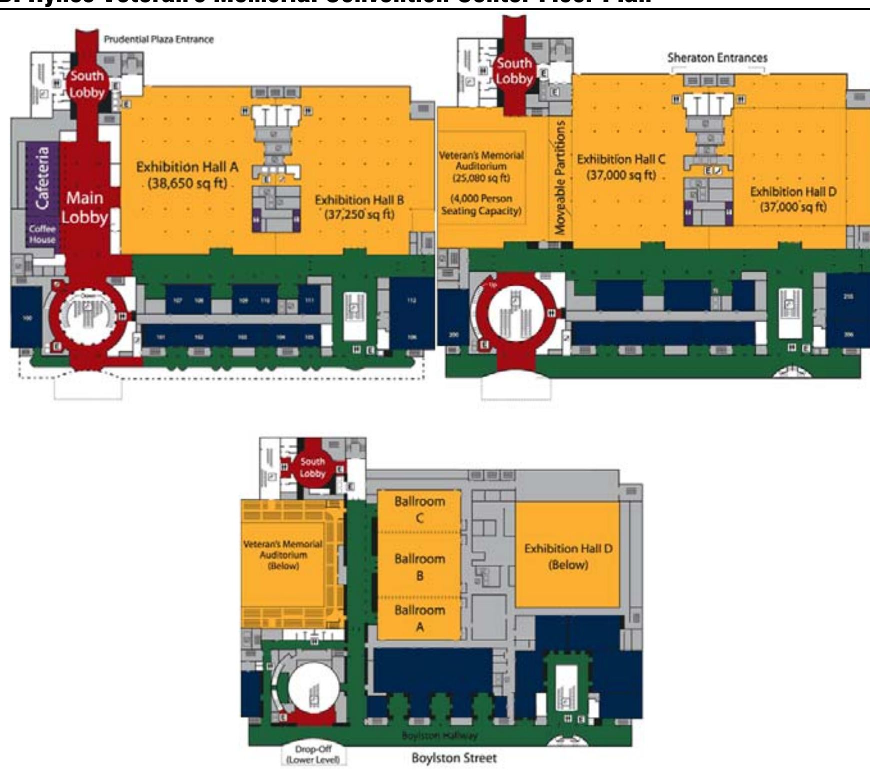
The BCEC features an exhibit hall of 516,000 square feet divisible into three sections of 162,000, 184,000 and 170,000 square feet, with the largest section divisible into two. Also on this level are six meeting rooms totaling 13,458 square feet and pre-function space totaling 23,000 square feet. On the first level, the BCEC offers thirty-eight meeting rooms with 61,610 square feet of meeting space, in addition to pre-function space. The second level features pre-function space and another thirty-eight meeting rooms totaling 77,576 square feet. Additionally, a ballroom, on level three, divisible into two sections, totals 40,020 square feet. Connected via a glass-enclosed walkway, the adjacent Westin Boston Waterfront offers additional meeting space.

When BCEC was designed, the MCCA anticipated an expansion of 200,000 to 300,000 square feet would be necessary to attract larger shows. Currently, the MCCA is in discussions regarding a potential expansion that would reach into at least a portion of 22 acres of additional land available.

John B. Hynes Veteran's Memorial Convention Center

Originally opening in 1965 as the John B. Hynes Veteran's Memorial Auditorium, the facility was remodeled and named the John. B. Hynes Veteran's Memorial Convention Center ("JHCC") 1988. In the Back Bay of Boston, JHCC sits next to the Prudential Center and Mall with over 200 retail outlets and the Sheraton Boston Hotel. The MCCA also owns and operates the JHCC, which is currently undergoing an $18 million renovation. The JHCC is a twelve minute drive from Boston Logan Airport and is within a short walking distance of an Amtrak and MBTA subway station.

Figure 4-2
John B. Hynes Veteran's Memorial Convention Center Floor Plan



Source: John B. Hynes Convention Center

The JHCC features exhibit space spanning two levels; the first level offers 82,000 square feet of exhibit space, divisible into two sections, while the second level offers 110,000 square feet of exhibit space divisible into three sections. On the third floor, a ballroom totals 24,544 square feet, divisible into three sections, sized according to preferences. Thirty-eight meeting rooms, spanning all three levels, total 71,644 square feet, while an auditorium on the second level offers seating for 3,000. Pre-function space totals 60,000 square feet.

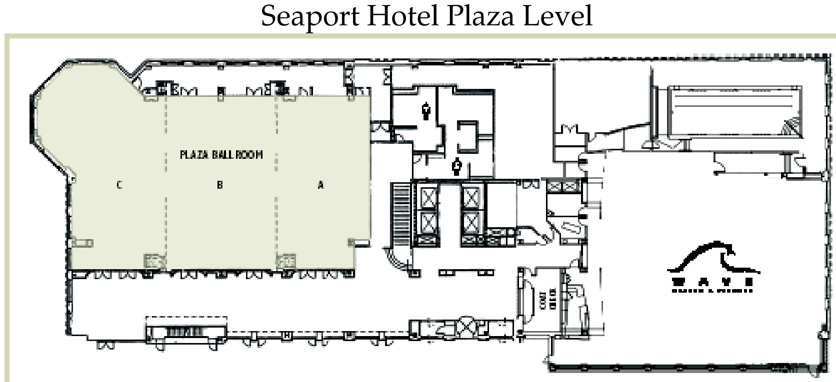
In addition to the function space, the JHCC offers a cafeteria and coffee house in the lobby with capacity for 450 people. A renovation will add retail outlets and at least one restaurant on the first and second floor totaling roughly 30,000 square feet. Additionally the renovation will include updating technology and security features, in addition to replacing carpets and making the JHCC more "green".

Seaport Hotel and World Trade Center

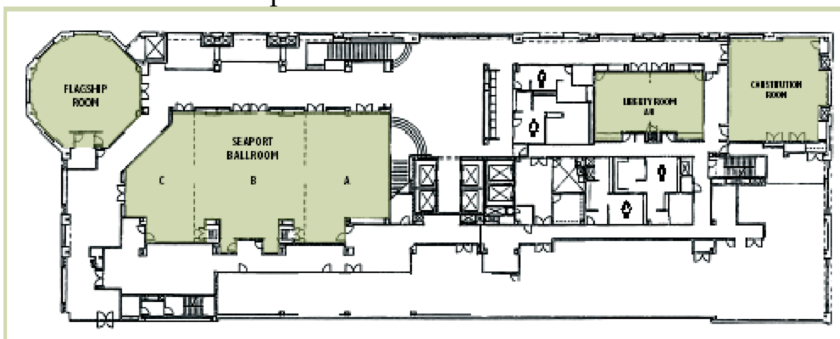
The Seaport Hotel and World Trade Center ("SHWTC"), independently owned and operated by Seaport Companies, sits on the Boston waterfront and can be accessed via water ferry or taxi from downtown and other main Boston attractions. Four miles from the Boston Logan Airport, the SHWTC connects via sky bridge to the World Trade Center across the street. In 2006, the SHWTC underwent a renovation of soft goods in guestrooms.

Figure 4-3
Seaport Hotel and World Trade Center Floor Plan

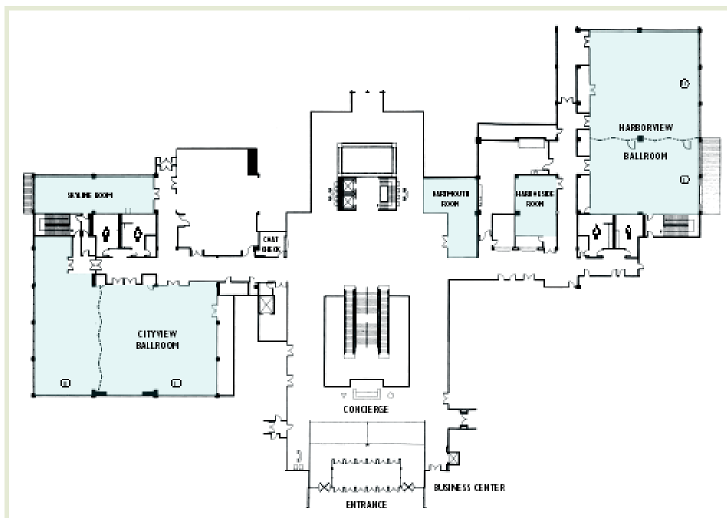
Seaport Hotel Plaza Level



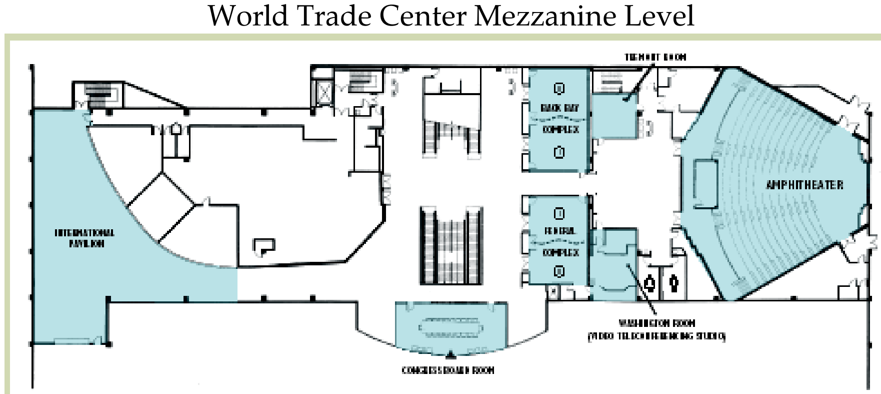
Seaport Hotel Mezzanine Level



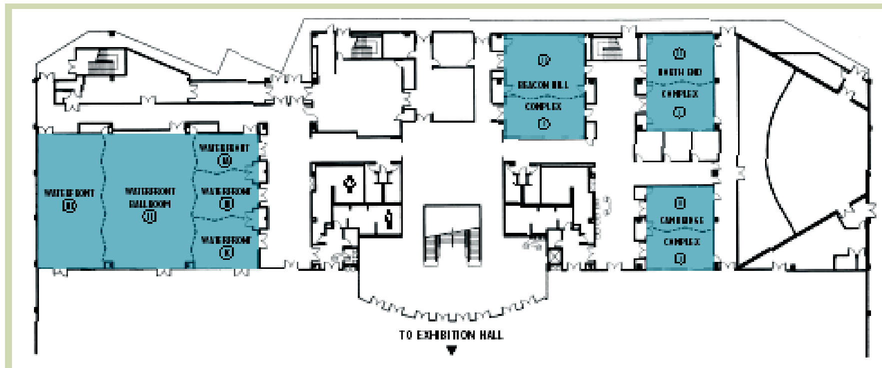
World Trade Center Plaza Level



World Trade Center Mezzanine Level



World Trade Center Harbor Level



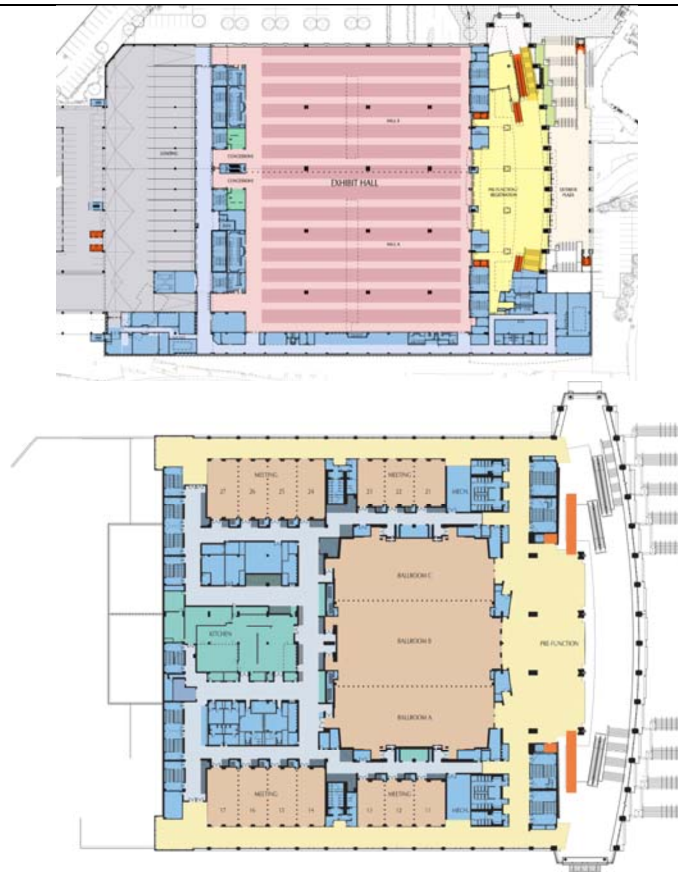
Source: Seaport Hotel and World Trade Center

Within the Seaport Hotel, two floors offer function space. The plaza level features a ballroom of 7,524 square feet, divisible into three sections. The mezzanine level offers a ballroom of 3,861 square feet, divisible into three sections and four meeting rooms totaling 3,448 square feet. A lighthouse featuring glass walls allowing for panoramic views of Boston, offer 6,109 square feet of flexible space. The World Trade Center offers additional meeting space. On the Harbor level, a ballroom, divisible into three sections, totals 5,546 square feet and six meeting rooms total 3,616 square feet. The Mezzanine level offers an amphitheatre of 5,654 square feet of rentable floor space with 418 seats, a pavilion of 2,580 square feet and seven meeting rooms totaling 3,454 square feet. On the Plaza level, a ballroom, divisible into two sections totals 5,040 square feet while another ballroom, divisible into two sections totals 5,626 square feet. Also on the Plaza level are two meeting rooms totaling 1,264 square feet. The complex features a ballroom of 38,000, divisible into five sections, and an 118,000 square foot exhibit hall with capacity for 600 10' by 10' booths.

Connecticut Convention Center

The Connecticut Convention Center ("CCC"), opening in 2005, cost approximately $271 million to build as part of a $1 billion government investment in downtown Hartford. The CCC sits in downtown Hartford, Connecticut, overlooking the Connecticut River. Waterford developed and operates the CCC. It is easily accessible via highway and Amtrak and sits 20 minutes from Bradley International Airport.

Figure 4-4
Connecticut Convention Center Floor Plan



Source: Connecticut Convention Center

The CCC features a 110-foot glass atrium standing ten stories above a public plaza. It also offers 23,000 square feet of meeting space that divides into 14 meeting rooms. The grand ballroom is divisible into three separate halls and has approximately 35,300 square feet of function space. The exhibit hall is divisible into two separate halls and has a total of 141,300 square feet of exhibit space. The CCC is connected to the 422 room Hartford Marriott Downtown. The hotel has 13,000 square feet of meeting space in 13 meeting rooms.

The Connecticut Convention Center sits on the Eastern edge of downtown Hartford overlooking the Connecticut River. The new Hartford Star Shuttle provides a shuttle service from the Connecticut Convention Center making a loop through downtown Hartford. One to two blocks away from the

Connecticut Convention Center sits the Hartford Public Library, in addition to the Wadsworth Athenaeum Museum of Art and the new $150 million Science Center. Three blocks from the Connecticut Convention Center sits the UCONN School of Business and the Old State House opposite the State House Square. Four blocks away is the Main Street History Center and Butler McCook House and Garden. One block further, Travelers Towers offer a 70-step climb to an observatory deck overlooking Hartford.

Four blocks from the Connecticut Convention Center is Bushnell Park. It features the Bushnell Center for Performing Arts, the Soldiers and Sailors Memorial Arch, the State Capital Building, a carousel, lake and a number of sculptures. Within six to nine blocks from the Connecticut Convention Center are a number of downtown restaurants and a majority of nightlife, all of which are accessible via the new shuttle. Across from I-91, sits the Riverfront Park, with a Riverfront Adventure Challenge Course, including a climbing wall, a Performing Arts Tent on the river, in addition to large park space.

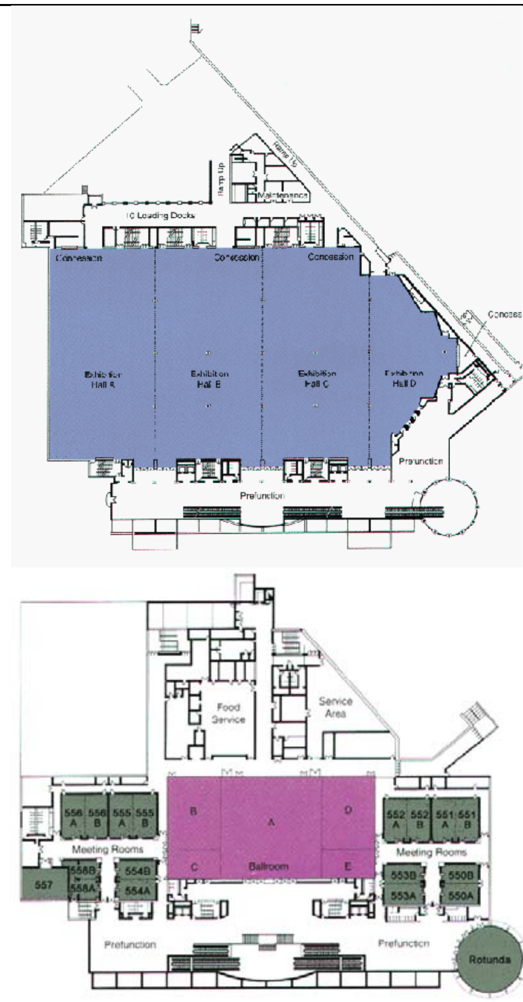
Adrien's Landing, part of the Hartford Revitalization $775 million "Pillar of Progress" project, will add amenities right across the street to the Connecticut Convention Center, next to the new Science Center. It will feature a nine- acre retail, entertainment and residential district. Although under construction, the City is still having trouble finding developers for the project, while they have failed to attract national retailers to this development and thus outlets will remain local and regional based.

Further away from downtown sits the Jeffrey Dressler Arena and the Dodge Music Center with a lawn for summer concerts. A half mile from the Connecticut Convention Center is the Hartford Civic Center, hosting the Hartford Wolf hockey team and the UCONN basketball team. The Mark Twain House and Museum, in which Mark Twain lived from 1874 to 1891 sits a little over a mile from the CCC. Within a half a mile of the Connecticut Convention Center are five hotels offering a total of roughly 1,400 rooms.

Rhode Island Convention Center

The Rhode Island Convention Center ("RICC"), in Providence, Rhode Island, was constructed in the early 1990's, along with the attached Westin Hotel. The State of Rhode Island funded the $354 million cost of the center. Though the state owns RICC, the Rhode Island Convention Center Authority oversees it. SMG, a private management firm, handles day-to-day management of the facility.

Figure 4-5
Rhode Island Convention Center Floor Plan



Source: Rhode Island Convention Center

The RICC has four exhibit halls that can combine for 100,000 square feet of contiguous exhibit space. However, Exhibit Hall D is oddly shaped and would be the least desirable of the exhibit halls. The facility has two ballrooms: the Grand Ballroom has 20,000 square feet of space, while the Junior Ballroom has 4,000 square feet of function space. The Junior Ballroom is used for smaller social events and meetings. The facility has a total of nine meeting rooms, which are highly divisible. The Westin Providence is connected to the RICC via enclosed walkway. The hotel has 564 rooms and features three ballrooms totaling 15,700 square feet of banquet space and four meeting rooms comprising 4,700 square feet of meeting space.

Adjacent to the Rhode Island Convention Center, which is currently undergoing renovations, is the Providence Westin and the Dunkin Donuts Center Arena. The Dunkin Donuts Center, after completion of renovations will be attached to the RICC, and the entire facility will be renamed the Rhode Island Convention Center Complex. Right off of 1-95, the RICC is one block from the "Arts and Entertainment District" of downtown Providence.

Across the I-95 exit from the RICC, sits the Providence Place Mall, with 170 stores, and Waterplace Park, which borders the Providence River. Across the street sits the Waterplace Park, a four-acre park. Additionally it features the recently installed "Waterfire". A few blocks from Waterplace Park sits the Amtrak/MBTA station. A decent walking distance from the RICC, all of the above facilities are accessibly via a trolley that runs throughout downtown and to the Amtrak/MBTA station.

Downtown Providence features a large variety of retail outlets with 20 apparel and accessory stores, eight art galleries, two independent bookstores, nine furniture and home décor stores, and four gift stores. More than 25 restaurants, 19 quick bite outlets, 16 café/bakeries and 11 bar/lounges sit in downtown Providence for a multitude of dining options. Additional amenities include 12 salons/spas and nine churches, many with historical significance. The Providence Performing Arts Center and the Lederer Theatre Center offer entertainment. Attractions, not within walking distance of the RICC include the Botanical Garden, Museum of Natural History and Planetarium, and RISD's Museum of Art. Within walking distance of the RICC, including the adjacent Providence Westin, are seven hotels with a combined 2,050 rooms.

Regional Venues: Multipurpose Venues and Hotels

Empire State Plaza Convention Center

Built in the 1970's, the Empire State Plaza Convention Center ("ESPCC") is owned by the State of New York and operated by the New York State Office of General Services. The ESPCC is a part of the government complex near the Capital building in Albany, New York. The complex includes four Agency buildings, the Mayor Erastus Corning Towers, the Egg, the Cultural Education Center, the Justice Building, the Legislative Office Building and the Swan Street Building.

The ESPCC is tucked inside the complex and therefore the convention center is not recognizable from outside the facility. The facility has 26,000 square feet of convention space, and seven meeting rooms with approximately 13,000 square feet. While the convention center does not have a dedicated exhibit hall, it does make use of the corridors throughout the building. Unlike the ESPCC, The Egg is visible and distinctive to residents and guests alike. Because of the unique shape, the meeting rooms in the facility are oddly shaped and create situations in which one end of the room cannot see the other end.

The Empire State Plaza Convention Center sits in the Empire State Plaza, a cluster of governmental buildings including a number of memorials, including the Egg, a performing arts center. Across from the plaza sits the New York State Library and Museum. The Palace Theatre, hosting Broadway shows to comedies, is 0.8 miles from the Empire State Plaza Convention Center. Within Albany, but not within walking distance of the ESPCC, are the Capital Repertory Theatre and a number of art galleries.

The historic Quackenbush square features the Quackenbush House built in 1730, located 0.9 miles from the ESPCC. Additional historic attractions include the Ten Broeck Mansion, the Schuyler Mansion State Historic Site, located.2 miles away, and the Historic Cherry Hill. Additional attractions include the Albany Institute of History and Art, located 0.7 miles from the ESPCC, the Henry Hudson Planetarium and the USS Slater, a World War II destroyer.

The Hudson Riverway connects downtown to the Riverfront Park by a bridge that features lampposts with accounts of Albany's history. A number of historic churches remain in Albany as do a number of parks. Five hotels are within walking distance of the ESPCC with a total of over 800 rooms. A total of roughly 48 restaurants/food and beverage outlets sit within downtown Albany, 25 of these within a half mile of the ESPCC. Eight specialty stores site in downtown Albany with three shopping centers/malls within Albany. The

Colonie Center, located 0.9 miles from the ESPCC, features more than 100 specialty stores including Macy’s and L.L. Bean.

DCU Center

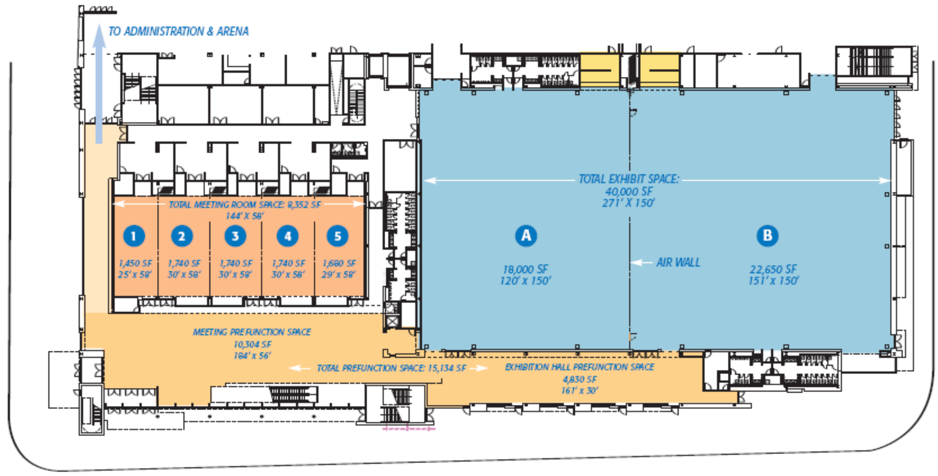
The DCU Center ("DCU"), opening in 1982, is managed by SMG. Originally only an arena, the facility was expanded in 1997 adding the convention center. Located in downtown Worcester, MA, the facility is 45 minutes from Boston Logan Airport and the Providence Airport, and a few minutes from the Worcester Municipal Airport. DCU is easily accessible via highway and an Amtrak station. Adjacent to the DCU is a Hilton Garden Inn.

DCU features an arena with 14,805 seats and 26,200 square feet of rentable floor exhibit space. A swing hall of 6,480 square feet connects the arena floor to the convention center's exhibition hall, allowing for a combined 81,320 square feet of exhibit space, with the convention center's exhibition hall totaling 48,640, divisible into two sections. The first floor also offers a gallery for pre-function space that leads to a showcase corner of 3,840 square feet. The second floor offers overlooks onto the exhibition halls below, the arena concourse and a VIP lounge of 1,634. The third floor features a ballroom of 12,144 square feet, divisible into three sections and a junior ballroom of 2,924 square feet. Five meeting rooms total 6,448 with pre-function space lining the fronts of both ballrooms and all meeting rooms on the third floor. The adjacent Hilton Garden Inn, offers an additional eight meeting rooms totaling 3,048 square feet.

MassMutual Center

The MassMutual Center ("MMC") originally opened in 1972 as the Springfield Civic Center. In 1997 it began a renovation and expansion and in 1998, the Commonwealth of Massachusetts turned the facility over to the MCCA who now owns the facility. In November 2003, the Massachusetts Mutual Life Insurance Company entered into a relationship with the MCCA, earning naming rights for the facility. Global Spectrum manages the MCC. Located in downtown Springfield, the MassMutual Center is easily accessible via highways and an Amtrak station in Springfield. It is 15 miles from Bradley International Airport.

Figure 4-6
MassMutual Center Floor Plan



Source: MassMutual Center Floor Plan

The MMC features a 667-seat arena, with 19,000 square feet of exhibit space available on the floor. It is linked via a passageway from the floor to the convention center. On the first floor of the convention center sits a 40,000 square foot exhibit hall, divisible into two sections of 22,650 and 18,000 square feet. Additionally the first floor offers five meeting rooms totaling 8,352 square feet and 22,634 square feet of pre-function space lining the front of the exhibit hall and meeting rooms. The second floor of the MCC features a ballroom of 14,880 square feet, divisible into three sections, with 7,500 square feet of pre-function space.

Mohegan Sun

Opening in 1996 by the Mohegan Tribe of Connecticut, the Mohegan Tribal Gaming Authority owns the Mohegan Sun. In Uncasville, CT, the facility is 50 minutes from Bradley International Airport and is twenty minutes from the New London Amtrak station. The facility features a 300,000 square foot casino, spa, 1,200 room hotel, 30 restaurants/food and beverage outlets, a business center, an 18-hole private golf course, lounges and bars, and 40 retail outlets covering 130,000 square feet.

Figure 6-7
Mohegan Sun Floor Plan

Source: Mohegan Sun

The Mohegan Sun features an arena with 10,000 seats and rentable floor space of 30,000 square feet. A theatre provides seating for 350 people, while the Wolf Den offers a presentation platform. The Mohegan Sun offers a ballroom of 37,391 square feet divisible into ten sections with pre-function space totaling 11,032 square feet. Up the escalator from the ballroom are 19 meeting rooms totaling 13,951 square feet with 4,922 square feet of pre-function space.

In summer of 2007, the Mohegan Sun began "Project Horizon", an estimated $740 million expansion project. The project includes adding 1,000 hotel rooms, a "House of Blues Music Hall", 64,000 square feet of additional casino space and 115,000 square feet of additional retail and dining outlets.

Foxwoods

Foxwoods, which opened in 1986 by the Mashantucket Pequote Tribal Nation, is operated by Foxwoods Development Company. In Ledyard, Connecticut, Foxwoods is 50 minutes from Hartford, 45 minutes from Providence, RI and 20 minutes from the New London Amtrak station. The facility features a 340,000 square foot casino, 1,416 hotel room, a theatre, lounges and bars, a spa, business center, 30 restaurants/food and beverage outlets and 24 retail outlets.

Figure 6-8
Foxwoods Floor Plan

Source: Foxwoods

Foxwoods features two ballrooms- one ballroom totaling 25,000 square feet, divisible into five sections, with 4,000 square feet of pre-function space and one ballroom totaling 8,024 square feet, divisible into three sections with pre-function space. Fifteen meeting rooms total 17,987 square feet with pre-function space for the meeting rooms totaling 832 square feet.

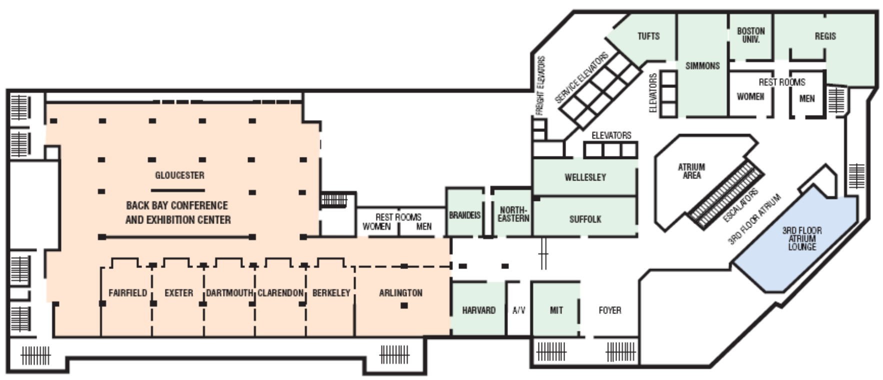
Currently under development, the MGM Grand at Foxwoods, a $700 million project, will add two million square feet of space including 826 hotel rooms, additional casino space, restaurants, retail outlets, a spa and a 4,000 seat performance theatre, in addition to meeting space. New meeting space within the MGM Grand at Foxwoods includes a 48,040 square foot ballroom, divisible into eight sections, with pre-function space of 16,500 square feet and another ballroom of 15,106 square feet divisible into five sections. Six meeting rooms will total 3,623 square feet.

Boston Marriott Copley Place

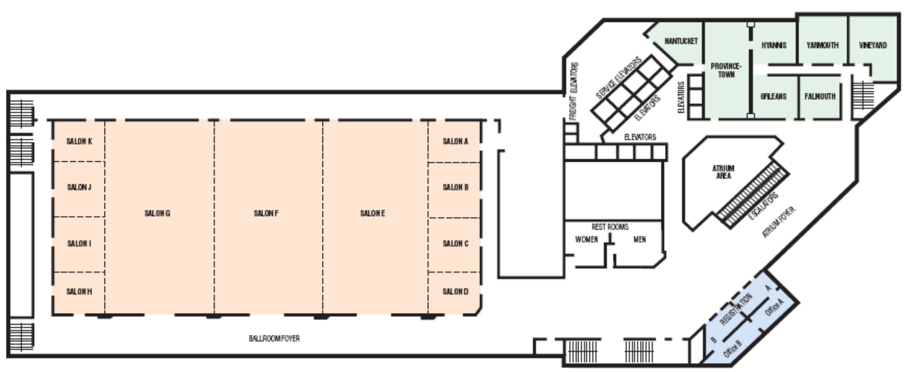
The Boston Marriott Copley Place ("BMCP"), opening in 1984, sits in Back Bay, Boston connected via skywalk to the Prudential Center shopping mall and the Copley Place shopping mall. With three restaurants, a cocktail lounge and coffee bar, the BMCP sits four miles from Boston Logan Airport. The BMCP underwent renovation in 1995 and 1996 to improve guestroom quality, while in 2005 a garage was transformed into an exhibit hall on the third floor.

Figure 6-9
Boston Marriott Copley Place

Third Floor



Fourth Floor



Fifth Floor

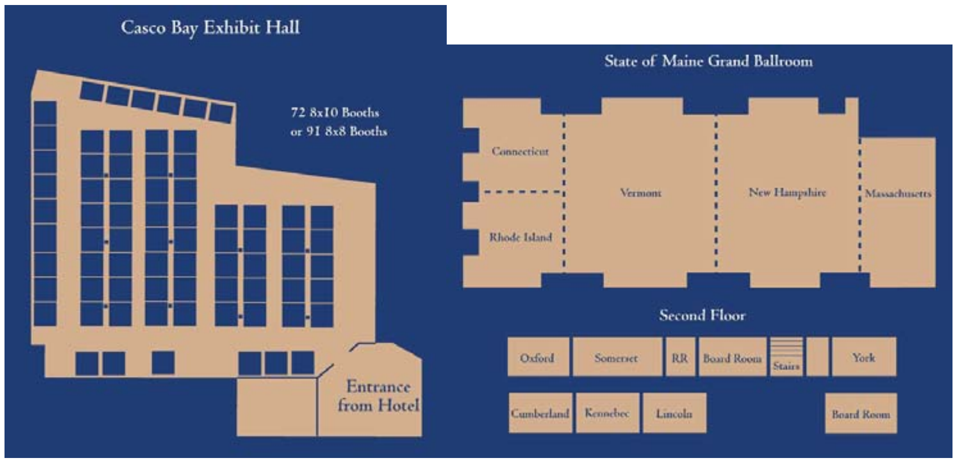
Source: Boston Marriott Copley Place

The BMCP features three levels of meeting space. The third floor offers an exhibit hall of 22,500 square feet, divisible into seven sections- one large section and six meeting room sized sections. It should be noted that the exhibit hall has ceilings of only eight feet, thus not conducive to many functions. Also on the third floor, ten meeting rooms total 8,269 square feet. The fourth floor provides a ballroom of 23,431 square feet, divisible in eleven sections and seven meeting rooms totaling 4,629 square feet. The fifth floor offers 806 square feet of meeting room space among four meeting rooms.

Holiday Inn by the Bay Hotel and Convention Center

The Holiday Inn by the Bay Hotel and Convention Center, Portland, Maine sits a few blocks from the Portland Harbor within walking distance of the waterfront, Old Port and the Arts District. It is two miles from the Portland Amtrak station, seven miles from the Portland International Jetport and roughly two miles off of I-95.

Figure 4-10
Holiday Inn by the Bay Hotel and Convention Center



Source: Holiday Inn by the Bay Hotel and Convention Center

The Holiday Inn by the Bay Hotel and Convention Center features a 12,500 square foot exhibit hall with capacity for 72 8x10 booths or 98 8x8 booths. The Grand Ballroom totals 10,698 square feet and is divisible into five sections. Eight meeting rooms total 3,428 square feet of meeting space. The facility also features a business center, fitness room and indoor pool.

National Guard Armory

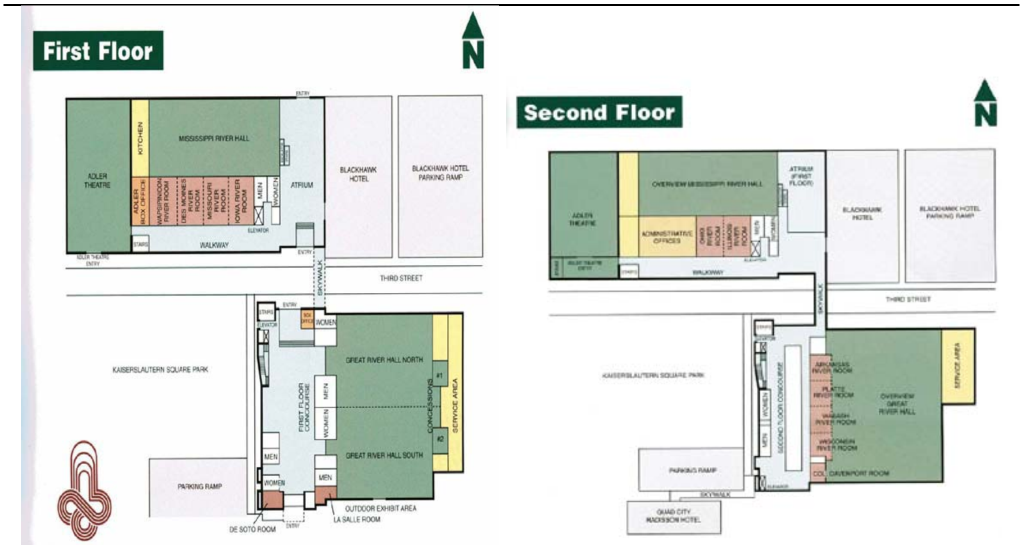
The National Guard Armory in Manchester, New Hampshire, sits on Canal Street facing the Merrimack River. The building is currently home to the National Guard division of Manchester. It features a 20,000 square foot hall, looking similar to a large gym. The facility hosts, on average, between eight and twelve shows per year, a majority of which are consumer shows.

National Comparable Venues

RiverCenter Convention Center

The RiverCenter Convention Center ("RCCC") is located in downtown Davenport, Iowa, near the Mississippi River. The RCCC, originally opening in 1983, underwent an expansion in 1993 adding the 49,000 square foot south building. An expansion, adding the Great Hall South and 4 meeting rooms, in addition to 2 square parks, were completed in 2003. The facility is roughly 17 minutes from the Quad City International Airport and is roughly 50 miles from the nearest Amtrak station in Galesburg. The Radisson Quad City Plaza connects to the RCCC.

Figure 4-11
RiverCenter Convention Center



Source: RiverCenter Convention Center

The RiverCenter Convention Center features two exhibit halls totaling 46,420 square feet of column-free exhibition space and 11 meeting rooms offering 8,155 square feet of meeting space. For flexible, pre-function space, the Atrium offers 2,450 square feet of space and the Concourses offer 8,250 of space. Additionally, the facility features the Adler Theatre and two large square parks for outdoor events.

The City of Davenport is located in eastern Iowa in Scott County, near the Iowa-Illinois border. The existing site of the RiverCenter is located in downtown Davenport, a few blocks from the Mississippi River, along 3rd Street between Brady Street on the west and Pershing Avenue on the east. The second phase of the facility includes a large exhibit hall, located on the south side of 3rd Street. The two sections of RiverCenter are connected by an enclosed sky-bridge.

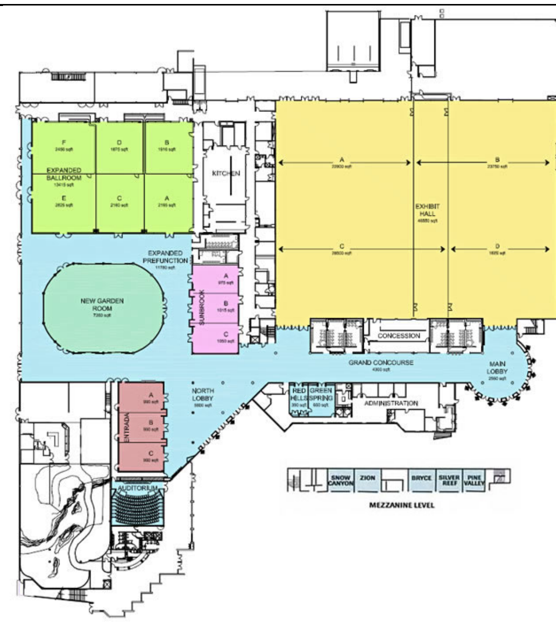
Two headquarters hotels are connected to RiverCenter. The Blackhawk Hotel has 191 guestrooms and is attached to the original convention facility. The Radisson Quad City Plaza Hotel is connected to RiverCenter via skywalk. A covered parking garage is also located adjacent to the Radisson and serves convention visitors. Within downtown Davenport, are roughly six hotels/bed and breakfasts. Seven bars/grills, six coffee/sandwich houses, and eight restaurants line downtown, in addition to roughly ten retail outlets including a number of antique shops and a bookstore.

Current downtown Davenport offerings include the River Music Experience, which features educational programs and live music, the Figge Art Museum, the John O'Donnell Stadium, home to the minor league baseball team – the River Bandits, the German American Heritage Center, Bucktown Center for The Arts, an art gallery, and the Rhythm City Casino. Within Davenport, but beyond walking distance of the RiverCenter, are the Putnam Museum/IMAX, a children's zoo, a number of golf courses and the Gold Coast and Hamburg Historic District, a neighborhood of historic homes. Across the river sits the Rock Island Arsenal, which features Jumer's Casino and Colonel Davenport's home. In Rock Island, Illinois, across the Mississippi from Davenport, are the Blackhawk State Historic Site, the IWireless Center, an arena featuring concerts and sporting events, the Broadway Historic District and a 19th century neighborhood. Within the Quad City area, other major attractions include the Isle of Capri Casino, the Ski Snowstar Winter Sports Park and Botanical Gardens.

Dixie Center

The Dixie Center ("DC") is in St. George, UT, near the tri-state border of Utah, Nevada and Arizona. Opened in 1998, the DC sits roughly two hours from the McCarran International Airport in Las Vegas. The facility was designed as multi-use venue with the ability to host conventions, tradeshows, sporting events, entertainment with full production and staging capabilities. The DC doesn't have a headquarters hotel, but there are two hotels within three blocks of the center.

Figure 4-12
Dixie Center



Source: Dixie Center

The DC features 46,500 square feet of column free exhibition space, divisible into four sections. It also offers a 13,205 square foot ballroom and nine meeting rooms totaling 14,088 square feet of meeting space. Pre-function space totals 12,635, while the Mezzanine level offers five mini-suites overlooking the exhibit hall. An auditorium offers seating for 148.

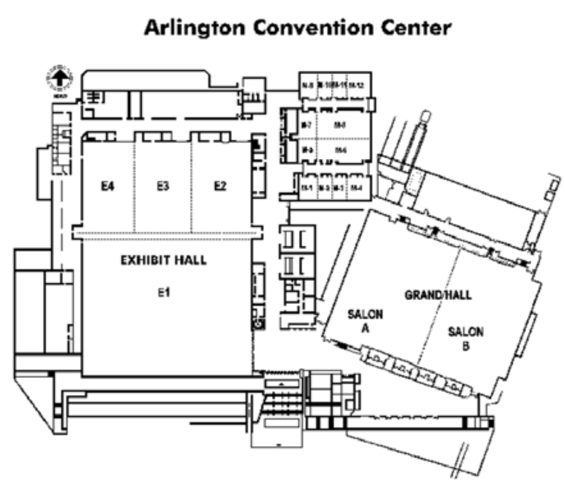
St. George, Utah sits only six miles from the Arizona border, surrounded by the Zion National Park and the Snow Canyon State Park. The Dixie Center is roughly four miles from downtown St. George, near the Virgin River. Adjacent to the Dixie Center is a Hilton Garden Inn with 150 rooms and the St. George Fairfield Inn by Marriott with 99 rooms. Also adjacent to the Dixie Center is the Rosenbruch Wildlife Museum. With parks and canyons surrounding the area, there are many opportunities for outdoor recreation activities. Additionally, the City of St. George features 25 miles of public trails sand paths for hiking and biking.

The Red Cliffs Mall, a fully enclosed mall, features more than 50 retail outlets, while the Zion Factory Stores and Promenade offers an additional 50 retail outlets. St. George Commercial Street and the Downtown Historic District also offer shopping. The Downtown Historic District features a number of historic buildings, such as the Opera House and the St. George Temple, in addition to art galleries, antique shops, fine dining and ice cream parlors. Within the City of St. George there are roughly 50 restaurants and eateries and 2,500 hotel rooms. Additional amenities in the St. George area include the Zion Canyon Giant Screen Theater, an outdoor theater amongst red rock, the St. George Musical Theater and St. George Live, offering a tour of downtown in period costumes. Additionally, St. George features roughly four museums, nine art galleries and ten spas. There are a number of concerts offered in St. George's parks throughout the summer. Within a twenty minute drive of St. George area ten golf courses.

Arlington Convention Center

Opening in 1985, the Arlington Convention Center ("ACC") is both owned and operated by the City of Arlington. ACC, located in the City of Arlington in Texas, is situated midway between Dallas and Fort Worth, and 15 minutes south of the Dallas/Fort Worth International Airport.

Figure 4-13
Arlington Convention Center



Source: Arlington Convention Center

The facility features a 48,600 square foot exhibition hall, divisible by four, and 12 meeting rooms totaling 8,500 square feet. The 30,000 square foot "Grand Hall" ballroom, divisible into two sections, was developed as part of a facility expansion in 1999. Pre-function gallery and outdoor terraces provide an additional 9,500 square feet of functional space.

The City is currently negotiating bids from development teams to build an expanded convention center and a full-service headquarters hotel that would be physically connected to the expanded convention center.

The Arlington Convention Center sits adjacent to the fabricated Richard Greene Linear Park in the center of the Entertainment District of Arlington. Within the Entertainment District, are the Rangers Ballpark and the site for the new Legends of the Game Baseball Museum, as well as Cowboys Stadium and Six Flags Hurricane Harbor. Across the street from the Arlington Convention Center is the Six Flags Over Texas. A trolley with multiple lines, with a stop at the Arlington Convention Center, connects a majority of amenities.

Additionally, within a mile of the Arlington Convention Center is Lincoln Square, a lifestyle shopping and dining area. It features 14 restaurants/bars including Simply Fondue and Portofino Restaurant. It also offers 14 retail outlets, 10 health and beauty outlets and a number of home and office retail outlets. The Downtown/University District features a number of additional amenities including the campus of the University of Texas at Arlington. Within the Downtown District are Johnnie's High Country High Music Revue, the Arlington Museum of Art, Arlington Master Chorale and the Theatre Arlington. Additionally the University campus features the Gallery at UT Arlington, an art gallery, and the Planetarium. Also within walking distance of the Arlington Convention Center are three hotels, including the adjacent headquarters hotel, and roughly 12 restaurants.

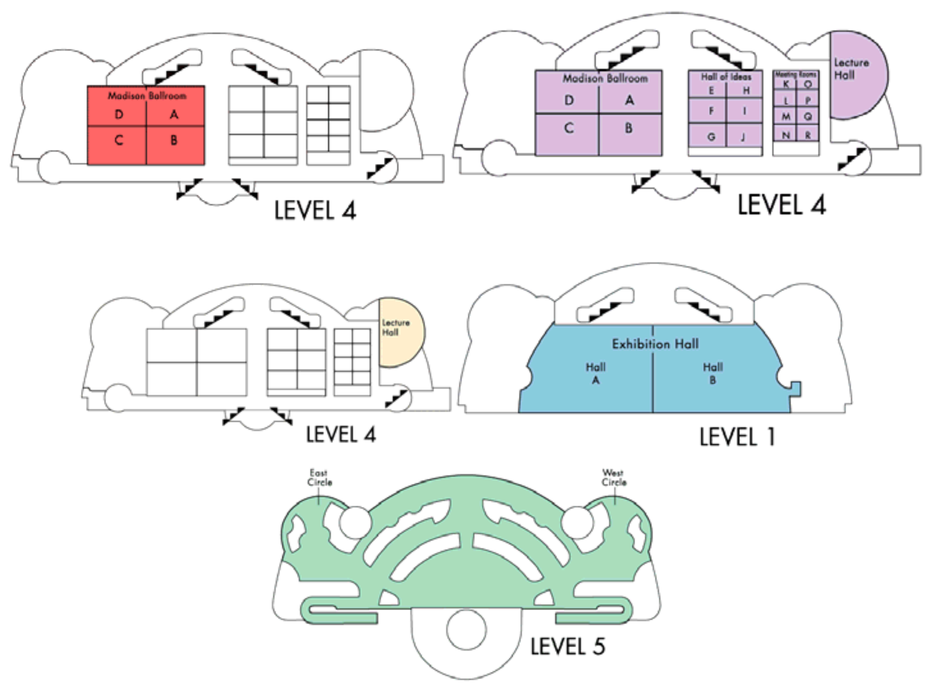
An additional seven hotels are accessible via the trolley. Additional attractions within Arlington, but outside of walking distance and trolley routes, are the Symphony Arlington, the Fielder House Museum and the Parks at Arlington Mall. Also within Arlington, the Brownstone Village features shops, dining and a winery. Four golf courses and a number of parks are within the Arlington area. Just outside of the Arlington city limits, is the Grand Prairie Trader's Village, a 120-acre open-air market with roughly 2,500 vendors per weekend.

Monona Terrace Convention Center

Frank Lloyd Wright conceived plans for the Monona Terrace Convention Center ("MTCC") in 1938, though the building was not constructed until 1997. Situated in downtown Madison and overlooking Lake Monona, the MTCC is jointly owned by the City of Madison and State of Wisconsin. The City of Madison handles day-to-day operations. Total development cost of the facility was estimated at $67 million. It sits fourteen minutes from the Dane County

Regional Airport. The Hilton Madison Monona Terrace, opening in 2001, is adjacent to the facility.

Figure 4-14
Monona Terrace Convention Center



Source: Monona Terrace Convention Center

The MTCC has four levels and a garden roof that can host meetings and banquets. The primary meeting space is on the fourth level, while the exhibit space is on the first level. The exhibit hall has approximately 38,000 square feet of exhibit space, and divides into two halls or can be used as one large contiguous space. The ballroom can be divided into four separate halls or used as one contiguous space, and is approximately 13,500 square feet. The MTCC has a wide variety of meeting rooms that total 17,600 square feet, while the lecture hall can accommodate 320 people. The Rooftop Garden has 45,000 square feet of function space and is used for social functions and assemblies when weather permits. The facility is attached, via skywalk, to the 240-room Hilton Madison Monona Center. The hotel was added in 2001 in hopes of attracting more events. The Hilton features four meeting rooms comprising 2,400 square feet of space.

Monona Terrace Convention Center sits on Lake Monona in downtown Madison, two blocks from the State Capitol building. Within walking distance of the convention center are roughly nine hotels with over 2,000 rooms. Surrounding the Monona Terrace Convention Center and the Capitol building are more than 15 restaurants, including the Capitol Chophouse, Milo's Sandwiches, and Ocean Grill, all within walking distance from the MTCC. Throughout downtown there are more than 40 restaurants, pubs and eateries.

Adjacent to the MTCC is Law Park on Lake Monona. Attractions within less than a mile of the Monona Terrace Convention Center include Dane County's Farmers Market, the Wisconsin Veteran's Museum, the Wisconsin Children's Museum, the Madison Symphony Orchestra, and the Overture Center for the Arts, which feature three theaters, a black box and a number of studios. The west side of downtown features the University of Wisconsin at Madison campus. Near this area attractions include the Chazen Museum of Arts, the State Historical Society of Wisconsin and the Kohl Center. East of downtown is the Olbrich Botanical Gardens and Ultrazone, an indoor entertainment center featuring laser tag.

Shopping within Madison includes the East Towne Mall featuring 110 specialty shops and the West Towne Mall, in addition to a number of antique and arts stores and a local chocolatier shop. Outside of Madison, in the Middleton area is the Greenway Station Shopping Center with 40 stores. Within downtown are eight parking areas/garages. Within the greater Madison area are the Cave of the Mounds, a national natural landmark and the Mid-Continent Railway Museum. Two golf courses are within twenty minutes of Madison while ten minutes from downtown Madison is Dejope Gaming, a casino. Additionally in Monona, east of Madison, paddle boating on Lake Monona is available.

Fort Smith Convention Center

Owned by the city, the Fort Smith Convention Center ("FSCC") is in the heart of downtown Fort Smith, AR, just two blocks from the Arkansas River and 15 minutes from the airport. The FSCC opened in 2001.

The FSCC has 40,000 square feet of column-free exhibition space and eight meeting rooms making up 5,416 square feet. Additionally the facility features a state-of-the-art performing arts theater that can sit 1,331 people. Connected to the FSCC is a Holiday Inn with 255 rooms, but the hotel rarely allows the FSCC to block off more than 75 rooms for an event. Also adjacent to the FSCC is the Fort Smith Museum.

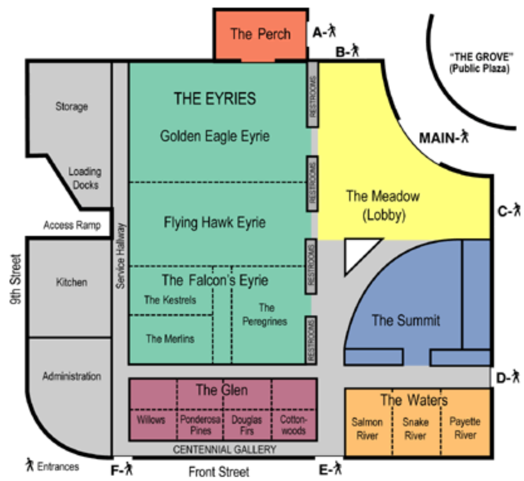
The Fort Smith Convention Center, in downtown Fort Smith, is proximate to a number of attractions. The Fort Smith National Historic Site, Fort Smith Museum of History, the Barracks/Courthouse/Jail and the Gallows all encompass one site north and east of the Fort Smith Convention Center. Additional downtown attractions include the Fort Smith Trolley Museum, the Knoble Brewery, the Fort Smith Art Center, the historic Clayton House, the McKibben- Bonneville House and the Darby House. Additional attractions within Fort Smith include the Fort Smith Little Theatre, Fort Smith Air Museum and the Grand Slam Fun House.

Downtown Garrison Street offers unique shopping, featuring a range of antique and arts and craft shops. Additionally, for evening entertainment, there is both a dinner theater and blues restaurants. Within Fort Smith there are a total of 23 hotels/motels and roughly 200 restaurants. For outdoor recreation, camping, hiking, fishing and white water rafting are also available in the Fort Smith area. For day trips from Fort Smith there are a number of options including to hot springs, wineries, and to Branson, where there is a Branson Scenic Railway. There are a number of annual events that a draw visitors to Fort Smith. The Old Fort Days Rodeo and Barrel-Racing Futurity offer ten days of Wild West activities. The Riverfront Blues Festival, a two-day event, is one of the biggest blues festivals in Arkansas. The Fort Smith Airshow and the Frontier Fest, also annual events, offer a unique experience for visitors.

Boise Centre

Owned and operated by the City of Boise, the Boise Centre ("BC") opened in 1990. Located in downtown Boise, Idaho, the BC attracts most of its business from Hewlett-Packard and state associations and government meetings.

Figure 4-15
Boise Centre



Source: Boise Center

The BC features a column-free exhibit hall of 24,426 square feet, divisible into three sections, with one section having the ability to divide into three more sections. The facility also offers a ballroom of 4,560 square feet, divisible into four smaller meeting rooms, while another ballroom of 3,354 square feet is divisible into three meeting rooms. Additionally, the facility features an auditorium of 375 seats. The Grove hotel, a full-service luxury hotel, sits one block away from the BC. It offers 254 guest rooms.

The Boise Center sits in downtown Boise, half way between Portland, Oregon and Salt Lake City, Utah. The City hosts a number of corporate headquarters. Nestled in the Boise cultural district, the Boise center sits a half mile from the Boise River. Lining the Boise River is the Greenbelt, a stretch of parks and trails of 25 miles for joggers, bikers and rollerbladers. Adjacent to the Boise Center is the Qwest Center; within a few blocks from the Boise Center is the Basque Museum and Cultural Center. Within less than a half mile from the Boise Center are roughly five hotels and 15 restaurants.

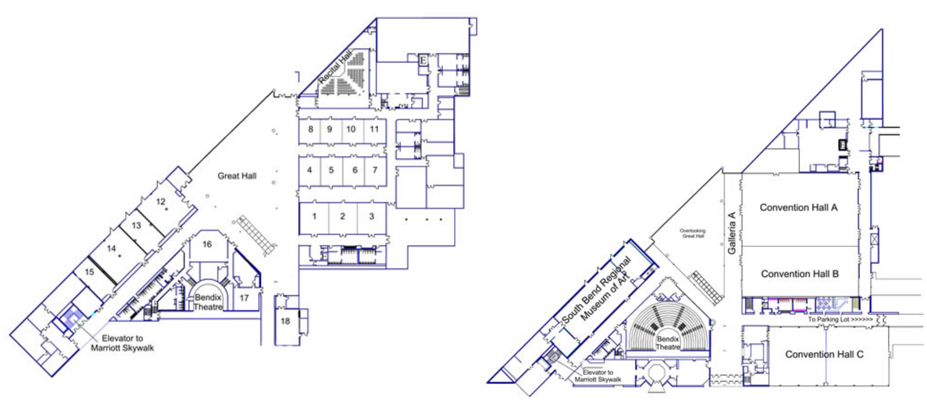
Within the downtown area of Boise are a number of cultural and entertainment amenities, including a ballet company, opera company, Master Chorale, the Boise Philharmonic and a number of theaters. Fifteen parks are within the Boise city limits, with the Julie Davis Park, a 89.4 acre park, located within a half mile of the Boise Center. The park is home to the Zoo Boise, the Boise Art Museum, the Idaho State Historical Museum, the Black History

Museum and the Discovery Center. Sports entertainment in the area includes two baseball teams and two speedways, one of which hosts NHRA drag racing championship races. Downtown Boise features nearly 250 shops, boutiques and restaurants. The Boise Town Square on the west side of the City offers 200 shops and restaurants, while the Boise Factory Outlets, right outside Boise features a number of outlets stores. There are a number of outdoor recreation options within the Greater Boise area, including golf courses, eight within the City of Boise, and hunting, fishing, hiking, rafting, kayaking and skiing, all within a few hours of the City of Boise.

Century Center

Located on an 11-acre riverfront park in downtown South Bend, IN, the Century Center ("CC") features an exhibit hall, ballroom, theater, recital hall, multipurpose room, meeting rooms and an outdoor courtyard. The City of South Bend owns the CC and has a contract with Center Plate for the catering of the facility.

Figure 4-16
Century Center



Source: Century Center

The CC features 37,122 square feet of prime exhibition space, broken into five rooms. Additionally, it has 15,100 square feet of meeting space in 15 rooms. The Bendix Theatre offers 694 seats, while the Recital Hall has 166 seats. A 300-room Marriott is connected to the CC via skywalk. In addition to the Marriott, a 177-room Holiday Inn is a block-and-a-half away and the College Football Hall of Fame is across the street.

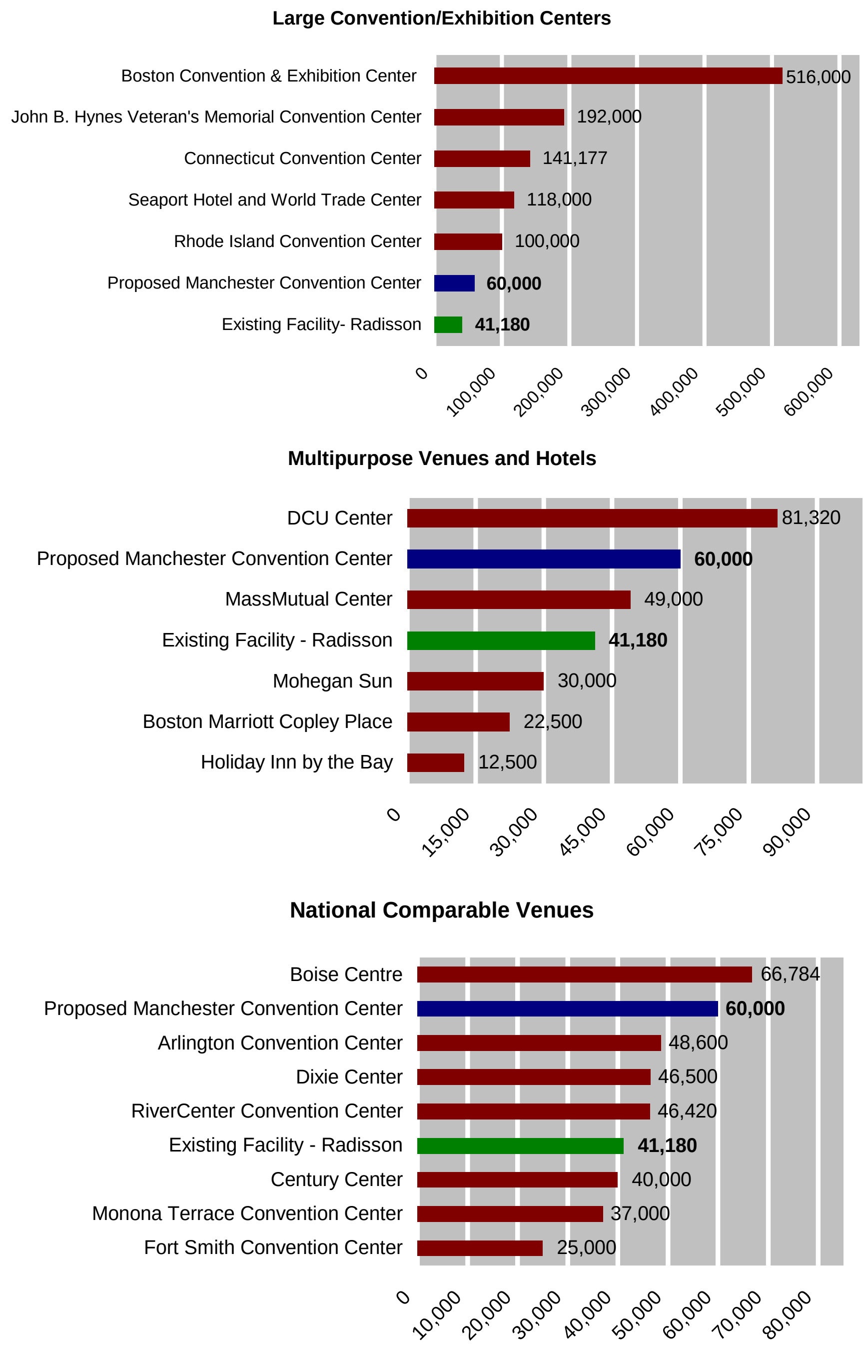
Century Center is roughly 90 miles east of Chicago, allowing travelers to experience Chicago via train, bus or car. However, within South Bend there are also a number of attractions. The Farmer's Market, watching baseball at Coveleski Stadium, kayaking along East Racem touring Oliver Mansion, touring the Healthwork museum and shopping downtown boutique stores remain some of the top attractions in the South Bend area. Other top attractions include the Potawatomi Zoo, the South Bend Chocolate Company, the National Studebaker Museum and South Bend Regional Museum of Art. The East Race Waterway is North America's first artificial whitewater course, hosting national and international slalom races featuring Olympic champions. The University of Notre Dame campus, however, remains the most popular tourist attraction.

The Century Center is connected to a 298-room Marriott, but approximately 450 hotel rooms are within 2 blocks of the center. The South Bend/Mishawaka area features a total of 40 hotels. There are four golf courses within South Bend and a number of bars and restaurants, many of which are University of Notre Dame themed. Six museums are located within South Bend, many of which are named above. The Broadway Theater League of South Bend, the South Bend Civic Theatre, the South Bend Symphony Orchestra and the Southold Dance Theater provide evening entertainment for visitors. University Park Mall in Mishawaka features four anchors, while the shops and strip malls along the Grape Road and Main Street corridor in Mishawaka draw shoppers for the recognizable names of top retailers. South Bend is not far behind with eclectic shops at the Town & Country Shopping Plaza and new developments in the works on the south side, including Erskine Village and Erskine Commons.

Exhibition Space Assessment

Exhibition space is critical for several types of events such as conventions, tradeshows, and consumer shows. The quantity of exhibition space available at convention centers generally determines the facility's capacity in terms of the number and size of exhibiting events it can accommodate. The quality of exhibition space in a venue often determines what types of groups will want to hold events there and what level rents they will be willing to pay. In this part of the report, we quantify and qualify the exhibition space available at each of the selected comparable facilities to help develop an opinion about whether the subject property will be superior, similar, or inferior to each of the selected comparable facilities with regard to its exhibition space.

Figure 4-9
Exhibition Space in Comparable Venues (square feet)



Source: Respective Facilities

The exhibit space at the proposed Manchester Convention Center would not have capacity to attract large national and regional convention and tradeshow events like the Boston Convention and Exhibition Center, which offers the largest amount of exhibition space with 516,000 square feet, or the John B. Hynes Veteran's Memorial Convention Center with 192,000 square feet of exhibit space. Rather the proposed Manchester Convention Center is positioned to host smaller exhibiting events, with exhibit space smaller than that of both the Connecticut Convention Center, which offers 141,777 square feet of exhibit space, and the Seaport Hotel and World Trade Center, which offers 118,000 square feet.

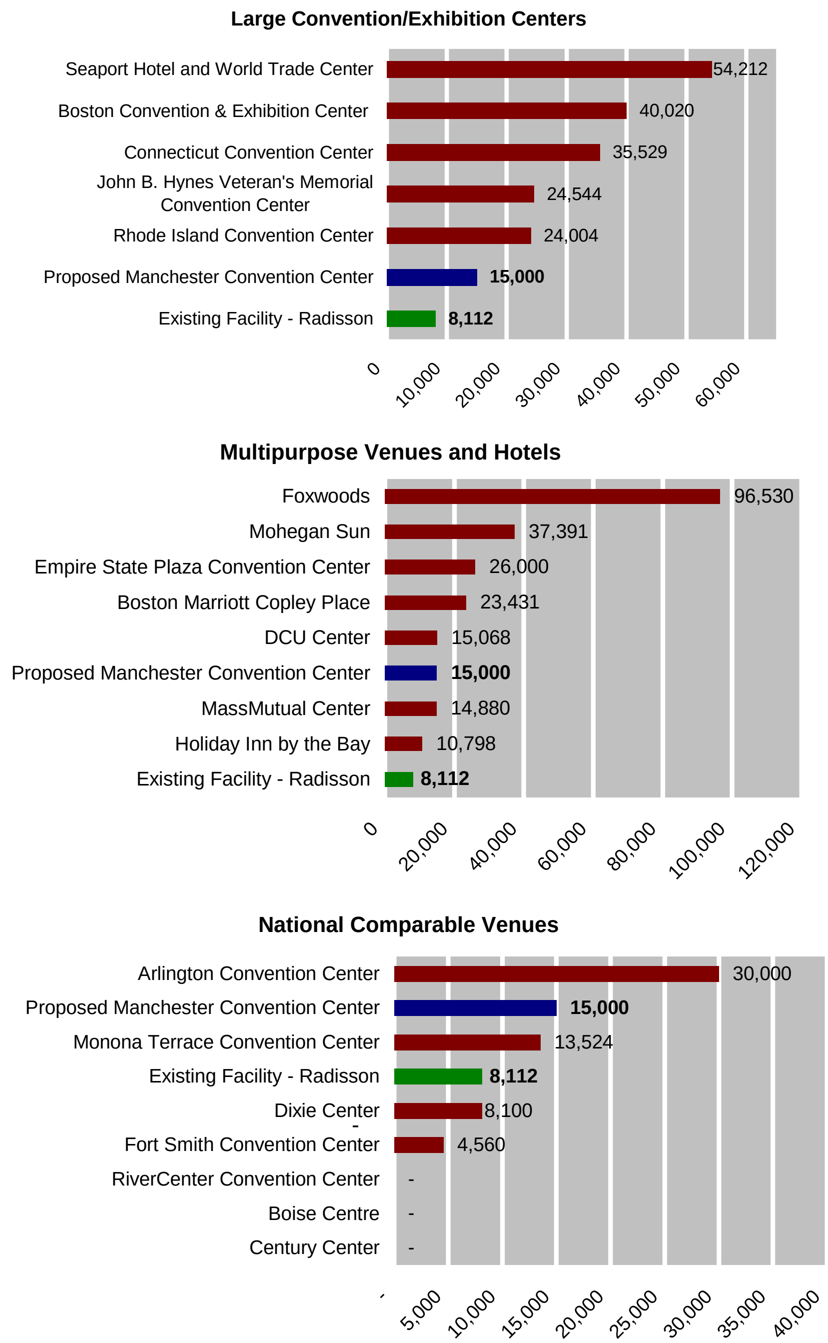
The proposed Manchester Convention Center would be closer in size to the DCU Center in Worcester, which offers 81,320 of square feet of exhibit space, and would be larger than the MassMutual Center with 49,000 square feet. As hotel properties targeted at the corporate meeting segment, the Mohegan Sun and Boston Marriott Copley Place offer the least amount of exhibit space among all regional competitive facilities with exhibit space of 30,000 and 22,500 square feet, respectively. The Empire State Plaza Convention Center and Foxwoods do not provide any dedicated exhibit space.

The national comparable venues offer similar amounts of exhibit space as the proposed Manchester Convention Center, between 25,000 and 65,000 square feet of exhibit space. The Boise Centre offers the most exhibit space with 66,784 square feet, followed by the proposed Manchester Convention Center with 60,000 square feet and the Arlington Convention Center with 48,600 square feet of exhibit space, but an expansion of the exhibition space and the addition of an integrated hotel property are currently under consideration in Arlington. The existing facility, the Radisson, ranks fifth among national comparable venues. The Fort Smith Convention Center has the smallest amount of exhibit space, behind the Monona Terrace Convention Center and the Century Center, with 25,000 square feet.

Banquet Space Assessment

Banquet space has become increasingly important for convention centers during the past two decades, as facility operators have attempted to grow food service revenues at their facilities. In addition to banquets, several other types of events, such as conventions and tradeshows, typically have a dining component that utilizes banquet space.

Figure 4-10
Banquet Space in Comparable Venues (square feet)



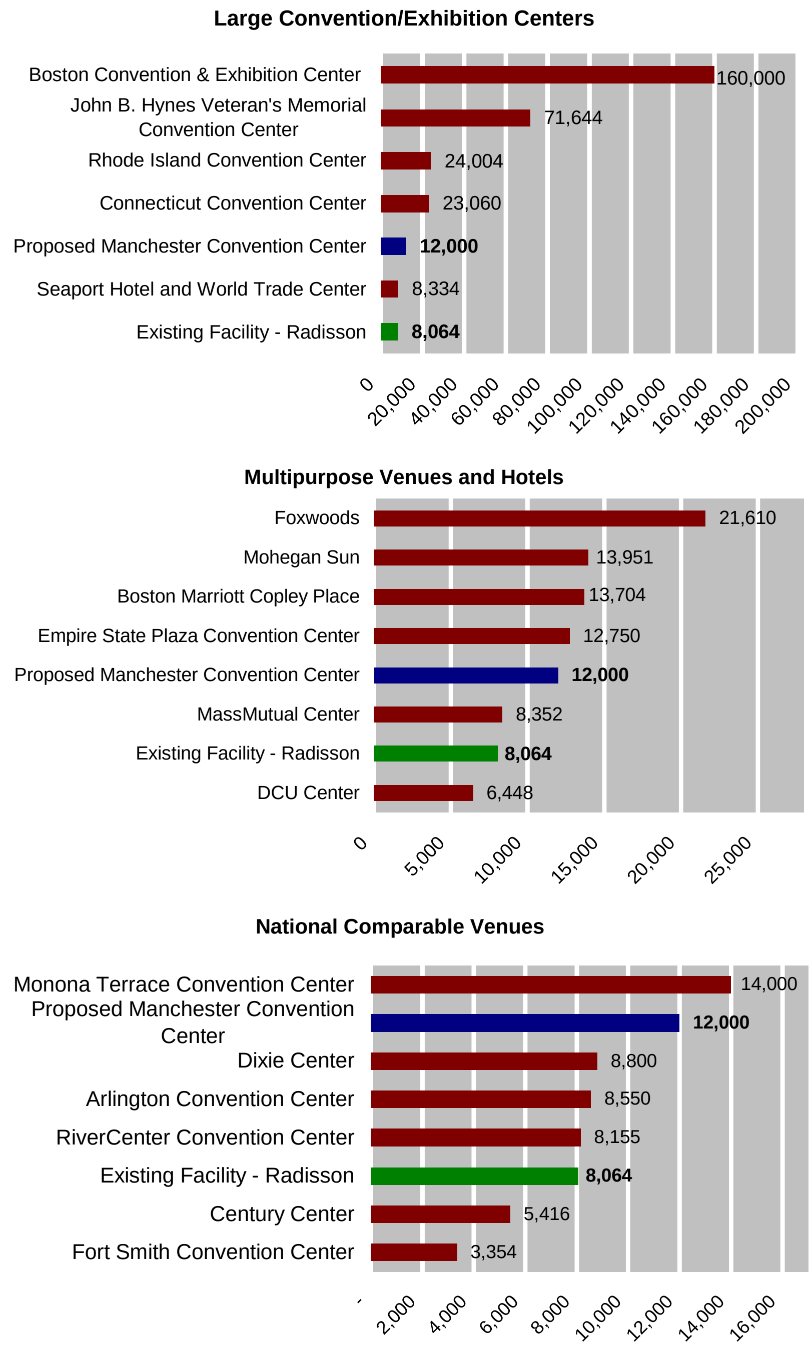
Source: Respective Facilities

In a convention center, amounts of banquet and meeting space should be proportional to the exhibition space such that the venue can adequately provide food and beverage and meeting components of convention and tradeshows. Industry standard ratios of function space to total exhibit space range from 30 to 50 percent depending on market need. Hotels and multi-purpose venues, such as Foxwoods, Mohegan Sun and Seaport Hotel and World Trade Center use their banquet space as multi-purpose rooms serving light exhibits as well as banquet functions. Venues with dedicated exhibit space tend to have smaller ballrooms as would the proposed Manchester Convention Center with a 15,000 square foot ballroom.

Meeting/Breakout Space Assessment

Meeting rooms can accommodate sub-groups as they break out of larger events such as conventions and tradeshows. Additionally, these smaller rooms can accommodate self-contained meetings, training sessions, seminars, classes, and a variety of small meeting functions. A facility's meeting rooms are often its most frequently used function spaces. Generally, convention centers should offer meeting space that is proportionate to the amount of exhibition space available at the facility. However, the optimum amount of meeting space can vary depending on a facility's target market.

Figure 4-11
Meeting Space Areas in Comparable Venues (square feet)



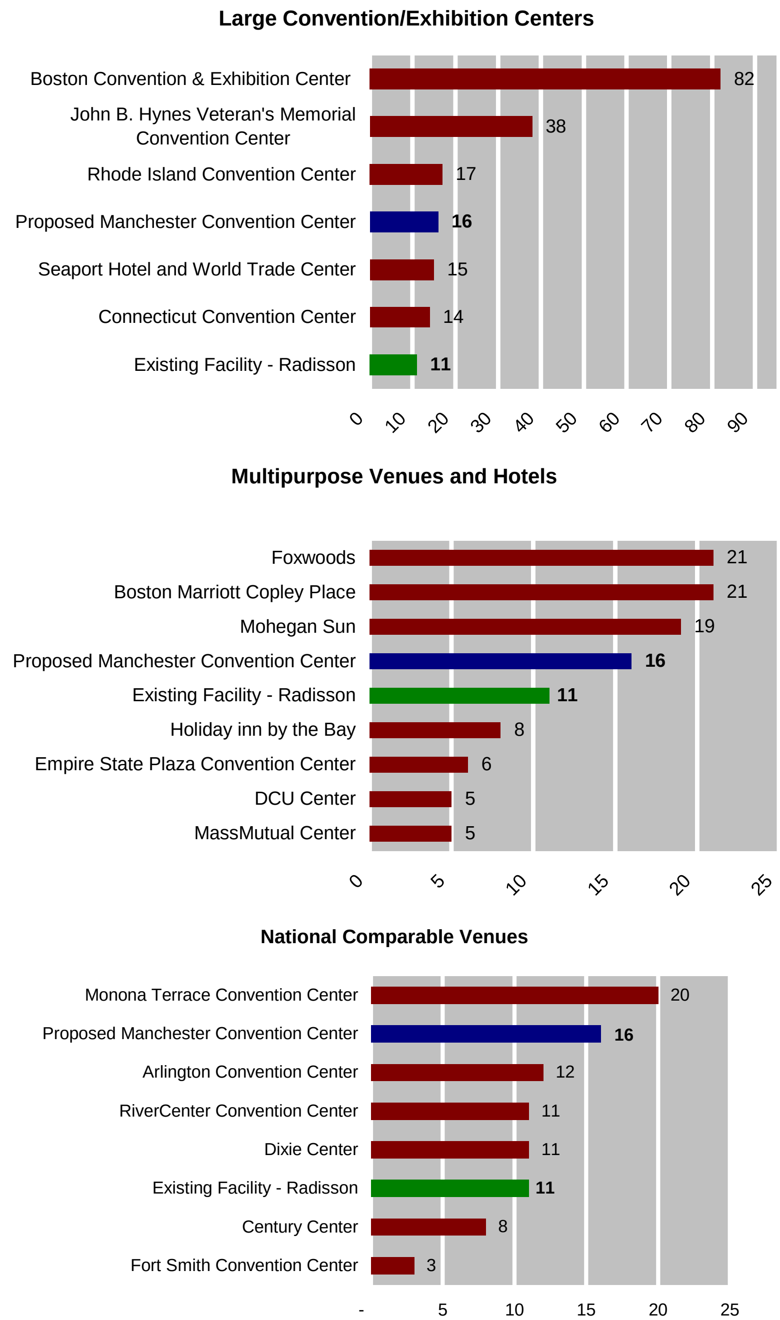
Source: Respective Facilities

Reflecting the standard ratio of exhibition space to meeting space, the large exhibition/convention centers offer significantly more space than both the Radisson and the proposed Manchester Convention Center. However, with similar target markets and similar exhibition space sizes, the proposed Manchester Convention Center would offer more meeting room space than a majority of national comparable venues.

Divisibility of Breakout Spaces

The divisibility of meeting and banquet space is especially important for venues that serve a broad range of event types that represent different space needs. Divisibility adds flexibility in the amount of space the facility can rent, thereby allowing it to best match rented space with customer needs. Divisibility and flexibility also allow venues to serve multiple events simultaneously, thereby maximizing facility utilization.

Figure 4-12
Number of Breakout Rooms in Comparable Venues



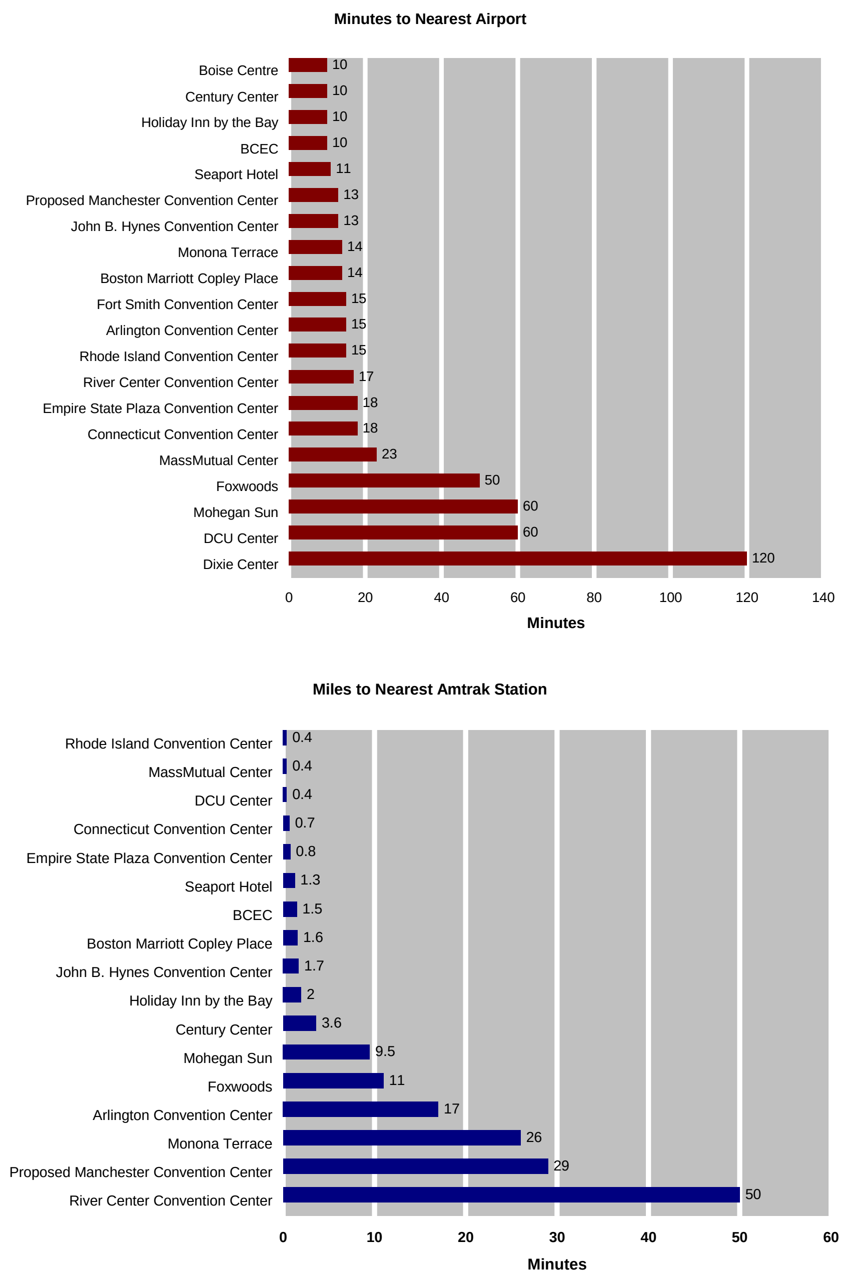
Source: Respective Facilities

The number of breakout space among all venues aligns well with the total square feet of breakout space at these facilities. With 16 breakout rooms, the proposed Manchester Convention Center offers greater divisibility then some of its larger regional venue competitors and greater divisibility then a majority of national comparable venues.

Accessibility and Air and Train Service Capacity

Transportation linkages, including airports, trains and highways, can play a critical role in the success of convention centers that target regional and national user groups. One of the best indicators of the ability of both airport and trains to enhance a convention center's draw is its proximity to the convention center. The ability for convention center attendees to quickly reach an airport or train station within a short drive is a great competitive advantage over other convention centers that lack nearby transportation hubs.

Figure 4-16
Air Service Capacity in Primary Airports in Comparable Cities (Total Passengers)



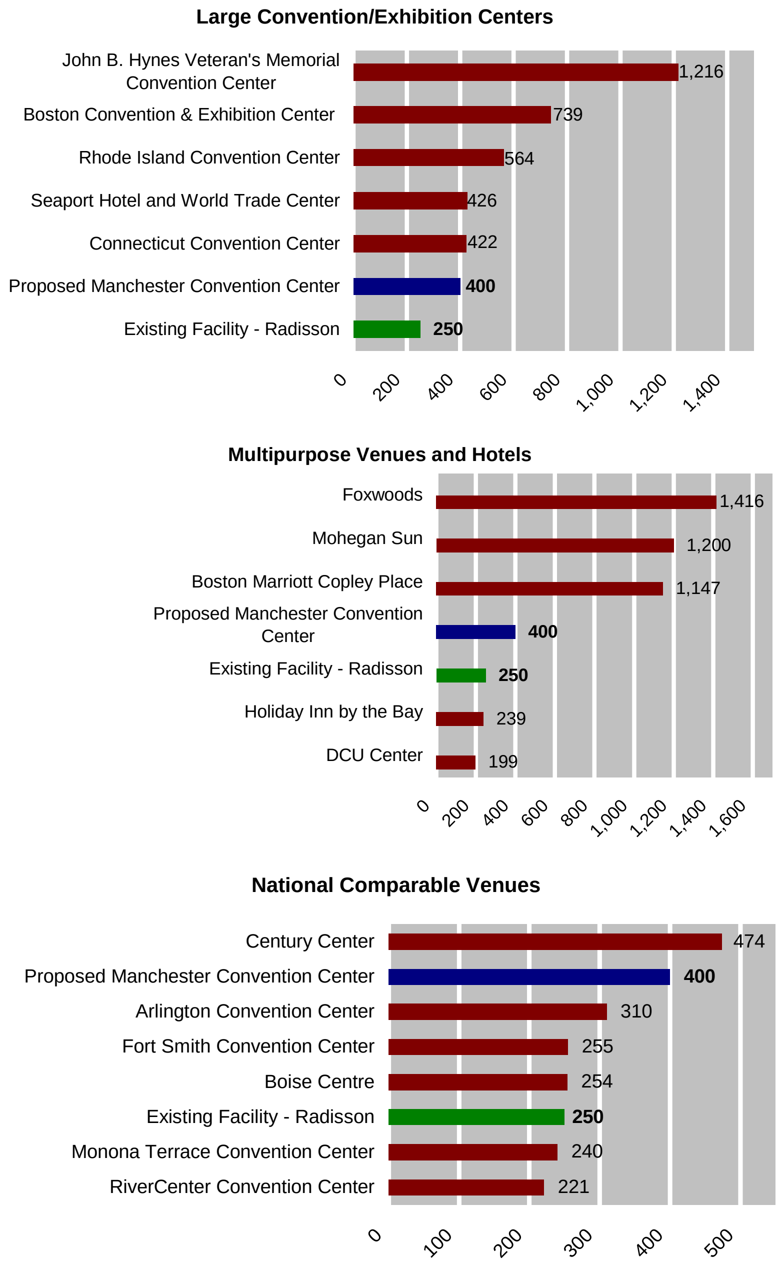
Source: Respective Facilities and Streets and Trips

While the proximity to airports varies substantially among all venues, the Radisson and the proposed Manchester Convention Center are only 13 miles from the Manchester – Boston Regional Airport, closer to a major airport than a number of facilities in much larger cities. Additionally, Boston Logan Airport is roughly 56 miles from Manchester. Although air access is excellent, the nearest Amtrak station to Manchester is in Exeter, New Hampshire, roughly 29 miles east of Manchester.

Adjacent Hotel Capacity

A convention center's hotel package has increasingly become one of the most important selection factors for facility users in recent years. To successfully attract out-of-town groups, a convention center must be supported by an adequate supply of nearby hotel rooms that can house delegates, exhibitors, and other attendees. Close proximity and connectivity are critical factors that event planners consider in evaluating overall hotel packages available in competing communities. Generally, the number of rooms offered at one or more hotels that are adjacent or connected to the convention center is the key point of comparison. Other factors that can be important are hotel brands, service levels, building ages, management, and available meeting and banquet spaces in these hotels.

Figure 4-17
Hotel Capacity Proximate to Comparable Venues (number of hotel rooms)



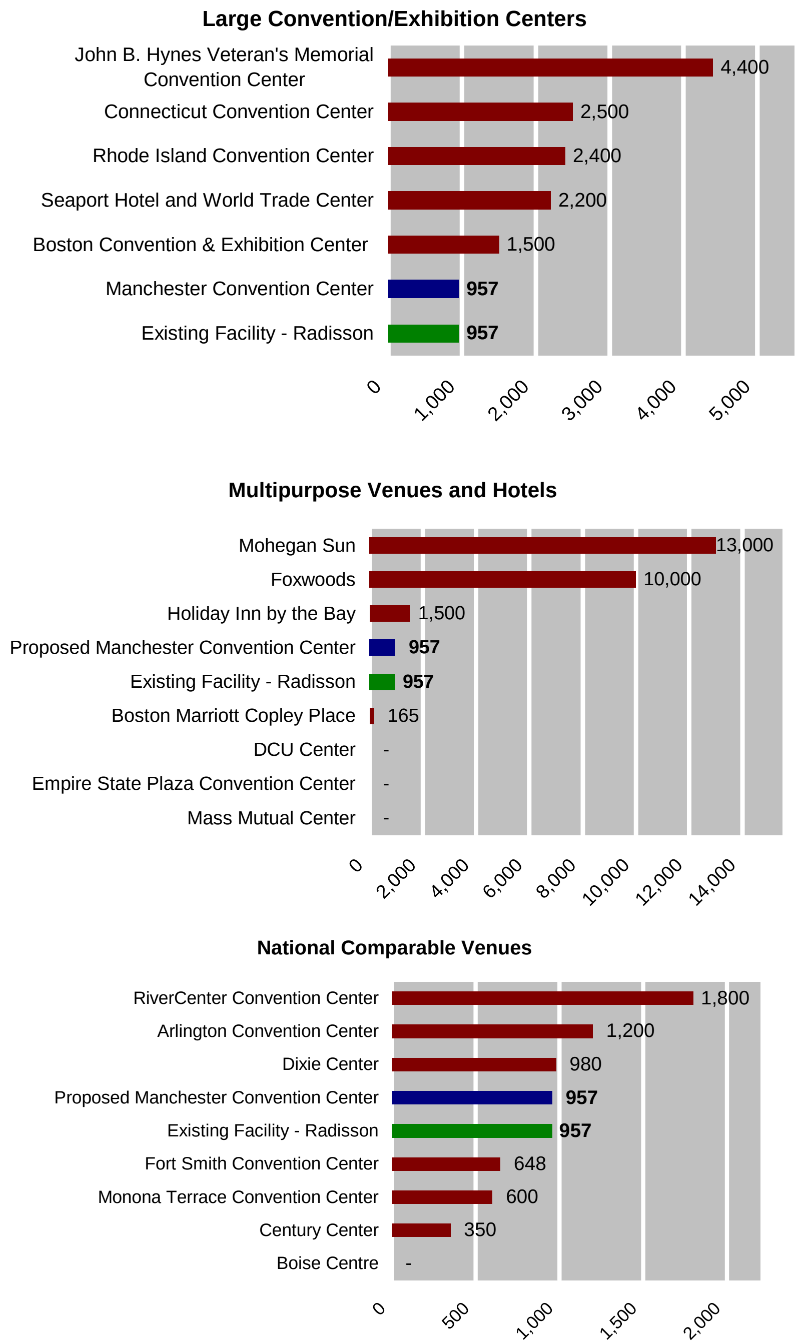
Source: Respective Facilities

Among all large exhibition/convention centers, both the existing facility and the proposed Manchester Convention Center offer the fewest adjacent hotel rooms. The two casinos offer a large number of hotel rooms, standard of destination casinos, as does the Boston Marriott Copley Place, due to their location in downtown Boston. The Radisson, with 250 rooms, currently offers less hotel rooms than a majority of national comparable venues, however, the proposed Manchester Convention Center, with 400 rooms, would offer the second largest number of hotel rooms among comparable venues, and would provide an adequate ratio of hotel rooms to meeting space.

Parking Capacity

Most convention centers experience highly variable parking demand levels depending on event scheduling, seasonality, and location. Conventions, tradeshows, consumer shows, religious assemblies, and graduation ceremonies can create spikes in parking demand during peak demand periods. However, parking demand may be much lower for the majority of operational days throughout a given year. Urban convention centers often benefit from multi-story parking structures and good public transportation linkages, whereas suburban centers generally utilize surface parking, reflecting lower land prices. Parking supply should reflect a convention center's target market, event schedule, and location.

Figure 4-18
Parking Availability in Comparable Venues (parking spaces)



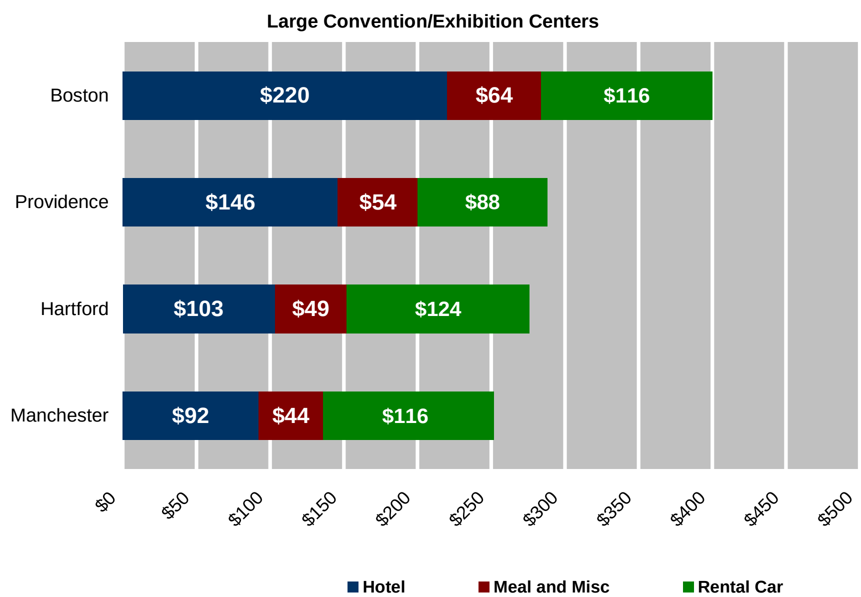
Source: Respective Facilities

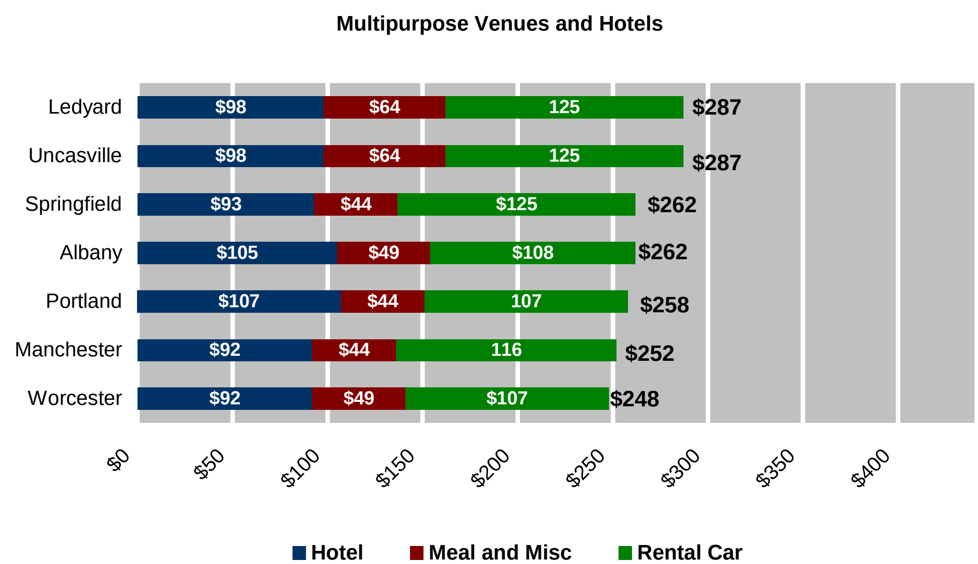
While the existing facility currently has an advantage with the 957 spot underground parking garage connected to the facility, locating the proposed Manchester Convention Center anywhere but adjacent to the existing Radisson, would result in the need to build additional parking. Therefore, parking can act as a strong competitive advantage and cost saver if an expansion adjacent to the Radisson is undertaken, or it can act as a disadvantage and a large construction cost if a new build is undertaken.

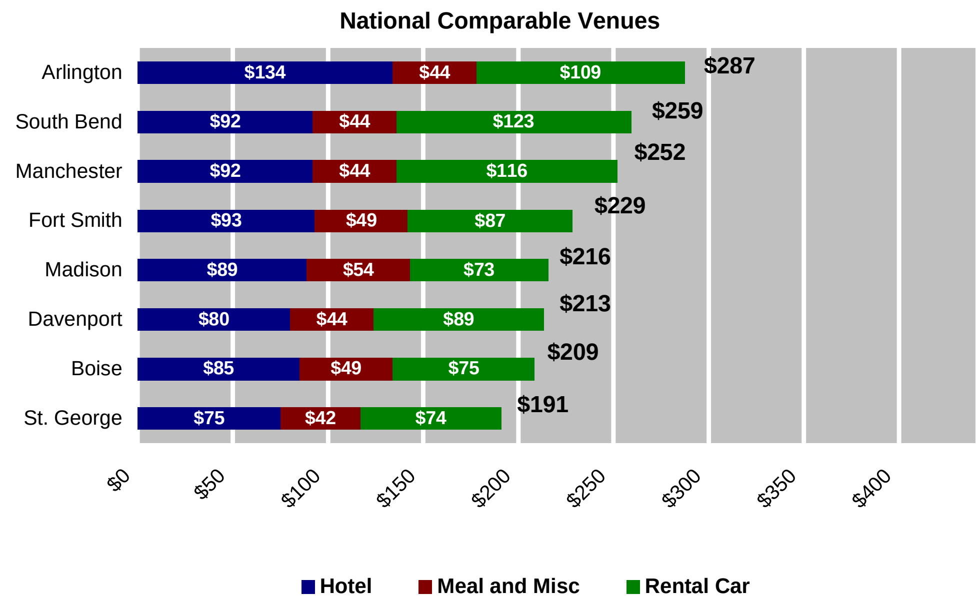
Travel Costs

Travel costs associated with attending a convention center event can contribute to a facility's overall ability to attract delegates, exhibitors, and attendees. High travel costs can become a deterrent for certain types of groups in a facility's potential market, whereas low travel costs can be a competitive advantage in attractive certain price-sensitive groups. HVS evaluates three primary travel expense categories that include costs associated with hotel accommodations, meals, and car rentals.

Figure 4-19
Comparison of Estimated Travel Costs







Source: U.S. General Service Administration

Compared to all regional venues, Manchester, with travel costs of $252, retains a competitive advantage in lower costs for potential visitors. Larger cities, such as Boston and Hartford, while offering an array of amenities, require higher travel expenses. Although Manchester appears more expensive than many of the national comparable venues, Manchester is one of the largest cities of the group, offering more amenities than its peers. Therefore, Manchester, with reasonable travel costs, can market itself as a lower cost alternative to Boston, Providence and other regional venues.

Figure 4-13
Events and Attendance at Comparable Facilities

	Empire State Plaza Convention Center	Arlington Convention Center	Connecticut Convention Center	River Center	Monona Terrace Convention Center	Rhode Island Convention Center	Dixie Center	Century Center	Boise Centre	Fort Smith Convention Center
	Albany New York	Arlington Texas	Hartford Connecticut	Davenport Iowa	Madison Wisconsin	Providence Rhode Island	St. George Utah	South Bend Indiana	Boise Idaho	Fort Smith Arkansas
Data Year	2006	2006	2007	2006	2006	2007	2006	2003	2006	2004
Number of Events										
Conventions & Tradeshows	5	30	27	4	30	32	28	35	33	7
Consumer Show	14	35	12	7	11	39	14	20	12	12
Banquet	7	35	0	39	294	0	8	194	123	33
Meeting	27	93	129	132	250	180	128	404	146	50
Assembly	0	0	45	0	0	87	0	0	0	0
Other	41	40	12	71	124	0	12	68	0	24
Total	94	233	225	253	709	338	190	721	314	126
Average Attendance										
Conventions & Tradeshows	4,500	1,573	1,363	766	836	1,344	0	660	0	714
Consumer Show	5,000	4,480	11,333	9,847	1,916	5,916	0	2,318	0	3,750
Banquet	2,000	858	0	751	277	0	0	293	0	375
Meeting	720	455	213	62	180	264	0	111	0	175
Assembly	0	0	208	0	0	372	0	0	0	0
Other	2,300	804	978	1,019	370	0	0	566	0	2,729
Overall Average	2,343	1,324	984	719	308	1,046	621	291	577	1,084
Total Attendance										
Conventions & Tradeshows	22,500	47,175	36,810	3,063	25,085	43,000	0	23,085	0	5,000
Consumer Show	70,000	156,800	135,996	68,931	21,080	230,730	0	46,350	0	45,000
Banquet	14,000	30,015	0	29,287	81,367	0	0	56,804	0	12,375
Meeting	19,440	42,350	27,477	8,232	45,015	47,602	0	44,926	0	8,750
Concerts & Entertainment	0	0	0	0	0	0	0	0	0	0
Other	94,300	32,151	11,736	72,321	45,855	0	0	38,480	0	65,500
Total	220,240	308,491	221,379	181,834	218,402	353,667	117,949	209,645	181,141	136,625

Source: Respective Facilities, HVS

For the purposes of this study, HVS choose to include the above venues' historical events and attendance records, as they best represent the facility and type of demand the proposed Manchester Convention Center could represent. Unfortunately, HVS was unable to obtain data from the Radisson.

Century Center in South Bend, Indiana hosted the largest number of events with 721, while the Empire State Plaza Convention Center held 94 events. Both the Century Center and the Monona Terrace Convention Center hosted a very large number of meetings and banquets, in addition to events categorized as other, while the Empire State Plaza Convention Center currently cannot attract many large shows due to its awkward facility. With the exception of these three outliers, the majority of comparable facilities hosted between 130 and 338 events. Century Center, Boise Centre, and the Rhode Island Convention Center hosted more than 30 conventions and tradeshows that represent high- impact shows that stimulate new economic impact for their cities. The Rhode Island Convention Center and the

Arlington Convention Center hosted the largest number of consumer shows with 39 and 35, respectively. Attendance at the Rhode Island Convention Center tops all other facilities at 353,667, a result of the large number of consumer shows and the large attendance at these events. The Dixie Center in St. George, Utah had the lowest total attendance at 117,949 with an average attendance at all events of 621. A majority of the comparable facilities reported attendance between 180,000 and 300,000.

Conclusion

Manchester clearly lags the peer venues with respect to the size, configuration, and quality of its current convention center. None-the-less, Manchester's status as the largest city in New Hampshire makes the logical site for the State's premier convention facility. Proximity to Boston and its many significant and large convention and conference venues, preclude Manchester from becoming a national destination. Its focus should be on regional, state, and local events. While Manchester lacks considerable retail, its historic atmosphere and dining options give it an edge over other state and regional destination.

The proposed Manchester Convention Center, with larger exhibition space, ballroom space and meeting space could enable Manchester to host additional events. While additions and renovations of facilities will significantly enhance the experience and draw of Manchester for planners, exhibitors and attendees, additional retail, dining and an aggressive marketing campaign could further propel the image of Manchester and the potential demand for the proposed Manchester Convention Center.

5. Survey Results

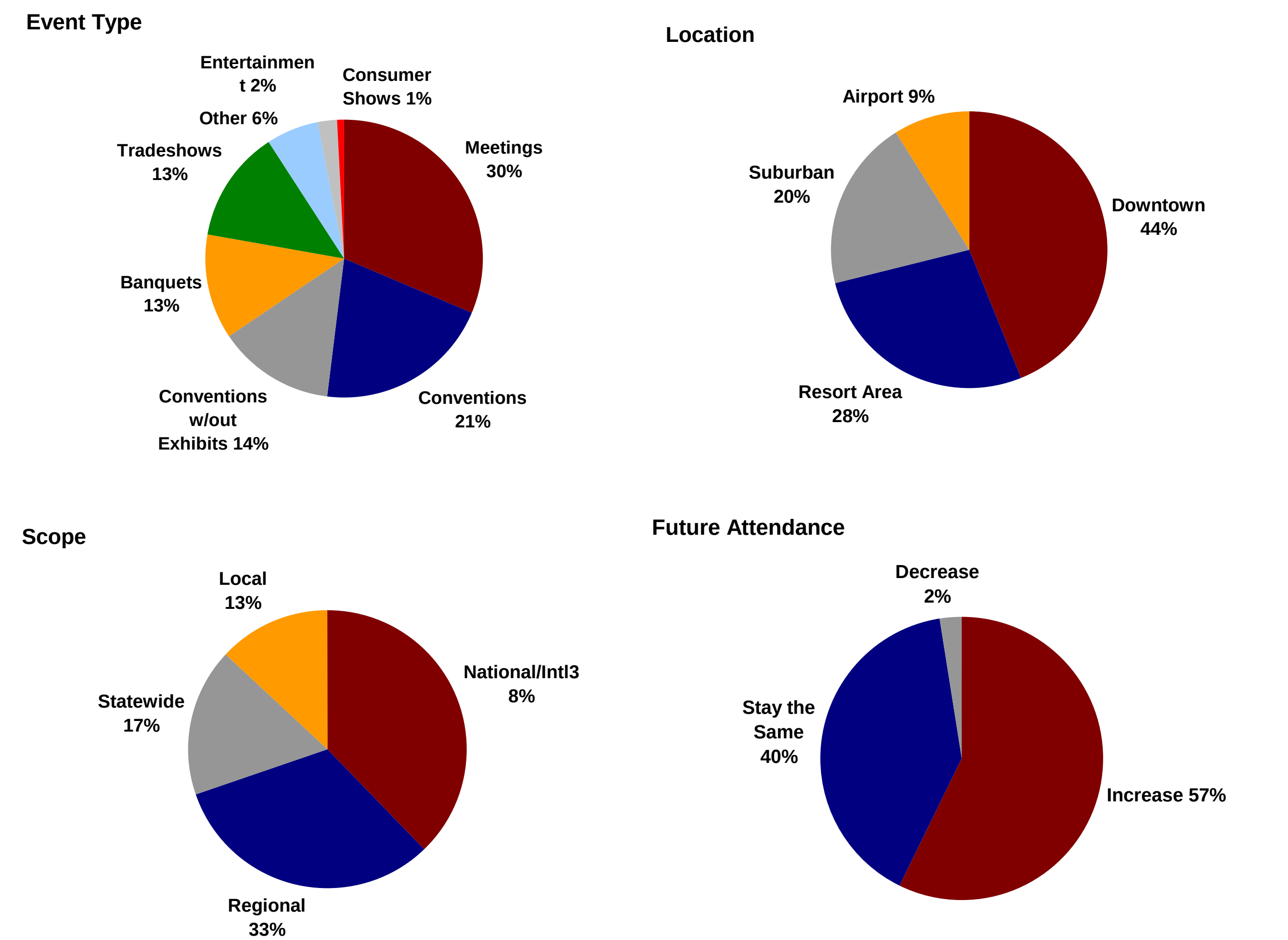
A thorough analysis of convention center demand potential and the development of facility recommendations rely in part on direct, detailed input from event planners. Event planners play a leading role in selecting event locations and provide valuable insight regarding the overall attractiveness of a market and its event facilities relative to other potential locations. HVS conducted a web-based survey of state association and corporate event planners located in New Hampshire and the greater New England area.

HVS surveyed regional and national event planners to determine their facility needs and impressions of Manchester as a potential location for their events. A total of 52 event planners responded to the survey for a response rate of 14 percent. HVS does not intend for these surveys to serve as a statistically valid measure for the future demand for the facility, but rather as a tool to measure the general interest level in a new convention center facility and to determine how event planners view Manchester as a potential location for their events.

HVS asked event planners to describe the types of events they plan, as well as the events' general location, geographic scope, and attendance. Their insights are important because they can help the facility's management team identify the most likely potential market segments to target in future sales and marketing campaigns.

HVS tabulated and summarized these findings in Figure 5-1.

Figure 5-1
Event Characteristics



Source: HVS Survey

Meetings and conventions with exhibitors are the most common types of events planned by survey participants, followed by conventions (w/out exhibits), and then banquets and tradeshows with 13 percent each. Survey respondents prefer downtown and resort area locations when selecting facilities and over half plan national, international and/or regional events. HVS asked event planners to forecast future attendance trends over the next five years. The majority of event planners are optimistic: 57 percent of meeting planners expect attendance to increase, while 40 percent expect attendance to remain stable; only two percent expect event attendance to decline over the next five years.

Exhibitors, delegates, and attendees that come from out of town are likely to have the greatest impacts on the local economy. Overnight visitors require lodging, which is one of the largest spending categories for most event participants.

HVS asked event planners to approximate the average number of event attendees and minimum and preferred room block requirements, as seen in Table 5-1.

Table 5-1
Event Attendance

	Exhibitors	Attendance	Hotel Room Block	
			Minimum	Preferred
High	1,000	28,000	14,000	18,000
Low	0	50	0	0
Mean	95	2,052	773	1,233
Median	40	600	100	250

Source: HVS Survey

Survey respondents provided attendance, exhibitor and room night figures for their largest events. Those surveyed represent a broad sample of event planners, organizing smaller local events with 50 attendees to very large functions with roughly 28,000 attendees and 1,000 exhibitors. Room night demand is dependent on the size and type of the event; as such room night demand ranges from not needing any hotel rooms to preferring a block of 18,000 rooms. The median event in our survey required a peak night room block of 250 guest rooms.

The longer an event lasts, the greater its impact is likely to be for the local economy and host community. HVS asked survey participants to estimate the total length of the events they plan. The total length of an event includes move-in days, event days, and move-out days.

Table 5-2 summarizes the average length of the events planned by survey participants.

Table 5-2
Event Length

	Move-In Days	Event Days	Move-Out Days	TOTAL
High	4	5	3	12
Low	0	1	0	1
Mean	1.4	2.8	0.9	5
Median	1	3	1	5

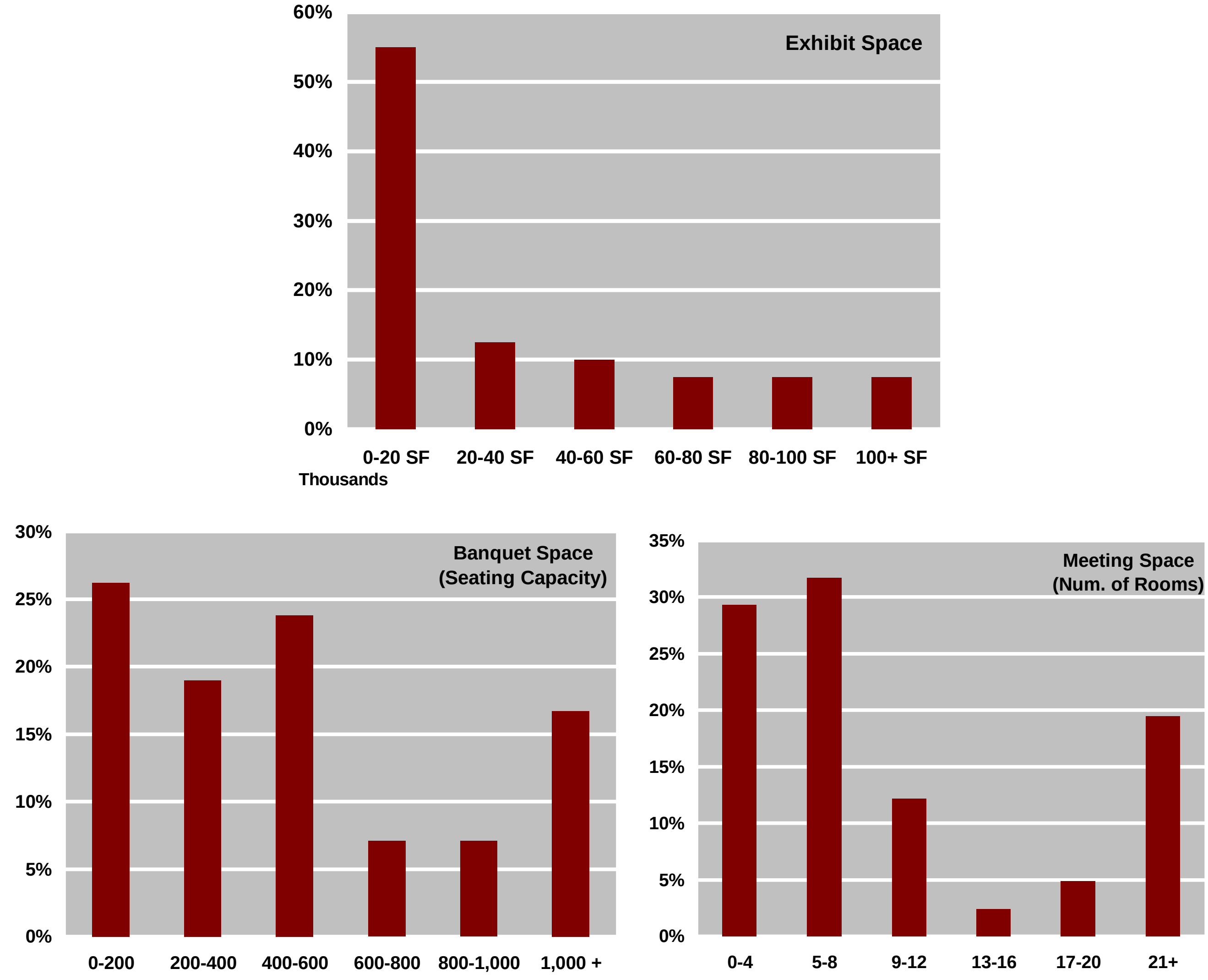
Source: HVS Survey

The average event planned by survey respondents last a total of nearly 5.0 days, including move-in and move-out days. Some events do not require additional days for set up and deconstruction, while events like larger tradeshows and conventions may require multiple days. Small to medium-sized banquets and meetings may last only one day or a part of one day and thus do not require any pre-event preparation.

Facility Use

To successfully attract specific events, venues must provide the appropriate event space and services. HVS asked event planners to approximate their facility requirements. We asked survey participants to describe their needs with respect to each of three basic types of event space, including exhibition, banquet, and meeting space. Responses are presented below in Figure 5-2.

Figure 5-2
Facility Space Requirements



Source: HVS Survey

- **Exhibit Space** - Survey participants expressed varying requirements for exhibit space, banquet space, and meeting rooms. Fifty-five percent of respondents require 0-20,000 square feet of exhibit space. Thirteen percent require 20,000 to 40,000 square feet, while approximately ten percent require either 60,000 to 80,000, 80,000-100,000, or 100,000 or more square feet of exhibition space. Roughly 30 percent required

60,000 or more square feet of exhibit space. While the majority of event planners may not require large amounts of exhibition space, survey results suggest a limited to modest demand for large exhibition halls.

- **Ballroom Space** - The majority of those surveyed require banquet seating for up to 600 guests, with the majority requiring room for up to 200. While little over five percent need rooms for 600 to 800 guests, approximately 17 percent of those surveyed plan banquets for 1,000 or more attendees.

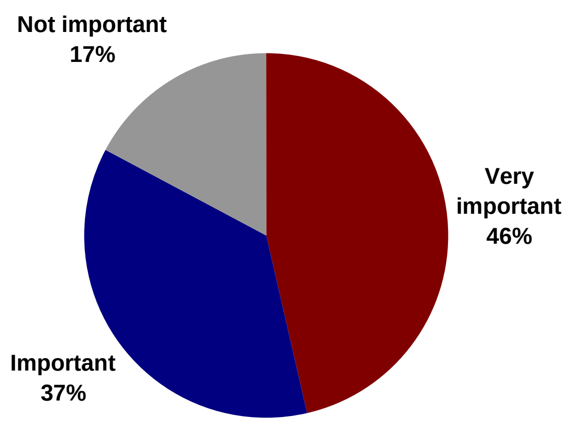
- **Meeting Space** - follows a similar trend, with the majority requiring between zero and eight meeting/breakout rooms, roughly 20 percent require 21 or more rooms. According to the survey responses, event planners are organizing very small or extremely large events.

Accommodations

Overnight visitors require lodging, which is one of the largest spending categories for most event participants. In addition to the number of attendees, hotel room block requirements are another indicator of an event's economic impact on the market area. The availability of hotel rooms adds or detracts to a market's overall appeal. Event planners tend to prefer lodging facilities proximate to their events. A headquarters hotel refers to a property either adjacent to or within minimal walking distance of the main exhibition/conference facility.

HVS asked event planners to determine how important the presence of a headquarters hotel is in determining their selection decisions. Their responses are presented below in Figure 5-3.

Figure 5-3
Headquarters Hotel

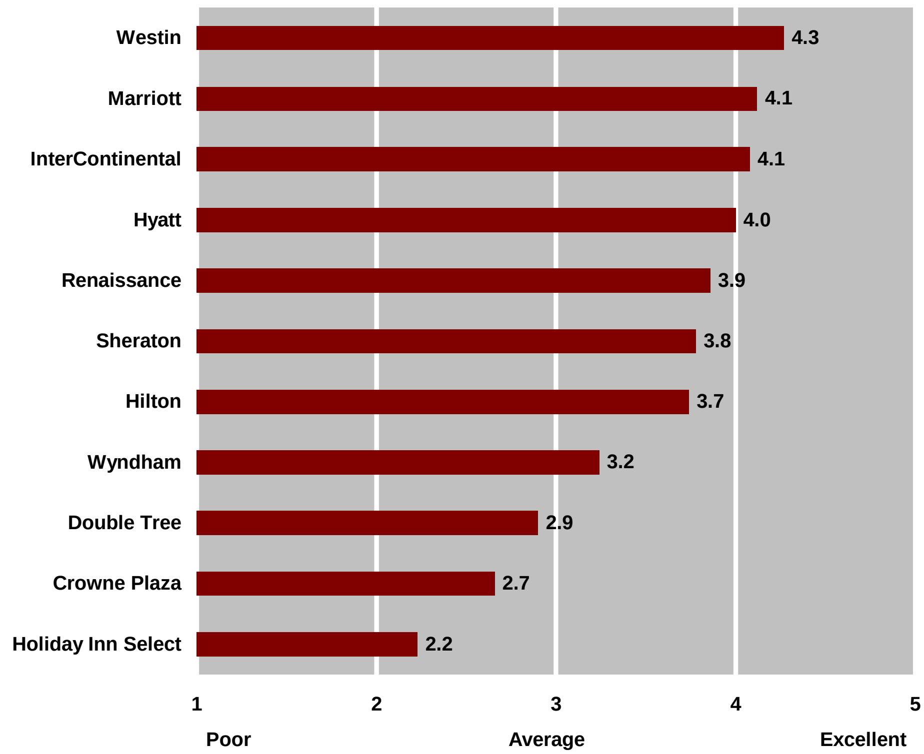


Source: HVS Survey

Almost half of those surveyed consider a headquarters to be very important in selecting a location for their event(s); 37 and 17 percent viewed the presence of a headquarters hotel to be of medium importance or not important respectively.

HVS asked event planners to rank several prominent hotel brands as seen in Figure 5-4.

Figure 5-4
Brand Rankings



Source: HVS

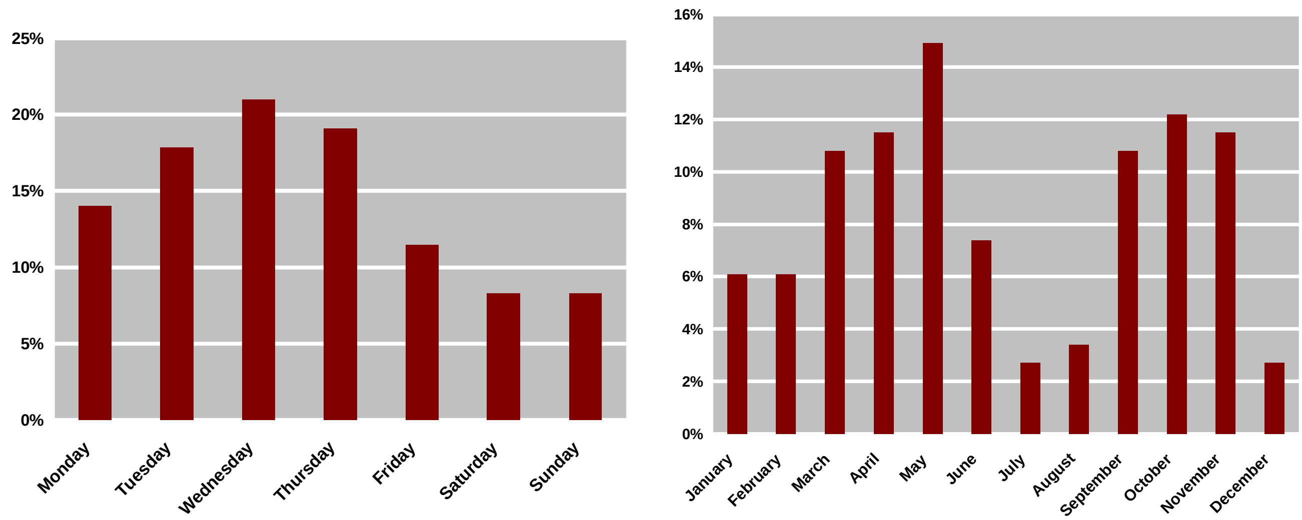
Event planners favored the Westin, Marriott, InteContinental, and the Hyatt hotels giving them scores of 4.3, 4.1, 4.1, and 4.0 respectively. Event Planners appear to be satisfied with their hotel brand options considering the majority of brand to be well above average. However, Double Tree, Crowne Plaza, and Holiday Inn Select were ranked below average with scores of 2.9, 2.7 and 2.2 respectively. Note that the Radisson brand did not appear on the list of properties event planners were asked to rank because this brand is not usually considered as an option for a headquarters hotel.

Seasonality

Respondents indicated that their events are typically planned on certain days of the week or months of the year. This creates some cycles in the industry, resulting in distinct weekday and monthly seasonality patterns in most markets.

Figure 5-5 presents the weekly and monthly distribution rates of the planned events.

Figure 5-5
Days of Week and Months of Year in which Events Occur



Source: HVS Survey

Mid-week represents the most frequently cited days on which event planners wish to book meeting or convention centers. This pattern is fairly normal within the industry. There appears to be three peak demand seasons throughout the year, with spring, early summer, and autumn being the busiest times. However, some markets have strong leisure demand and/or family-oriented activities that can create demand during the summer months.

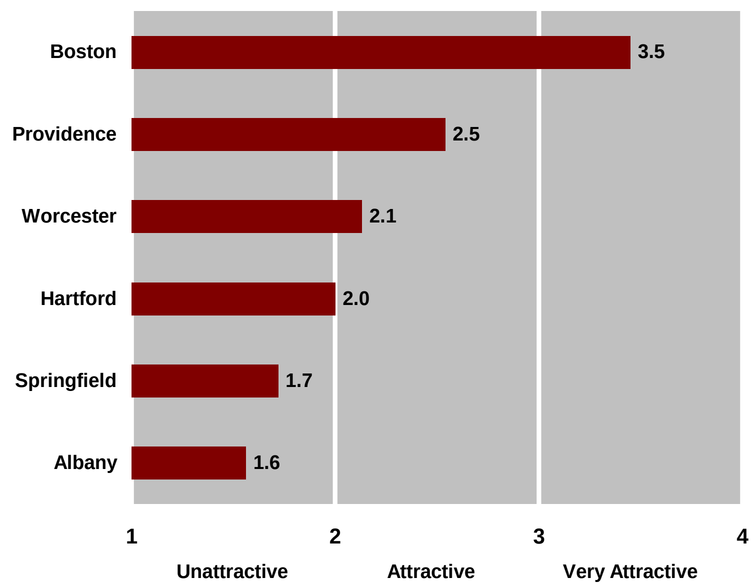
State & Local Competition

A key criterion for selecting a location for an event is the event planner's perception of the overall destination appeal of a given community. Because event planners evaluate the success of their events in part based on how many delegates and attendees they draw to their events, it is critical to find communities that appeal to their delegates and attendees.

HVS identified six cities and eleven event facilities throughout New England. Survey participants were asked to rank the cities in terms of their appeal as an event destination and the facilities according to attractiveness. This will provide important insight about how event planners rank competing facilities around the state.

Event planners prefer the larger city markets of Boston and Providence over smaller regional destinations as shown in Figure 5-6 and Figure 5-7.

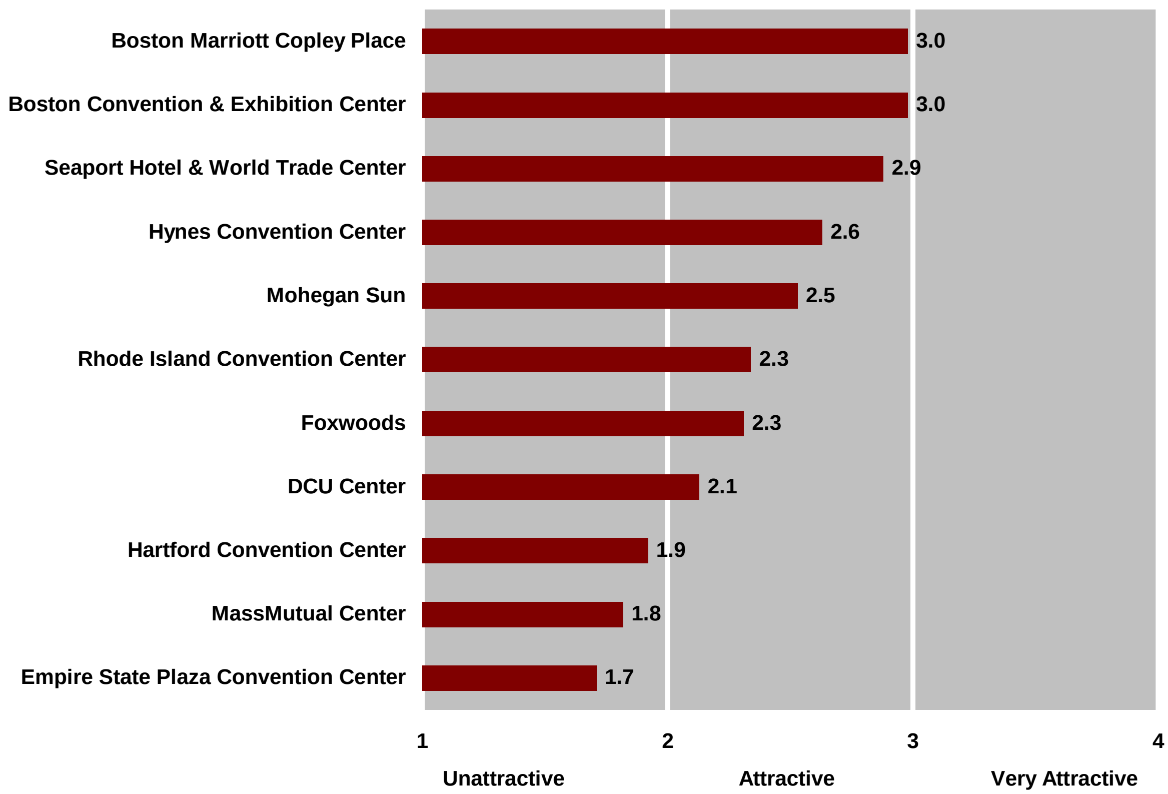
Figure 5-6
Selected Peer Cities



Source: HVS Survey

Providence, RI and Boston, MA ranked highest with an average rating of 3.5 and 2.5, respectively. Albany, NY was ranked the lowest. Regionally, survey participants found the comparable markets to be generally unattractive. Note, these scores refer to the communities themselves, rather than to any specific event facilities that may be located in these communities.

Figure 5-7
Selected Peer Facilities



Source: HVS Survey

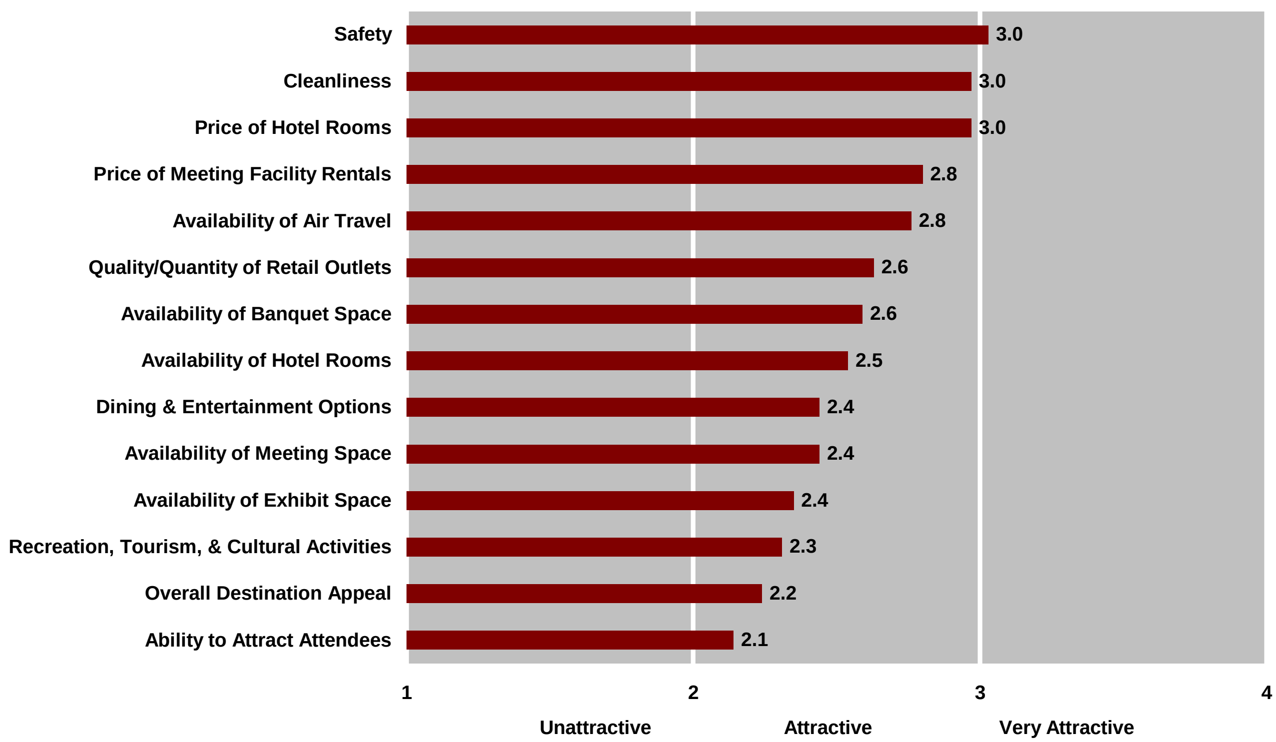
The combined average rating for the 11 facilities listed above was a moderately attractive 2.2, suggesting that survey respondents are not completely satisfied with the region's convention facilities. The Boston Marriott Copley Place and Boston Convention & Exhibition Center in Boston received the highest rankings, with average ratings of 3.0 for both facilities, while the Empire State Plaza Convention Center received the lowest rating of 1.7.

HVS asked event planners to identify other facilities where they have booked events in recent years. Responses could also include resorts and hotel properties, or any other type of facility that meeting planners had recently used for an event. In terms of dedicated convention centers facilities survey respondents cited the Boston Convention & Exhibition Center in Boston, MA more frequently than any other facility, followed by the Hynes Convention and the Rhode Island Convention Center. Boston hosted a majority of the events with survey respondents citing hotel properties like the Seaport hotel, the Downtown Marriott, and the Westin Hotel. Event planners organizing large national events often hold them in traditionally popular event locales like Orlando, FL, Las Vegas, NV and San Francisco, CA.

Site Selection Criteria

HVS identified 13 key site selection factors that are important to event planners in deciding where to locate an event. We surveyed event planners to determine how they viewed Manchester in terms of these criteria compared to cities utilized in the past. In many communities the ranking of these criteria can be different than the rankings from national surveys, as shown earlier in the Industry Trends chapter of this report.

Figure 5-8
Perceptions of Manchester, NH

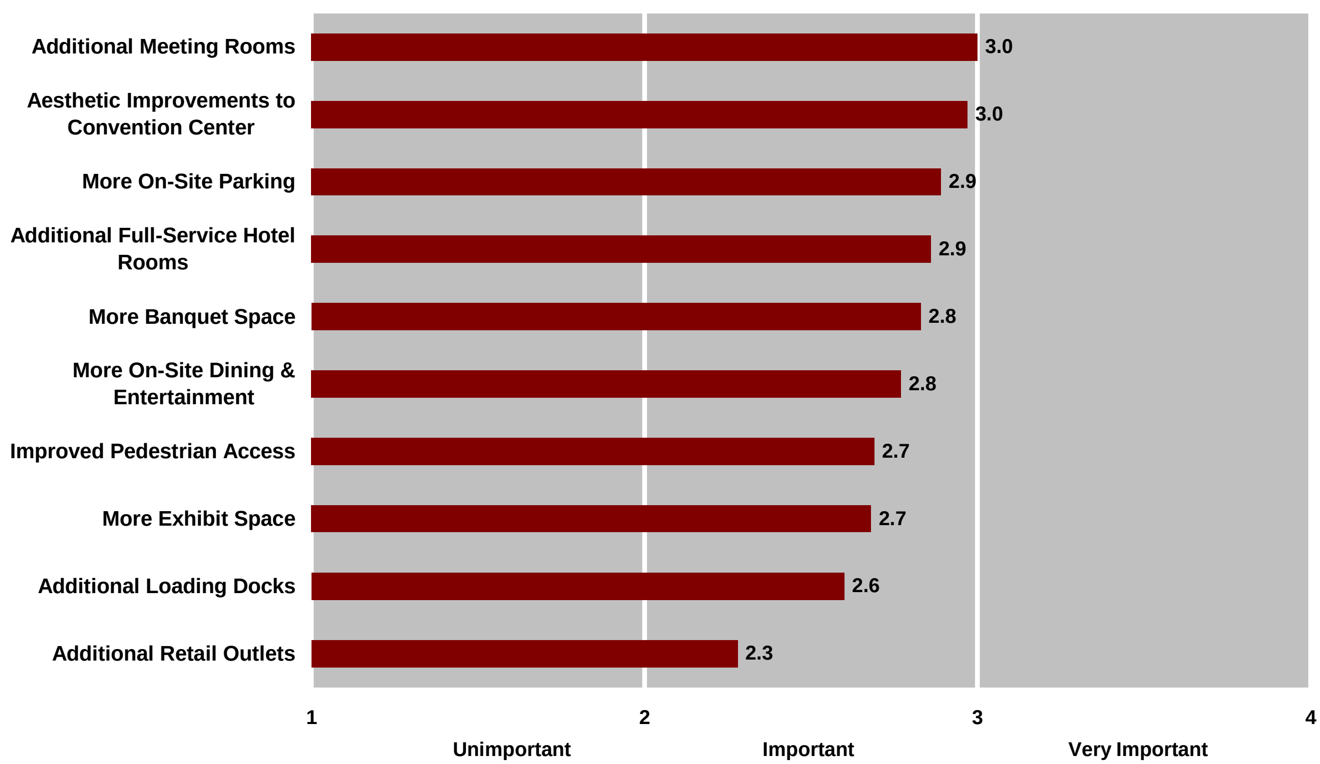


Source: HVS Survey

Survey respondents claim safety, cleanliness and affordability of both hotel and event facilities to be Manchester's most attractive qualities. Event planners found the availability of banquet space and dining/entertainment options in Manchester to be of only average attractiveness. Along with current availability of event function space and hotel rooms, the subject market's amenities ranked lowest among all the selection criteria. In terms of ability to attract attendees and overall destination appeal, survey respondents seem unsure of Manchester's appeal as an event destination. This will remain to act as a hurdle for any new facility in Manchester.

HVS asked event planners which of the following ten improvements would be most influential to them in increasing Manchester's appeal as an event destination.

Figure 5-9
Improvements



Source: HVS Survey

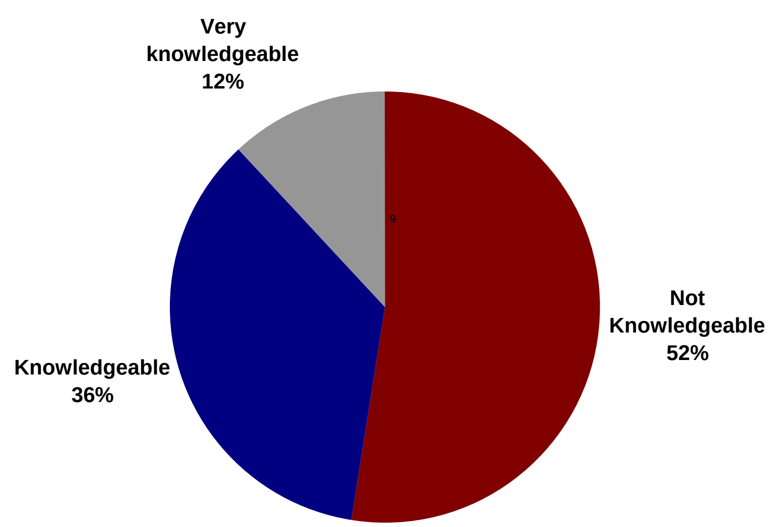
Survey participants clearly indicate the importance of additional meeting space and on-site parking; aesthetic quality of the facility is also very important in attracting meeting planners and their events. Increased function space and more on-site dining/entertainment options and improved pedestrian access are of average importance in facility selection.

Knowledge

Event planners generally choose locations they are familiar with for their events. If an event planner has little or no knowledge about a community and its convention facilities, they will be hesitant to book an event there until they learn more about it.

Figure 5-10 shows that the majority of survey respondents admitted they were not knowledgeable about Manchester as a destination for meetings and conventions.

Figure 5-10
Knowledge of Manchester, NH



Source: HVS Survey

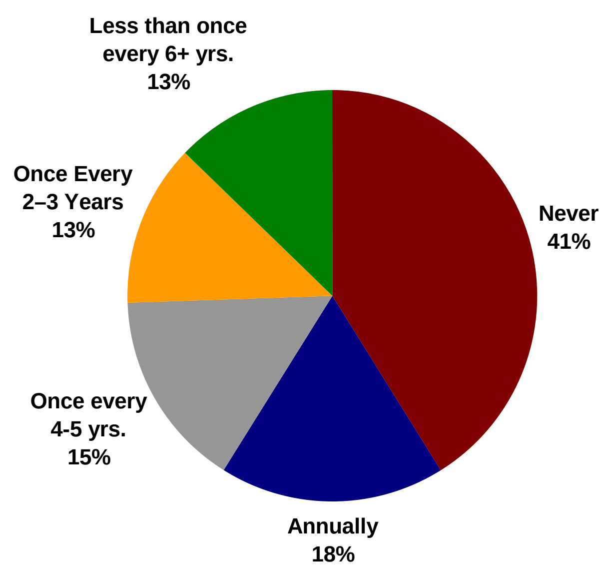
Thirty-six percent claimed to be knowledgeable and only 12 percent claimed to be very knowledgeable with Manchester. This may represent a significant opportunity to educate event planners about Manchester and the proposed convention center. Familiarization tours, direct mailing campaigns, and continued presence at industry tradeshows will be critical in Manchester's efforts to increase event planner knowledge of the city as an event destination.

Interest in Manchester

One of the most critical questions we asked in our survey is whether event planners are interested in holding an event at the proposed exhibition center in Manchester sometime in the future. The results from this question, when weighed against our experience of conducting similar surveys all across the country, can be an important determining factor in evaluating future demand potential for a convention center.

Event planners expressed a relatively low level of interest in holding events in Manchester. See Figure 5-11.

Figure 5-11
Frequency of Use



Source: HVS Survey

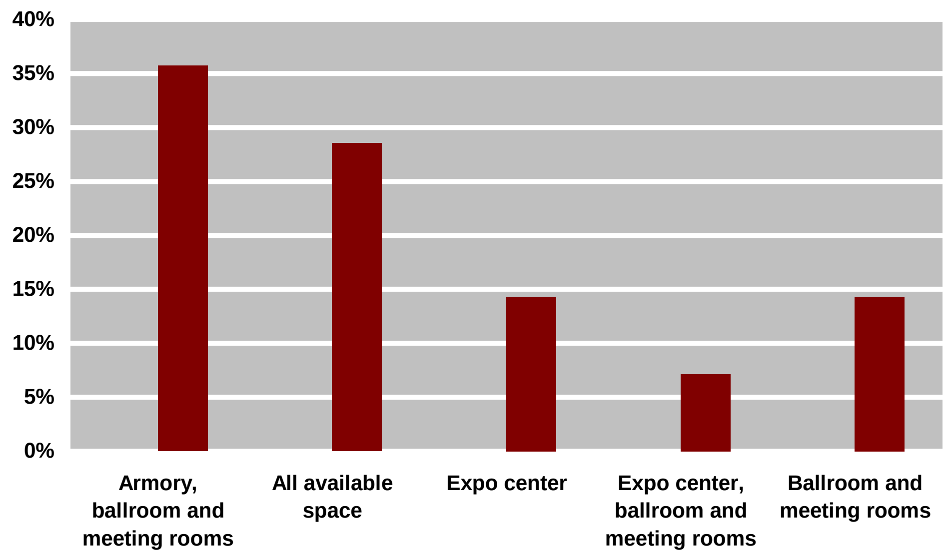
Forty-one percent of respondents would never consider holding their event in the proposed facility, followed by 18 percent who would use the facility annually. The remaining survey respondents were split fairly evenly between occasionally holding an event at the proposed convention center; an additional 15 percent of respondents have an interest in occasionally rotating an event to Manchester every four to five years. Roughly 13 percent of respondents would rotate an event every two to three years or every six or more years. These findings may be a negative indicator for demand potential at the proposed exhibition center; alternatively, they may reflect the meeting planner's lack of knowledge about Manchester as a possible destination for meetings and conventions, as discussed previously, or existing contracts with other facilities.

Key Informant Interviews

HVS interviewed a smaller number of event planners in one-on-one telephone interviews. These key informants, event planners that have hosted large consumer shows or conventions at the Radisson in the past year, helped us augment our survey findings. We asked these event planners several questions relating to their use of the Radisson, especially regarding their facility requirements and their satisfaction.

Roughly half of the key informants interviewed hosted consumer shows at the Radisson, while one third hosted tradeshows/conventions. Remaining informants hosted conferences or meetings at the Radisson. Roughly 30% of all key informants hosted locally attended events, with only 20% being national events.

Figure 5-12
Facility Utilization



Source: Key Informant Interviews

A majority of informants, partially due to the sample including larger shows, utilized the Armory, ballroom and meeting rooms, while roughly 30% of events utilized all available space and 14% utilized only the Expo Center. A few events recorded using a combination of the Expo Center, ballroom and meeting rooms.

Figure 5-13
Key Statistics

Average attendees	##
Average exhibitors	94
Average event days	2
Average room nights	
Large Shows	Radisson block (200 rooms) and 2 other hotels
Local/Smaller Events	40-60 rooms/night

Source: Key Informant Interviews

With a number of key informants holding tradeshows/conventions and consumer shows, the average number of attendees among all key informants is fairly high at 2,428, with an average number of corresponding exhibitors at 94. For tradeshows and conventions, the average room block was 200 rooms at the Radisson, the maximum the Radisson would block, plus a number of hotel rooms at additional hotels in Manchester, indicating a need for more guest rooms for the larger shows. For consumer shows, conferences, and meetings average room nights were 40-60 rooms per night.

Table 5-3
Strengths and Weaknesses

Positives	Challenges
Staff friendliness/helpfulness	Dated/Tired Look
Event Services	Pricing
Size of Function Space	Acoustics (especially in the Armory)
Accessibility and Location	Poor quality food
Parking	Booking
	Lacking significant breakout space/collapsible walls to divide expo center

Service rated "great" – 70 percent noted that they will be looking into other venues for their next event due to size restrictions at the Radisson, poor quality of the facilities, and limiting offerings of Manchester as a city.

Source: Key Informant Interviews

A majority of key informants remarked that staff friendliness and helpfulness during their events were exceptional, while a number of key informants noted that the function space was one of the most positive attributes of the Radisson. Accessibility and location, especially the location of Manchester being in the center of New England, were also noted by informants as positives. Challenges expressed by informants included the dated/tired aesthetics of the Radisson and pricing. Additional concerns included acoustics, poor catering quality, booking problems and the ability to break out the expo hall into smaller areas. While being able to obtain the ideal date for an event seemed to cause much trouble, a majority of key informants, 70%, rated service "great". Although three key informants noted they will be looking into other venues for their next event, they also expressed concern over the limited offerings of Manchester as a city.

Conclusion

Survey responses and interviews provide a moderate outlook for a Convention Center in Manchester. While event planners' perceptions of Manchester with regards to destination appeal and dining and entertainment were fairly low, the city's central location and accessibility could help curb some of their negative perceptions. While some results show negative indicators for demand potential, over half of event planners admitted they are not very knowledgeable about Manchester and a majority would consider using the facility at some point in the future. This indicated that meeting planners are unaware, uninformed, but interested in the prospect for a new convention center and would be willing to give a new venue consideration.

6. Facility Program Recommendations

HVS relied on the information from our market research, event planner surveys, analysis of comparable facilities, and knowledge of the convention industry to recommend a convention center facility program for the City of Manchester. This draft facility program serves as a guide for subsequent physical planning aimed at providing the desired program elements on the proposed site.

Currently, the Radisson adequately serves a significant portion of local and regional demand. However, HVS sees potential for the City of Manchester to better serve the current demand, as well as potential to attract a much larger portion of the regional market with a larger convention center. To do so, the venue must be capable of accommodating a wide array of events, which include consumer shows, small meetings, large banquets, and conventions and tradeshows. The overall character and quality of the facility should be comparable to the best convention centers found in the comparable properties. The functionality of the venue is paramount, but design features should also create a welcoming atmosphere and stimulating environment for event attendees and exhibitors. HVS recommends new and/or expanded infrastructure so as the City of Manchester's total convention facility package includes approximately:

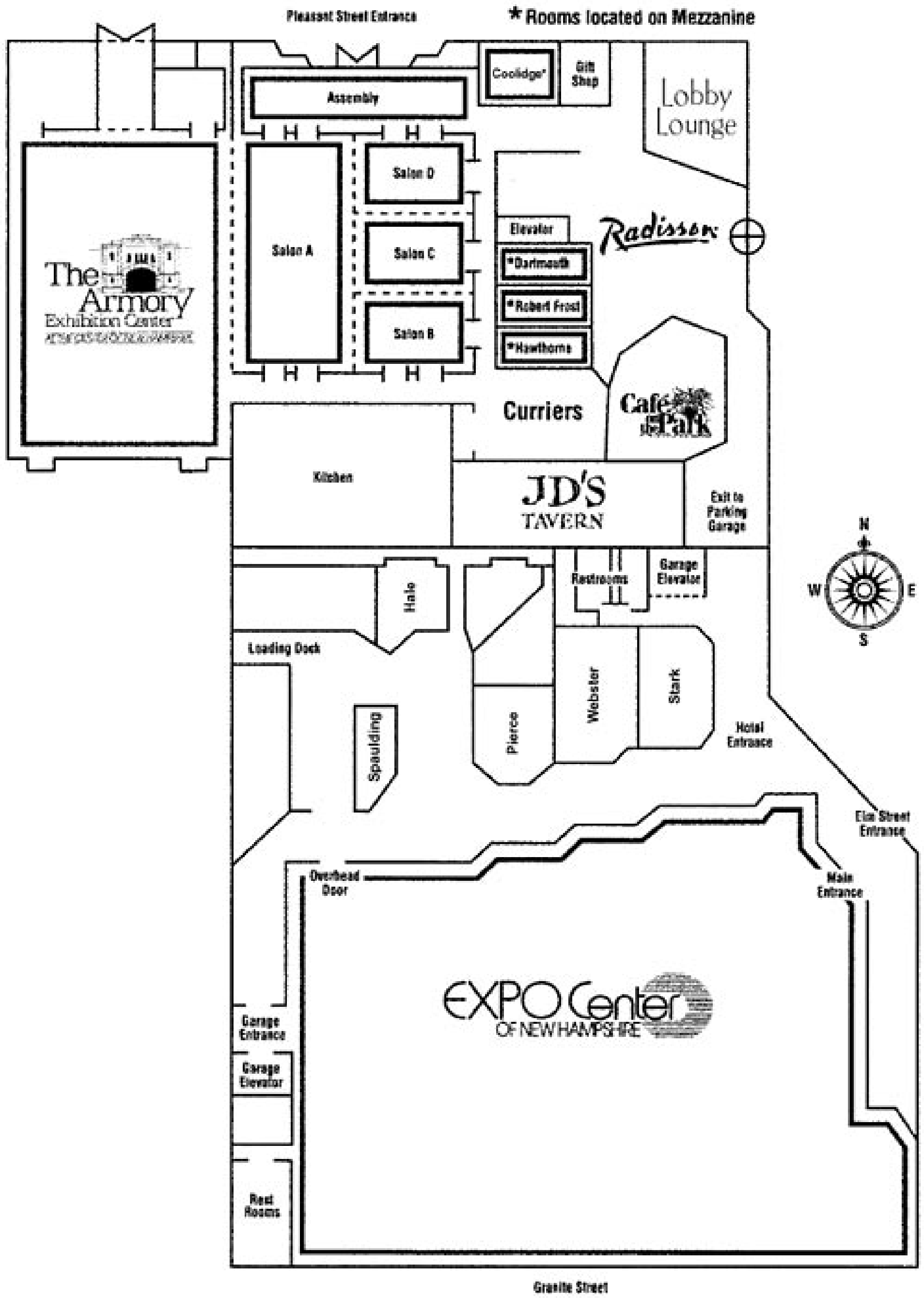
- 60,000 square feet of exhibition space,
- 15,000 square feet of ballroom space,
- 12,000 square feet of meeting space, and
- A 400-room full-service hotel.

Existing Facility Program

The Radisson Hotel and Convention Center, originally built in 1984 as a Holiday Inn, converted to the Radisson brand in 2004. JPA of Boston owns and operates the facility. The attached Center of New Hampshire Expo Center, which serves as the exhibit hall originally functioned as a retail mall that folded in the early 1990s. Since 1994 the facility has not undergone any significant renovations. Currently a business center is under construction and plans call for renovation of the meeting space, including replacing curtains and replacing floor tiles with carpet.

Figure 6-1 shows the current floor plan of the Radisson.

Figure 6-1
Existing Facility Floor Plan



Source: Radisson Hotel and Convention Center

The Expo Center sits on the south end of the complex, over the underground parking garage along with a number of adjacent meeting rooms, which were also originally part of the retail mall. On the north end of the complex, a full-service catering kitchen serves an 8,100 square foot ballroom, which is divisible into four sections. The historic Armory connects to the ballroom but is a half level higher than the ballroom and connected by a short flight of stairs. A long assembly hall connects the main lobby to both the ballroom and Armory. Loading docks are located on the northwest side of the Expo Center and the north side of the Armory.

Table 6-1 summarizes the existing building program at the Radisson.

Table 6-1
Existing Facility Program

Meeting Rooms		
	Coolidge	532
	Dartmouth	891
	Frost	702
	Hawthorne	702
	Stark	938
	Webster	1,058
	Pierce	774
	Spaulding	420
	Hale	644
	CEO	442
	Suite 301	961
Ballroom		
	Salon A	4,080
	Salon B	1,344
	Salon C	1,344
	Salon D	1,344
Armory		11,700
Expo Center		29,480

Source: Radisson Hotel and Convention Center

A total of 11 meeting rooms total 8,064 square feet and a ballroom, divisible into four sections, totals 8,112 square feet. The Armory, which can function as a ballroom or exhibit hall, totals 11,700 square feet, while the Expo Center, a true exhibition hall totals 29,480 square feet.

Facility Issues

The Radisson Hotel and Convention Center has served as the largest convention center in New Hampshire since the early 1990s, hosting events ranging from small corporate meetings to larger tradeshows, and consumer shows. HVS evaluated the various types of space based on our tour of the convention center, interviews with facility managers, and feedback from industry participants and facility users.

Exhibition Space

Since it was not purpose built, the Expo Center lacks the organization and amenities normally found in an exhibit hall. See Figure 6-2.

Figure 6-2
Expo Center

Source: HVS

Twelve columns, a low ceiling height, lack of divisibility, inadequate loading capacity, substandard access to utilities, and poor lighting make it less than desirable to some event planners. In addition, the hall suffers from roof leaks due to the slanted roof design. The prefunction area (formerly mall space) is substandard with respect to their finishes and public access to it is not easily controlled. Despite its limitations, with 29,480 square feet of function space, capacity for 210 booths, a nearby kitchen, direct access to a parking garage and the fact that it is the largest exhibit space north of Boston, the Expo Center manages to attract significant demand.

In contrast to the Expo Center, the Armory can function as ballroom space or exhibit space. An historic building, the Armory features hardwood floors, wooden ceiling trusses and brick wall finishes. Although not typical of most ballrooms, the finishes create a unique an inviting atmosphere. A single loading dock to the north of the building allows for loading directly onto the floor, and the kitchen is proximate to the hall. This unique space, with direct access to the street and pre-function area (which it shares with the ballroom), appeals to a number of event planners due to its historic character. However, some event planners indicate that poor acoustics and its dated feel leaves them disappointed.

Ballroom Space

The ballroom, directly east of the Armory features a carpeted floor and a permanent dance floor in the center of the room. With 8,112 square feet, divisible into four sections, the ballroom can host 50 booths. The kitchen serves the ballroom through back of house service corridors. The ballroom is often used in conjunction with the Armory. Typically one area hosts a reception, while the other hosts a dinner; or for larger shows, both may be used as exhibit space, even though the two spaces are not on the same level and moving between the two rooms requires use of a short flight of stairs.

Meeting Space

One set of meeting rooms sits adjacent to the Expo Center, in the former mall area. Access to these meeting rooms requires walking directly pass the Expo Center, creating public traffic flow problems. A second meeting room block is located on the second floor of the facility, accessible from a staircase in the main lobby. These meeting rooms, of higher quality, are often sold as a package with the Armory and ballroom due to their proximity to these facilities. However, the Radisson's approach to selling certain facilities as a block, while it may benefit booking strategy, limits event planners' options.

Existing Facility Conclusion

Although the Radisson currently accommodates a large portion of regional and local demand, a number of event planners find the facilities less than desirable. The quality, size and logistics of the existing facilities deter a number of event planners from using the Radisson, limiting the demand potential of the existing facility.

Recommended Facility Program

HVS recommends an expansion of the Radisson or a new built convention center in order to better suit current and potential demand. If an expansion is undertaken, the current facilities of the Radisson need significant renovation to comply with industry standards and to blend well with the expanded facilities.

Exhibition Space

HVS recommends 60,000 square feet of contiguous, single-level exhibition space as shown in Table 6-2.

Table 6-2
Recommended Manchester Convention Center Exhibition Space

Divisions	Square Feet
A	20,000
B	20,000
C	20,000
Total Area	60,000

User surveys indicate that a 60,000 square foot exhibit hall could accommodate approximately 78 percent of all event demand, while a 40,000 square foot exhibit hall could accommodate approximate 68 percent of all event demand. While the Radisson currently offers a total of 40,000 square feet of exhibit space, the non-contiguous, non-adjacent exhibition halls are insufficient for a significant percentage of users who require 30,000 to 40,000 square feet of exhibit space. Therefore, less than 68 percent of event planners surveyed are actually accommodated by the 40,000 square feet of exhibit space at the Radisson. The remaining 24 percent of events that require more than 60,000 square feet of exhibit space, is, for the most part, large conventions and tradeshows, who would not fall within the proposed Manchester Convention Center's target market.

Ballroom Space

HVS recommends a 15,000 square feet ballroom as shown in Table 6-3.

Table 6-3
Recommended Manchester Convention Center Ballroom Space

Divisons	Square Feet
A	1,875
B	1,875
C	1,875
D	1,875
E	1,875
F	1,875
G	1,875
H	1,875
Total Area	15,000

Data from user surveys indicate that approximately 83 percent of all events require seating capacity for 1,000 persons or less. A 15,000 square feet ballroom, with banquet capacity for 1,200 or reception capacity for 1,500 people, would have the ability to host a majority of events requiring ballroom space.

Meeting Rooms

The meeting space needs to be highly flexible, and thus HVS recommends three meeting room blocks with a total of 12,000 square feet of meeting space as shown in Table 6-4.

Table 6-4
Recommended Manchester Convention Center Meeting Space

		Square Feet
Total Block 1		3,000
Divisions		
	A	750
	B	750
	C	750
	D	750
Total Block 2		3,000
Divisions		
	A	750
	B	750
	C	750
	D	750
Total Block 3		3,000
Divisions		
	A	750
	B	750
	C	750
	D	750
Total Block 4		3,000
Divisions		
	A	750
	B	750
	C	750
	D	750
Total		12,000

The four meeting room blocks should be 3,000 square feet each, divisible into four 750 square foot rooms. The ratio of meeting and ballroom space to exhibit space is important because conventions and certain tradeshows require the simultaneous use of exhibit, ballroom and meeting space. Data from user surveys indicate that 75 percent of all events require between zero and 16 meeting rooms. HVS anticipates that the demand for events in Manchester will be relatively meeting space intensive, as consumer shows require little or no meetings space, but demand from conventions and tradeshows require significant break-out space.

Hotel

In order to attract greater demand, the facility needs to offer enough hotel rooms to accommodate most, if not all, attendees. HVS survey results indicate a need for a full-service headquarter hotel with a significant number of guest rooms. The mean number of guest rooms preferred among survey respondents was 440 rooms, with the Radisson currently offering a room block of 200 rooms. Additionally, a number of key informants revealed that they use guest rooms at the Radisson, as well as one or two other hotels in Manchester to accommodate all attendees. Therefore, in conjunction with the convention center, HVS strongly recommends a 400-room full-service hotel.

Conclusion

HVS recommends an expansion (including a renovation of existing facilities) or a new build to enable the City of Manchester to attract and retain a significant portion of the regional and local market. The total package HVS recommends, whether it is implemented through an expansion, or with a new building, is 60,000 square feet of exhibition space, 15,000 square feet of ballroom space, 12,000 square feet of meeting space and a 400-room full-service hotel.

7. Site Selection

HVS evaluated potential sites for a new/expanded convention center facility and selected a preferred site. HVS began the site selection process by identifying a range of potential sites in Manchester. The entire site must be available and, ideally, underutilized to minimize the number of existing business relocations. This analysis produced six potential sites, as shown in Figure 7-1.

- Site A – Pearl Street
- Site B – Arms Park
- Site C – Pleasant Street
- Site D – Sheldon Plaza
- Site E – E&R Block
- Site F – Rockwell

Figure 7-1
Potential Sites Key Map

Source: Google Earth, HVS

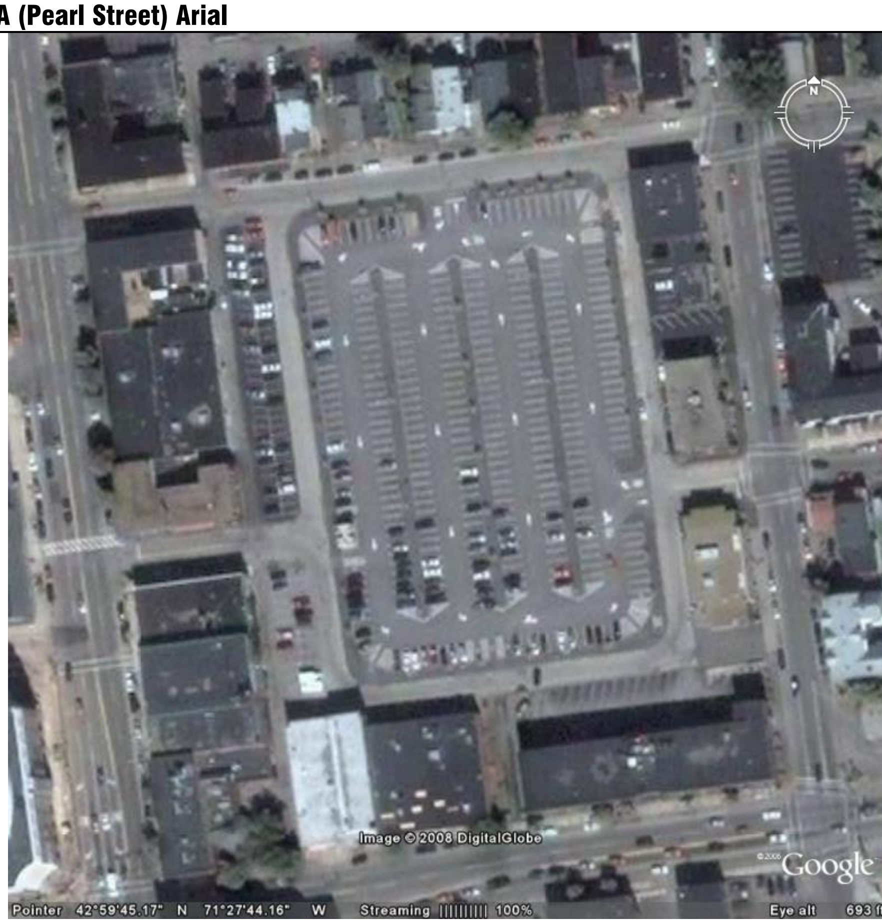
The yellow outline represents the current facility, the "Radisson". Site A sits due north of downtown Manchester in a more residential area, while Site B, on the Merrimack River, sits north east of downtown. Both Site C and Site D lie adjacent to the Radisson, while Site E, across from the Verizon Wireless Arena, sits one block south of the Radisson. Site F is south, toward the end of downtown Manchester.

HVS described all six sites under consideration in greater detail below.

Site A

The City of Manchester Traffic Department owns the 2.82 acre Pearl Street Site, ("Site A"), a parking lot between Orange Street, Chestnut Street, Elm Street and Bridge Street. An arial view of the site is shown in Figure 7-3.

Figure 7-2
Site A (Pearl Street) Arial



Source: Google Earth

Small retail and office outlets surround Site A on the east, west and south. Pearl Street, running east/west provides access to the south side of Site A. Just north of the downtown area, lies a neighborhood of small office buildings and small old houses converted to apartments. In 2005, Site A was valued at $403,300.

Figure 7-2 shows one side of Site A with apartments in the background.

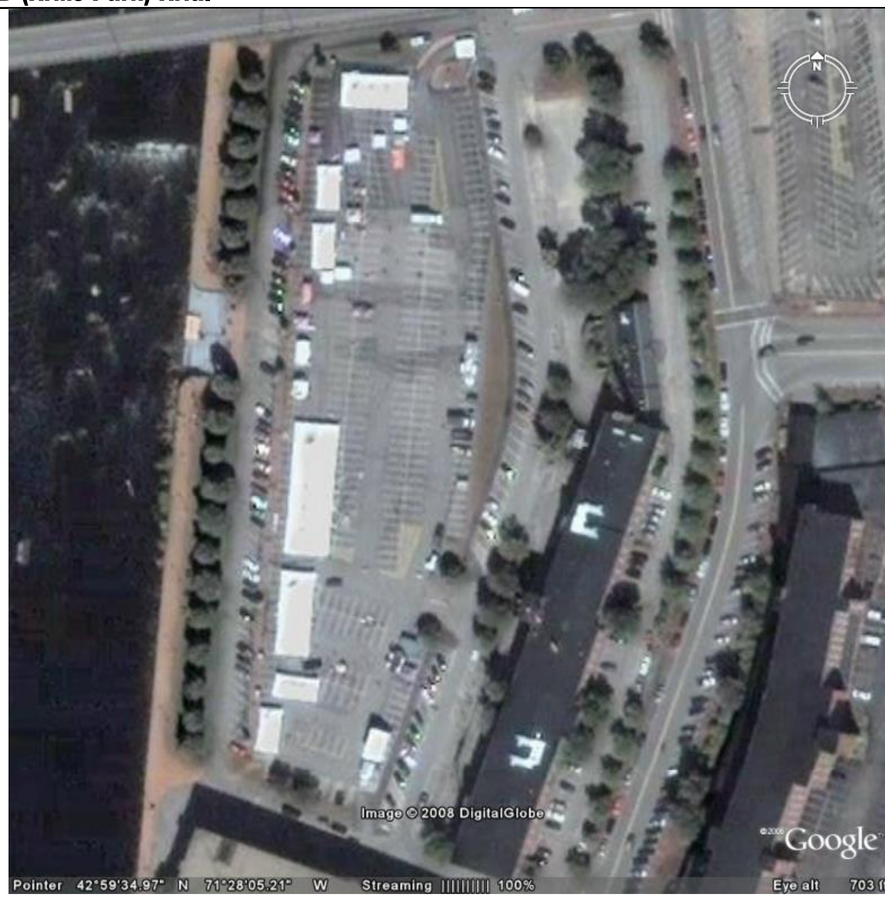
Figure 7-3
Site A (Pearl Street) Photo

Source: HVS Photo

Site B

The Merrimack River on the west, Arms Street on the east, W. Bridge Street on the north and Stark Street on the south, bounds Arms Park ("Site B"). It sits behind a 2.4-acre mill building, the University of New Hampshire owned Dunlap Center. Figure 7-5 shows an arial view of the site.

Figure 7-4
Site B (Arms Park) Arial



Source: Google Earth

Mill Buildings, most of which is office space, and some of which is retail, sit within the immediate vicinity of Site B. Located north and west of downtown, the City of Manchester Parks and Recreation owns the 4.32-acre site. In 2005, it was valued at $915,900. Figure 7-4 shows one of the mill buildings near Site B.

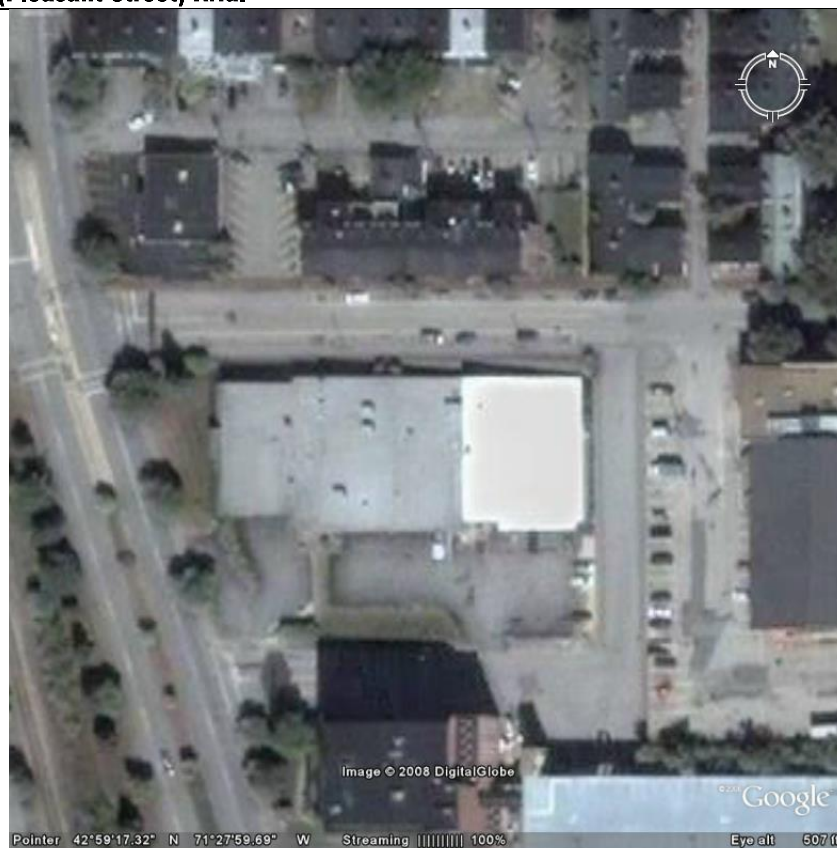
Figure 7-5
Site B (Arms Park) Photo

Source: HVS Photo

Site C

The Pleasant Street Site, ("Site C") sits west of the Radisson, down the hill on Pleasant Street towards Canal Street. Canal Street on the west, Pleasant Street on the north, and West Central Street on the south bounds the site. An arial view of the site is shown in Figure 7-7.

Figure 7-6
Site C (Pleasant Street) Arial



Source: Google Earth

The land area of Site C is 1.29 acres, while the gross building area is 51,057 square feet. 215 Canal Street LLC owns the facility. The loading/delivery access area for the Radisson sits directly on the east side of Site C.

A two-story commercial warehouse, built in 1955 currently stands on Site C, as shown from the south side of the site in Figure 7-6. Interior flooring includes both carpeting and finished concrete, while interior walls are minimal masonry with a drywall/sheet wood frame.

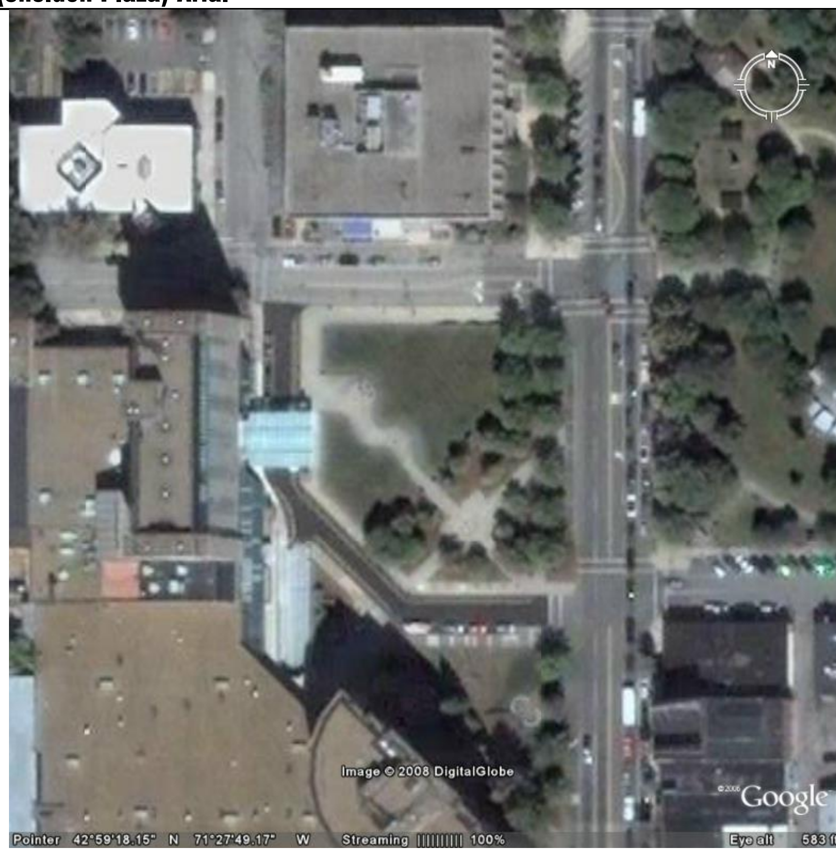
Figure 7-7
Site C (Pleasant Street) Photo

The facility, with central air, features an exterior siding of pre-finished metal with a flat tar and gravel roof. The site, including the building, has a current valuation of $1,180,500; it was sold in 2003 for $1,125,000.

Site D

Stanton Plaza ("Site D") sits in front, or east, of the Radisson's entrance. See Figure 7-9.

Figure 7-8
Site D (Sheldon Plaza) Arial



Source: Google Earth

The site sits north of the office building, connected to the west side of the Radisson, bounded by Elm Street on the west and Pleasant Street on the north. The City of Manchester owns the 0.90-acre property. The current total valuation is $298,200.

Referred to as Sheldon Plaza, Site D serves as public space and provide pedestrian access to the Radisson, as shown below in Figure 7-8.

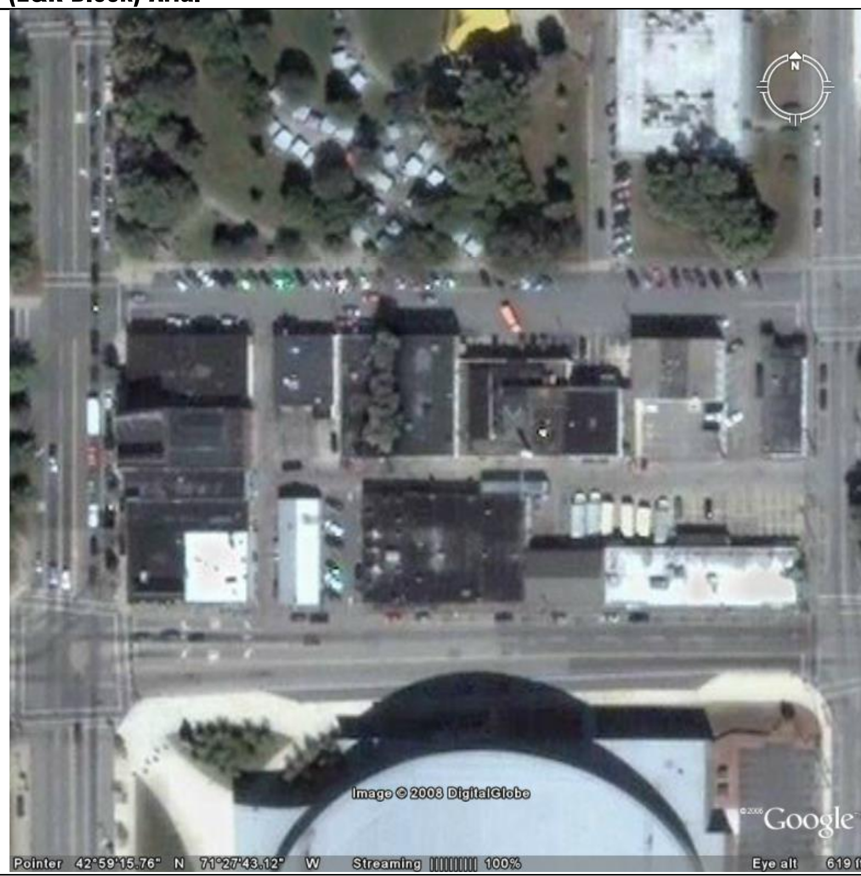
Figure 7-9
Site D (Sheldon Plaza) Photo

Source: HVS Photo

Site E

The E&R Block ("Site E"), approximately 3.0 acres, sits across from the Verizon Wireless Arena on Lake Avenue. Figure 7-11 shows an arial view of the site.

Figure 7-10
Site E (E&R Block) Arial



Site E splits into three sections with Manhattan Lane cutting behind the east section of the block and Litchfield Lane cutting between the north and south sections of the block. Lake Avenue on the south, Chestnut Lane on the east, Central Street on the north and Elm Street on the west, bounds the entirety of the block. The Radisson sits directly across Elm Street from Site E.

Site E contains twelve separate parcels, all retail outlets. E & R Laundry and Dry Clean Inc. own two of the larger parcels. A photo of the site is shown below in Figure 7-10.

Figure 7-11
Site E (E&R Block) Photo

Source: HVS Photo

Site F

Site F, with total land area of 10.74 acres, is roughly one block south of the Verizon Arena. An arial view of the site is presented below in Figure 7-13.

Figure 7-12
Site F (Rockwell) Arial

Source: Google Earth

W. Auburn Street on the north, Elm Street on the east, S. Bedford Street on the west and additional parcels of land, including an auto repair shop, on the south bound Site F. On the other side of Elm Street sit a number of retail outlets and office buildings.

460 Elm Street Realty LLC owns "Site F", which houses the Rockwell Automation industrial building, shown in Figure 7-12.

Figure 7-13
Site F (Rockwell) Photo

Source: HVS Photo

Built in 1962, the one-story building's area totals 124,776 square feet. The property sold in 2005 for $5,600,000. The exterior walls are steel/brick veneer, the interior walls are masonry and drywall/sheet, while flooring is vinyl/asphalt and carpet.

Site Size Constraints

Table 7-1
Site Acreage

Site	Acreage
Site A	2.82
Site B	4.32
Site C	1.29
Site D	0.90
Site E	3.00
Site F	10.74

Site F is the largest parcel with 10.74 acres of land. Site B offers roughly half of that with 4.32 acres, while Site E totals 3.00 acres. Site A is only slightly smaller at 2.82 acres. Both Site C and Site D, the two sites adjacent to the Radisson, have the smallest acreage at 1.29 and 0.90 acres, respectively.

The sites vary significantly in size and location leading to two main development options. Sites C and D would work well in conjunction with the existing Radisson, while Sites A, B, E and F, while larger than Sites C and D, would require a hotel and convention center development.

Potential Acquisition Costs

Potential acquisition costs also play a large factor in site selection. Although HVS does not have data on the acquisition costs of the sites, we analyzed the historical land valuations to gain a broad understanding of potential acquisition costs.

In 2006, Governor John Lynch signed into law article 12-a [Power To Take Property Limited] that "No part of a person's property shall be taken by eminent domain and transferred, directly or indirectly, to another person if the taking is for the purpose of private development or other private use of the property." Therefore, the City of Manchester must purchase any land for this project. A privately owned site can only be acquired from a willing seller potentially increasing the cost of site acquisition or making certain privately-owned sites unobtainable. A summary of the acquisition costs are below in Table 7-2.

Table 7-2
Historical Land Valuations

Site	Valuation (2005)	Selling Price	Owner
Site A	$403,300		Public
Site B	$915,900		Public
Site C	$1,180,500	$1,125,000 (2003)	Private
Site D	$298,200		Public
Site E			Multiple Private
Site F	$5,357,200	$ 5,600,000 (2005)	Private

Source: Manchester GIS

The City of Manchester owns Sites A, B and D. Site C is privately owned and was sold for $1,125,000 in 2003, while it was valued in 2005 at $1,180,500. A number of tenants own Site E, while E & R Laundry and Dry Clean Inc. own two of the larger parcels. Site F was sold in 2005 for $5,600,000, while the valuation in 2005 was $5,357,200. While these figures give some guidance as to the potential costs of purchasing the sites, these are not actual acquisition costs or estimates of acquisition costs and thus should not be misinterpreted as the real or estimated cost of acquiring these sites.

Site Selection

HVS developed a list of evaluation criteria to use in assessing the relative strengths and weaknesses of the various sites. The evaluation criteria include issues concerned with:

- Site capacity and characteristics,
- Access and transportation,
- Neighborhood adjacencies,
- Destination appeal, and
- Financial considerations.

HVS developed a list of 23 site criteria in the abstract, prior to any specific site analysis. HVS used the original criteria to develop a site evaluation matrix specifically tailored to review the potential sites in Manchester. Before we selected the sites to evaluate, HVS looked at the sites under consideration for any potential fatal flaws. The NHANG Armory was immediately removed from potential sites because of its distance from the downtown core. Additionally, the condominium site was eliminated due to the expected difficulties in acquiring the property and converting it to a functional hotel and convention center.

HVS evaluated the remaining sites against each of the 23 site criteria using a three-tiered compliance grading structure:

- High conformity,
- Medium conformity, and
- Low conformity.

HVS then weighted the site criteria based on our analysis of the importance of each site criteria on the site selection decision for the proposed project. HVS used a three-tiered weighting structure:

- High importance,
- Medium importance, and
- Low importance.

Table 7-3 shows the HVS site evaluation matrix.

Table 7-3
Site Evaluation Matrix

Site Characteristics	*Weight**	Site A Pearl Street	Site B Arms Park	Site C Pleasant Street	Site D Stanton Plaza	Site E E&R Block	Site F Rockwell
Site Capacity & Characteristics							
Capacity to Accommodate Proposed Project	*3*	3	3	3	2	3	3
Capacity to Accommodate Performing Arts Venue	*2*	3	3	3	1	3	3
Potential for Expansion	*3*	3	3	2	1	2	3
Zoning Compliance	*2*	tbd	tbd	tbd	tbd	tbd	tbd
Access & Transportation							
Ease of Traffic Flow	*2*	2	2	3	3	3	3
Access to Airport	*2*	3	3	3	3	3	3
Access to Public Transportation	*1*	2	2	3	3	3	3
Access by Trucks with Minimal Traffic Impact	*3*	2	2	2	1	2	3
Neighborhood Adjacencies							
Compatibility with Adjacent Uses/Neighborhood Impact	*3*	2	2	3	1	3	1
Proximity to Existing Parking 1	*3*	1	1	3	3	3	2
Proximity to Existing Hotel Rooms 2	*3*	2	2	3	3	3	1
Proximity to Shopping/Entertainment/Restaurants	*3*	2	2	3	3	3	1
Potential for Related Development	*2*	1	2	3	3	3	1
Destination Appeal							
Aesthetic Image and Attractiveness	*2*	2	3	2	1	2	2
High Degree of walk-ability	*3*	2	2	3	3	3	1
Security - Lack of Crime	*1*	2	2	2	2	2	2
Financial Considerations							
Potential Site Acquisition Cost 3	*3*	3	3	2	3	1	2
Ability to Gain Control of Site	*3*	2	2	2	3	1	2
Need to Build or Replace Parking	*2*	1	1	3	3	2	3
Relative Ease of Construction	*1*	3	2	2	1	3	3
Leverage Existing Assets (Expansion vs. New Build)	*3*	1	1	3	3	2	1
Success of Financial Operations	*3*	1	1	3	3	2	1
Impact on Financial Operations of Existing Hotels	*3*	1	1	3	3	1	1
Un-Weighted Total Score		**44**	**45**	**59**	**52**	**53**	**45**
Weighted Total Score		**106**	**109**	**146**	**130**	**127**	**104**

* Weighted by Importance of Criteria High Importance = 3, Average Importance = 2, Low Importance = 1 (As weighted by HVS)

Notes

[1] Parking proximity is evaluated with strongest compliance denoting a contiguous connection.
[2] Full conformance sites have 300 or more rooms within a 5 minute walking radius.
Minimal conformance sites have 100- 300 rooms within a 5 minute walking radius.
Non-conformance sites have 100 rooms within a 5 minute walking radius.
[3] Sites are ranked relative to one another.

Scoring Key
High Conformity = 3
Medium Conformity = 2
Low Conformity = 1

With un-weighted totals, Site A scored the lowest among all sites, followed closely by Site B and Site F, all three of which are significantly distant from downtown Manchester. After HVS weighted all criteria according to importance, Site F resulted in the lowest ranking, followed by Site A and Site B. Site C, adjacent to the Radisson, scored highest in both the un-weighted and weighted scores, followed by Site D and Site E. Although the rankings did change slightly with weighted site criteria, the overall consistency in the groupings of the higher and lower scoring sites indicates that the Site Evaluation Matrix results are robust. Therefore Site C, scoring considerably higher than all other sites, emerges as the preferred site by HVS.

The three sites furthest from downtown, Site A, Site B, and Site F, scored the lowest. Site A offers the ability to create a bookend on the north end of Main Street, opposite of the Verizon Wireless Arena, which acts a bookend on the south end of downtown. While this would allow for the growth of commercial interest to stretch further north, Site A is quite a distance from the downtown core and thus development may be strained. Site B is the largest site the city currently controls. The riverfront location creates a unique feel, however, while within walking distance of the downtown core, it does not offer a concentration of assets. Site F offers the largest building site and the possible creative reuse of an existing structure. The site is large enough for needed infrastructure, however, while it is within walking distance of downtown, it is remote when compared to the other sites. Additionally this site has been slated for a potential future transportation mixed-use development.

While Sites A, B and F offer greater potential for expansion due to the large initial size and the possibility of purchasing adjacent land for future expansions, they fall significantly short in the Site Evaluation Matrix compared to the other sites. Their distance from the downtown core, which HVS deemed of high importance, limits the neighborhood adjacencies and destination appeal factors. Additionally Site A and Site B will remove parking spaces that are currently in daily use creating significant lost parking revenue. The need for a new infrastructure including both a convention center and hotel, and possibly additional parking, on all three sites not only increases costs and limits financial feasibility, but also creates a significant negative financial impact on existing assets, especially the Radisson.

Scoring relatively high to the before mentioned sites, Site E presents an opportunity to locate the convention center and future performing arts facilities on the same site, although it would need superior planning. In addition, this site abuts the Verizon Arena in the downtown core, creating the greatest potential to concentrate public assets and create the critical mass needed for urban renewal. However, the potential acquisition costs, difficulty in obtaining control of the site due to the divergent ownership, and the need to build both a convention center and hotel on the site, considerably decrease the viability of the site for the proposed project.

Both Site C and Site D work well in conjunction with the Radisson, leading to their high scores in the Site Evaluation Matrix. However, this smaller scale development will need to be undertaken with the Radisson acting as the anchor. This option is not within the control of the city requiring the cooperation of the Radisson. These two sites allow for the concentration of assets, creating the density need for retail and restaurants to thrive, however they would be landlocked with little potential for future expansions. Site D would require eliminating public space, deterring the Radisson's front entrance and would eliminate any potential expansion or additional infrastructure. Site C, the preferred site as determined by HVS, still inhibits expansion and accessibility by trucks, while it may not offer the cheapest acquisition cost or construction costs. However, its location, size and the minimal negative impact it would create on the neighborhood and existing assets, results in its strong score against other sites.

The importance of certain factors can be weighted by each individual, or the committee as a whole, in order to determine the preferred site. Nonetheless, with our robust Site Evaluation Matrix results, it is likely that results will remain very similar even with different weights.

8. Event Demand

Introduction

HVS forecast the event demand for the proposed Manchester Convention Center ("MCC") for a ten-year period. For the purposes of this analysis, HVS assumes the proposed MCC will open on January 1, 2011 and operate on a calendar year. These projections are based on an analysis of the local area market, review of competitive venues, and research on comparable properties.

The demand forecast presented herein reflects the building program recommended by HVS. This building program could be implemented on and around the existing Radisson site or on one of the other preferred sites discussed in this report. Additional physical concept planning (which is beyond the scope of this study) would determine the actual size and configuration of the recommended program and changes in the building program could have a material impact on this forecast of demand.

Event Demand Analysis

Convention center event demand is typically measured by the number of events and the level of attendance at those events. HVS based its convention center demand projections on several sources of information and analysis including:

- Analysis of market demand indicators,
- Surveys and interviews with event planners,
- Comparative analysis of the Manchester market to a set of peer markets, and
- The actual event demand and financial performance of comparable convention center facilities.

Unfortunately, historical event demand at the Radisson, which would have been a valuable source of information in forecasting future demand, was not made available to us for this study.

Demand Indicators

HVS generates our demand projections based on key findings in our market research, trends in the industry, event planner surveys and interviews, and our analysis of comparable projects in other markets. The matrix in Table 8-1 summarizes how the proposed MCC compares with respect to several important indicators convention center event demand.

Demand indicators can be classified into five broad categories, as follows:

- Market Area Factors,
- Industry Trends,
- Sales and Management Approach,
- Meeting Planner Perceptions, and
- Facility Physical Specification.

Table 8-1 summarizes 32 key evaluation factors that have implications for demand potential at the proposed MCC. The matrix indicates whether each factor is likely to have a positive, neutral, or negative effect on demand potential at the proposed facility.

Table 8-1
Summary Matrix of Demand Indicators

Indicator	Implication for Event Demand			Result / Comment
Market Area Factors	High	Medium	Low	
Demographic Trends		★		Significant population growth (1.1% CAGR from 2000-2007); average household income of $65,652 below county and state average
Corporate Presence			★	Limited corporate presence in local area, but some medical presense with the nearby Eliot Hospital and Catholic Medical Center
Tourism Infrastructure			★	Event planners who responded to the survey scored Manchester a 2.3 out of 4.0 for recreation, tourism and cultural activities
Transportation Infrastructure	★			Excellent highway and road transportation; convenient air service
Local Competition	★			No significant local convention center competition
Regional Competition			★	Boston overshadows Manchester
Industry Trends				
Demand Trends		★		A steady, but slow recovery in industry demand during past four years. Current economic conditions threaten future growth
Supply Trends			★	Substantial supply growth nationally and regionally
Emerging Industry Trends		★		Manchester lacks the growing competitive advantage of surrounding amenities, including hotels, restaurants and shopping
Travel Trends	★			Forecasted 5.2% increase from 2007 to 2008 in total U.S. travel expenditures. Current economic conditions and fuel prices may theraten near-term growth.
National Economic Trends			★	Slowing GDP growth; credit tightening; many economists suspect the U.S. economy is currently in a recession
Sales and Management Approach				
Staff Organization		★		The proposed management and staff orgnization should minimize personnel expenses
Sales Staff Level		★		The proposed sales team and staffing levels are typical
Target Market		★		Marketing efforts should focus on regional conventions, tradeshows, and consumer shows
Integration of Services	★			The proposed operating structure should minimize costs
Historical Performance	★			The Radisson's historical customer base should provide some leverage for the new facility
Marketing Resources		★		HVS assumes sales and marketing efforts will be adequately funded

Source: HVS

Table 8-1 (continued)
Summary Matrix of Demand Indicators

Meeting Planner Perceptions				
Ability to Attract Attendees			★	In HVS survey event planners gave a low average score (2.1 of 4.0) for its ability to attract attendees.
Destination Appeal			★	Event planners who responded to the survey scored Manchester a 2.2 out of 4.0 for destination appeal
Dining & Entertainment		★		Lack of restaurants and bars in Manchester; the Verizon Wireless Arena provides entertainment
Hotel Room Rates	★			Hotel rates are low for the region.
Quality of Hotel Rooms			★	Lack quality full service hotels, but limited service properties have standard quality.
Perceived Safety	★			Event planners who responded to the survey scored Manchester 3.0 out of 4.0 for safety
Perceived Cleanliness	★			Event planners who responded to the survey scored Manchester 3.0 out of 4.0 for cleanliness
Event Planner Knowledge of Manchester		★		52% of survey respondents said they are not knowledge of Manchester as a destination for meetings and conventions
Facility Physical Specifications				
Building Condition and Quality	★			HVS assumes the facility will be state of the art
Overall Size of Facility	★			The proposed facility is appropriately sized for the potential demand
Ability to Service Simultaneous Events		★		HVS assumes layout would allow for flexibility and simultaneous use
Mix of Spaces		★		Mix of spaces is appropriate and consistent with industry standards
Parking		★		HVS assumes adequate parking at a new or renovated facillity
Travel Costs	★			Travel costs in area are modest, compared to other New England cities
Hotel Supply			★	Currently supply is a disadvantage; the proposed hotel would accommodate a majority of convention center demand

Source: HVS

Based on 32 key demand indicators, Manchester demonstrates potential for attracting state and regional conventions, tradeshows, and local consumer shows. The indicators show little evidence of the ability to attract national events. There may also be demand for some assemblies and banquets if the facility offers competitive rates and a relatively high level of finish in dedicated meeting and banquet spaces. Eleven demand indicators show positive implications for demand at the proposed MCC; fifteen have neutral implications for demand and nine have negative implications for demand. Certain negative factors, such as supply growth in the industry and strong regional competition, cannot be addressed locally. But other factors that are currently negative, such as hotel supply and event planner knowledge of Manchester and destination appeal, could be addressed in the future with the proposed MCC and related development and marketing efforts.

Demand Projections

The information revealed in the market overview, industry trends review, analysis of comparable facilities, key informant interviews, and event planner surveys indicates that the proposed MCC could generate significant event demand if properly marketed and professionally managed.

The proposed MCC would host a variety of events including conventions and tradeshows, consumer shows, banquets, and a small number of assemblies. Based on discussions with the city of Manchester, HVS understands that an aggressive management and marketing strategy would be employed to target the most appropriate conventions, tradeshows, and consumer shows in New Hampshire and surrounding New England areas.

Although the management team has not yet been determined, HVS assumes that either an experienced and qualified third-party operator will be selected by the facility owner. A skilled team of sales professionals will be required to successfully market a facility of this size. Specifically, HVS recommends a primary marketing focus on conventions and tradeshows with a secondary focus on statewide or local consumer shows. These two event categories will represent the majority of event demand and revenue potential for the facility.

HVS has organized event demand into the following basic event categories. These four event categories are generally consistent with event demand tracking at national and regional convention centers throughout the United States.

- **Conventions and Tradeshows** – events that require the use of exhibition, banquet, and meeting spaces. These are typically multi-day events that focus on the exchange of information or products between delegates. Many conventions and tradeshows also utilize banquet and meeting spaces. These events typically are closed to the public and focus on business exchanges between industry buyers and suppliers.

- **Consumer Shows** – events that require the use of exhibition space. Some consumer shows utilize a small amount of meeting space as well. These events are open to the public and generally charge an admission fee. Consumer shows generally are focused on the exchange of goods or services between vendors and local area consumers.

- **Banquets** – events that use ballrooms or other banquet space to host a meal function. These events generally last a few hours and require the use of a catering kitchen and food service staff. Examples include reunion dinners, fundraisers, award banquets, holiday parties, and wedding receptions. The proposed MCC would most likely host those banquets that are too large for the current Radisson ballroom capacities.

- **Meetings** – meetings include training seminars, professional and technical conferences, sales meetings, shareholder events, product introductions, and management meetings. Attendance ranges up to 100, with an average of approximately 50 persons. Space requirements are usually for the meeting room blocks but larger meetings such as shareholder events may use ballroom or exhibition space.

- **Assemblies** - events that either use ballroom or exhibit space to serve local social groups, corporations, and institutions. These events typically have shorter booking periods than conventions, tradeshows, and consumer shows and generate food and beverage revenue.

Conventions and tradeshows often represent an opportunity to generate substantial economic impacts for a community because they attract delegates and exhibitors from out of town. Consumer shows generally serve the local resident population, but can enhance a community's sense of identity, increase the quality of life for local residents, and generate activity in the neighborhood where the host facility is located. Consumer shows and other local events typically generate small to moderate levels of economic impacts for a community. Banquets and assemblies also serve local social groups, institutions, and corporations. Consequently, they tend to generate only modest economic impacts as well. However, these events can be profitable for the facility, especially if food and beverage services operate efficiently.

Table 8-2 shows event demand projections for the proposed convention center for calendar years 2011 through 2015.

Table 8-2
MCC Projected Events and Attendance (CY 2011-2015)

	2011	2012	2013	2014	2015
Events					
Conventions & Tradeshows	12	16	18	20	20
Consumer Shows	16	18	20	20	20
Banquets	40	45	50	50	50
Meetings	135	143	150	150	150
Assemblies	8	9	10	10	10
Total	211	231	248	250	250
Average Attendance					
Conventions & Tradeshows	600	600	600	600	600
Consumer Shows	3,500	3,500	3,500	3,500	3,500
Banquets	125	125	125	125	125
Meetings	50	50	50	50	50
Assemblies	1,000	1,000	1,000	1,000	1,000
Total Attendance					
Conventions & Tradeshows	7,200	9,600	10,800	12,000	12,000
Consumer Shows	56,000	63,000	70,000	70,000	70,000
Banquets	5,000	5,625	6,250	6,250	6,250
Meetings	6,750	7,150	7,500	7,500	7,500
Assemblies	8,000	9,000	10,000	10,000	10,000
Total	82,950	94,375	104,550	105,750	105,750

Source: HVS International

HVS assumes that event demand and attendance will stabilize in calendar year 2014 with approximately 250 total events. Local and state consumer shows generate the majority of attendance, but convention & tradeshows and meetings will generate the majority of the potential out of town visits and room night stays.

Comparison of Comparable Venues to HVS Forecast

Consistent with the relative size of the venue and the local area market, the proposed MCC would generate lower than average attendance at conventions and trade shows as compared to its peers. Table 8-3 compares the HVS event and attendance forecast for the proposed MCC for a stabilized year of demand (2014) with the average of the peer venues.

Table 8-3
Comparison of Comparable Venues to HVS Forecast

	Average of Peers	Subject Property
Number of Events		
Conventions & Tradeshows	23	20
Consumer Shows	18	20
Banquets	73	50
Meetings	154	150
Assemblies	13	10
Total	291	250
Average Attendance		
Conventions & Tradeshows	1,176	600
Consumer Shows	4,456	3,500
Banquets	455	125
Meetings	218	50
Assemblies	58	1,000
Overall Average	930	423
Total Attendance		
Conventions & Tradeshows	20,572	12,000
Consumer Shows	77,489	70,000
Banquets	22,385	6,250
Meetings	24,379	7,500
Assemblies	4,170	10,000
Total	159,784	105,750

Sources: Respective Venues and HVS

Although, the MCC is expected to generate a comparable number of conventions, tradeshows, and consumers shows, HVS forecast that these events will have lower attendance than most of the peers. Conventions & Tradeshows are much smaller on average because the target market consists of smaller social, religious, military, religious, and fraternal “SMERF” events. The state association membership in New Hampshire is also on average, smaller than comparable organizations in other states. The below average forecast of consumer show attendance reflects the relative size of the Manchester market and the size of the proposed exhibit hall.

For the purpose of calculating the impact of the proposed MCC on the hotel market, HVS forecast the number of room nights that may be generated by events held at the venue using the assumptions shown in Table 8-4.

Table 8-4
Assumptions Underlying Room Night Projections

Type	Nights per	Percent
Conventions & Tradeshows	3.0	60%
Consumer Shows	3.0	5%
Banquets	1.0	10%
Meetings	1.5	20%
Assemblies	0.0	0%

Source: HVS International

The Table 8-5 shows the resulting projection of room nights generated by event type for calendar years 2011 through 2014.

Table 8-5
Projected Room Nights Calendar years 2011 – 2014

Type	2011	2012	2013	2014
Conventions & Tradeshows	12,960	17,280	19,440	21,600
Consumer Shows	8,400	9,450	10,500	10,500
Banquets	500	563	625	625
Meetings	2,025	2,145	2,250	2,250
Total	23,885	29,438	32,815	34,975

Source: HVS International

This forecast of room night stays serves as one input (among many others) in our projection of lodging demand in the local area hotel market and for the proposed convention hotel. Since the Radisson is currently attracting conventions and tradeshows, we assume that only one-third of these room nights (approximately 11,500 at stabilization) will be new to the market.

9. Statement of Assumptions & Limiting Conditions

1. This report is to be used in whole and not in part.
2. No responsibility is assumed for matters of a legal nature.
3. We have made no survey of the properties analyzed herein, and we assume no responsibility in connection with such matters. Sketches, photographs, maps, and other exhibits are included to assist the reader in visualizing the property. It is assumed that the use of the land and improvements is within the boundaries of the property described, and that there is no encroachment or trespass unless noted.
4. All information, estimates, and opinions obtained from parties not employed by HVS are assumed to be true and correct. We can assume no liability resulting from misinformation.
5. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
6. None of this material may be reproduced in any form without our written permission, and the report cannot be disseminated to the public through advertising, public relations, news, sales, or other media.
7. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per diem fees and travel costs are paid prior to the appearance.
8. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
9. We take no responsibility for any events or circumstances that take place subsequent to the date of our field inspection.
10. The quality of a convention center facility's on-site management and organization that market the facility have a direct effect on a center's

economic viability. The forecasts presented in this analysis assume responsible ownership, competent management and effective marketing and sales. Any departure from this assumption may have a significant impact on the projected operating results.

11. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded to the nearest tenth of a percent. Thus, these figures may be subject to small rounding errors.

12. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client, and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.

13. This report was prepared by HVS Convention, Sports & Entertainment Facilities Consulting, a division of HVS Global Hospitality Services. All opinions, recommendations, and conclusions expressed during the course of this assignment are rendered by the staff of these two organizations, as employees, rather than as individuals.

14. This report is set forth as a market study of the proposed subject project; this is not an appraisal report.

10. Certification

We, the undersigned, hereby certify:

1. that the statements of fact presented in this report are true and correct to the best of our knowledge and belief;
2. that the reported analyses, opinions, and conclusions presented in this report are limited only by the assumptions and limiting conditions set forth, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. that Tom Hazinski and Nina Vetter personally inspected the convention center site and market described in this report; Katherine Fullan participated in the analysis and research supporting this study, but did not personally inspect the subject site and market;
4. that we have no current or contemplated interests in the real estate that is the subject of this report;
5. that we have no personal interest or bias with respect to the subject matter of this report or the parties involved;
6. that this report sets forth all of the limiting conditions (imposed by the terms of this assignment) affecting the analyses, opinions, and conclusions presented herein;
7. that the fee paid for the preparation of this report is not contingent upon our conclusions, or the occurrence of a subsequent event directly related to the intended use of this report;
8. that our engagement in this assignment was not contingent upon developing or reporting predetermined results; and
9. that no one other than those listed above and the undersigned prepared the analyses, conclusions, and opinions concerning the real estate that are set forth in this market study.

Thomas Hazinski

Tom Hazinski
Managing Director
HVS Convention Sports & Entertainment
Facilities Consulting