



# CONNECTICUT CONVENTION CENTER STRATEGIC PLAN STUDY

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**SUBMITTED TO**  
The Capital Region Development Authority

**SUBMITTED BY**  
Johnson Consulting

**DATE**  
September 23, 2019



**SECTION 1**  
TRANSMITTAL LETTER

September 23, 2019

Mr. Joe Geremia  
Chief Financial Officer  
Capital Region Development Authority  
100 Columbus Boulevard, Suite 500  
Hartford, CT 06103-2819

Re: Perspective on the Next Decade for the Connecticut Convention Center

Dear Mr. Geremia and the CRDA Board of Directors:

**C.H. Johnson Consulting, Inc.** (Johnson Consulting) is pleased to submit this report summarizing our market, demand, and strategic recommendations for the future of the Connecticut Convention Center in Hartford, CT. Pursuant to our engagement, this report provides an analysis of the economic and demographic characteristics of the Hartford area, including the City of Hartford as well as the broader region; identifies and analyzes key characteristics of competitive and comparable venues; summarizes key observations from interviews with stakeholders and outlines the current trends in the meetings and events industry; provides recommendations for the Connecticut Convention Center and the City of Hartford to generate more business, specifically in the meetings and events industry; and presents demand projections for the facility with and without the recommendations implemented.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between the projected results and the actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the clients' internal use and cannot be used for project underwriting purposes without Johnson Consulting's written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing service.

Sincerely,

*C.H. Johnson Consulting, Inc.*

C.H. Johnson Consulting Inc.

**SECTION 2**

**INTRODUCTION AND EXECUTIVE SUMMARY**

## INTRODUCTION

Johnson Consulting was retained by the Capital Region Development Authority (CRDA) to provide a strategic assessment of the CTCC's operations and the future of the facility moving forward. Specifically, our analysis focuses on the potential for the CTCC – and Hartford as a destination – to propel itself into an upward trajectory, and what steps they might take to follow that path. The key objective of this study is to confirm that the venue has achieved what was originally projected by other consultants, and to explain what is stopping Hartford from reaching its full potential in the meetings and events industry – including areas for improvement in the organization, operation, facility and destination – and use these facets to develop a plan and address the root of the issues in a clearly defined manner.

While there are plenty of happy customers of the CTCC, there is not a large supply of hotels close to the CTCC, making the price of hotel rooms hard to avoid without sacrificing proximity. This can make it harder for patrons of both smaller events to stay downtown, as they opt to stay somewhere farther away to save money, and larger events as they do not have capacity in the room block. For corporate clients and conventions, the CTCC and the Marriott are usually of sufficient quality for a meeting or event facility and a corresponding HQ hotel, but when compared with other markets, event planners have the option of choosing cheaper destinations (even large markets can be cheaper than Hartford), or just choosing a destination such as Boston or NYC for a slightly higher price. Further, given the limited supply of rooms and the strong corporate base in Hartford, the best rooms are often consumed by business travelers during the work week. These topics will be expanded upon in the following sections of the report.

If Hartford and the CTCC want to continue their success and grow their business, appropriate steps need to be taken to make sure visitors are satisfied with their experience in the city just as much as their experience at the CTCC. In order to assess the efficiency of the CTCC, Johnson Consulting has prepared a report that addresses the following questions:

1. **Market and Industry Potential:** What is the overall potential of the CTCC, and what factors affect the facility achieving this potential? Which existing facilities does the CTCC currently compete with, and which facilities and destinations across the country are Hartford and the CTCC comparable with?

2. **Operations:** How does the CTCC currently perform from a demand and financial perspective, and how efficient is the facility from a management and business-planning standpoint?
3. **Organization:** What are the current organizations dedicated to marketing Hartford? What are their specific roles relative to the city, and is this the most optimal structure? How does the organization's structure and resources (funding, staff, etc.) compare to peer destinations and facilities?

In order to meet the aforementioned objectives of the study, Johnson Consulting performed a series of tasks that will be outlined in the following sections as follows:

- Economic, Demographic and Market Analysis / Hotel Analysis
- Industry Trends and Interview Observations Summary
- Historical Operations with assessment of current business versus original projections
- Benchmarking Analysis and Comparable Case Studies
- Future opportunities and recommendations resulting in projecting a new demand and financial baseline to be used by the CRDA to gauge future performance.

## EXECUTIVE SUMMARY

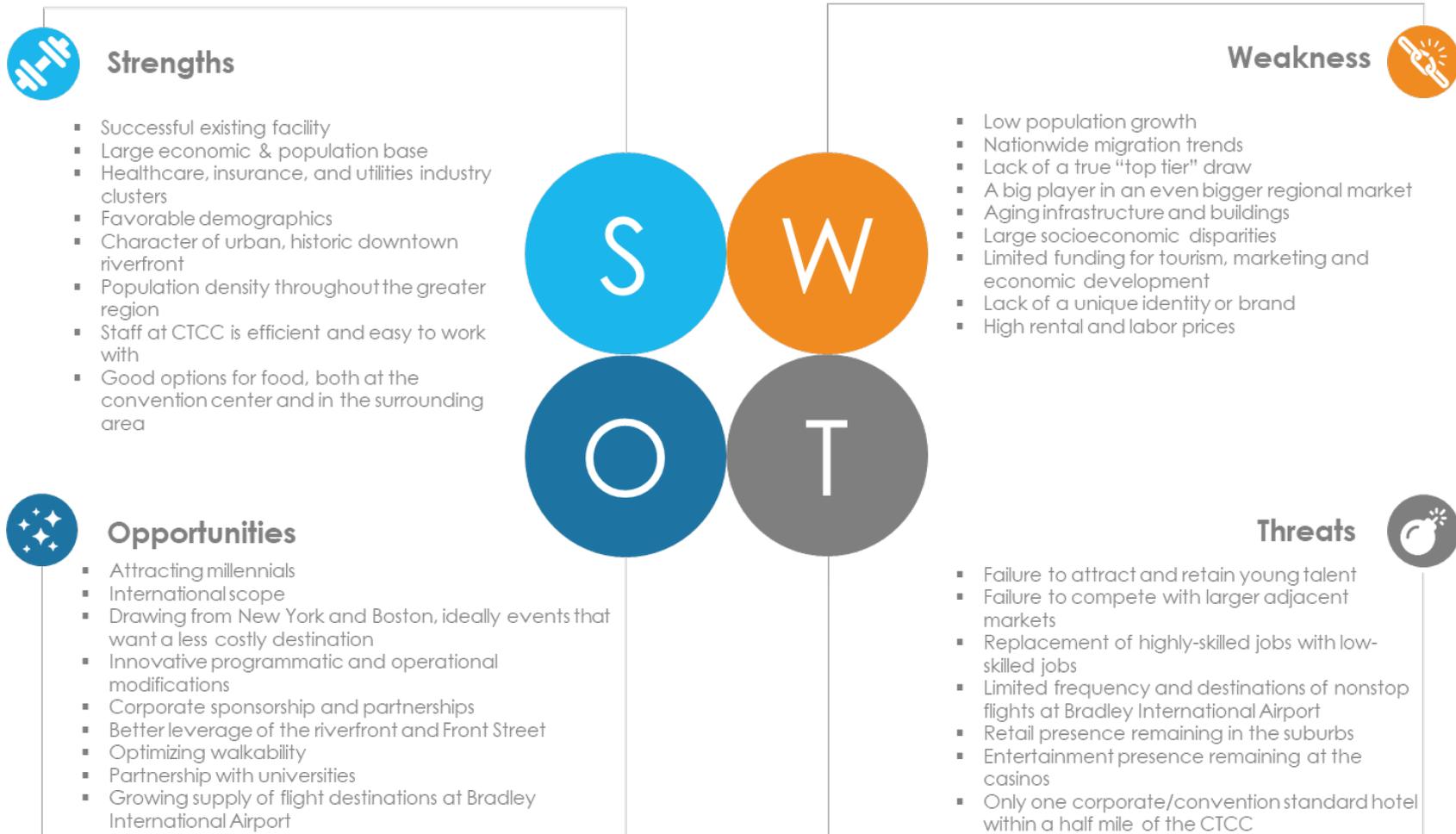
### ECONOMIC, DEMOGRAPHIC, & MARKET ANALYSIS / HOTEL ANALYSIS

Hartford, the capital city of Connecticut, is situated between Boston and New York, and consequently has a large population in the suburbs around it. Hartford, and the New England area as a whole, tend to be well educated and work white collar jobs. These types of market characteristics help determine the potential of the meetings and events market in Hartford, and thus the potential of the CTCC. The market characteristics, namely median household income, the population within a 90-minute drive time, and the major employers in Hartford point to the city having potential to grow their meeting and events business. Further, the location suggests that if people are willing to go to Boston and New York for an event, there is no reason they would refuse to go to Hartford, as long as they viewed it as an attractive destination.

Johnson Consulting believes that Hartford has a good foundation for an expansion of leisure-focused offerings – specifically downtown. Hartford is a city with a lot of history, and this could be leveraged more than it is currently. With so much culture to offer, an extension of its current entertainment offerings could help bring the area together and make it less of a weekday commute and more of a place to go out for drinks after work, or to go shopping during the weekend, for example. To achieve this, additional residential development needs to occur downtown. Further, the location of the river is very close to the Front Street District, providing an opportunity for the natural beauty of the riverfront and the potential of Front Street to come together and bolster the area around the CTCC.

The following SWOT analysis summarizes these key findings and implications by sorting them into strengths, weaknesses, opportunities and threats. Strengths are things that are already going well for the CTCC and Hartford, while opportunities are things that could become strengths if taken advantage of. Likewise, weaknesses are things that could present challenges for the CTCC and Hartford, while threats could become weaknesses if not given proper attention. Figure 2-1 presents this SWOT analysis.

Figure 2-1



In addition to the above SWOT analysis, there is a need to review the mission of the CTCC to determine how the CTCC has performed against its mission. The mission of the CTCC consists of (1) marketing the city as a national destination for national, regional and statewide conventions, (2) working with other organizations involved in marketing and promoting Hartford and assisting the CRDA in enabling Hartford in becoming a regional family-oriented arts, cultural, education, sports and entertainment center that will create new jobs and broaden the tourism effort, and (3) servicing the needs of all visiting groups and individuals and providing visitors with a Hartford experience that exceeds expectations.

The mission of the CTCC has been followed to the best possible extent with the resources and infrastructure available. While the CTCC has certainly solidified itself as a major player in the local and regional market, given the quality and size of the facility, it could likely be more competitive for national events. Further, the competition in the regional marketplace from facilities like the area casinos warrants a strategy by the CTCC, and more importantly Hartford, to keep itself competitive in the regional and local markets, in addition to pursuing a greater share of national and international events.

The CTCC has worked well with the CRDA, but stronger relationships between other organizations are desired. Organizations such as the City of Hartford, MetroHartford Alliance, the Chamber of Commerce, and others, could prove to be very beneficial for all by having a shared and informed strategy to serve as a force and resource multiplier to improve the overall desirability of Hartford as a business and tourism destination. Coordination between these entities will produce a more effective effort, and will generate benefits for all parties involved.

The CTCC as a facility has been managed well, and is generally thought of in a positive light by customers from a facility standpoint as well as a management standpoint. The CTCC staff is known to be helpful and productive, and most customers have been pleased with the service provided. Beyond the facility, however, there are limited entertainment options for guests in the downtown area. Shopping destinations are few and far between, and the nightlife scene appears to be strongest at the bar in the lobby of the headquarters Marriott hotel. While historic attractions are certainly helpful for engaging visitors, many people also enjoy activities like shopping and going out to restaurants and bars. Competition for entertainment is strong, as the suburbs around Hartford offer several shopping options, and the casinos represent popular entertainment and nightlife destinations.

Because Hartford is the capital of Connecticut, the CTCC should be thought of not only as a local and regional asset, but as an asset for the economic development of the entire state. The CTCC offers one of the most competitive meeting and event facilities in all of Connecticut, and it should be treated as such. The business generated by the CTCC translates into room nights and tax revenues for the entire state, and given that the entire hotel occupancy tax is assessed at the state level, Connecticut benefits significantly from increases in activity at the CTCC.

Figure 2-2 highlights the relevant parties and organizations to the CTCC, the potential action those parties could take to help the CTCC improve, as well as the ideal results of those actions.

Figure 2-2

Entity	Possible Action	Benefit to the CTCC / CRDA / City
CTCC/CRDA	Engage with organizations listed below to identify areas of opportunity to work together to advance the objective's of the CTCC, CRDA and other organizations.	Primary organizations that are pushing to advance the interests of the community and region are aware of what is happening at other organizations and allows for all parties to cross promote and maximize efforts.
MetroHartford Alliance	Work with local companies already located in downtown Hartford to help steer corporate meeting and event business toward the CTCC, and when persuading companies to come to downtown Hartford, make sure they understand that they have a state-of-the-art facility in the CTCC to use for any meetings and events they hold.	Corporate meetings and meetings for local businesses represent potential customers for the CTCC, and should be pursued. While these meetings will only have the potential to generate room nights if they are regional in nature, the CTCC will surely benefit from meeting room rental revenues and the effort could be a civic good will gesture on behalf of the corporate base to stay and buy "local".
City of Hartford	Help the CRDA bring more entertainment options to downtown Hartford (ideally Front Street District), in order to increase spending activity in the area, as well as increasing foot traffic outside of work hours. More upscale hotel rooms would also be beneficial.	The big obstacles facing the CTCC are entertainment options close to the facility, as well as corporate-standard hotel rooms within close proximity to the facility. If more hotel rooms are added, event planners will not have to spread attendees across miles of different hotels and varying chainscale quality. This will be more encouraging to event planners with more prominent events. Further, addition of entertainment options in downtown Hartford can help the city's overall leisure appeal, which causes more people to want to visit for reasons outside of the meeting and event facility offerings.
Chamber of Commerce	Initiate a discussion with local businesses about how more activity can be generated, specifically downtown and at the CTCC. This could amount to the businesses marketing one another, or even discounts/coupons given out at stores/restaurants for future visits or visits to a neighboring business to encourage customers to continue positively impacting the community.	Having the businesses market one another may seem counterintuitive to some, but as long as the customer experience is pleasant and robust than the customers will return. Further, giving out a coupon for an ice cream shop across the street, for example, will likely give the customer a reason to stay in the area and keep spending. While many businesses may prefer to give discounts on future visits, which is fine, marketing the entire downtown community can prove to be more strategic for business in the long term.
CT Airport Authority	Coordinate with the CTCC/CRDA to understand which events may have been lost due to air traffic issues, and which destinations that Hartford can benefit from establishing a direct/more frequent flight, at least in regards to meetings and events.	If the CTCC can provide data that pinpoints which direct/nonstop flights would be beneficial to the meeting and event market (and by extension, the leisure market), The CT Airport Authority would be better able to quantify the demand for these routes and vice versa. In the competition for being a national meeting and event facility, a high level of accessibility is essential.
CRDA Parking Facilities	Coordinate with CRDA parking facility officials to discuss potential arrangements for CTCC event parking. This could consist of an all-in price paid by the customer to pay for the entire CTCC garage for an event. This could also include discussion on overflow parking, given that some patrons of larger events such as consumer shows, where attendees drive in, have had extensive trouble finding parking.	Parking is always an important aspect of large events, especially for consumer and trade shows that often comprise a majority of attendees driving in. If an efficient, satisfactory solution can be produced that is price-friendly to the customers, it could create a much more enjoyable experience for attendees.

## INDUSTRY TRENDS AND INTERVIEW SUMMARY

Throughout the meeting and events industry, there are several different types of events, and even more variations of event sponsors. Events range from conventions to meetings, and sponsors range from associations to government entities. Being the capital city, Hartford has an advantage over other facilities with regards to government and state association events. Because the CTCC can be such a significant draw for tourism and visitors from out-of-town, it is important to evaluate what other markets are doing to capitalize on visitors to their convention facilities. With an increasing number of international visitors for both leisure and business, many facilities are making sure they are accessible as can be, especially from an airlift perspective. Hartford has started to take these strides as well by successfully acquiring regular nonstop flights to and from Ireland, and working on the same for other major international destinations.

The CTCC is adequately sized for a majority of events. While it is always nicer to have extensive amounts of space, like some of the massive facilities in bigger markets, there is no need for the CTCC to expand yet, as most of its events are hosted without a need for more space. While event planners tend to seek out more logistical facets of their potential destinations, such as hotel quality/supply and geographic location, attendees usually put more emphasis on their experience for the entire destination. This includes aspects such as wayfinding, cleanliness, and things to see and do.

As meeting and event facilities become more creative, there are several trends that have recently risen to popularity. ESports has created an industry that nobody thought would become as popular as it is today, and it shows no signs of slowing down. While there is no regulating body for the wide array of games and self-governed leagues within eSports, there is certainly an opportunity to host regional events to bring more people downtown. Two prominent design trends in recent facilities – outdoor spaces and artwork – are fairly straightforward. Event attendees – especially millennials – love to attend events outside, whether they be social or business events. Artwork is also a unique way to enhance a facility – projects by local artists could be used to not only decorate the facility and make it more visually appealing, but also to give the facility a local ambiance.

The general consensus of those that have used or currently use the CTCC is that it is managed efficiently and provides ample space. Some interviewees expressed the desire to see small visual

upgrades to features like the carpet, but beyond that the structure is sufficient. The majority of comments and concerns regarded the current hotel room supply, specifically for corporate standard events. The best option after the attached Marriott Hotel is the Hilton, which lies just outside of the ½ mile radius that the meeting industry uses as the standard for “walkable” hotels. Further, the quality of the small supply of hotel rooms within the ½ mile radius varies greatly. Event planners explained that for large events, they have to spread their patrons over several different hotels, and place some of them miles away from the CTCC, putting CTCC and Hartford at a competitive disadvantage.

Another topic that was brought up often was the area around the CTCC, and how there is an “exodus” out of the city after work hours. Drugstores, coffee shops, and other places shut down in the evenings and on the weekends in anticipation of a lack of sufficient revenue. The district could use more nightlife, entertainment and retail to encourage activity during weekends and off hours. Additionally, more integration with minor league sports could help boost the activity in the area. The recent relocation of the UCONN Hartford campus to downtown Hartford in the Front Street District is a major boost to helping drive activity during the evenings and weekends in the area proximate to the CTCC.

## HISTORICAL OPERATIONS

Given the current resources at the disposal of the CTCC, it is managed well and produces as much revenue and economic impact as expected for a facility of its size and market. There is a small discrepancy as the CTCC’s current operations fall short of its past years’ projections, but while it is important to pay attention to shortcomings no matter how small, these numbers are not alarmingly low. They simply reflect increasingly competitive facilities and a sort of “wake up call” to keep Hartford and the CTCC up to par moving forward. In fact, given the lack of tourism marketing resources Hartford has compared to its peer set, the outcomes are impressive. Still, competition on a regional and national scale has improved rapidly, and the sources of lost business for the CTCC have ranged from an inadequate hotel room supply (quantity, quality, price and proximity) to the price of the rental or the total package offered.

While the facility may be considered expensive by some, it is not priced unreasonably. Either lowering prices or offering more incentives may help alleviate these issues. Providing a larger and dedicated resource base for additional incentives should be a significant consideration. However,

it should be noted that just because some of these reasons have been cited, does not mean they are areas that need considerable focus. More important are the reasons that have to do with the inadequate hotel supply, which will more actively prevent the meetings and events industry in Hartford from reaching its full potential. Planning an event is never going to be cheap, and while a difference in price may occasionally be the deciding factor, it will more often be a deficiency in hotel room supply within walking distance, for example. Simply put, an event planner expects to pay less if his attendees are sacrificing the convenience of proximity that they enjoy at a peer facility.

The CTCC's current booking policy is reasonable, and its incentive policy for clients and sales managers is also adequate. However, the CTCC would benefit from a direct revenue source dedicated to the incentive funds. Further, many convention centers maintain a budgeted incentives fund jointly with the CVB – another reason a Hartford-centric CVB would be valuable.

## BENCHMARKING ANALYSIS AND COMPARABLE CASE STUDIES

According to the benchmarking analysis, Hartford's population within a 90-minute drive is higher than a majority of the peer set, and the CTCC falls in the middle of the peer set in terms of total function space. Its meeting room space and its exhibit space rank in the middle of the peer set, while its ballroom space actually ranks among the top, only trailing the Pennsylvania CC and the two local casinos. Financial operations are in line with several other of its peers and meet general expectations of a facility of its size and location. One significant benchmarking figure is the cost per diem, in which Hartford leads the entire peer set, even the large, competitive destinations like Philadelphia and Baltimore. While this is certainly a challenge for Hartford and the CTCC, it is not insurmountable.

Perhaps the two most important figures are those detailing the total hotel/motel taxes of the peer set and those benchmarking the CVBs of peer destinations. For the total hotel/motel tax, it is shown that the Hartford area hotel's total tax is 15 percent, and can generally be categorized as a destination with a high hotel/motel tax. Further, the entire tax is assessed at the state level, and Connecticut does not allow municipalities to assess a hotel/motel tax. Connecticut's hotel/motel tax is the highest in the country, and only 3 percent of the 15 percent state tax assessed in the area goes to Hartford, and that 3 percent is contributed towards the general fund. There is no

specific amount allocated to destination marketing or other activities to grow the revenue from the hotel/motel tax through increased visitation.

Destination marketing is one of the most important operations of a city – marketing for both business and leisure. Many cities have their own convention and visitors bureau (CVB) or destination marketing organization (DMO) to lead the charge. Often, this entity is funded with a generous amount of capital and resources, because of the economic impact a city can generate from tourism and out-of-town visitors. The figure comparing CVB resources highlights just how deficient Hartford and the State is, emphasizing that the budget and staff of Connecticut’s CVB (CTCSB) is just a fraction of peer CVBs, which are cities. Further, the CTCSB promotes the entire state of Connecticut, and has no incentive to market Hartford specifically.

The final major point of the benchmarking analysis is the comparison of hotel room supply by chain scale. Already highlighting the undersupply of downtown Hartford’s hotel rooms, it shows that only a little over half are corporate standard (upscale or upper upscale). Further, outside of the Marriott, the only other corporate standard hotels are extended stay hotels, and often do not participate in room blocks for meeting and event RFPs. This leaves the 409-room Marriott as the only source of quality hotel rooms within a half mile. Larger, more established conventions and events will typically opt for facilities with ample hotel rooms within walking distance, and often these hotel rooms will all be within a few blocks of the facility. There is a substantial need for more corporate-standard hotel rooms within a ½ mile of the CTCC, preferably in the area around Front Street or close to the Connecticut Science Center.

## STRATEGIC RECOMMENDATIONS AND PROJECTIONS

The CTCC is a well-designed facility that is maintained efficiently by Waterford Venue Management and the CRDA. Through the information and data gathered in CHJC’s interviews with stakeholders and relevant individuals, the benchmarking analysis, current industry trends, and other research executed, it is our opinion that the main areas of improvement include the lack of a Convention and Visitors Bureau specific to marketing Hartford and the CTCC, the need to bolster a limited supply of full service hotels within close proximity necessary to form an adequate room block for large events, and a lack of dedicated funding for the CTCC that inhibits long-term strategic planning and growth of the facility.



The recommendations for enhanced performance of the CTCC are presented in the matrix on the following page:

Figure 2-3

Recommendations & Implementation Matrix								
Recommendation	Description	Estimated Cost	Year 1	Year 2-4	Year 5+	Justification	ROI of Investment	Impact of No Action
#1: CVB / DMO	Formation of a CVB/DMO focused on marketing the CTCC and Hartford	\$3.3 million national median operating budget	<p>Launch of the CVB and major marketing initiatives</p> <p>Ensure that future dates for citywide events are available and prioritized</p> <p>Consumer shows and other lower room night generating events as infill</p>	<p>Increase in convention and tradeshow activity at the CTCC</p> <p>CVB continues to focus on selling the CTCC three years and out</p> <p>Annual review of lost business for city wide events is conducted</p>	CRDA, CVB and CTCC begin to address identified deficiencies	Compared to competitive destinations, there is virtually no outbound sales function marketing the CTCC and Hartford. This effort will significantly enhance the penetration of citywide events and provide a consistent resource for selling the destination. 5+ new city wide events per year and a leader in advocating for additional infrastructure to improve the overall destination package.	<p>150,000 room nights from all sectors - Leisure, Sports, Conventions</p> <p>Enhanced image and appeal of the region and City</p> <p>See following table</p>	<p>Will continue to underperform as a destination and will not realize significant tourism development</p> <p>Destination not showcased with one voice</p> <p>See following table</p>
#2: Dedicated Funding to CTCC & DMO	<p>Establishment of a dedicated funding mechanism for the CTCC, CRDA and CVB/DMO organization</p> <p>Attainment of the subsidies requested by the CTCC, at the very least</p>	Fund a local CVB with a budget of \$3-\$5 million annually. This amount should be consistently provided.	<p>Assess room tax law, revisit the proportion of state taxes going toward CTCC</p> <p>Contract with the CRDA to serve as conduit for these funds</p>	Recruit a top industry professional to build and run the newly-formed CVB	Include CVB in oversight role of CRDA and fine-tune CVB performance	Places Hartford in a competitive position with its peers; Addresses perhaps the biggest issue facing CTCC; The City has very little identity and has no effort to market for conventions and leisure tourism.	<p>Dedicated funding brings CT legislation in line with national standards</p> <p>Allows CRDA to know and plan for its future with reduced political risk</p> <p>If programmed aggressively, \$1.5 million in potential revenue with \$200,000 NOI</p>	Risk of not being able to address needed improvements
#3: Elevated Outdoor Promenade	<p>Construction of a robust outdoor space spanning from the CTCC to the Science Center over I-91 on ramps</p> <p>Provide more prominent signage linking this space to pedestrian walkways to Front Street, CBD, parks, and arena.</p>	TBD	Conduct design and cost estimating study	Source funding for the project and begin development of the project	<p>Outdoor events local and non-local users</p> <p>Better connectivity to the riverfront</p>	Provides outdoor sellable space that is currently lacking and also provides better connectivity to Riverwalk, Science Center, downtown and potential new hotels. Addresses some of the walkability issues of the area.	<p>Substantially enhances the Downtown and Riverfront area and extends Front Street to the River</p>	CTCC remains isolated as is, from both the river on one side and Front Street on the other
#4: CTCC Interior Modifications	<p>Modifications to the meeting room concourse and exhibit hall prefunction areas to provide networking and collaboration spaces</p> <p>Addition of more public art to the facility</p>	TBD	Conduct design and cost estimating study	Source funding for the project and begin development of the project	CTCC builds reputation as a provider of innovative gathering spaces	Provides additional collaboration and breakout spaces without having to expand the facility and helps address the limited volume of meeting room space in the CTCC.	Required just to stay on par with competitors; May be responsible for retention of events	Building becomes less and less in line with industry standards and best practices and could lead to future declines in business

Source: Johnson Consulting

Figure 2-4

Recommendations & Implementation Matrix

Recommendation	Description	Estimated Cost	Year 1	Year 2-4	Year 5+	Justification	ROI of Investment	Impact of No Action
<b>#5: International Events &amp; ICCA</b>	<p>Attainment of membership with the International Congress and Convention Association (ICCA)</p> <p>Establishment of a formalized sales strategy and targeting mechanism for international events</p> <p>Designation as an Association International des Palais de Congress (AIPC) building for the CTCC</p>	<p>Part of CVB budget</p> <p>Nominal annual membership fees</p>	Develop a sales strategy for international events	Formalize international events as events that are targeted for marketing and sales	These efforts, along with other factors, maximize Hartford's appeal to international events	<p>Targets international events that focus on the business clusters of the region and educational focuses of the region's higher education institutions. 990+ internationally rotating events were flagged as a potential fit from ICCA database for Hartford. Focusing on the 10% of events that are the most desirable/likely to come provides a pool of 99 events and if 2% are secured = 2 new international events to CTCC. AIPC building designation signals the quality of venue standards to international planners.</p>	<p>CTCC and Hartford are identifiable as a destination for international meetings</p> <p>Attracting and growing an under utilized segment of demand</p>	Status Quo now with future declines possible
<b>#6: Customer Advisory Board</b>	Establishment of a customer advisory board that provides regular feedback and input	\$20,000 year to cover travel expenses	Recruit a few national meeting planners and representatives from show management companies	<p>Include a client advisory component in the CRDA annual report</p> <p>The CAB meets twice annually for the benefit of the CTCC, CRDA, City, and State</p>	The CAB is well-established and continues providing input and feedback	<p>Include meeting planners from local corporations as well as trade and consumer show producers; Recruit a couple national meeting planners and a representative from a multiple show management company.</p>	<p>Makes CRDA be more current with competitors and deepens relationship with customers</p> <p>Allows for identification of issues that could impact business retention</p> <p>Increases the opportunity for the CTCC to host technology and eSports-type events</p>	Status Quo now with future declines possible
<b>#7: Technology Investment</b>	Invest in industry standard technology including high speed internet access, internet services to conventions, and cyber security	TBD	Evaluate current technology infrastructure and latest trends to determine a technology improvement plan	Begin implementation of the technology improvement plan identified in Year 1	Continue to upgrade the quality of technology in the CTCC by reevaluating technology infrastructure and trends every three years	CTCC is identified as a leader in technology standards and allows for better user experience	<p>Allows the facility to offer the highest degree of connectivity and practicality for attendees in a market with evergrowing expectations</p> <p>Estimated \$25 million in annual sales volume at hotel</p>	Status Quo now with future declines possible
<b>#8: Hotel</b>	<p>Addition of a 300 to 500 room hotel at the CTCC</p> <p>Long-term target: 1,500 new hotel rooms within 1 mile of CTCC over the next 15 years</p>	\$120 million project for a 400 room hotel @ \$300,000/room	<p>HQ Hotel market analysis</p> <p>Prepare RFP and Solicitation Process</p> <p>Identify funding sources and development sites</p>	<p>Negotiations with a hotel developer</p> <p>Target opening of hotel within 5 years from start of effort</p>	New hotel supply additions at a pace of 100 rooms per year	<p>2nd to last in room supply within half mile and 3rd to last within a mile, severely limiting available room block for citywide events. Need to have room block agreement to allow for provision of rooms to citywide events.</p>	<p>Allows CTCC to meet its mission</p> <p>Improves surrounding site area downtown</p> <p>See following table</p>	<p>Not able to secure the room block needed for more city wide and larger events</p> <p>See following table</p>

Source: Johnson Consulting

Because the CTCC has the option of either making the recommended changes or leaving the facility/destination as-is, projections involving number of events, total attendance, and the pro forma were developed for two scenarios, the first being implementation of improvements and the second with the CTCC and Hartford remaining as is. As shown, the CTCC's potential after implementing the recommendations makes a significant improvement from the scenario in which recommendations are not implemented.

Figures 2-5, 2-6 and 2-7 highlight the operations of the CTCC if the recommendations in figures 2-3 and 2-4 are implemented.

SECTION 2 - CONNECTICUT CONVENTION CENTER STRATEGIC PLAN STUDY

Figure 2-5

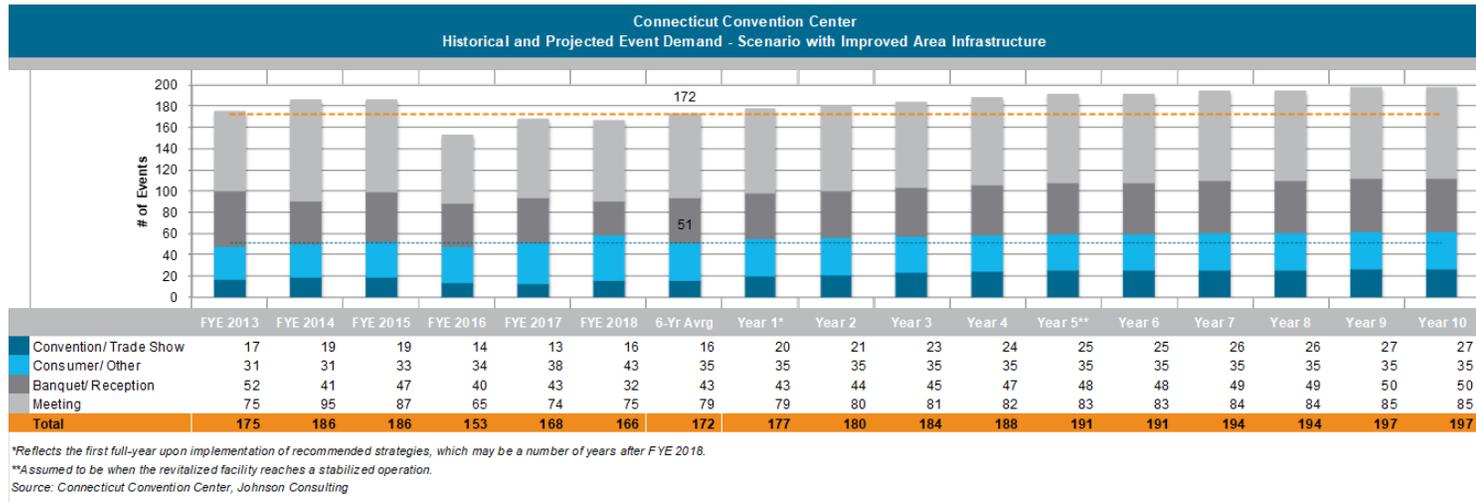
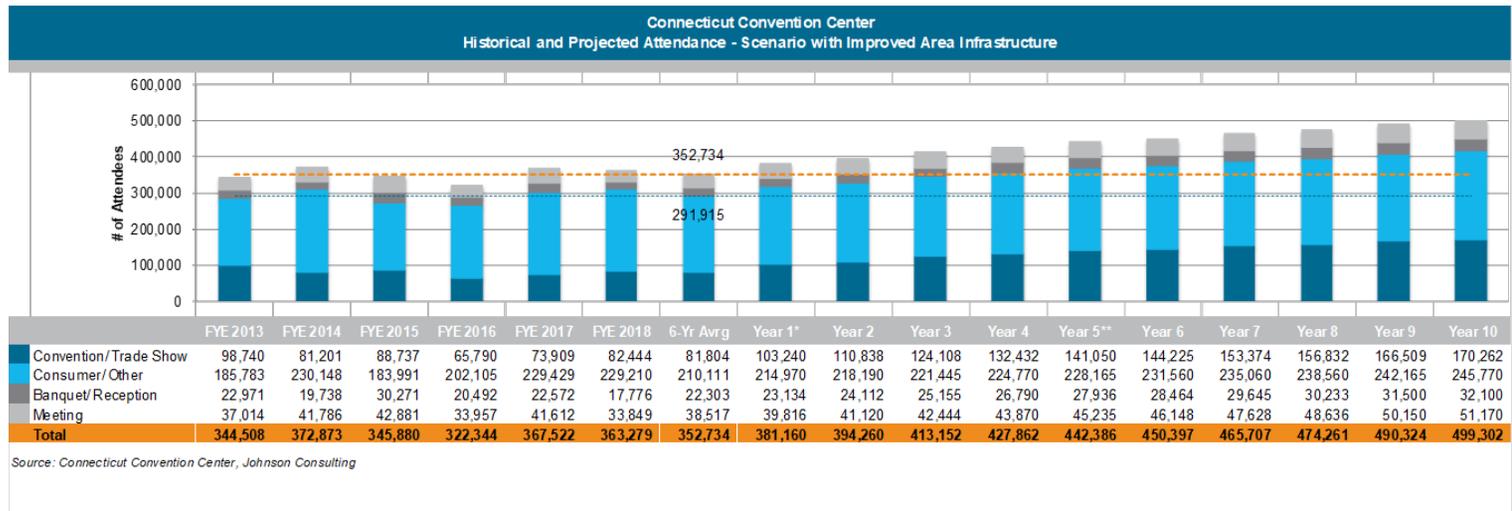
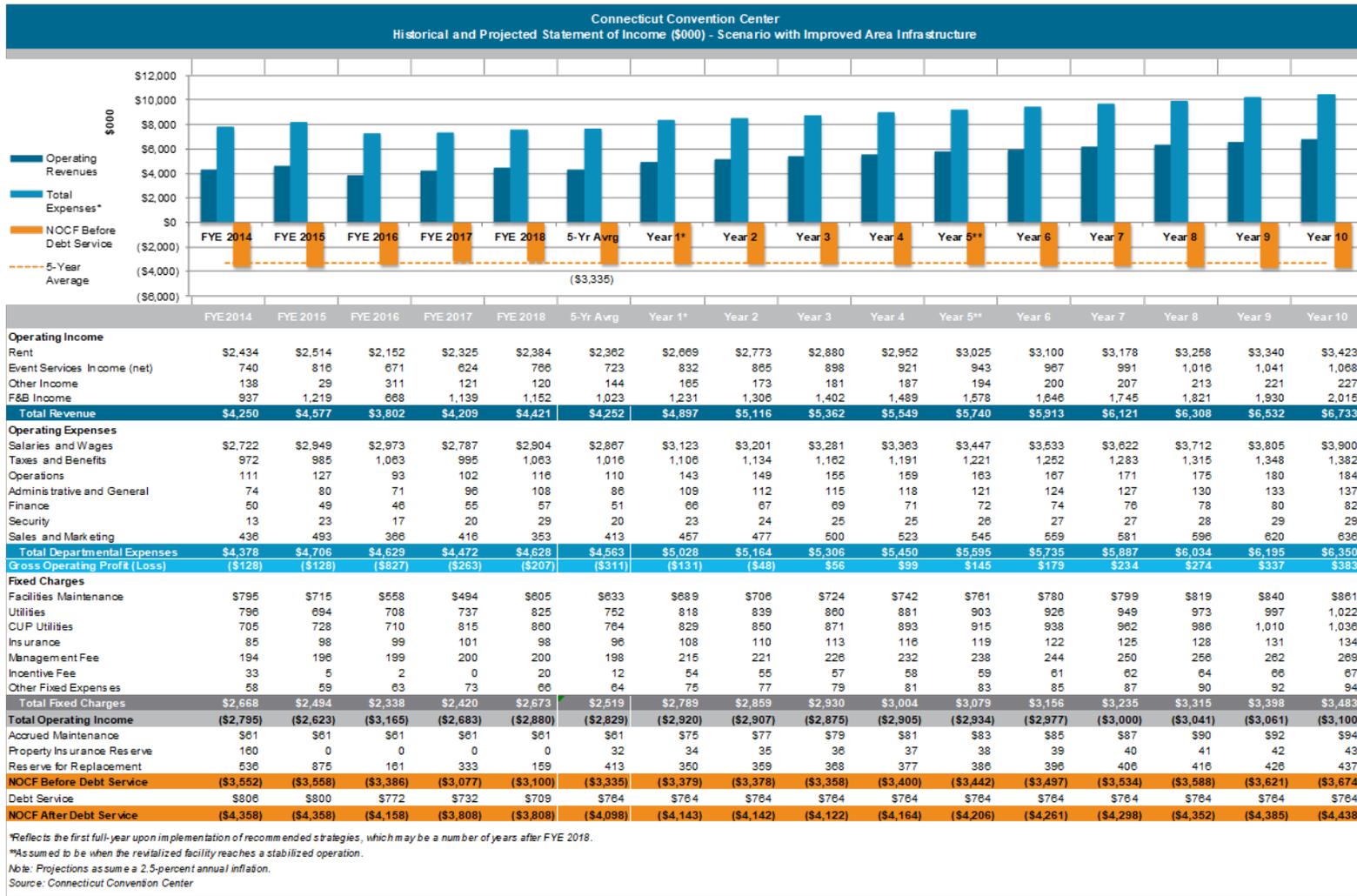


Figure 2-6



SECTION 2 - CONNECTICUT CONVENTION CENTER STRATEGIC PLAN STUDY

Figure 2-7



The following figures highlight the operations of the CTCC if left as is.

Figure 2-8

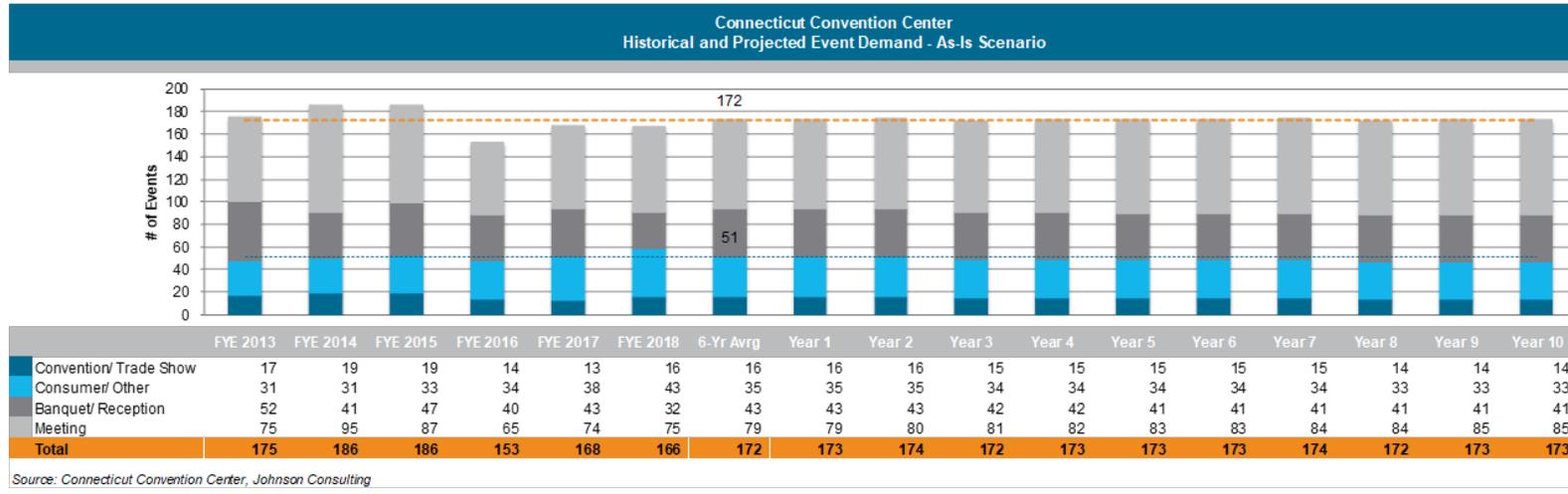
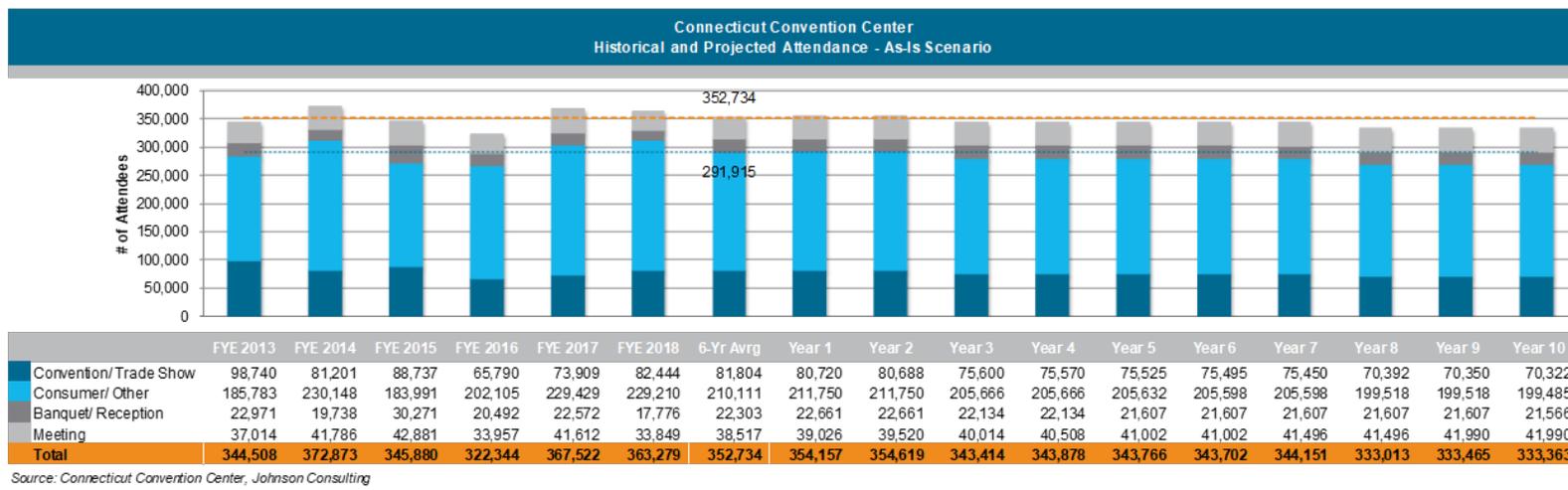
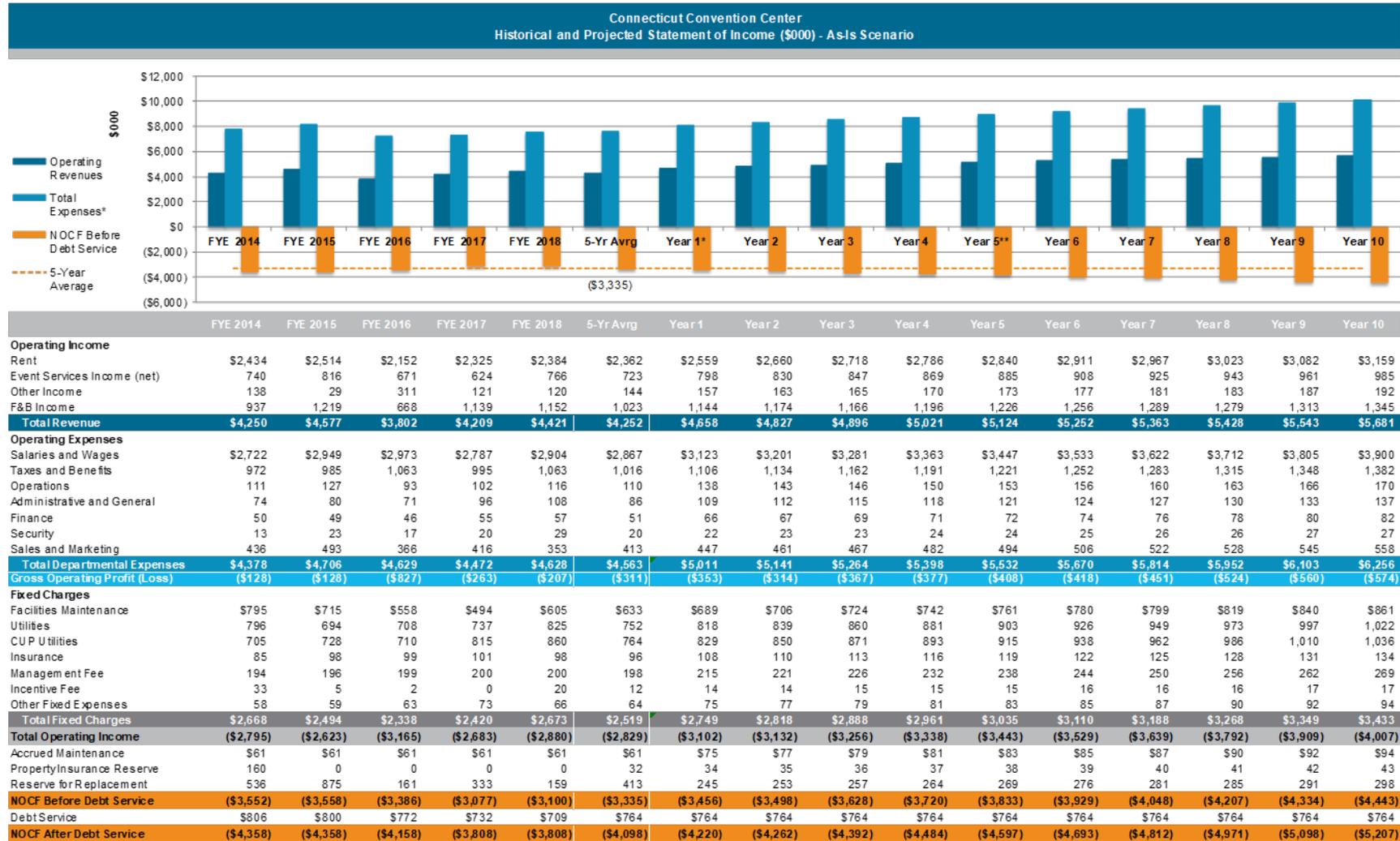


Figure 2-9



SECTION 2 - CONNECTICUT CONVENTION CENTER STRATEGIC PLAN STUDY

Figure 2-10



Note: Projections assume a 2.5-percent annual inflation.  
Source: Connecticut Convention Center

As shown in the previous figures detailing projections with the recommendations implemented, in the stabilization year (Year 5), the CTCC would see 191 total events, a total attendance of 442,386, and an operating deficit of approximately \$2.9 million. Alternatively, if the CTCC were to forego the recommendations, they would see 173 events in Year 5, total attendance of 343,766, and an operating deficit of \$3.4 million. Ultimately, CHJC estimates that a failure to implement the recommendations would result in an opportunity cost of 8 events, approximately 34,000 turnstile attendees, and additional operating income of \$200,000 by Year 5.

The opportunity matrix presented earlier frames the needed areas of attention, strategy for implementation and impacts to operations if implemented.

The table below presents a comparison of the impacts from the improved scenario compared to the as is scenario.

**Figure 2-11**

Room Night Comparison											
	Historical Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Improved Scenario	31,428	41,928	43,369	45,447	47,065	48,662	49,544	51,228	52,169	53,936	54,923
As-Is Scenario	31,428	31,520	31,561	30,564	30,605	30,595	30,589	30,629	29,638	29,678	29,669
<b>Difference</b>	<b>0</b>	<b>10,408</b>	<b>11,808</b>	<b>14,883</b>	<b>16,460</b>	<b>18,067</b>	<b>18,954</b>	<b>20,598</b>	<b>22,531</b>	<b>24,257</b>	<b>25,254</b>
NOI Comparison (\$000s)											
	Historical Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Improved Scenario	(\$4,098)	(\$4,143)	(\$4,142)	(\$4,122)	(\$4,164)	(\$4,206)	(\$4,261)	(\$4,298)	(\$4,352)	(\$4,385)	(\$4,438)
As-Is Scenario	(\$4,098)	(\$4,220)	(\$4,262)	(\$4,392)	(\$4,484)	(\$4,597)	(\$4,693)	(\$4,812)	(\$4,971)	(\$5,098)	(\$5,207)
<b>Difference</b>	<b>\$0</b>	<b>\$77</b>	<b>\$119</b>	<b>\$270</b>	<b>\$320</b>	<b>\$391</b>	<b>\$432</b>	<b>\$515</b>	<b>\$619</b>	<b>\$713</b>	<b>\$769</b>
Economic Impact - Total Business Sales Comparison (\$000s)											
	Historical Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Improved Scenario	\$74,878	\$91,198	\$96,583	\$103,906	\$110,021	\$116,337	\$120,893	\$127,849	\$132,902	\$140,541	\$146,108
As-Is Scenario	\$74,878	\$80,915	\$83,109	\$82,406	\$84,558	\$86,614	\$88,767	\$91,044	\$90,172	\$92,489	\$94,778
<b>Difference</b>	<b>\$0</b>	<b>\$10,283</b>	<b>\$13,474</b>	<b>\$21,499</b>	<b>\$25,462</b>	<b>\$29,724</b>	<b>\$32,127</b>	<b>\$36,805</b>	<b>\$42,730</b>	<b>\$48,052</b>	<b>\$51,330</b>
Fiscal Impact - Total Sales Tax, Income Tax, and Room Occupancy Tax Revenues (\$000s)											
	Historical Average	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Improved Scenario	\$4,417	\$5,488	\$5,813	\$6,253	\$6,623	\$7,005	\$7,284	\$7,705	\$8,014	\$8,477	\$8,817
As-Is Scenario	\$4,417	\$4,773	\$4,902	\$4,861	\$4,988	\$5,110	\$5,237	\$5,371	\$5,321	\$5,458	\$5,593
<b>Difference</b>	<b>\$0</b>	<b>\$716</b>	<b>\$911</b>	<b>\$1,392</b>	<b>\$1,635</b>	<b>\$1,896</b>	<b>\$2,047</b>	<b>\$2,334</b>	<b>\$2,693</b>	<b>\$3,019</b>	<b>\$3,224</b>

The future of the CTCC is very positive. The oversight structure provided by the CRDA is an outstanding model and the results show- Customers are well served and the Center, generally has achieved its original projections.

There is a lot of City economic development work to do. Stimulation of an extended and expanded Front Street offering is essential, as is the creation of a CVB and attracting supplemental hotel rooms. Hartford and the State should want these facets to be remedied regardless, as all

businesses and residents of the City and state will benefit. Hartford needs more image development and branding and a much more aggressive sales and marketing effort. If added, the community will feel prouder and justifiably so, as it will be lifting the community to a higher competitive plane.