1995

Pittsfield Conference Center a Preliminary Feasibility Review

UMass Amherst Center Economic Development

Pittsfield Conference Center

A Preliminary Feasibility Review

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Spring 1995

Executive Summary

1. The purpose of this report is to determine the feasibility of a conference center/business meeting center and hotel concept to be located in downtown Pittsfield. The key word in the above is "concept." The study team, via interviews, examination of industry data and review of city plans, developed a snapshot at a moment in time.

2. Based upon industry data, Pittsfield should be looking at a conference center with meeting space between 6,000 and 20,000 square feet. This center cannot be free standing: It must be associated with a hotel and/or other attractions.

3. There is little evidence of a demand for a conference center in the Greater Pittsfield area <u>on its own merits</u>. However, as a supportive element, in conjunction with other downtown investments, it can have a strong positive impact.

4. Based upon a review of comparable communities to Pittsfield, it is clear that the City should take the initial lead on the next steps toward a formal, full scale feasibility study. However, the center should be the result of public-private cooperation. There is little evidence to suggest that the center could function positively as a public activity.

5. Aggressive marketing would be required. Local demand is insufficient to successfully operate a center. New market demand would have to be generated.

6. Key informants in Pittsfield, including representatives of the largest industries, institutions, hotels and promotion organizations are relatively upbeat over the idea of a center. However, questions of demand, operations, costs and sustainability remain.

7. The expected square footage construction costs for a conference center, based upon national figures and not including land or demolition costs, range from approximately one million to three million dollars.

8. The conference center would fit within the City's <u>Downtown Pittsfield Plan</u>.

9. The conference center needs to be supported by other juxtaposed investment, has an aggressive marketing component, be privately run and be provided with public sector incentives.

10. Based on the information in this survey, Pittsfield should pursue a comprehensive feasibility study of a downtown conference center.

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I. INTRODUCTION

A. The Assignment

In December of 1994, the mayor of Pittsfield, Edward M. Reilly, contacted the President's Office of the University of Massachusetts to undertake an economic development project for the city of Pittsfield, Massachusetts located in Berkshire County in western Massachusetts. The Center for Economic Development (CED) at the University of Massachusetts undertook the project under the guidance of Andree Tremoulet, City of Pittsfield Community Development Director. Working on the project for the University were Dr. John Mullin, Professor of Planning and Director of the CED, Dr. Rod Warnick, Associate Professor, Department of Hotel, Restaurant and Travel Administration and Deb Warnick, Staff Associate of the CED. The scope of work is outlined below.

B. Scope of Work

The purpose of this project is to undertake a preliminary feasibility study of a conference/business center and hotel. The preliminary proposed site is the lot presently housing the building of the former England Brothers Department Store and the adjacent vacant lot (parcel 3). As a starting point, it was envisioned that the facility will include approximately 80,000 square feet of conference/exhibition space and a new hotel of approximately 200 rooms. The emphasis of the facility will be on smaller, regional meetings and conferences of up to 500 attendees.

C. Key Tasks

Given the above assumptions, the Center for Economic Development undertook the following key tasks:

1) Define the exact alternatives that would fit the Pittsfield market. In other words, determine if there is a market for a conference center, a business meeting center or combination of both. Verify or change the assumptions about the size of the business conference center and the hotel.

2) Examine the experiences of five communities with similar centers and determine their degree of success. Information concerning their operating budgets, development costs, sources of revenue, organizational structure, numbers and types of events annually, will be collected on each project, as available.

3) Interview ten local community leaders to determine the perspectives. The interviews will be used to help refine the project definition. By examining the capabilities of existing facilities and unmet needs for meeting/conference space, this project can be so positioned as to complement and extend existing facilities.

4) Examine the market demographics of the Greater Pittsfield area (to include Springfield and Greater Albany) to determine if there is a market for the facility (facilities). Inventory existing conference facilities in the market area and their capacities.

5) Based on industry standards and known conditions, prepare a preliminary development budget.

6) Write a concise report summarizing the findings. This report will include, but not be limited to:

- a summary of the interviews
- profiles of the similar communities
- a summary of the demographic analysis and existing facilities
- a development budget
- recommendations and proposed next steps

II. WORK TASK FINDINGS

A. **Work Task #1:** Define the exact alternatives that would fit the Pittsfield market. In other words, determine if there is a market for a conference center, a business meeting center or combination of both. Verify or change the assumptions about the size of the business conference center and the hotel.

The Assumption: It is envisioned from a starting point that the facility will include approximately 80,000 square feet of conference space and a new hotel of approximately 200 rooms. The emphasis of the facility will be on the smaller, regional meetings and conferences of up to 500 attendees.

The assumption for this project puts the space requirements in the range of a "typical convention center complex." We have provided information here on convention centers to show their performance for comparative purposes only. Pittsfield does not possess the key factors to consider itself as a likely site for a convention center of this size. The term "conference center or business meeting center" is correct and the appropriate term to use for a city the size of Pittsfield. However, the assumption that a conference center of 80,000 square feet is not appropriate. The International Association of Conference Centers (IACC) and American Hotel and Motel Association's Educational Institute publications list conference centers as attracting groups of 10 to 300 in size with conference space dedicated for meetings ranging in size from a low of 6,000 square feet to as much as 30,000 square feet. These sizes are based on sizing standards in hotel and motel design and planning and appropriate for both space requirements and financial return standards.

For a standard 100 room conference center and hotel complex facility, the conference space would require 6,000 to 10,000 square feet of meeting space (using a standard of 60 to 100 square feet per guest room); a 200 room complex would require conference meeting space in the range of 12,000 to 20,000 square feet; and a 300 room complex would require 18,000 to 30,000 square feet of meeting space.

One of the most successful and earliest developed conference centers in the country is "The Scanticon" in Princeton, New Jersey. It is defined as a "suburban conference center and hotel" located on a secluded 25 wooded acres three miles north of Princeton, New Jersey. It has 300 guest rooms and 10 suites, 36 conference rooms and auditorium seating up to 400 people. It has reception facilities for up to 500 people.

Pittsfield must refine the concept of the conference center it is proposing. The typical conference center usually accommodates up to 300 people. Most are outside of metropolitan areas and focus on the corporate meeting market within their market area. Larger state and regional association meetings may draw up to 750 to 1,000 people and require meeting space plus a larger exhibition area. Some hotel properties such as the Sturbridge Host Hotel and Conference Center (Sturbridge, MA) could handle meetings of this size. It has 25,000 square feet of meeting and conference facility space, a 13,000 square-foot exhibition hall and 241 guest rooms. Few conference centers are located in downtown areas primarily because attendees want to be outside or away from the city and seek different environments. This explains the success of resort conference centers in recent years. Two different conference centers in downtown areas will be reviewed in the communities of Roanoke, Virginia and in Midland, Michigan. However, the meeting facility in Roanoke functions as a multi-purpose facility and could best be described as a combination convention and conference center concept. In summary, successful conference centers seem to have some special theme or location which makes them unique and attractive to their market.

Conclusion. The meeting space area for the Pittsfield market should run in the 6,000 to 20,000 square-foot range based on a 100 to 200 guest room lodging facility. These assumptions are based solely on sizing standards in the industry and should be verified through a comprehensive market feasibility study.

B. Work Task #2: Examine the experiences of five communities that have similar centers and determine their degree of success. Information concerning their operating budgets, development costs, sources of revenue, organizational structure, numbers and types of events annually will be collected on each project, as available.

A concentrated search uncovered useful information regarding the existence of "conference centers" within some cities of similar population size to that of Pittsfield. Additionally, characteristics sought included location not immediately served by interstate highway (or within 15 to 30 minute drive from interstate), a regional airport within one hour drive and approximately 50,000 in population. We also looked for communities which were emphasizing downtown revitalization with a link to business travel to their community. We directly interviewed officials from eight communities and collected statistics on 12 different communities. Please see Table 1 for a description of each community.

1) Contact #1. Roanoke, Virginia

Population: 100,000

Conference Center Existing: Yes.

Contact: Brian Wishneff, Director of Economic Development and Conference Center Commission.

Size: 80,000 square foot with a gross area of 90,000 square feet connected to adjacent 332 room Hotel Roanoke operated by Doubletree Hotels, Inc.

Why Selected: The most recent downtown conference center developed in the east.

Interview Text. One community which has had success with a conference center concept has been Roanoke, Virginia. Roanoke is a relatively isolated city with a population of 230,000 in the greater Roanoke area and a city population of approximately 100,000 which makes it considerably larger than Pittsfield. However, it has no major metro area within 100 miles and has experienced slow growth over the years even though its unemployment rate has remained relatively low -- average 3.4%. The community felt that economic growth was too slow and they wanted to remain competitive with the nearby Research Triangle in Charlotte, North Carolina.

A concept to make the downtown area a meeting destination area was therefore floated. Three factors came into play to make this a success. Those factors were the commitment of the local community, a university player (Virginia Tech) and an interested contributor and later a developer. The contributor was the Norfolk Western Railroad (which later became Norfolk Southern). They owned the Hotel Roanoke, which was located in the downtown area. They wanted to get out of the hotel business. A major feasibility study conducted in 1986-1987 found that Roanoke would be a fine second tier convention/meeting space city. Consequently, the community concluded very early in the process that they wanted to become a meeting destination place, but they also wanted to be something different. Virginia Tech became the interested educational partner in the process because their president was interested in educational meeting destinations and local economic development. Virginia Tech is located about 45 miles from Roanoke. The president of Virginia Tech had also developed a similar concept in Toledo, Ohio. The university split the cost of a new feasibility study after the community had acquired the project from Norfolk Southern. The Hotel Roanoke sat empty for nearly four years.

The new feasibility study was conducted by Coopers and Lybrand. A public-private partnership was developed in which the hotel was renovated, a conference and exhibit hall

was eventually constructed and is now owned by the Conference Center Commission. An operator was hired to manage the complex -- Doubletree Hotels. The renovation of the Hotel Roanoke included the revitalization of 332 rooms and a $7 million dollar local private campaign run by the Renew Roanoke Foundation. These moneys were used to renovate the hotel property.

The property is to open in April of 1995 and is booked for all of the first year. The primary market for this complex is to secure meetings of state and regional associations and then fraternal, religious and other association business. Virginia Tech also plays a part in the meeting market. The ultimate market has been the corporate, educational and meeting market; however, the other social associations and local markets are not overlooked. They did not want to rely on the corporate market as the primary market. Therefore, they have designed a complex which is versatile and can accommodate a number of different types of meetings. It does have sufficient exhibition space and it would probably best be described as a convention/conference center. The center is projected to break even within a three year period. While Mr. Wishneff does not believe that the center will be that profitable that fast, he is optimistic.

Wishneff's conclusions and recommendations about meeting destination venues included the following: 1) An educational player is important particularly if the player has had significant meeting destination experience; 2) the center must be able to accommodate a variety of markets and should not be single purpose in their current economy; 3) the public-private partnership is really the only way this can realistically work; 4) this economic development strategy requires a huge time commitment for the public entities to make sure it will work; 5) the time commitment also requires careful development of legal and contractual guidelines; and 6) caution must be taken in the development of the feasibility study especially in its timing. It should be completed as close as possible to the development stage. All projections should be carefully reviewed.

Roanoke is probably not the community most comparable to Pittsfield. However, the experiences of the development of the conference/convention center were insightful and should be carefully considered. It is significant that Roanoake has a successful meeting facility downtown.

2. Community #2: The Poconos

Population: Counties of Monroe (95,709) and Carbon (56,846), Pennsylvania

Conference Center Existing: Yes.

Contact: Bob Uguccino, Director of Vacation Bureau.

Size: 64,000-square-foot steel shell convention hall with a seating capacity of 7,000, a 9,800-square-foot administrative building, and several outbuildings; formerly owned by the Worldwide Church of God and being sought for purchase and renovation into the Pocono Performing Arts and Convention Center.

Why Selected: The Poconos has some similarities to the Pittsfield area and the Berkshires. It is an established vacation spot with a number of area attractions and is not easily accessible by a major interstate. This existing facility is located on a 247-acre site and is sandwiched between Routes 61 and 196 in Coolbaugh, just north of the Mount Pocono border, 31 miles from Scranton and 15 miles from Stroudsburg. Currently the property and site is owned by a Japanese investment company which is seeking to sell the property to the highest bidder.

Interview Text. Bob Uguccino was interviewed. The Poconos, although already known as a vacation destination, wanted to diversify its attractions by acquiring the meeting space of the Worldwide Church of God. Because it has a large meeting hall which could seat close to 10,000 people, it could be developed into a unique meeting destination attraction. Initially, the idea was to develop the property to serve as a unique meeting environment and to attract those groups of people who are not specifically targeted in most meeting destination markets. Because the location is wooded, it was envisioned that the area would almost serve as a campground for meetings with the markets consisting of religious groups, car enthusiasts, hobby groups, etc. It would be targeted to those described as more non-traditional meeting markets. The project site has currently not been acquired or funded and has sat empty for a number of years. Mr. Uguccino was once very optimistic about the project but now appears to feel the project has become too political and changed greatly in scope. The project was intended to induce more demand for the Poconos and serve as an added attraction. It was to be funded out of project development money for similar conference/convention centers in second tier cities such as Reading, Allentown, Harrisburg and Scranton - Wilkes Barre, once the large megaplex convention center being built in Philadelphia was completed. This project has not been successful to date.

3. Contact #3. Wooster, Ohio

Population: 101,461

Conference Center Existing: Yes @ OARDC (Ohio Agricultural Research and Development Center) part of the Ohio State University and College of Wooster, a liberal arts college with specialty in music and music education (200 seat recital hall, classrooms and practice rooms).

Contact: Jack O'Donnell, President Wooster Chamber of Commerce

Size: Fisher Auditorium (1,000 seats) with library and television classrooms and Research Meeting Spaces located .

Why Selected: Wooster is an isolated community, self-contained and 30 miles from any other settlement. It is larger than Pittsfield, but was selected based on recommendations from IACC.

Interview Text. Wooster has successfully made connections with the educational and business communities to restore and make its downtown successful. Located in the community are the College of Wooster and the Ohio State University Agricultural Extension Campus -- the research laboratory. There is meeting space at both campuses, but none specifically tied to a public - private partnership or development by the community to position Wooster as a meeting destination market. It has successfully reinvigorated its downtown through careful niche marketing. The key points which have made Wooster's downtown successful are: 1) safety -- both community and downtown area are safe to visit; 2) carefully positioned with downtown shopping attractions that are different than those in the malls and in major central city shopping experiences; 3) developed specialty shops (Everything Rubbermaid and Everything Corning are two special anchor stores); 4) existing department stores have focused on special markets and attracted older women as a specialty; 5) retaining other reasons to return to the downtown -- banks for example have committed to remaining in the downtown area to attract business to the area; and finally, 6) carefully reinvesting in downtown beautification projects that helped to make the downtown a special place. Wooster has prided itself in attracting a day shopping market to an array of specialty and quaint shops in the downtown for nearby markets of Columbus, Cleveland, Youngstown and Toledo, Ohio. People do travel to Wooster for meetings through the colleges and for research, but it is not a meeting destination area. It has become a self-contained community with specialty shopping and a highly diversified local economy. The community recently passed a $50 million bond project for local public investments which includes a $12 million dollar natatorium (swimming facility) and physical fitness center -- all publicly funded. Wooster also attracts people to the area who are interested in music, the arts and culture. The area is also known for its Amish population, who live on surrounding farms.

4. Contact #4. Saratoga Springs, New York

Population:

Conference Center Existing: Yes, linked Center City Exhibition Hall with Sheraton Saratoga Springs Hotel.

Contact: Michael Mendrick, Executive Director and Linda Roth, Sales manager, Saratoga Springs Convention and Tourism Bureau..

Size: 20,000 exhibition hall (main hall) and Sheraton Hotel 15,000 square feet of meeting space.

Why Selected: Recommended community to review by Pittsfield.

Interview Text. Saratoga Springs, New York markets itself as "resort destination where everything is within a few minutes." The conference center is part of city center complex in the downtown area which joins a Sheraton Hotel property (240 room property) and 15,000 square foot meeting/conference space area with a 20,000 square foot City Center meeting area. The Saratoga area has specifically marketed itself as a different resort meeting destination area offering a variety of attractions. It specifically seeks to attract markets which Albany does not attract. Albany tends to cater more to the legislative meeting market while Saratoga seeks to attract state association and regional markets. Their markets are growing and most of their business is oriented toward a weekend destination stay. However, they have made a commitment to become a national destination market in their current marketing plan and are seeking to attract more national meeting business which may be tied to their unique characteristics -- a community which offers unique attractions and combines art, culture and leisure attractions. The coordination of the City Center and the private hotel operator, Sheraton, has helped to make this community a successful meeting destination. Its unique combination of attractions has also contributed to its extension of becoming a year round meeting destination.

5. Contact #5. Johnstown, Pennsylvania

Population: 28,134

Conference Center Existing: Yes.

Contact: Lisa Dailey, Director of Johnstown and Cambria County Visitors Bureau

Size: Living and Learning Center located on the campus of University of Pittsburgh at Johnstown (UPJ), contains small meeting and conference space of under 10,000 square feet.

Why Selected: Similar characteristics to Pittsfield, downtown once declining, major employers leaving and downsizing, not near major interstate highway.

Interview Text. Johnstown does not market itself as a meeting destination area. The total region is marketed to attract visitors. Tourism and promotion of attractions has been key to the redevelopment of the area and the downtown. UPJ's meeting space is marketed by the university as an education meeting destination and the college housing is used. However, most of these conferences occur during the summer. The local Holiday Inn also serves as a full service hotel with some meeting space.

The downtown was hurt by two malls in the outskirts of town. However, Johnstown has recovered through a main street management program and a special heritage program where the downtown has used low interest loans to return the downtown to a "turn of the century" look. Special emphasis was made to restore the charm of building storefronts in the downtown revitalization. In 1989, the city celebrated the 100th anniversary of the Great Johnstown Flood and embarked on a season long festival of activities. The momentum from 1989 has caught on and the city tries to initiate one new and big event every year. The director recommended the following: 1) build charm into the downtown area; 2) try to determine what is unique about the downtown area; 3) carefully evaluate your downtown assets and seek to preserve and enhance these assets; and 4) seek out those national historic attractions within your community which can be enhanced to serve as a site of a number of attractions which can be tied together. Johnstown also concentrated on cultural tourism as an investment strategy for its community and downtown areas. A big special event can serve as a catalyst to spur new initiatives.

6. Contact #6. Steubenville, Ohio

Population: 22,125

Conference Center Existing: No.

Contact: Bob Jackson, Director of Convention and Visitors Bureau

Size: No conference/convention space in community. A civic center does exist which has 16,000 square feet of space and can seat about 5,000 for events.

Why Selected: Decaying downtown, located 30 minutes from Pittsburgh, not on major highway.

Interview Text. Steubenville has had very limited success attracting meeting business to the local area. They are not planning any conference or meeting destination initiatives. Currently they are hoping a new major four lane highway will link them to Pittsburgh and open up investment in the community. Tourism has not developed as the community had hoped it

would. Some attractions just have not generated the kind of business the downtown area needs. The city is currently using special events (Christmas and holiday parades) plus other special programs to attract more people to the downtown area. Results are less than spectacular. Steubenville recognizes that it must work harder to get more people downtown and more people and attractions must be used to return people to the downtown area.

7. Contact #7. Altoona, Pennsylvania

Population: 51,881

Conference Center Existing: No.

Contact: Cheryl Devine, Director of Visitors Bureau

Size: No conference/convention space in community.

Why Selected: Decaying downtown, not on major highway.

Interview Text. Altoona does not currently market itself as a meeting destination area. It has a number of hotel properties with meeting facilities, but no real move has been made to invest money in making Altoona a meeting destination. The market conditions do not support the development of such a complex.

8. Contact #8. Midland, Michigan

Population: 38,054

Conference Center Existing: Yes.

Contact: Patty Lea, Director of Convention and Visitors Bureau

Size: Ashman Court Hotel and Conference Center.

Why Selected: Revitalized downtown area with new Marriott Hotel property called the Ashman Court Hotel and two meeting centers located at Northwood University -- the Griswold Communication Center and the NADA Marketing Education Center.

Interview Text. Midland is located in North Central Michigan. It has sought to revitalize its community through the attraction of hotels and meeting spaces. It is an isolated community with the nearest airport located 30 miles away (Saginaw-Bay City-Midland Airport). The new conference center has been open about 18 months and is running at an annual occupancy rate of about 60+% compared to the statewide average in Michigan of about 53%. They have three major generators of corporate meeting demand: Dow Corning; MCV -- a coal/steam energy co-generation plant and the Midland Medical Center.

They attribute their success to this local corporate demand for the Downtown Conference Center facility. However, it has pulled business away from the other hotel properties. As Midland is not a destination meeting place, it has sought to aggressively pursue and attract state association business into their area from the state capital of Lansing.

The Ashman Court and Hotel has a 14,000 square foot meeting center and hotel complex of 110 rooms and contains an auditorium which seats about 50 to 55 people with state-of-the-art lighting and audio-visual equipment, and a ballroom which can handle about 300 people. The property is managed by Marriott Corporation. The Northwood University complex has two meeting areas: 1) the Griswold Communications Center which has a 200 seat auditorium with a full range of media services and a circular glassed-in dining room adjacent to the meeting space. It accommodates 40 to 200 people. The NADA Marketing Education Center is a 20-guest room (double occupancy) complex with adjacent conference rooms ideal for meetings 10 to 40 people. The community has had success in attracting the meeting markets to the area. Other properties in the community included a Holiday Inn with about 12,000 square feet of meeting space; an old Ramada Hotel with three meeting rooms, the Northwood complex, a Fairview Inn with 110 rooms and no meeting space, and a Best Western/Valley Plaza which has recently built a 15,000 square foot meeting center and great hall.

It was clear from the conversations with Patty Lee, the Sales Manager from Midland, that the community has aggressively pursued the meeting markets. She did note that the corporate meeting market has not created the type of business the downtown retailers were hoping for when the center was proposed and built. It appears the corporate meeting market tends to stay in the hotel and conference property and do not venture out into the community as much as the retailers would like. Midland has aggressively marketed the conference center to more distant markets and also to their local markets. Ms. Lee indicated that she felt that the aggressive marketing locally has helped too. Many people in the local area would easily go to Lansing or other areas in the state and did not see Midland as a destination. This is changing, but requires aggressive marketing and promotion. Furthermore, they have also found that they are marketing Midland's central location, the fact that it is a safe community and has flexible meeting space and a competitive number of rooms for a community of its size. These factors have all worked to their advantage. Finally, the success of Midland has also been attributed to the fact that the conference center has worked in conjunction with a hotel property and is connected to the property.

A conference center run independently probably would not have worked in Midland. The aggressive marketing position has also contributed to its success and a carefully designed feasibility study was very important.

9. Observations of the Meeting and Conference Market

From the interviews conducted here with comparable other communities, it is clear that the development and marketing of a conference and meeting space must be carefully considered. In two communities (Altoona, Warren) of comparable size and characteristics to Pittsfield, no conference centers exist nor is there an aggressive marketing agenda to promote the communities as conference or meeting destination places. Smaller communities (under 40,000 population) with similar characteristics to Pittsfield (Torrington, Steubenville, Auburn, Marion) also do not contain conference or business meeting centers. Johnstown has an university based meeting center as does Wooster. The Poconos has three conference centers and is attempting to secure a fourth and already aggressively markets itself as a meeting destination. Saratoga Springs and Midland have aggressively marketed themselves as meeting destinations as well. Saratoga has done so through the development of the City Center which is connected to a hotel property. Midland has done so through the careful development of the Ashman Court and Conference Center in the downtown area. In fact, these two communities have been the most successful with this approach. By far the most successful community has been Roanoke; however, it is considerably larger in population than Pittsfield although it does share some similar location factors. Its success is largely attributable to a unique public-private partnership, timing, community effort and funding and cooperation with a nearby university -- Virginia Tech.

These interviews would suggest that for a conference meeting space development project to work in Pittsfield, there must be considerable public- private cooperation, aggressive niche marketing and an overall diversified market plan. The interviews here suggested that some communities have benefited from conference centers which are both tourist and meeting destinations (The Poconos, Johnstown, Saratoga Springs and Wooster). Wooster has benefited from meetings, but has niche marketed its downtown as a shopping destination with unique shopping anchor stores. It has not aggressively marketed its area as a meeting destination although it has helped. Wooster has left the meeting and conference planning to the local college and university. Johnstown likewise has left meeting planning to the local campus of the University of Pittsburgh. The Poconos have a number of existing resort complexes which have diversified and seek to attract local, state and regional conferences in

the non-peak vacation seasons. They have sought to add a public meeting and convention site to their attractions with very limited success. Midland has perhaps the most successful downtown conference center of the communities interviewed. But, its success is attributed to sufficient local demand for corporate meetings, aggressive marketing and a central Michigan location.

10. Observations in the Conference Center Meeting Market in the Northeast.

Other observations from interviews with local hotel operators and industry officials would suggest the following about the Pittsfield market:

a. Berkshire County has a history of lodging demand which significantly fluctuates annually, as well as during recession periods and even year-to-year.

b. Properties within the county must seek to draw upon multiple markets of guests.

c. There is no real "conference center" within Berkshire County as described by the IACC with the exception of Cranwell Resort. However, this property has struggled in recent years and must pursue regional markets. Its limited success has been attributed to its setting and recreational attractions. Recent indications are that this property will be more aggressively pursuing the meeting and conference market in the coming years. A conference center is planned for Greylock Glenn.

d. Occupancy rates within Berkshire County are highly seasonal but average in the 50% range among even those who do pursue some level of meeting business. This suggests that there is little unaccommodated demand. Thus, this center would be challenged with creating demand for the conference center (commonly referred to as induced demand).

e. As local demand is not sufficient in volume to generate significant income, most properties must pursue more distant markets and are dependant upon alternate markets -- particularly transient and leisure markets. The leisure market is highly seasonal.

f. Although a meeting planning guide does exist for Berkshire County, a focused, highly targeted or niche targeted strategy, or even a planned diversified strategy for specific communities within Berkshire County does not exist.

g. The proposed conference center for the Greylock Glen Project recognized that obtaining a reasonable share of the existing meeting market would not be sufficient to support a conference center. Thus, induced or new demand would be required. It must either generate new meeting market demand or target existing meeting markets and capture from competing markets. This project, if fully implemented, will seek environmental groups as part of its niche strategy, but will also depend on other meeting market groups.

h. There does appear to be the opportunity to position a conference center as a mid-priced or "value-oriented" facility and the markets most appealing to such a pricing structure would be the SMERF (social, scientific, medical, military, religious and fraternal) meetings. This is the position the Greylock Glen Project is likely to pursue should it reach development stage.

i. Recent proposals, as late as the fall of 1994, in West Central Massachusetts in prime locations have not been pursued due to lack of sufficient demand identified in the feasibility studies. (Information is proprietary.)

j. Demand in New England for meetings is primarily confined to the summer and fall, when the region is also popular among leisure and touring travelers. Concern about accessibility during inclement weather and a general preference for sun-belt locations in the November to March time frame make New England in general a difficult meeting location sell. Low seasonal demand during those months when corporate people meet poses significant challenges to a conference center in a location such as Pittsfield. It is clear that the center, if it is to exist, must tap into unique or special markets within the local area and must seek to attract distant niche markets.

k. Few conference centers can remain profitable without supplementing group bookings and transient and leisure travelers. At present, it would appear that Pittsfield does not possess a large enough corporate presence to generate high volumes of transient demand. Interviews with local corporate companies revealed only limited needs for meeting space.

l. Some conference centers have been able to reduce their risks through collaborative efforts with large corporate or educational institutions. Such interest for Pittsfield

should be pursued through contact with Berkshire Community College, the University of Massachusetts, North Adams State College and/or Williams College.

m. Lacking a major corporate presence in the Pittsfield area, a conference center here would have to be priced at a mid-level and targeted to associations and SMERFs which are rate sensitive.

n. Industry trends indicated that the meeting business has experienced a reduction in the overall number of off-site meetings held by corporations, a trend toward more in-house meetings. Associations have also moved to holding conferences over weekends to reduce time away from productive activities and compressed their meeting times as well. These create additional challenges for pursuing the meeting business markets.

o. There has been a rise in off-site day meetings for corporate clients; however, Pittsfield does not have such demand locally. Although Pittsfield is close to Albany and Springfield/Hartford markets, it is not currently thought of as a day site meeting destination for any of these areas.

p. Meeting planners also are now seeking destinations that provide variety for their attendees despite the compression of meeting schedules and time away. Dining options, entertainment and recreational options must be considered into the developmental scheme if this project is to be pursued.

q. Meeting planners also consider a location based on its proximity to a major airport. Most meeting planners consider ground transportation of more than 30 to 40 minutes to be a significant deterrent when air travel is involved. This further reduces Pittsfield's ability to reach perhaps more distant and unique specialty markets.

These factors and the observations gained through the collective interviews among comparable communities suggest that Pittsfield would be best served if it continued to pursue a strategy which reinvigorated shopping, service, office, entertainment, and meeting business in the downtown. It is clear that those few communities which have pursued this type of strategy have also benefited from the presence of a downtown conference and meeting center venue. Stated more succinctly, a conference center will work best as part of a long range comprehensive, public-private revitalization strategy.

Table 1. Conference City Comparables for Pittsfield Project

City	State	Population	Located on Interstate	Major Airport Location	Major Airport Distance	Conference Center Existing	Successful Meeting Business	Meeting Space	Hotels (#)	Hotel Rooms	Hotel Room Price Ranges
Pittsfield	MA	48,622	No	Albany, NY Springfield, MA	40 miles 55 miles	Yes (In Berkshire Cty)	NA	40,629 Total Comp Conf Space	6	649	High=$125 Low=$75
Altoona	PA	51,881	No	Pittsburgh	95 miles	No	NA	NA	5	582	High=$79 Low=$31
Warren	OH	50,739	No	Cleveland	50 miles	No	NA	NA	5	474	Hi-$57 Low=$27
Poconos County Pop. here ->	PA	56,846 95,709	No	Wilkes-Barre	30 miles	Yes (Marketed)	Yes	Assorted 3 Conf. Ctrs	10	2,381	High=$135 Low=$49
Wooster	OH	22,191	No	Cleveland	90 miles	Yes	Mixed Not Meeting Dest.	Education College Based	8	350	High=$89 Low=$32
Saratoga Sprgs	NY	25,001	Yes	Albany	30 miles	Yes (Marketed)	Yes	35,000 sq. ft. (Public Conf/Exh Space)	4	560	High=$295 Low=$50
Johnstown	PA	28,134	No	Pittsburgh	68 miles	Yes (Marginal)	Mixed Not Meeting Dest.	Educational (UPJ)	4	537	High=$125 Low=$39
Midland	MI	38,054	Yes	Detroit	120 miles	Yes	Yes	10,000 sq. ft. (New)	6	1,022	High=$99 Low=$37
Steubenville	OH	22,125	No	Pittsburgh	50 miles	No	No	NA	2	200	High=$48 Low=$30
Torrington	CT	33,678	No	Hartford	31 miles	No	No	NA	2	109	High=$69 Low=$41
Auburn	NY	31,258	No	Syracuse	30 miles	No	No	NA	2	221	High=$58 Low=$39
Marion	IN	32,618	No	Indianapolis	72 miles	No	No	NA	2	258	High=$58 Low=$45
Roanoke	VA	79,332	Yes	Richmond	186 miles	Yes (Marketed)	Yes	80,000 sq. ft. (Public Conf./Exh Hall)	20	2,652	High=$99 Low=$26

Note: Pittsfield meeting space is privately held comparable conference space, others are public where noted.
Sources: Interviews, Hotel and Travel Index, 1994 and promotional materials.

C. Work Task #3: Interview ten local community leaders to determine the perspectives. The interviews will be used to help refine the project definition.

To complete this work task, ten local community leaders were interviewed after a questioning scheme was developed. To ensure confidentiality, the findings and comments are provided here in statement form and are not identified with reference to any specific individual.

1. Interview Responses

a. Where are large meetings currently held in Pittsfield?

Town Hall
Ball Room at the Hilton (150 people)
Auditorium on site (125 people), high school
Local Museum
High School Auditorium (125-200 people)
In-house

b. How often are these meetings held?

Once or twice per year

c. Where are smaller scale meetings held?(15-50)

In-house
Berkshire Hilton
Jiminy Peak
Cranwell
Best Western

d. How often are these smaller meetings held?

Periodically (less than 20 times per year in total from all sources)

e. Has there ever been any difficulty in finding space for meetings?

All indicated that they never had any difficulty finding space.

f. What would be the cost of using space?

Many indicated the cost was minimal.
Many use in-house catering or have inexpensive refreshments; i.e. pizza.

For example the use of the high school auditorium is $100.00 for the janitorial service and food was used from in house.

g. Where are important guests housed?

Berkshire Hilton
Lenox
Stockbridge
Jiminy Peak
Bed & Breakfast Inns in Lenox
Cranwell

h. Do you foresee an increase in your need for business/conference space in the future?

Most said "No." It seems that the trend is to downsize.

i. What would be the longest distance you would be willing to travel to use a facility?

Most responses were anywhere <u>within</u> Pittsfield.

j. What would it take to kill the business conference center project?

*Negative comments from the "media," significant public relations work would be needed behind the scenes.
*Building the same old style conference center, something different and unique is needed.
*Public money not becoming available.
*Concern that the City would have to absorb any losses.
*Lack of need for a Business Conference Center - How would it be marketed?

k. General thoughts on the project.

Type of conference center that is needed is something very different. Maybe a high-tech/telecommunications center with a professionally staffed business center. This would be exciting and the respondent would be willing to participate in such a project.

The hotel industry has been in decline in the past few years but seems to be on the increase. Pittsfield tends to follow the wave of new trends. This may be good timing.

Hotels are needed in Pittsfield. The high-tech concept would be a good idea. The downtown area would be helped by this project.

Hotels are needed but unsure if a conference center is needed. Would the conference center be enough to help the downtown?

Unsure if Pittsfield is an ideal place to visit during the winter months. Other seasonal activities would be a draw.

Having a business/conference center in the hills would be more appealing for a New England experience.

This project would help the downtown - retail is not the answer to help downtown. High-tech idea would do well in conjunction with G.E.

The competition would be good for the Berkshire Hilton.
It would need to be built well with a nice design. A canopy at the drop off area would be needed.

Safety in the downtown area would be an issue.

A high-tech center is not really needed because this will be done in your office in the future. Why bring in a lot of people here?

If a center is developed here Cranwell and other businesses would be hurt. There is only so much draw for the customers.

This would not be the best idea to help revitalize the downtown.

This project would be risky for Pittsfield.

There are very few activities or entertainment spots during the night in the Pittsfield area.

The Berkshires is trying to position itself as a Meeting Center. A committee has been developed - Berkshire Meetings and Conference Council.

Pittsfield is re-evaluating itself and the public perception of North Street is negative.

It would need to be established as a destination for meetings with multiple attractions.

Needs to find its niche.

Transportation is a problem - airport is 1-1/2 hours away, might/must be limited to car travel.

Would need to have diverse uses (i.e. community trade shows, craft, hobby, auto shows etc.).

Some businesses have in-house training facilities already.

Business and Professional Women's Group has bought and plans on restoring the Fire Station which would include retail stores and meeting spaces.

There are some free meeting room areas already available.

Important guests currently use the Travel Lodge, Jiminy Peak, Red Lion Inn and the Berkshire Hilton.

Possible ice rink multi-purpose uses would be needed.

Would need to be easily accessible and have proper marketing strategies.

Parking is an issue. People do not like the parking garage.

Pittsfield has good leisure traffic.

Would like to see the Conference Center but unsure of the financial viability - would there be marketing money available?

Unsure if the Businesses Center is a good idea.

Another 175 bed facility would be in direct competition with Hilton.

The Business Conference Center might kill off small hotel businesses in the area.

Most area hotels are currently running at a 50% occupancy rate.

The former department store site would be an ideal location and it would help revitalize downtown.

It would help stabilize the hospitality service employment.

The timing now for this project is better than the earlier proposal.

The prices for a Business Conference Center in Pittsfield would be more competitive than in Springfield.

The local mood would be good.

2. Conclusion

Those who generally support the conference center concept felt that it had to be unique and special if it were to succeed. Some recognized that it would require a broad base of support, an aggressive marketing strategy, and more diverse set of attractions to complement it to outsiders. The idea of a high tech meeting communications center was mentioned several times. A number of individuals expressed concern over Pittsfield's limitations -- safety in downtown, lack of entertainment, need for multiple attractions, competition with Berkshire County's meeting planning strategy, parking problems and competitive pricing of the facility. Some expressed the need for more hotel rooms, but also recognized that occupancy rates were in the 50% range. Additional comments included that the downtown needs something and the timing might be just right for the community.

D. Work Task #4. Examine the market demographics of the Greater Pittsfield area (to include Springfield and Greater Albany) to determine if there is a market for the facility (facilities). Inventory existing conference facilities in the market area and their capacities.

The inventory of the conference and meeting facilities in the local region is provided in Table 2, Conference Meeting Space Inventory. Springfield, Greater Albany and Berkshire County were included in this inventory. Greater Albany concentrates on the governmental and association based market. No statistics were available on utilization levels. The Springfield market utilization levels for the most recent time period may be found in Table 3. Over 50% of all association related business in the Springfield market in the last year required accommodations of 150 rooms or less during peak demand nights. Also, approximately 50% of all association related business in this market was from a regional market. Although the Albany market statistics are not available, it is safe to say that its predominant market is state and regional as it is the state capitol of New York. The estimate of the market mix in Berkshire County finds that the Cranwell Conference Center has the most group based meetings -- estimated at 60 to 70%, followed by the Williams Inn at approximately 50% and the Berkshire Hilton at approximately 40%.

The market demographics of Berkshire, Hampden, Hampshire and Franklin Counties in Massachusetts were examined along with Albany, Columbia, Greene and Renesslaer Counties in the Greater Albany area. These counties, selected as the criteria for review, were within a fifty mile driving radius of Pittsfield. The number of employees and firms by major industry classifications are based on 1992 County Business Patterns provided for by Census Bureau. These statistics are listed in Table 4 for Massachusetts and Table 5 for New York.

Over 50% of the employment sector in Massachusetts is confined to the retail trade and service industries. Berkshire County has the highest percentage of employment in these two industries. Massachusetts does not have high or disproportionate shares of business with strong meeting potential such as wholesale trade, finance, insurance and real estate or construction firms. The highest concentration of these businesses is located in Hampden County. This also in the area with the highest concentration of meeting space in the western portion of the state. A much higher concentration of retail and service based industries are located in the nearby Greater Albany area. Here over 64% of the four county area is comprised of retail and/or service businesses. Although both the Massachusetts market area and the New York market area examined for this project have an adequate share of wholesale and finance, insurance and real estate, this share is much lower than the statewide distributions of such businesses in their respective states.

Table 2. Conference Meeting Space Inventory*

Facility	Location	# Guest Rooms	Total Meeting Space	Largest Room	Number of Meeting Rooms
Berkshire/Pittsfield Area:					
Berkshire Hilton	Pittsfield, MA	175	11,919	7,566	12
Cranwell Resort Conference Center & Golf Club	Lenox, MA	64	9,552	4,200	10
Jiminy Peak, Mountain Resort	Hancock, MA	125	7,260	1,850	7
The Orchards	Williamstown, MA	49	2,700	1,680	4
The Williams Inn	Williamstown, MA	100	4,394	1,332	4
Berkshire County Total		513	35,825		37
Springfield, Massachusetts Area:					
Springfield Civic Center	Springfield, Ma	NA	43,000	NA	NA
Sheraton Springfield @ Monarch Place	Springfield, Ma	311	22,000	9,648	15
Springfield Marriott	Springfield, Ma	264	14,300	6,050	12
Holiday Inn	Holyoke, MA	219	4,800	7,400	10
Ramada	West Springfield, MA	263	5,200	6,460	8
Exposition Center- Big E	West Springfield, MA	NA	Excess of 175,000	123,000	NA
Total Springfield Area:		1,057	264,300	152,558	45
Other Conference Meeting Space:					
Univ. of Massachusetts Conference Center	Amherst, MA	116	28,574	7,566	37

*Includes only space marketed for conferences/meetings, excludes meeting space at commercial hotel properties.

Table 2. **Conference Meeting Space Inventory (continued)**

Facility	Location	# Guest Rooms	Total Meeting Space	Largest Room	Number of Meeting Rooms
Albany, New York Area:					
Albany Metro: (Does not include Empire Center Convention Hall -- 80,00 sq.feet and Knickerbrocker Arena)					
Albany Quality Inn	Albany, NY	217	6,804	NA	8
Albany Ramada	Albany, NY	195	7,441	NA	7
Hotel Johnson Hotel & Conference Center	Albany, NY	175	14,328	NA	8
Howard Johnson Lodge	Albany, NY	177	3,051	NA	5
Ramada Inn Albany Downtown	Albany, NY	135	7,450	NA	5
Omni Albany Hotel	Albany, NY	387	22,728	NA	14
Airport/Wolf Road:					
Albany Marriott Hotel	Albany, NY	360	13,000	NA	13
Best Western Airport Inn	Albany, NY	153	7,634	NA	7
Comfort Inn Airport	Albany, NY	97	2,016	NA	2
Comfort Inn & Business Center	Albany, NY	53	348	NA	1
Holiday Inn Turf	Albany, NY	309	17,366	NA	12
Howard Johnson Central	Albany, NY	156	5,146	NA	6
The Desmond	Albany, NY	322	20,555	NA	22
Traveler's Motor Inn & Conference Center	Albany, NY	113	1,461	NA	4
Albany North:					
Century House Inn	Latham, NY	68	10,122	NA	6
Hampton Inn	Cohoes, NY	126	1,500	NA	2
Holiday Inn Express	Latham, NY	120	4,000	NA	5
Howard Johnson Airport	Latham, NY	146	918	NA	2
Schulyer Inn	Meands, NY	120	2,766	NA	3
Total Albany Area:		3,429	148,634		132

Table 3. Springfield Meeting Business for 1993-1994.

Rooms Require Peak Night	State	Regional	National	Total
Less than 100 Rooms Required	3 11.1%	16 59.3%	8 29.6%	27 31.4%
100 to 150 Room Required	3 10.3%	12 41.4%	14 48.3%	29 33.7%
151 to 300 Rooms Required	4 23.5%	11 64.7%	2 11.8%	17 19.8%
301 to 600 Rooms Required	1 20.0%	3 60.0%	1 20.0%	5 5.8%
Over 600 Rooms Required	1 12.5%	3 37.5%	4 50.0%	8 9.3%
Total Percent of Total	12 14.0%	45 52.3%	29 33.7%	86 100.0%

Table 4. Number of Employment Firms and Employees, 1992 -- Massachusetts

Industry	#Employees	% of Total	# Firms	% of Total	Market Index
Berkshire County, MA					
Agricultural Services	404	0.8%	78	2.0%	117.1%
Mining	85	0.2%	8	0.2%	192.2%
Construction	2,033	3.8%	442	11.1%	115.2%
Manufacturing	11,820	22.3%	215	5.4%	75.2%
Transportation & Public Util.	1,826	3.4%	146	3.7%	109.3%
Wholesale Trade	1,499	2.8%	151	3.8%	69.7%
Retail Trade	12,707	23.9%	1,242	31.3%	108.3%
Finance, Insurance & Real Estate	2,700	5.1%	257	6.5%	84.7%
Services	20,013	37.7%	1,404	35.4%	100.7%
Unclassified	6	0.0%	28	0.7%	76.0%
Total	53,093	100.0%	3,971	100.0%	
Franklin County, MA					
Agricultural Services	142	0.7%	27	1.7%	102.4%
Mining	0	0.0%	0	0.0%	0.0%
Construction	662	3.2%	173	11.0%	113.9%
Manufacturing	5,650	27.0%	131	8.3%	115.8%
Transportation & Public Util.	1,009	4.8%	64	4.1%	121.0%
Wholesale Trade	906	4.3%	88	5.6%	102.6%
Retail Trade	3,991	19.1%	429	27.3%	94.5%
Finance, Insurance & Real Estate	1,408	6.7%	96	6.1%	79.9%
Services	7,159	34.2%	551	35.1%	99.9%
Unclassified	3	0.0%	13	0.8%	89.2%
Total	20,930	100.0%	1,572	100.0%	
Hampden County					
Agricultural Services	813	0.5%	145	1.4%	83.3%
Mining	63	0.0%	9	0.1%	82.8%
Construction	4,809	2.7%	883	8.5%	88.1%
Manufacturing	40,618	22.8%	822	7.9%	110.1%
Transportation & Public Util.	6,711	3.8%	330	3.2%	94.5%
Wholesale Trade	7,336	4.1%	682	6.6%	120.5%
Retail Trade	37,215	20.9%	2,886	27.8%	96.3%
Finance, Insurance & Real Estate	22,852	12.8%	882	8.5%	111.3%
Services	57,937	32.5%	3,631	35.0%	99.7%
Unclassified	38	0.0%	104	1.0%	108.1%
Total	178,392	100.0%	10,374	100.0%	

Table 4. Number of Employment Firms and Employees, 1992 (Cont.)

Industry	#Employees	% of Total	# Firms	% of Total	Market Index
Hampshire County					
Agricultural Services	277	0.7%	70	2.2%	131.9%
Mining	22	0.1%	3	0.1%	90.4%
Construction	1,625	4.0%	345	10.9%	112.9%
Manufacturing	6,330	15.6%	205	6.5%	90.0%
Transportation & Public Util.	1,331	3.3%	102	3.2%	95.8%
Wholesale Trade	886	2.2%	120	3.8%	69.5%
Retail Trade	10,346	25.5%	954	30.1%	104.4%
Finance, Insurance & Real Estate	1,363	3.4%	223	7.0%	92.2%
Services	18,441	45.4%	1,111	35.1%	100.0%
Unclassified	8	0.0%	32	1.0%	109.0%
Total	40,629	100.0%	3,165	100.0%	
Total Massachusetts Market Area (Four County Area)					Index to State MA Distribution
Agricultural Services	1,636	0.6%	320	1.7%	97.6%
Mining	170	0.1%	20	0.1%	167.0%
Construction	9,129	3.1%	1,843	9.7%	107.4%
Manufacturing	64,418	22.0%	1,373	7.2%	109.1%
Transportation & Public Util.	10,877	3.7%	642	3.4%	92.6%
Wholesale Trade	10,627	3.6%	1,041	5.5%	77.3%
Retail Trade	64,259	21.9%	5,511	28.9%	113.4%
Finance, Insurance & Real Estate	28,323	9.7%	1,458	7.6%	91.8%
Services	103,550	35.3%	6,697	35.1%	94.6%
Unclassified	55	0.0%	177	0.9%	87.9%
Total	293,044	100.0%	19,082	100.0%	
Total Statewide Employment by Industry					
Agricultural Services	12,220	0.5%	2,655	1.7%	
Mining	1,163	0.0%	97	0.1%	
Construction	78,345	3.0%	13,902	9.0%	
Manufacturing	483,281	18.7%	10,195	6.6%	
Transportation & Public Util.	119,434	4.6%	5,616	3.6%	
Wholesale Trade	153,533	5.9%	10,915	7.1%	
Retail Trade	506,908	19.6%	39,362	25.5%	
Finance, Insurance & Real Estate	222,522	8.6%	12,872	8.3%	
Services	1,012,105	39.1%	57,328	37.1%	
Unclassified	865	0.0%	1,632	1.1%	
Total	2,590,376	100.0%	154,574	100.0%	

Table 5. Number of Employment Firms & Employees, 1992 -- New York Area

Industry	#Employees	% of Total	# Firms	% of Total	Market Index
Albany County					
Agricultural Services	448	0.3%	104	1.2%	91.5%
Mining	39	0.0%	3	0.0%	48.6%
Construction	6,451	4.1%	752	8.7%	82.0%
Manufacturing	12,228	7.8%	301	3.5%	84.2%
Transportation & Public Util.	7,452	4.7%	301	3.5%	99.7%
Wholesale Trade	12,117	7.7%	744	8.6%	116.6%
Retail Trade	30,642	19.5%	2,228	25.8%	98.0%
Finance, Insurance & Real Estate	17,389	11.1%	906	10.5%	114.1%
Services	70,258	44.7%	3,232	37.4%	102.4%
Unclassified	64	0.0%	66	0.8%	82.9%
Total	157,088	100.0%	8,637	100.0%	
Columbia County					
Agricultural Services	215	1.8%	42	2.8%	215.7%
Mining	0	0.0%	0	0.0%	0.0%
Construction	665	5.5%	204	13.8%	129.8%
Manufacturing	2,443	20.2%	99	6.7%	161.6%
Transportation & Public Util.	753	6.2%	69	4.7%	133.4%
Wholesale Trade	818	6.7%	82	5.5%	75.0%
Retail Trade	2,935	24.2%	370	25.0%	95.0%
Finance, Insurance & Real Estate	562	4.6%	93	6.3%	68.3%
Services	3,702	30.5%	500	33.8%	92.4%
Unclassified	28	0.2%	21	1.4%	153.9%
Total	12,121	100.0%	1,480	100.0%	
Greene County					
Agricultural Services	59	0.6%	12	1.1%	81.7%
Mining	12	0.1%	3	0.3%	375.7%
Construction	444	4.8%	153	13.7%	129.0%
Manufacturing	899	9.6%	50	4.5%	108.1%
Transportation & Public Util.	601	6.5%	34	3.0%	87.1%
Wholesale Trade	407	4.4%	48	4.3%	58.2%
Retail Trade	2,484	26.7%	341	30.5%	116.0%
Finance, Insurance & Real Estate	454	4.9%	71	6.4%	69.1%
Services	3,918	42.1%	394	35.3%	96.5%
Unclassified	39	0.4%	11	1.0%	106.8%
Total	9,317	100.0%	1,117	100.0%	

Table 5. Number of Employment Firms and Employees, 1992 -- New York (Cont.)

Industry	#Employees	% of Total	# Firms	% of Total	Market Index
Rensselaer County					
Agricultural Services	103	0.3%	26	0.9%	71.8%
Mining	41	0.1%	4	0.1%	203.2%
Construction	2,297	6.0%	376	13.7%	128.6%
Manufacturing	5,604	14.6%	129	4.7%	113.2%
Transportation & Public Util.	1,486	3.9%	85	3.1%	88.3%
Wholesale Trade	1,682	4.4%	159	5.8%	78.2%
Retail Trade	8,037	20.9%	742	26.9%	102.4%
Finance, Insurance & Real Estate	1,554	4.0%	216	7.8%	85.3%
Services	17,564	45.7%	986	35.8%	98.0%
Unclassified	41	0.1%	31	1.1%	122.1%
Total	38,409	100.0%	2,754	100.0%	
Total New York Market Area (Four County Market Area)					Index to State NY Distribution
Agricultural Services	825	0.4%	184	1.3%	113.2%
Mining	92	0.0%	10	0.1%	75.8%
Construction	9,857	4.5%	1,485	10.6%	130.9%
Manufacturing	21,174	9.8%	579	4.1%	70.3%
Transportation & Public Util.	10,292	4.7%	489	3.5%	93.3%
Wholesale Trade	15,024	6.9%	1,033	7.4%	83.1%
Retail Trade	44,098	20.3%	3,681	26.3%	107.8%
Finance, Insurance & Real Estate	19,959	9.2%	1,286	9.2%	79.3%
Services	95,442	44.0%	5,112	36.5%	104.7%
Unclassified	172	0.1%	129	0.9%	77.8%
Total	216,935	100.0%	13,988	100.0%	
Total Statewide Employment					
Agricultural Services	24,303	0.4%	5,349	1.2%	
Mining	6,963	0.1%	434	0.1%	
Construction	240,385	3.6%	37,322	8.1%	
Manufacturing	1,033,194	15.5%	27,097	5.9%	
Transportation & Public Util.	400,426	6.0%	17,240	3.7%	
Wholesale Trade	454,811	6.8%	40,898	8.9%	
Retail Trade	1,153,908	17.3%	112,343	24.4%	
Finance, Insurance & Real Estate	773,424	11.6%	53,356	11.6%	
Services	2,580,830	38.7%	160,669	34.9%	
Unclassified	3,217	0.0%	5,454	1.2%	
Total	6,671,461	100.0%	460,162	100.0%	

Work Task #5: Based on industry standards and known conditions, prepare a preliminary development budget.

There is some danger in developing such figures for the cost of demolition and site preparation are unknown. However, if we assume that the site is cleared, then some "rule of thumb" figures can be applied. We are able to obtain the construction cost per square feet figures for seven convention/conference centers across the United States. The figures exclude land costs, design fees and furnishings. They have been adjusted for time (March, 1995) and location (Pittsfield). See Table 6, below.

Table 6. Recent Convention/Conference Center Cost Data

Facility	Completed	SF	Cost/SF*
1. St. Mary's Conference Center Waterbury, Connecticut	1990	27,000	$117
2. Casino Queen Reception Center St. Louis, Missouri	1993	42.000	$116
3. City of Independence Civic Center Independence, Ohio	1991	77,800	$127
4. Ontario Convention Center Ontario, California	In Planning	230,000	$135
5. Oregon Convention Center Portland, Oregon	1990	500,000	$134
6. Columbus Convention Center Expansion Columbus, Ohio	1992	500,000	$120
7. San Diego Convention Center Expansion	In Planning	1,100,000	$134

* Cost/SF values are based on Construction Cost only (excluding Land Costs, Design Fees, Furnishings, etc.), and have been adjusted for Time (March, 1995), and Location (Pittsfield, MA).

Typically, the construction cost for a project of this type represents 65% of total cost. Development costs range from 8-12%, while furniture and equipment typically represents 14-16%. The remaining costs consist of contingency, interest and other miscellaneous costs. Thus, if the center was under construction today the cost, not including land or demolition, would be expected to be between approximately one million and three million dollars, depending upon its size.

The costs of the hotel would be in addition to the conference center. Estimated costs for a hotel are based on costs per room and type of hotel (i.e. luxury, standard, economy). Reasonable costs for the Pittsfield market are noted in Table 7.

Table 7: Cost Per Room

Type	Low	High	Midrange
Luxury	96,000	187,000	142,000
Standard	39,000	101,000	70,000
Economy	32,000	61,000	46,500

If we assume that a luxury hotel is built adjacent to the conference center, then the expected costs, excluding land and demolition costs, would be approximately $28,000,000.

III. RECOMMENDATIONS

A. The City should continue to pursue the concept of a Conference Center as part of its Downtown Agenda for Economic Development.

B. The Conference Center should be viewed as a "supportive" activity. In other words, it should be planned in conjunction with other, larger investments such as a new hotel.

C. The Conference Center should be developed in a manner that would enable it to expand over time. A detailed, comprehensive marketing plan should be undertaken.

D. There is little evidence of unmet need for the Greater Pittsfield Market at this time. There is anecdotal evidence, however, that Pittsfield could find a unique niche in the New England and regional conference market. In short, it is essential that the City, Pittsfield Central, hotel operators and business and trade associations undertake an aggressive marketing campaign to attract activities to such a center.

E. The City should view the Center as a "carrot" for new investment. In other words, if a hotel operator, retail/office developer or other investor displayed interest in downtown investment then the Center should be presented as a "stimulus" to develop a beneficial project.

F. The City, while taking the lead, should seek out "partners" in the center for it will be of great advantage to companies and institutions in the Greater Pittsfield Area. These partners may be guaranteed users of the facility or co-investors.

IV. FINAL CONCLUSIONS

In all of our work, over the past twenty years, community after community has asked us to analyze potential investments and to determine if they are in the community's best interests. Typically, these communities seek a "guarantee" that the project would work. Unfortunately, feasibility studies rarely end with such conclusions. This study also ends with no guarantees.

Pittsfield's planning has made significant progress over the past five years. More specifically, its Downtown Pittsfield: Agenda for Economic Revitalization (1993), is an excellent road map that plots its future direction. We see the conference center having an important supportive role in furthering the goals of the plan. We see the Conference Center having an important supportive role in furthering the goals of the plan. It will not be the stimulus, will not stand on its own as a money maker and will not by itself lead to a renaissance. Through the public-private investment process, the guaranteed participation of the City's largest companies and institutions and an aggressive marketing campaign, such a Center could be beneficial to the City and the Berkshires.

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