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Hynes events lift economy by \$348M, study claims

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Events held at the John B. Hynes Veterans Memorial Convention Center in Boston add approximately \$348 million annually to the coffers of local businesses and government, according to a study released this week by the Massachusetts Convention Center Authority.

The study, MCCA executive director Francis X. Joyce said, "demonstrates the Hynes has been overachieving as a facility" and speaks to Boston's strength as a convention destination.

"The investment made by the commonwealth is reaping the rewards that we've expected," Joyce said. "In fact, it's probably doing better than expected."

Joyce stressed that the study was not timed to justify the need for the smaller Hynes once the new and much larger \$800 million Boston Convention & Exhibition Center is up and running in South Boston. Although other local officials have said privately that it's a consideration, Joyce refuted rumblings that the MCCA may consider closing the Hynes once the BCEC is open, a step supported by Charles Chieppo of the conservative Pioneer Institute think tank, who has been a vocal critic of operating two convention centers in the city.

"I've been seeking to do this for some years," Joyce said of the study. "This is something that's done regularly in New Orleans. I think it's a good gauge to assess the performance of the building itself."

The MCCA commissioned the \$50,000 study in the fall of 1999 to assess the economic impact of out-of-state attendees at the center's events, as well as the impressions those visitors have of Boston and the center.

"It helps tell us what delegates spend the most money, so, in the ever-evolving universe of conventions, we will go after the ones that are most productive," Joyce said.

The results were based on in-person interviews with 2,659 out-of-state attendees between the fall of 1999 and fall of 2000—approximately 0.7 percent of the out-of-state attendees who visited during the 12-month period.

"What we've been able to determine, on a conservative basis, is the economic impact to the region of events at the Hynes, I think, is fairly impressive," said Christopher Schiavone, president of City Square Associates Inc., the Brookline marketing research and consulting firm that completed the study.

According to Schiavone, out-of-state attendees of Hynes events spent an average of \$1,116 per person during stays in Boston that averaged 3.6 days. The figure is significantly higher than the 2000 national average of \$742 calculated by the International Association of Convention & Visitors Bureaus, a Washington, D.C., trade group, he said.

The figure is higher, in part, because Boston hotel room rates are among the priciest in the country, and the Hynes is in the center of the city's restaurant scene, retail stores and nightlife. The bulk of the money—\$224 million—is going to the local hospitality industry.

"People ... are finding plenty of reasons to spend their money," Schiavone said. "The No. 2 thing is the extremely positive feelings that people leave Boston with about Boston as a convention destination. These are folks who attend conventions and meetings on a regular basis."

More than half of those interviewed were male, and two-thirds were ages 35 to 54. Four out of five were from the United States, and nearly half had master's degrees or doctorates.

Close to 97 percent of respondents said Boston was "desirable" as a convention destination, and three out of four respondents believed it was "very desirable." Nine out of 10 respondents said they could see themselves returning to Boston for business or pleasure in the next four years.

"In terms of the findings, there is very little that is negative," Schiavone said.

Over two-thirds of delegates said they were "very satisfied" with the Hynes, although some delegates were turned off by construction activity, a perception of high prices in Boston and the Hynes' aesthetics.

The study marked the first time Hynes information was compiled via interviews with conference attendees. Studies in the late 1980s and early 1990s were based on information such as average hotel room rates and conference attendance figures, Schiavone said.

"I felt it was time to get back into that business of establishing what the annual economic impact was, particularly since there's been a further investment by the commonwealth," said Joyce, referring to the BCEC. "I think it's important for legislators to know that the initial investment" was sound.

When plans for the BCEC were being developed, they took into account the total amount of space that would be available between the two centers, Joyce said.

"There has never been any discussion internally at MCCA of ever closing it (the Hynes) down," Joyce said. "The reason for the new building is we needed more space here."

Prior to the Hynes opening in 1988, it was anticipated that four years would pass before the center had its first stable year of operation.

CONVENTIONAL DOLLARS

Study shows economic impact of out-of-state attendees at John B. Hynes Veterans Memorial Convention Center events.

Revenue to local businesses	
Hospitality industry	\$224 million
Retail	\$37 million
Transportation	\$23 million
Entertainment	\$21 million
Convention Services	\$15 million

Revenue to state	
State and local taxes	\$17.5 million
Hynes fees	\$4.5 million
BCEC funding	\$3.6 million
Public transit	\$2.5 million

SOURCE: City Square Associates Inc.

"The Hynes never required a ramp-up period from the day it opened," said Joyce, who noted the Hynes hosts an average of 70 to 80 conventions annually. "When you take into account move-ins and move-outs, we've been at practical maximum capacity since the day we opened our doors ... I think we can expect that the Hynes will continue to operate profitably."

Joyce acknowledged that while some conventions would stick with the Hynes, others will move on to the BCEC. He said he prefers to look at the two centers as a set rather than separate buildings, with the Hynes acting as a "supplement" or "complement" to the BCEC.

"This facility can be used as an incubator for larger shows," Joyce said. "Shows may begin here at the Hynes and eventually make their way down to the other facility. The Legislature anticipated both buildings would be operating in tandem."

The Greater Boston Convention & Visitors Bureau and the Massachusetts Lodging Association are funding a BCEC marketability study by PricewaterhouseCoopers LLC of New York. The study, expected to be completed in mid-September, will assess market demand for the new center, national convention-booking trends and measures that should be taken to capture Boston's share of the convention market.

The Hynes study will be used as a model for future reports on the center. Schiavone, however, would like those reports to incorporate the economic impact that exhibitors—as many as 100 at large conventions—have on the area as well.