

New Day at Pennsylvania Convention Center

By Gregory J. Fox, Esquire

Three years ago, the \$786 million expansion of the Pennsylvania Convention Center was completed, providing 935,000-square feet of new space, more than 528,000-square feet of contiguous exhibit area, a grand new main entrance and atrium lobby, 23 additional meeting rooms, three additional exhibition halls, and a 56,000-square-foot ballroom.

The expansion, which provided Philadelphia with one of the largest convention centers in the country, was designed to enable the city and region to compete more effectively for major national shows, conventions, and other events. The expansion provided the space needed to accommodate the industry's larger shows while also enabling the center to host multiple events simultaneously.

Initially, the industry responded well, and the center hosted numerous events following the opening of the expansion. But customers soon began expressing concerns with the restrictions that were placed on them by the center's work rules and limitations on exhibitor rights.

Nationally, the trend in the convention industry was leading venues to provide greater freedom to exhibitors to perform work in their own booths. Yet the Convention Center was still operating under a decade-old agreement with trade unions, one that contained many provisions that were outdated given the changes in the industry.

Many customers and exhibitors believed that rules placing limitations on the work they could perform in their own booths - such as using step ladders and power tools like electric screwdrivers - were unfair. That perception placed the center at a competitive disadvantage. The Philadelphia Convention and Visitors Bureau (**PHLCVB**) - which markets and sells the center as a venue for trade shows, conventions, and other events - notes that between 2012 and 2014, the center lost out on \$1.3 billion in economic impact from convention business due to cancellations by customers or the failure to win business. That lost business is the equivalent of 925,000 hotel room nights.

Based on customer surveys and feedback, **PHLCVB** attributed the losses to the center's antiquated work rules. When customers weighed the benefits of hosting an event at the Convention Center compared with other venues, the "hassle factor" of the center's work rules too often outweighed the positives.

That is all behind us now. Last week, the Board of Directors of the Pennsylvania Convention Center Authority approved a new customer satisfaction agreement - signed on to by four local trade unions - that addresses customer concerns and puts the center in a position to once again vie for and win business that will serve as the economic engine of our region's hospitality industry.

Make no mistake; this is a major milestone in the long and storied history of the Convention Center.

Throughout the process, the board showed a determination and commitment to do what is right, both by our customers and by the taxpayers who funded the expansion. But it is also important that we recognize the courage and conviction of those four trade unions that signed the agreement. They recognized that this agreement was in the best interest of their members - that attracting more customers means more work for trade unions.

These four unions also understood that the center generates hundreds of millions of dollars in visitor spending and economic impact each year. They recognized that thousands of hospitality jobs were at risk unless new commonsense work rules - rules demanded by our customers - were put in place.

It was time for a change. It was time for center leadership to take responsibility for our past mistakes and move aggressively toward implementing solutions that establish a competitive advantage for Philadelphia to win more convention business. It was time for the center to broaden its reach, strengthen its team, and adopt a new approach by bringing in SMG, a nationally recognized firm specializing in the management and operation of convention centers.

Just as important, it was time to heed the frustrations and concerns voiced by center customers. It was time to address the extra time, resources, and money that they had to expend while doing business in a center with outdated work rules and onerous limitations on exhibitor rights. It was time for the center to stop wasting precious time while our competitors used the center's lingering labor problems to lure away customers.

It was time to do what is right by taxpayers, local businesses and their employees, and, most importantly, our customers. With a new customer satisfaction agreement and other changes in place, our great city can reclaim its status as a top-tier destination for convention and tourism business.

Gregory J. Fox is chairman of the Board of Directors of the Pennsylvania Convention Center Authority.