



PhillyStat Outcomes

Goal 3: Philadelphia is a place of choice

About PhillyStat

What is PhillyStat?

PhillyStat is the City of Philadelphia's performance management program, led by the Managing Director's Office in partnership with the Finance Office. During PhillyStat meetings, City leaders review departmental performance metrics and progress toward the Mayor's strategic goals.

What are PhillyStat Outcomes Meetings?

PhillyStat Outcomes meetings are a high-level review of the Mayor's goals and outcomes. At PhillyStat Outcomes, the Mayor or his Chief of Staff chairs while one or more Core Team member presents. The City's Core Team is comprised of the City Solicitor, the Communications Director, the Finance Director, the Managing Director, and the Deputy Mayors.

The Mayor's 5 Strategic Goals

1. Philadelphia becomes one of the safest cities in America
2. The education and health of Philadelphians improves
3. Philadelphia is a place of choice
4. Philadelphia becomes one of the greenest and most sustainable cities in America
5. Philadelphia government works efficiently and effectively, with integrity and responsiveness

Goal 3

Philadelphia is a place of choice

Owner: Deputy Mayor Alan Greenberger

Outcome 1: Philadelphia is business-friendly

Presented previously in September

- Action item memo available with status updates

Outcome 2: People choose to live and stay in Philadelphia

- Office of the Deputy Mayor for Economic Development
- Department of Commerce
- Mayor's Hospitality Advisory Board
- Philadelphia Industrial Development Corporation
- City Representative
- Office of Arts, Culture and the Creative Economy

Goal 3

Philadelphia is a place of choice

Smart Location:

Improve regional, national, and international perception of Philadelphia through tourism, branding, and events/amenities

- Coordinated Approach Between City and Partners
- Encourage Hotel Development
- Marketing of Philadelphia

Smart Living:

Make Philadelphia a more “livable” city

- Create and Implement Master Plan
- Implement Commercial Corridor Investment and Technical Assistance Strategies to Encourage Commercial Opportunities within Neighborhoods
- Improve and Maintain City Recreational and Cultural Assets

Smart Location: A focus on Hospitality



Philadelphia is a place of choice – a place businesses choose to start and grow and a place people come to live, work, and visit. A place like this will not just happen. It must be made by individuals and organizations who see opportunity in Philadelphia and commit the resources required to create a thriving city.

Today we will focus primarily on why hospitality and tourism is critical to making Philadelphia a place of choice. The strategies and initiatives outlined in this presentation highlight the City's strategies to expand Philadelphia's hospitality sector.

**Outcome 2:
People choose to live
and stay in Philadelphia**

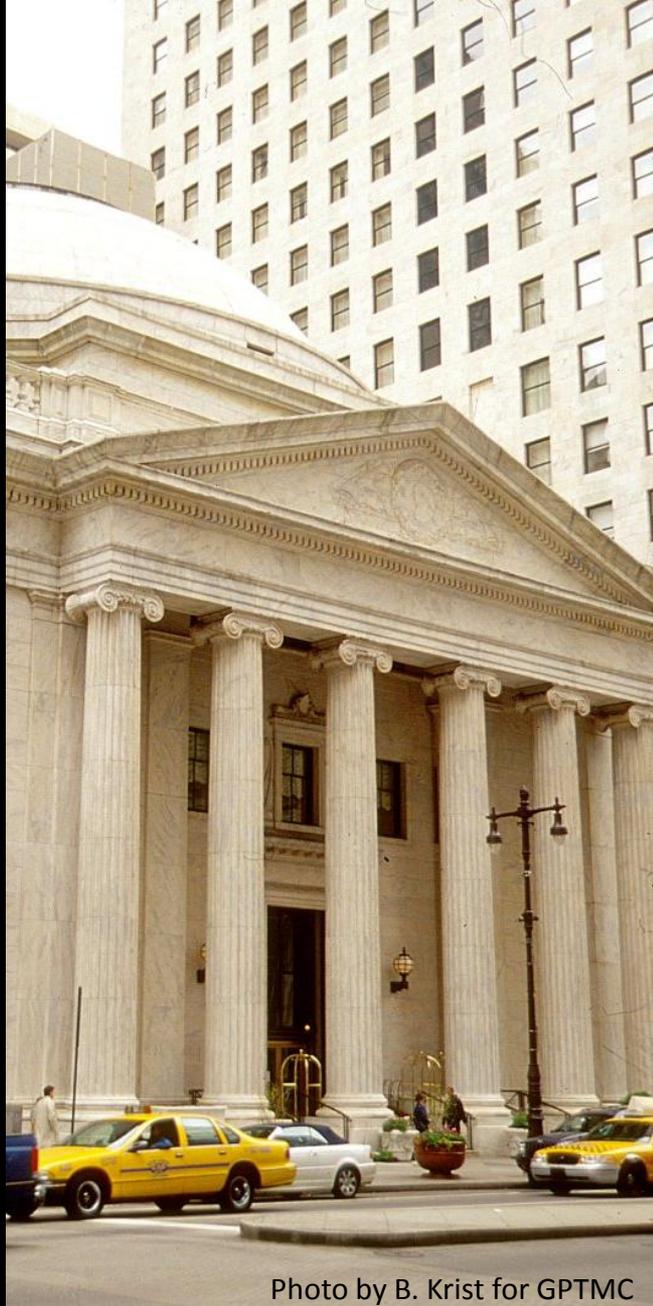


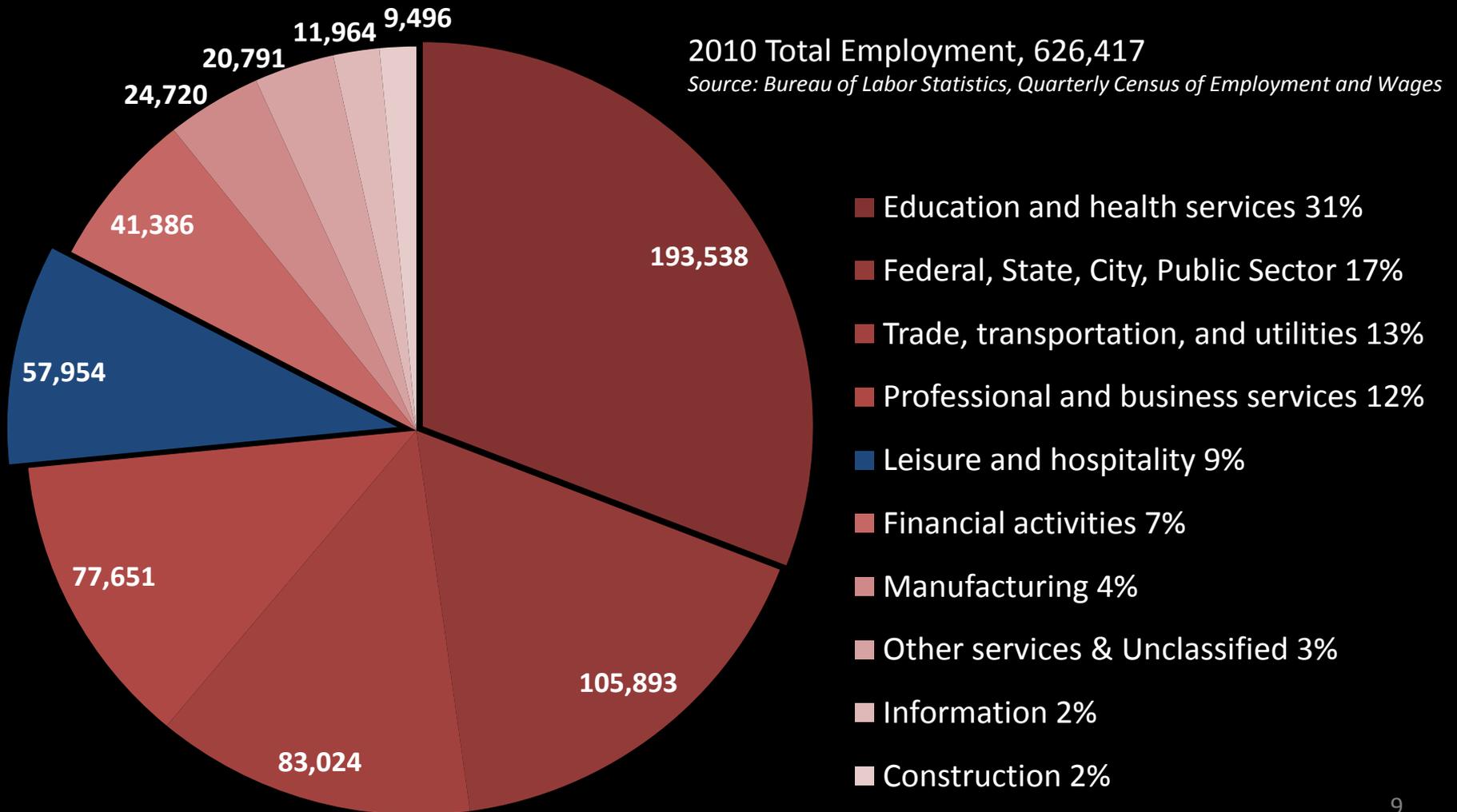
Photo by B. Krist for GPTMC

The Hospitality Sector drives perceptions and job growth

Hospitality is important to Philadelphia:

- Increases economic activity, contributing to City revenues
- Drives job growth across a wide spectrum of skill sets and wages
- Has the potential to improve perceptions domestically and internationally

Education and Health Services and Leisure and Hospitality are the only two employment sectors in Philadelphia to grow from 2001 to 2010



Employment in Hospitality has recovered to pre-recession levels; continued growth is expected after Convention Center Expansion

Total Employment in Leisure and Hospitality, 2001 – 2010

Source : Bureau of Labor Statistics, Quarterly Census of Employment and Wages

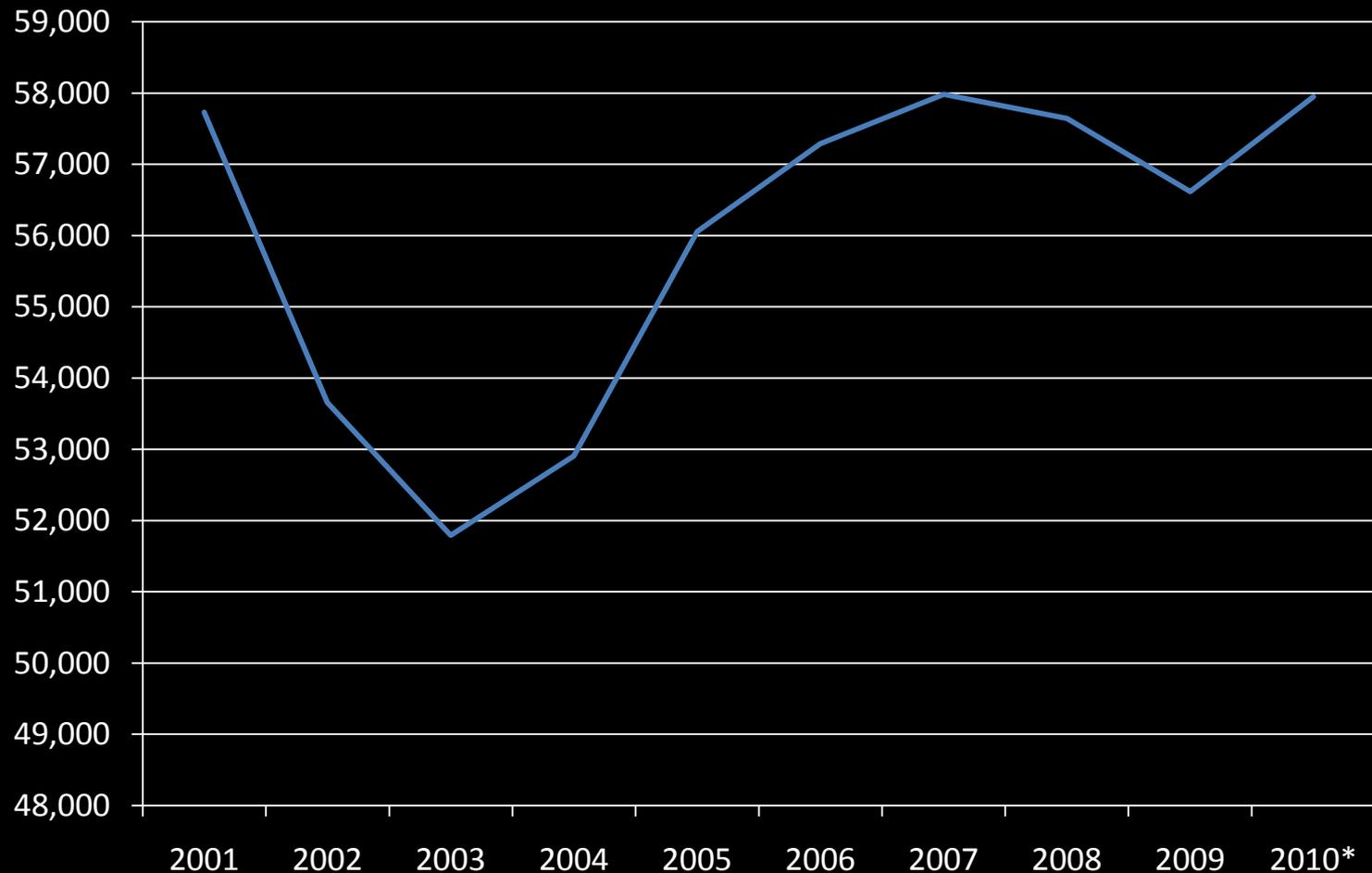




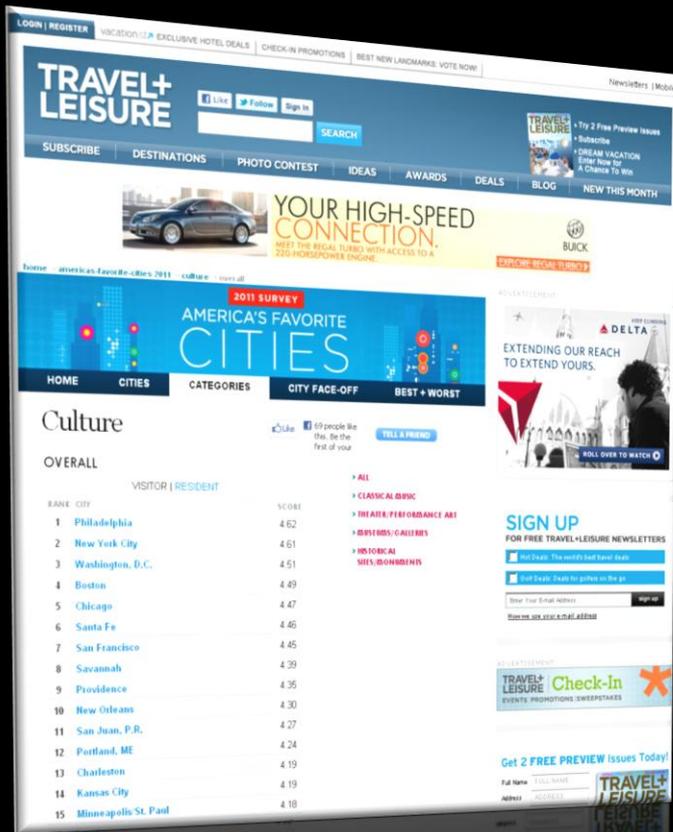
Photo: PCVB

Economic opportunities from Hospitality are driven by visitors

- Leisure Visitors – Domestic and International
- Convention & Group, and Business Travelers

Visitors drive hotel development and spur multiplier effects to restaurants, cultural attractions, etc.

Philadelphia ranked #1 for Culture by *Travel+ Leisure Magazine*



The 2011 Survey for “America’s Favorite Cities” asked readers to rank 35 U.S. Cities on food, people, nightlife and more. While Philadelphia showed advancement, it also has room to improve.

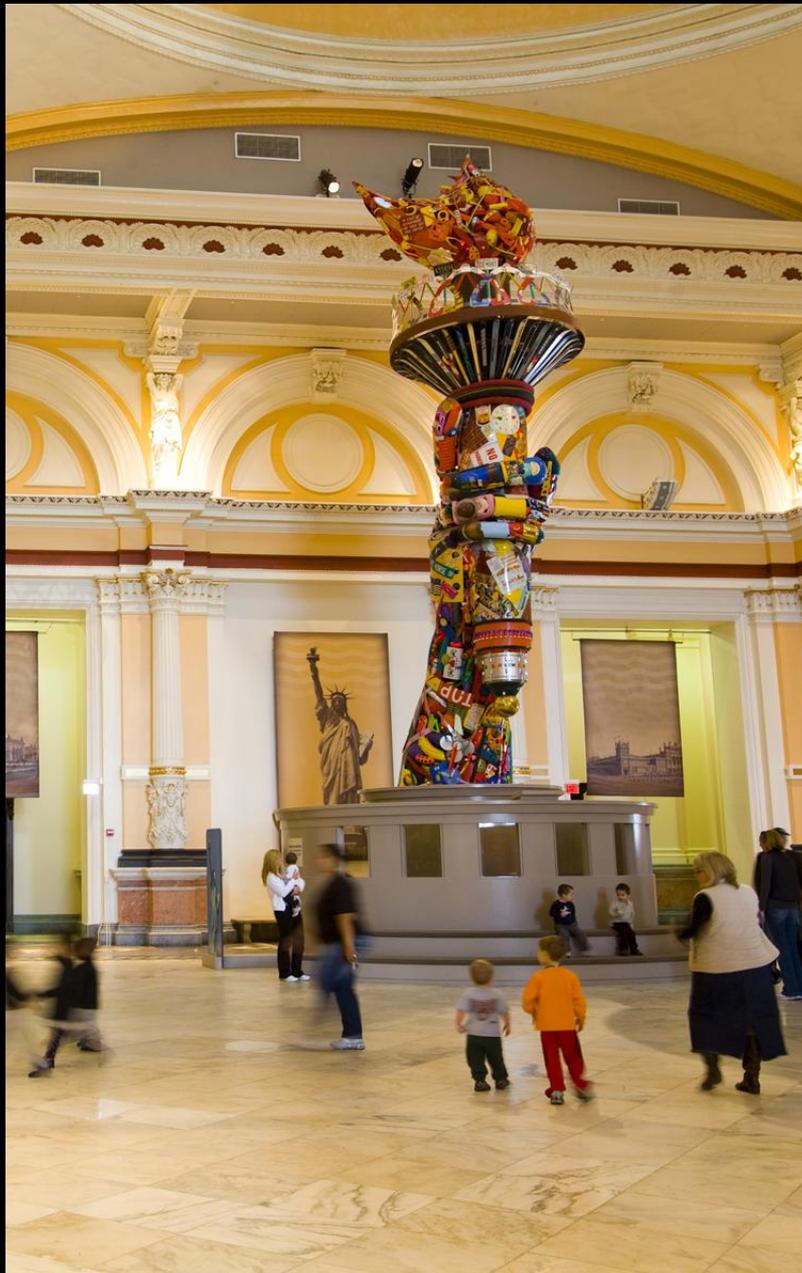
Philadelphia’s ranking of #1 in Culture this year is a significant move up from #10 last year.

For "Food, Drink and Restaurants" Philadelphia ranked #3, up from #22 last year.

For "Shopping" Philadelphia ranked #5, up from #30 last year.

Selected Rankings	
Culture	1
Food, Drink, Restaurants	3
Shopping	5
Night Life	9
Overall	12
Quality of Life & Visitor Experience	18
Friendly	25

Despite improved perceptions, the Recession trumps; overall, visitors to area attractions were down in 2010.



2010 Attendance Levels Philadelphia Visitors Center & Select Attractions

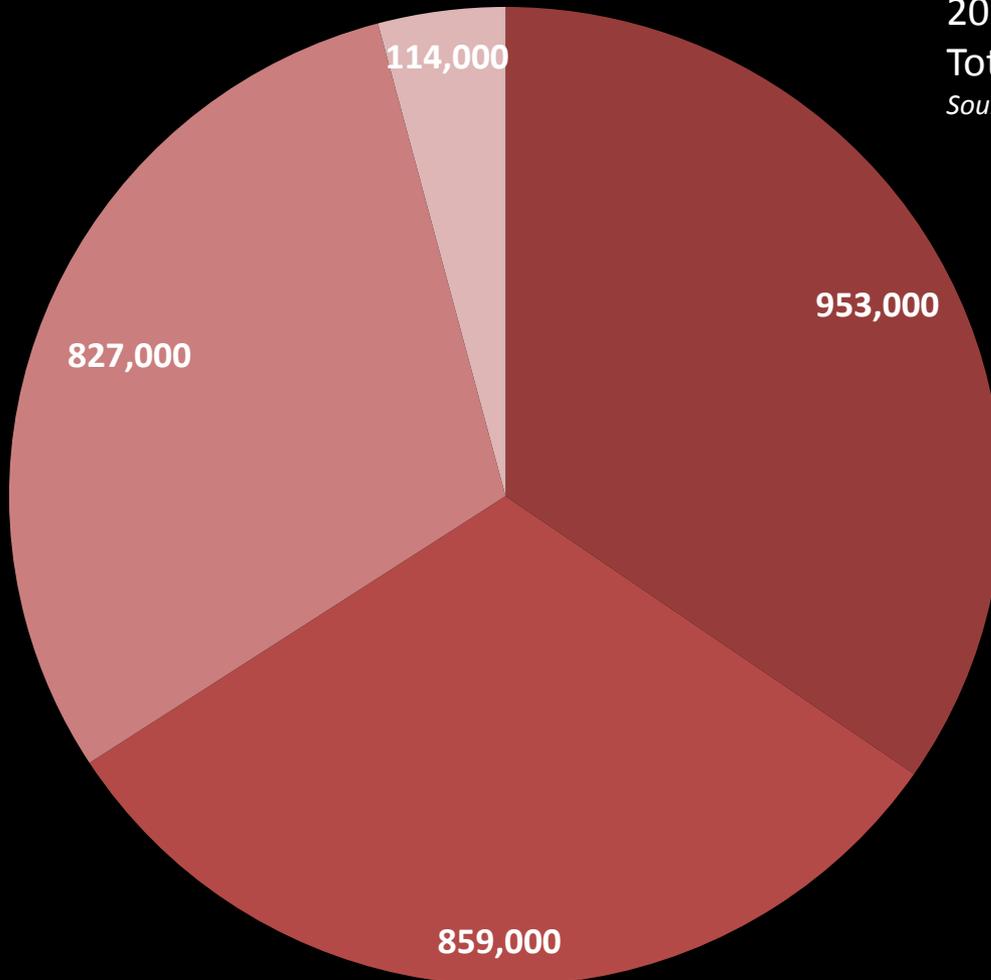
Visitor Center/Attraction	Attendance	% Change
Independence Visitor Center	2,440,295	(10.2)
Liberty Bell Center	2,271,938	(3.1)
Independence Hall	694,552	(3.7)
National Constitution Center	804,551	(12.9)
Franklin Institute	958,330	13.3
Academy of Natural Sciences	155,632	(5.3)
Philadelphia Zoo	1,255,604	(4.4)
Please Touch Museum	568,581	(13.1)
Philadelphia Museum of Art	680,544	(8.8)
University of Pennsylvania Museum of Archaeology and Anthropology	138,718	(4.0)
Eastern State Penitentiary	250,458	7.6

In 2010, Convention & Group Demand was the largest portion of Center City hotel demand.

2010 Center City Hotel Nights by Market Segment

Total Nights: 2,753,000

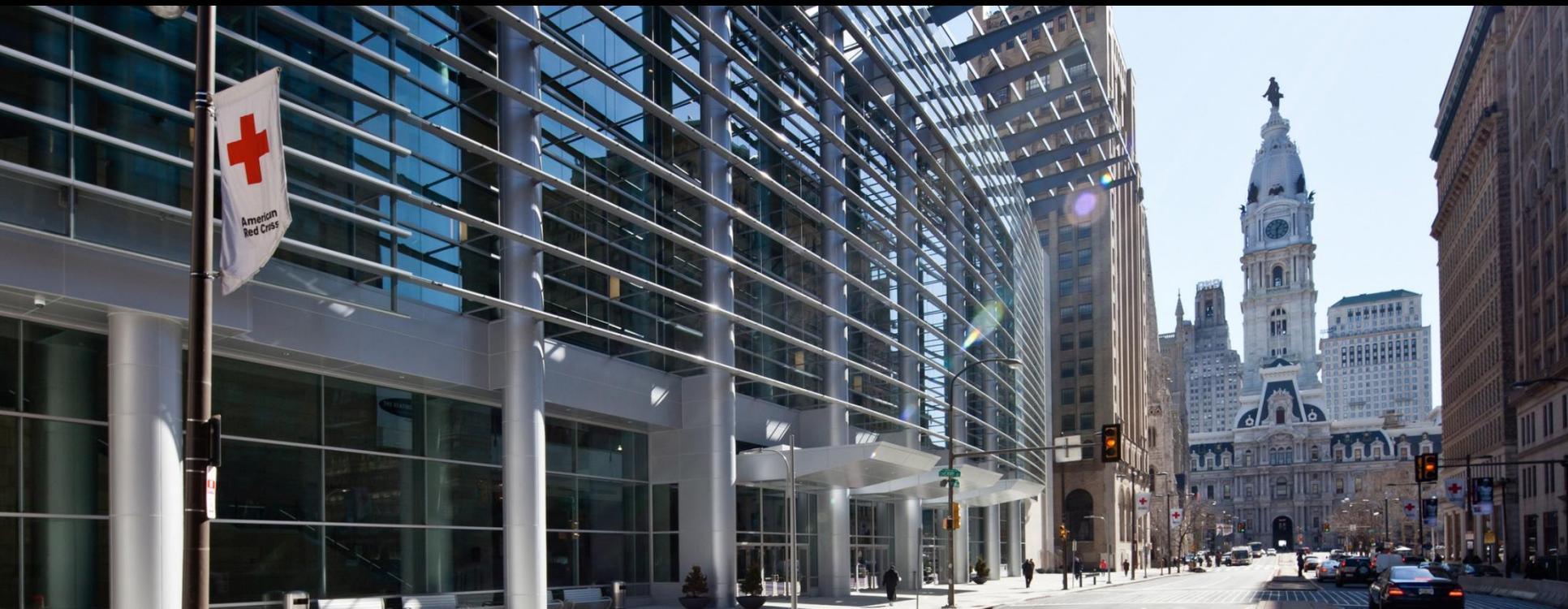
Source: Hotels Concerned; Smith Travel Research; PKF Consulting



- Convention & Group Demand 35%
- Commercial Demand (Includes Government) 31%
- Leisure Demand 30%
- Airline Crew Demand 4%

The Pennsylvania Convention Center, a significant investment with significant impact.

- 2.3 million square feet of space, over 1 million square feet are sellable
- Total attendance to the Convention Center January to August 2011 was 721,057, up 14% from the same period in 2010. These visitors represented \$155,180,439 in delegate spending and \$294,842,834 in economic impact, an increase of 63% from 2010.



Historical Performance of Center City Lodging Market, 1993 - 2010

Year	Hotel Supply			Hotel Demand		Occupancy	Average Rate		RevPAR	
	Daily	Annual	Percent Change	Annual	Percent Change		Amount	Percent Change	Amount	Percent Change
1993	5,613	2,048,745	3.1%	1,331,684	4.7%	65.0%	\$91.00	1.1%	\$59.15	2.7%
1994	5,548	2,025,020	-1.2	1,357,842	2.0	67.1	96.00	5.5	64.37	8.8
1995	6,565	2,396,225	18.3	1,641,710	20.9	68.5	104.00	8.3	71.25	10.7
1996	6,677	2,443,782	2.0	1,782,829	8.6	73.0	117.00	12.5	85.36	19.8
1997	6,513	2,445,566	0.1	1,794,180	0.6	73.4	123.96	5.9	90.94	6.5
1998	6,728	2,455,868	0.4	1,756,151	-2.1	71.5	134.85	8.8	96.43	6.0
1999	7,869	2,872,191	17.0	1,957,715	11.5	68.2	136.63	1.3	93.13	-3.4
2000	9,805	3,588,718	24.9	2,282,052	16.6	63.6	141.42	3.5	89.93	-3.4
2001	10,654	3,888,544	8.4	2,340,381	2.6	60.2	134.06	-5.2	80.69	-10.3
2002	10,690	3,901,953	0.3	2,575,154	10.0	66.0	138.58	3.4	91.46	13.4
2003	10,605	3,870,680	-0.8	2,569,626	-0.2	66.4	130.14	-6.1	86.41	-5.5
2004	10,428	3,816,648	-1.4	2,702,880	5.2	70.8	133.44	2.5	94.48	9.3
2005	10,244	3,739,043	-2.0	2,712,509	0.4	72.5	145.42	9.0	105.43	11.6
2006	9,840	3,591,491	-3.9	2,641,637	-2.6	73.6	156.08	7.3	114.87	9.0
2007	9,901	3,613,864	0.6	2,678,604	1.4	74.1	169.73	8.8	125.80	9.5
2008	10,045	3,676,521	1.7	2,595,109	-3.1	70.6	173.69	2.3	122.63	-2.5
2009	10,257	3,743,624	1.8	2,557,263	-1.5	68.3	152.44	-12.2	104.12	-15.1
2010	10,580	3,861,576	3.1	2,752,737	7.6	71.3	146.50	-4.0	104.43	0.2

Recent hotel developments add rooms and jobs

- Four Points by Sheraton, at 12th and Race Street 92 rooms, about 45 jobs*
- Kimpton Hotel Palomar, at 17th and Sansom Street 230 rooms, about 118 jobs*
- Le Meridian, at Broad and Arch Street 202 rooms, about 133 jobs*
- Hotel Monaco by Kimpton, at 5th and Chestnut Street 270 rooms, about 177 jobs*
- Hilton Home2 Suites, at 12th and Arch 246 rooms, about 146 jobs*

* Does not reflect construction jobs or indirect employment.



An estimated 1,000 additional hotel rooms are needed to accommodate Convention Center and Group demand.

Over the past two years the City has added about 1,100 rooms throughout the City. Unmet demand will require an additional 1,000 rooms, resulting in 500 – 750 direct, permanent jobs.

Top priorities for future growth include:

- A new 600 – 700 room anchor hotel to the Convention Center, located west of Broad St.
- 250 Room hotel in the former Family Court Building on Logan Square
- 150 Room hotel in the Liberty Title Building at Broad and Arch

The City has a clear vision to boost Hospitality in Philadelphia

- **Infrastructure**
 - Hotels Development, Commercial Redevelopment, etc
- **Customer Experience & Quality of Life Issues**
 - Market East, Sidewalk Behavior, etc
- **Goal setting, convening, and coordination**
 - Hospitality Advisory Board, PhillyRising

Hotel Development Strategies:

- Financing Tools
- Positive Publicity
- Project Specific Marketing



Photo by R Kennedy for GPTMC

What will the City achieve?

Proposed PhillyStat Targets Are:

- Increase the number of hotel rooms by 1,000
- Maintain current occupancy rate levels of 72%
- Increase the number of visitors to Philadelphia over the next five years: 37.4 million people visited the region in 2010
- Increase international visitors, making Philadelphia a top-10 American city for international tourists



PhillyStat

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