



## COUNCIL WORKSHOP AGENDA ITEM

- ITEM:** Presentation on convention center report
- DATE:** January 9, 2001
- PREPARED BY:** Lisa Wisner, Director, Visitors Bureau  
Steve Rockwell, Director, Economic Development Commission
- PURPOSE:** Aaron Gruen and Debra Jeans from Gruen Gruen + Associates will present an overview and summary of their report commissioned by the Visitors Bureau and Economic Development Commission to study the demand for conventions, trade shows and hotel rooms in the Village of Downers Grove.
- DISCUSSION:**
- RECOMMENDATION:**  
Information

**THE DEMAND FOR CONVENTIONS AND TRADE SHOWS  
AND HOTEL ROOMS IN THE VILLAGE OF DOWNERS GROVE**

A Report to the

Downers Grove Visitors Bureau and  
Downers Grove Economic Development Commission

from

Gruen Gruen + Associates  
*Urban Economists and Market Strategists*

October 2000

C1015



**Gruen Gruen + Associates**

**THE DEMAND FOR CONVENTIONS AND TRADE SHOWS  
AND HOTEL ROOMS IN THE VILLAGE OF DOWNERS GROVE**

A Report to the

Downers Grove Visitors Bureau and  
Downers Grove Economic Development Commission

from

Gruen Gruen + Associates  
*Urban Economists and Market Strategists*

October 2000

C1015

## ACKNOWLEDGMENTS

While the authors take 100 percent responsibility for the content and conclusions of the study, the report could not have been written without the help of a few others. We would like to thank the following individuals who offered insights and assistance with the study:

Michael McCurdy, Village Manager, Village of Downers Grove  
Steven Rockwell, Director, Downers Grove Economic Development Commission  
Lisa Wisner, Director, Downers Grove Visitors Bureau

**TABLE OF CONTENTS**

## TABLE OF CONTENTS

<u>Chapter</u>		<u>Page</u>
I	EXECUTIVE SUMMARY .....	1
	Introduction and Purpose.....	1
	Work Completed .....	1
	Principal Conclusions .....	2
	Convention and Trade Show Market.....	2
	Business Meeting and Training Market .....	4
	Hotel Market .....	5
	Recommendations .....	7
	Report Organization .....	7
II	THE DEMAND FOR AND SUPPLY OF CONVENTION AND TRADE SHOW SPACE.....	8
	Purpose .....	8
	Event Type .....	8
	Geographic Scope .....	9
	Location/Facility Selection Criteria .....	9
	International and National Conventions and Trade Shows .....	10
	Supply .....	10
	Demand .....	10
	Regional and State Events .....	15
	Supply of Existing Convention, Meeting and Trade Show Facilities .....	15
	Chicago Facilities .....	15

## Table of Contents, continued

<u>Chapter</u>		<u>Page</u>
II	Rosemont Facilities .....	17
	Chicago Area Suburban Facilities, Excluding Rosmont Facilities ...	19
	Proposed or New Convention and Meeting Space Facilities .....	22
	Conclusion Drawn from Review of Supply .....	22
	Demand .....	23
	Sampling and Interviews Attempted and Completed .....	24
	The Nature of Demand by Groups Which Have Booked Events in DuPage County .....	25
	Nature of Demand by Those Groups Which Expressed Interest in a DuPage County But Could Not Be Accommodated .....	30
	The Nature of the Demand by Groups Which Have Not Considered DuPage County as a Convention/Trade Show Site .....	37
	Conclusions About Demand Potential Drawn From Survey of Potential Users .....	39
	The Nature of the Conference/Meeting Space Demand Generated by Local Businesses/Organizations .....	40
III	THE DEMAND FOR HOTEL ROOMS IN DOWNERS GROVE ....	43
	The Present Supply of Hotel Rooms .....	43
	Room Rates and Occupancy Levels .....	43
	Average Length of Visit, Type of Overnight Customers .....	47
	Sample of Businesses Interviewed .....	50
	Type of Overnight Visitors and Estimated Room Nights .....	50

**Table of Contents, continued**

<u>Chapter</u>	<u>Page</u>
III	
Existing Lodging Facility Arrangements and Preference for Overnight Accommodations .....	53
Response to Potential Additional Higher-quality Hotel in Downers Grove .....	55
Primary Hotel Selection Criteria .....	55
Current Rates Paid at Existing Facilities and Willingness to Pay for Proposed Hotel Facility .....	58
Conclusions Drawn From Analysis of Hotel Supply and Surveys of Businesses and Hotels .....	58
APPENDIX A: TELEPHONE INTERVIEW GUIDE FOR THOSE CONVENTIONS/TRADE SHOWS/CONFERENCES WHICH HAVE BEEN ACCOMMODATED IN DUPAGE COUNTY AND TELEPHONE INTERVIEW GUIDE FOR THOSE CONVENTIONS/TRADE SHOWS/CONFERENCES WHICH COULD NOT BE ACCOMMODATED IN OR HAVE NOT CONSIDERED A DUPAGE COUNTY LOCATION	
APPENDIX B: LIST OF ASSOCIATIONS CONTACTED	
APPENDIX C: HOTEL SURVEY	
APPENDIX D: VILLAGE OF DOWNERS GROVE INTERVIEW GUIDE FOR BUSINESSES/ORGANIZATIONS	

## LIST OF TABLES

<u>Table Number</u>		<u>Page</u>
1	Cities With the Highest Number of the Largest Trade Shows .....	11
2	Convention Centers in the Midwest: Facility Characteristics, Locational Criteria and Amenities .....	12
3	Convention Facilities and Conference Center Hotels in Chicago .....	16
4	Convention Facilities and Conference Center Hotels in Rosemont .....	18
5	Convention/Conference Facilities and Conference Center Hotels in Chicago Metropolitan Area Suburbs, Excluding Rosemont .....	20
6	Conferences/Trade Shows/Conventions Which Have Been Accommodated in DuPage County .....	26
7	Conferences/Trade Shows/Conventions Which Have Considered DuPage County But Could Not Be Accommodated .....	31
8	Conferences/Trade Shows/Conventions Which Have Not Considered DuPage County .....	38
9	Demand for Conference/Meeting Space from Downers Grove Area Businesses .....	41
10	Hotels and Motels in Downers Grove and Lombard .....	44
11	Hotels and Motels in Lisle and Oak Brook .....	45
12	Number of Hotel Rooms and Occupancy and Room Rate Trends for DuPage County: 1993-First Quarter, 2000 .....	46
13	Types of Guests for Respondents 150 Rooms or More in DuPage County .....	48
14	Type of Guests for Respondent Hotels Under 150 Rooms in DuPage County .....	49
15	Information Concerning Characteristics of Business Travelers Disclosed by Interviews at Major Firms in Downers Grove Are a. ....	51

**List of Tables, continued**

<u>Table Number</u>		<u>Page</u>
16	Visitor Information Concerning Characteristics of Business Travelers Disclosed by Interviews at Major Firms in Downers Grove Area .....	52
17	Lodging Preferences of Business Travelers Disclosed by Interviews at Major Firms in Downers Grove Area .....	54
18	Preference for a Higher-quality Lodging Facility in Downers Grove of Business Travelers Disclosed by Interviews at Major Firms in the Downers Grove Area .....	56
19	Factors Important in Hotel Selection for Respondents .....	57

## CHAPTER I

## CHAPTER I

### EXECUTIVE SUMMARY

#### INTRODUCTION AND PURPOSE

Gruen Gruen + Associates (GG+A) has been asked to assess the potential market demand for a high-quality convention and trade show facility in the Village of Downers Grove. GG+A was also asked to complete a reconnaissance of the hotel market.

The purpose of the study summarized in this report is to provide an information base for decision-making about whether it would be advisable for the Village of Downers Grove to move forward with additional planning and implementation efforts to proactively encourage the development of a convention center within the Village.

#### WORK COMPLETED

In order to assess the market demand for conventions, trade shows and hotel rooms, GG+A completed the following principal tasks:

- Conducted interviews with the Director of the Downers Grove Visitor Bureau, the Director of the Downers Grove Economic Development Commission and the Village Manager as well as representatives of the DuPage County Convention and Visitors Bureau;
- Conducted interviews with convention center and hotel representatives, trade show and event managers and knowledgeable members of the convention and trade show industry;
- Reviewed a variety of secondary data, including industry publications, on characteristics of the meeting and trade show market, locational and site selection criteria, and make-up of the supply of convention, trade show, meeting and hotel facilities;
- Prepared a questionnaire distributed to hotels within DuPage County by the DuPage Convention and Visitors Bureau;
- Prepared questionnaires for differing segments of potential market demand and conducted telephone surveys with convention and trade show users in these demand segments;
- Prepared a questionnaire to guide telephone interviews with a sample of large businesses or users of area hotels provided by the Downers Grove Visitors Bureau; and



- Analyzed and synthesized the results of the primary and secondary research to characterize market conditions and to reach judgments about the demand potential for additional convention, trade show and hotel space in Downers Grove.

## PRINCIPAL CONCLUSIONS

### Convention and Trade Show Market

- The review of supply for the type of facilities capable of serving international and national convention and trade show events and interviews with planners for national convention and trade show events indicates that Downers Grove could not realistically serve this market segment. Downers Grove lacks both the land needed to site the required physical convention facilities and the supply of needed hotel rooms to support the largest events. Downers Grove also lacks the destination appeal of warm climate, resort/recreational cities like Las Vegas, Orlando, Anaheim or the variety and depth of cultural, shopping, restaurant attractions available in first-tier cities like Chicago, New York or tourist-destinations such as San Francisco or New Orleans.
- The supply of facilities capable of serving regional and state convention and trade show events is significant and increasing:

Downtown Chicago has ample facility and hotel room capacity to serve a wide variety of events. Chicago's capacity to host smaller to mid-sized events has improved as the result of: (a) the redevelopment of part of McCormick Place to a facility designed to serve smaller mid-sized conventions and trade shows; (b) the opening of Navy Pier; and (c) relatively recent construction or expansion and remodeling of hotel/conference centers;

Rosemont's competitive position to attract not only large events, but also smaller to mid-size events has also improved due to the significant expansion of municipal convention and meeting space facilities as well as the development of a substantial number of hotel rooms and associated meeting space facilities. Rosemont has the largest supply of suburban hotel rooms. Rosemont also possesses superior proximity to Chicago O'Hare Airport, along with public transportation to downtown Chicago. In addition to having the largest amount of suburban convention and trade show facilities, Rosemont has added and continues to add entertainment and recreational attractions to augment its destination appeal; and

The western and northwest suburbs contain a relatively large number of small to mid-size conference and meeting space venues. New, larger convention centers totaling over 570,000 square feet of space are proposed to be developed in Lombard, Itasca, Schaumburg, and Aurora. A conference and banquet facility is under construction in Hoffman Estates.

- Downers Grove and nearby communities contain an ample supply of a broad variety



of conference and training facilities with substantial capacity to serve the needs of local businesses and smaller conventions and trade shows.

- A synthesis of the results of the surveys of (a) associations which have held events in DuPage County; (b) associations which have not held events in DuPage County but have expressed interest in doing so, or could not be accommodated in DuPage County; (c) associations which have not considered DuPage County as a site for their events; and (d) interviews with representatives of conference center hotels, and convention, meeting and trade show facilities suggest the following:

The larger, less price sensitive regional and state associations will be highly unlikely to rotate their events to a Downers Grove convention facility. To bolster attendance, this demand segment prefers locations that are either in downtown Chicago, in the Rosemont area, near Chicago O'Hare Airport, or resort areas. This demand segment tends to encourage attendees to bring guests and therefore, places importance on the destination appeal of the community and accessibility of the location to a major airport. This demand segment generates the highest levels of economic and fiscal impacts;

Smaller to mid-size, less price-sensitive regional and state associations will also be unlikely to rotate their events to a Downers Grove convention facility. These associations prefer amenity-laden suburban locations at full-service hotels, which often include golf-course and tennis facilities. Downers Grove lacks the necessary depth and mix of shopping, restaurants, entertainment activities and other attractions sought by this demand segment. Associations in this demand segment also tend to have policies of encouraging delegates to bring guests. Therefore, this demand segment also places importance on the destination appeal of the community. This demand segment also generates high levels of economic and fiscal impacts; and

- A Downers Grove convention facility would appeal most to price-sensitive associations which seek locations accessible to major highways such as Interstate 88 and Interstate 355 because a high proportion of attendees to such events travel to the events by automobile rather than airplane. This demand segment requires less space at lower costs than available at McCormick Place, Rosemont area facilities, or downtown Chicago hotels, but more space than typically available at non conference center suburban hotels. Associations in this demand segment tend to not encourage attendees to bring guests. They place significantly less importance on the destination appeal of the location of the events than the other primary demand segments. Consequently, the groups most likely to select a Downers Grove location are likely to generate substantially lower levels of economic and fiscal impacts than the demand segments described above.
- The subsidies needed to fund the operating and debt service costs of a convention center competing for events primarily on the basis of automobile accessibility and price are likely to be significantly greater than convention centers responding to less price-sensitive events requiring airport accessibility, and a high service and amenity



package.

- Increases in the supply of convention and trade show facilities can be expected to constrain the ability to increase revenues generated by a convention center in Downers Grove due to reduced obtainable pricing and fewer shows captured by any one supply option. The users to which a Downers Grove location will most appeal will tend to have less "brand loyalty" than less price sensitive market segments. A Downers Grove venue will be most susceptible to competition from other automobile accessible, lower-cost suburban facilities. A high proportion of the demand from smaller events can be expected to be absorbed in hotel facilities, which will have increasing incentives to offer conference and meeting space at highly attractive rates in order to book their hotel rooms.

### **Business Meeting and Training Market**

- A key finding is that none of the businesses interviewed cited the availability of conference center and meeting space facilities as an important factor in their hotel selection.
- A review of supply, interviews with hotel and conference facility operators and a sample of local businesses indicate that ample capacity in and near Downers Grove exists to serve the meeting space needs of the businesses.
- Our interviews with the businesses and representatives of hotel conference space suggest that the growth in the demand for conference or meeting space is beginning to decline as the result of the following:

Larger firms, especially high technology firms, are increasingly using video-conferencing to reduce travel and in-person meeting requirements. This trend is likely to increase as video-conferencing facilities become more readily available in office buildings and tenant spaces; and

Firms, both large and small, that are heavy users of meeting and training space have built or leased such space as part of their office or other facilities so that they need not rent outside hotel and conference facility space for most of their meeting or training functions. Representatives of two local hotels indicated that formerly major customers have relatively recently built their own training center and video-conferencing facilities. This has served to significantly reduce or eliminate use of hotel meeting space facilities by these customers.

- For meetings, training or other functions that do not involve senior management, companies are increasingly seeking smaller, low cost meeting facilities in limited service or suites hotels. Meetings at higher cost facilities such as full-service hotels, are reserved for senior management/executive functions. Accordingly, segments of demand for meeting space are being absorbed in non-traditional meeting facilities, increasing competition for serving the requirements of local businesses.



- The survey of businesses and interviews with hotel and conference center operators indicate that relatively limited demand exists from local businesses for additional conference or meeting space. The extent of the geographic area served by Downers Grove area conference and meeting facilities will begin to shrink as additional supply options are added. As additional facilities are developed elsewhere in the western suburbs, some firms located further west than Downers Grove that currently utilize Downers Grove area facilities can be expected to shift their business to facilities closer to their offices. For example, a large office space user in Aurora, which currently holds two meetings per year for between 300 and 500 people at a Lisle facility will move these meetings to a full-service facility when one opens in Aurora.

### Hotel Market

- The relocation or acquisition of major local firms by non-local firms has caused a decline in the demand in the market area of at least 30,000 room nights. In addition, interviews with both businesses and hoteliers suggest that businesses are cutting back on travel that engenders room nights and on the per diem rates allocated for travel.
- The average occupancy rate and average daily room rate for lodging facilities in DuPage County peaked in 1998 at approximately 71 percent and \$88.50, respectively. In 1999, the average occupancy rate declined to under 68 percent. Average daily room rates have also declined to under \$85 as of the first quarter 2000. The growth in the supply of rooms in conjunction with the decline in room nights generated by large firms accounts for the decline in the average occupancy and room rates.
- Businesses are satisfied with the selection, quality and pricing of lodging facilities in the eastern DuPage County market area. Downers Grove, Lombard, Oak Brook and Lisle contain a relatively complete selection of lodging facilities that respond well to the preferences of the differing types of business customers.
- The survey of businesses clearly indicates that larger firms tend to select full-service hotels in Oak Brook and Lisle while smaller firms select suites-types or limited service hotels in the Downers Grove/Lombard submarket.
- It would be premature for the development of a full-service hotel in Downers Grove. An addition of a full-service hotel in Downers Grove could at most be expected to attract 3,300 to 4,400 room nights of the total room nights of the businesses interviewed, or between 12 percent and 16 percent of the maximum annual demand of 28,200 room nights. If a full-service hotel captured 12 percent to 16 percent of visitation engendered by the expansion of existing businesses or attraction of future businesses attracted to Downers Grove, this level would not provide adequate support for the facility. We base this judgement on the following:
  - (1) Based on the survey results, 0.4 to 0.6 visitors are associated with every employee;



- (2) Vacant or proposed office space in Downers Grove totals approximately 1,379,300 square feet according to data compiled by the Downers Grove Economic Development Commission. Assuming a worker to space ratio of one worker for every 200 square feet of building space, if all this space is occupied, approximately 6,900 workers would occupy the space;
  - (3) Applying the rate of visitation to employment in number one above, to the estimate of employment associated with available or proposed office space in number two above yields an estimate of annual visitation of 2,800 to 4,100 visitors;
  - (4) Multiplying this estimate of visitation by the estimated average stay of visitors of 2.4 to 3.0 room nights per visitor produces an estimate of annual demand for room nights of between 6,700 and 12,300 room nights;
  - (5) A survey of local businesses identified the demand for a new full-service hotel in Downers Grove to be in the range of 12 percent to 16 percent of the total demand generated by these local businesses. Applying this capture rate to the room nights generated by forecast visitation (in number four above) would translate to between 800 and 2,000 room nights for a full-service hotel in Downers Grove; and
  - (6) If a new 250-room full-service hotel generates 65,000 available weekday room nights, then total demand of approximately 4,100 to 6,400 room nights from both business respondents interviewed and future employment results in an occupancy rate of six percent to ten percent of total available weekday room nights. Unless other major Downers Grove employers are found likely to support a minimum 25 percent occupancy rate, insufficient room night demand exists at this time to support a high-quality full-service hotel facility. Based on the results of the research summarized in this report, this is highly unlikely to be the case. The universe of major Downers Grove employers is presently not large enough to generate a high proportion of the remaining needed demand.
- The willingness to pay results of the survey suggests why full-service facilities have not been built in DuPage County since 1993. As a rule of thumb, room rates tend to be set at one-tenth of one percent of room costs. While limited service facilities can typically be built for between \$55,000 and \$75,000 per room, full-service suburban facilities tend to cost approximately \$158,000 to \$178,000, or more per room. This range of per room hard costs would require average daily rates of \$158 to \$178. The results of the supply assessment and interviews, however, indicate that average daily rates in the market are less than the required threshold. Therefore, obtainable hotel room rates are not currently high enough to support the feasible construction of new full-service hotels.



## RECOMMENDATIONS

Downers Grove now stands as a most convenient place to access both Chicago, the edge city of Oak Brook and the high-tech corridor of which Downers Grove is a part. Downers Grove should continue its program to enhance its town center and business districts so as to appeal to high-order businesses and residents with the skills and aptitudes on which growing high-order businesses depend.

Given the relatively high risks and low returns likely to be associated with a convention center, Downers Grove should instead continue to promote office development targeting high-order businesses and expanding the package of restaurants, speciality stores, cultural and entertainment activities that appeal to the workers of these businesses. Such a program will enhance the locational image of Downers Grove and ultimately provide the impetus to support the addition of a full-service hotel. A convention center would likely produce significantly lower economic and fiscal impacts at greater risks than attracting office support services and developments and redevelopments with unique tenancies and activities that further position Downers Grove as a desirable, value-enhancing place for businesses that can thrive in the information age.

## REPORT ORGANIZATION

Chapter II describes the findings and conclusions concerning the demand for and supply of conventions and trade show facilities. It begins with a review of the purpose of such facilities from the perspective of both users and municipalities and then outlines the primary types of events and their typical geographic scope. Chapter II then summarizes the primary location or facility selection criteria typically used by users to choose venues for their events. Chapter II next presents the results of the supply and demand assessment for international and national events. Following a summary of the conclusions drawn from that assessment, Chapter II then reviews the supply of facilities which compete for state and regional events. It also identifies proposed additions to the supply and reaches conclusions about the nature of existing and proposed supply competition. Chapter II then summarizes the sampling methodology used and interviews attempted and completed concerning the primary types of potential users for a Downers Grove convention and trade show facility. Chapter II next presents the results of and conclusions drawn from the surveys of the differing demand segments. Chapter II concludes with a description and analysis of the interviews with area businesses and hotels serving those businesses used to reach judgements about the demand potential originating from area businesses.

Chapter III presents an assessment of the potential demand for hotel rooms in Downers Grove. It begins with a review of supply characteristics and room rate and occupancy trends. Chapter III then describes the methodology and sample of businesses interviewed. It then describes the results of the survey of businesses in terms of the existing lodging space arrangements and motivations behind these arrangements, the site or facility selection criteria that guides their lodging space and the locational and product preferences of this demand segment. Chapter III ends with an identification of the level of interest and willingness to pay for rooms in a new hotel facility in Downers Grove and a summary of the conclusions drawn from the research.



## CHAPTER II

## CHAPTER II

### THE DEMAND FOR AND SUPPLY OF CONVENTION AND TRADE SHOW SPACE

#### PURPOSE

From the customer's perspective, the purpose of a convention center is to provide a venue conducive for large group gatherings. From a community's perspective, the purpose is to attract out-of-town visitors who will spend money in the community. Success depends upon attracting enough out-of-town convention delegates and trade show attendees to generate hotel and sales tax revenues more than sufficient to amortize the debt and pay the operating costs of the convention center. Serving the meeting needs of local businesses can be another purpose of a convention center. Market segments that tend to make-up the preponderance of a convention center's business can be classified by the type of event and geographic scope.

#### Event Type

*Conventions:* privately-held meetings of professional groups and associations. The convention industry constitutes a major source of income for destination cities through delegate spending on hotels, restaurants, transportation and other related industries.

*Trade shows:* consist of exhibits designed to present products and services to potential industry customers. Trade shows are sponsored and produced by trade or technical associations or by professional trade show management organizations. Trade shows are frequently accompanied by conventions, meetings and seminars.

Conventions and trade shows are "blurring". Convention planners often include display and exhibits of products and processes as part of conventions and trade show producers are using increasing amounts of meeting space to hold in-depth demonstrations and seminars.

*Corporate events:* major meetings of companies, including for sale and promotion purposes, training seminars, awards and incentives, and stockholders meetings.

*Public consumer shows:* attract general public and typically charge admission. Examples include boat shows, auto shows and home and garden shows. Attendees of public shows are usually drawn from the local area. The expenditures made by these attendees, therefore, primarily reflect a redistribution of existing dollars within the local economy. They typically do not generate significant hotel room-night requirements.

*Banquets and receptions:* involve some form of food and beverage service and typically require a ballroom or other large space. Attendees are generally drawn from local area. They typically do not generate



significant levels of economic impact.

*Community events:* include public celebrations, public interest seminars, graduations, and many types of not-for-profit functions. These type of events typically do not generate significant levels of economic impact. They do not typically generate significant hotel room-night requirements.

### **Geographic Scope**

A variety of geographical or rotational patterns determine the regions in which an event will rotate, as well as the extent to which a particular location or facility, can compete for events within a market segment. These include the following:

*International events:* draw attendees from throughout the world and tend to select major, international cities.

*National events:* draw attendees from all geographical regions within United States. These events, however, are limited to locations with sufficient convention/trade show and hotel facilities to accommodate them, and may rotate their events to differing regions.

*Regional events:* refers to a convention, trade show, exhibition or meeting held within a specifically defined group of states, usually ones from which the organization draws its membership.

*State events:* usually sponsored by a state association or organization. Attendees are drawn from throughout the state.

*Local events:* usually held by local organizations, associations or corporations. Such events are frequently held within the boundaries of a specific city and are usually for a specific membership or targeted audience.

### **LOCATION/FACILITY SELECTION CRITERIA**

Based on our interviews, and review of the literature, event organizers consider the bundle of the following factors when choosing a particular destination or facility:

- Exhibition Space;
- Meeting and Ballroom Space;
- Facility Rental Rates;
- Hotel Room Availability;
- Air and Local Transportation Accessibility; and
- Destination Appeal.



An analysis of potentially competing supply options for attracting the market segments summarized above and interviews with users representing the primary market segments provide a basis on which to assess potential opportunities for facility development and demand acceptance in Downers Grove. This analysis is presented by primary market segment.

## INTERNATIONAL AND NATIONAL CONVENTIONS AND TRADE SHOWS

### SUPPLY

The market for the leading conventions and exhibitions is quite competitive. Table 1 shows the cities with the highest number of the largest trade shows. Ten cities with market shares ranging from three percent to 17 percent capture approximately 81 percent of the largest 200 trade shows. Chicago ranks second with 23 shows, which equates to a 11.5 percent share of the market.

According to an April 1994 Atlantic Monthly article entitled "Wild About Convention Centers", between 1977 and 1987, the number of cities owning and marketing convention facilities more than tripled from about 100 in 1977 to over 300 in 1987. According to data contained in Tradeshow Week 200, Tradeshow & Convention Guide, and The Chicago Convention and Tourism Bureau 9<sup>th</sup> Annual Competitive Analysis Report, convention center facilities have completed or are in process of completing expansions or new facilities in Chicago, Milwaukee, Indianapolis, Cincinnati, Columbus, Louisville, Memphis, Fort Worth, Minneapolis, Pittsburgh, Baltimore, Philadelphia, Boston, New York, Denver, Washington D.C., Orlando, Atlanta, Anaheim, New Orleans, San Diego, Miami, Savannah, Seattle, Portland (OR) Richmond (VA), Reno and Grand Forks (ND). The significant development and expansion activity portends an increasing intensity of competition for conventions and trade shows.

Table 2 shows a comparison of convention centers primarily located in the Midwest based on the locational or facility criteria outlined above. Collectively, the 15 cities listed contain facilities housing over 14,500,000 square feet of exhibit space and over 3,200,000 square feet of meeting space. Table 2 indicates that many cities contain facilities with significant amounts of exhibit, meeting and ballroom space, ample amounts of hotel rooms and other attributes sought by convention and trade show events. The locational and facility characteristics of convention centers in Chicago and Rosemont satisfy the site selection criteria outlined above.

The review of supply for the type of facilities capable of serving international and national convention and trade show events suggests that Downers Grove could not realistically serve this market segment. Downers Grove lacks both the land needed to site the required physical convention facilities and the supply of needed hotel rooms to support the largest events. Downers Grove also lacks the destination appeal of warm climate, resort/recreational cities like Las Vegas, Orlando, Anaheim or the variety and depth of cultural, shopping, restaurant attractions available in first-tier cities like Chicago, New York or tourist-destinations such as San Francisco or New Orleans.

### DEMAND

The interviews with the smallest of the top 200 Tradeshow events confirm the conclusions drawn from the review of supply options for the largest conventions and exhibitions. We contacted four



**TABLE 1**

**Cities With the Highest Number of the Largest Trade Shows**

City	Number of Top 200 Shows #	Share of Market %
Las Vegas	34	17.0
Chicago	23	11.5
Atlanta	18	9.0
Orlando	18	9.0
New Orleans	17	8.5
New York City	16	8.0
Los Angeles	12	6.0
Dallas	11	5.5
San Francisco	7	3.5
Anaheim	6	3.0
Total	162	81

Sources: Tradeshow Week 200; Gruen Gruen + Associates.



**TABLE 2  
Convention Centers in the Midwest: Facility Characteristics, Locational Criteria and Amenities**

Exhibit Hall City	Total Exhibit Space (Square Feet)	# of 10' x 10' Exhibits	# of Meeting Rooms and Square Feet	On-site Parking (# Spaces)	# of Miles From Airport	Distance From Shopping	Distance From Entertainment /Restaurant Districts	# of Hotels Connected to Convention Center
Rosemont Convention Center Chicago	760,000	NA	28 NA	5,375	2	NA	NA	
McCormick Place Chicago	3,740,000	NA	114 345,000	10,100	23	1 mile	2 miles	1
Cincinnati Convention Center Cincinnati	300,000	800	41 85,000	1,800	13	1-5 blocks	1-5 blocks	5
Columbus Convention Center Columbus	1,500,000	1,485	54 1,700,000	1,800	6	6 blocks	1 block	1
Veterans Memorial Auditorium Des Moines	98,100	NA	9 17,000	NA	NA	NA	NA	NA
Cobo Conference Center Detroit	700,000	NA	80 NA	2,200	20.7	None	1 block	0
Grand Hall Grand Rapids	100,900	NA	15 18,000	NA	NA	NA	NA	NA



**TABLE 2**  
**Convention Centers in the Midwest: Facility Characteristics, Locational Criteria and Amenities**

Exhibit Hall City	Total Exhibit Space (Square Feet)	# of 10' x 10' Exhibits	# of Meeting Rooms and Square Feet	On-site Parking (# Spaces)	# of Miles From Airport	Distance From Shopping	Distance From Entertainment /Restaurant Districts	# of Hotels Connected to Convention Center
Indiana Convention Center & RCA Dome Indianapolis	1,600,000	1,680	60 120,300	390	8	Connected by skywalk	5 blocks	6
H. Roe Bartle Exposition Hall Kansas City	541,500	2,066	58 198,500	1,100	19	10 blocks	None	2
Kentucky Fair & Exposition Center Louisville	1,100,000	NA	35 33,000	19,000	0.25	NA	NA	NA
Commonwealth Convention Center Louisville	300,000	1,000	50 291,000	1,381	7	1.5 blocks	NA	0
Dane County Expo Center Madison (WI)	100,000	NA	17 255,000	NA	NA	NA	NA	NA
Midwest Express Center Milwaukee	667,500	NA	28 39,400	NA	8	NA	NA	NA



**TABLE 2**  
**Convention Centers in the Midwest: Facility Characteristics, Locational Criteria and Amenities**

Exhibit Hall City	Total Exhibit Space (Square Feet)	# of 10' x 10' Exhibits	# of Meeting Rooms and Square Feet	On-site Parking (# Spaces)	# of Miles From Airport	Distance From Shopping	Distance From Entertainment /Restaurant Districts	# of Hotels Connected to Convention Center
Minneapolis Convention Center Minneapolis	358,000	2,600	54 103,000	9,000	12	6 blocks	within 12 blocks	NA
America's Center St. Louis	2,700,000	2,500	84 11,600	0	15	1 block	3 blocks	0
Total	14,566,000	12,131	727 3,216,800					

Sources: The Chicago Convention and Tourism Bureau 9<sup>th</sup> Annual Competitive Analysis Report; Tradeshow Week 2000; Trade Show & Convention Guide 1999-2000, published by BPI Communications, Inc.; Various Convention and Visitor Bureaus; Gruen Gruen + Associates.



of the event planners for these top 200 events. Two of the events, Action Sports Retailer and Panamerican Leather Fair, do not rotate to Chicago for their events. Both events require in excess of 150,000 square feet of net exhibition space.

ACM Siggraph, a tradeshow for the computer graphics industry, has an annual three-day event during the summer. This tradeshow has an average attendance level of approximately 40,000. The tradeshow requires approximately 350,000 gross square feet to 400,000 gross square feet and 200,000 square feet net exhibit space. The ACM Siggraph tradeshow requires approximately 10,000 peak hotel room nights. The event planner for the tradeshow indicated that the event is held in first tier cities such as New Orleans and Los Angeles. Destination appeal and number of hotels are the key factors in the selection of location and facilities.

The American Library Association has two events per year. The summer event is held over six days and has an attendance level of 26,000. The winter event is held over five days and has an attendance level of 13,000. The event planner for the association indicated that the locations are rotated every five years. Chicago's McCormick Place and the New Orleans Convention Center were the two locations for their events in 2000 and 1999, respectively. The representative said that in Chicago, rooms in 26 or 27 hotels were booked for the event. Peak room nights are approximately 8,500. The representative indicated that the size of the American Library Association's events in terms of required meeting space and hotel rooms, dictate the selection of major cities as sites for their events.

## **REGIONAL AND STATE EVENTS**

Given the findings concerning national and international events, we have focused our research on assessing the potential demand from regional and state conventions and exhibitions.

## **SUPPLY OF EXISTING CONVENTION, MEETING AND TRADE SHOW FACILITIES**

Based on our interviews with convention and trade show experts, representatives of conventions and trade shows, Tables 3, 4 and 5 summarize the supply of convention and trade show facilities in Chicago, Rosemont and other municipalities with which a potential convention and trade show facility in Downers Grove would compete.

### **Chicago Facilities**

Table 3 shows the primary convention facilities and hotels with conference, meeting, and exhibition space in Chicago. Approximately 3.9 million square feet of convention space is located in two facilities. About 95 percent or 3.7 million square feet of this space is located in McCormick Place. Exhibit halls range in size from 75,000 square feet to 1,300,000 square feet, with 1,600,000 square feet on one level. The new "South Building" contains 840,000 square feet of exhibition space and 170,000 square feet of meeting space. The original "East Building" has been converted to "The Lake Side Center", intended to serve smaller to mid-sized meetings and exhibitions that in the past could not be accommodated. This facility includes 40 meeting rooms, a divisible 45,000-square-foot ballroom, the largest in Chicago, and a 300,000-square-foot divisible exhibit hall. The "North Building" includes over 700,000 square feet of exhibition space and 29 meeting rooms.



**TABLE 3**  
**Convention Facilities and Conference Center Hotels in Chicago**

Facility Name Community	Total Space (Sq. Ft.)	Total Continuous Space (Sq. Ft.)	No. of Meeting Rooms	Largest Room (Seating Capacity)	Number of Parking Spaces	Hotel Rooms	Distance to O'Hare (Miles)
Navy Pier	170,000	170,000	36	1,600	1,740		
McCormick Place	3,740,000	2,200,000	114		10,100	NA	23
Total	3,910,000	2,370,000	150				
<b>HOTELS</b>							
Hilton Chicago & Towers	140,000	40,410	43	5,300	500	1,543	20+
Hyatt Regency Chicago	180,000	70,000	61	4,000	2,500	2,019	20+
Sheraton Chicago	120,000	40,000	34	4,600	NA	1,204	20+
Chicago Marriott	33,000	20,000	31	2,000	NA	1,174	20+
Palmer House Hilton	36,800	22,800	78	1,300	800	1,800	20+
Total	509,800	193,210	247				
<b>TOTAL OF CONVENTION FACILITIES AND HOTELS</b>	<b>4,419,800</b>	<b>2,563,210</b>	<b>397</b>				

Sources: Chicago Convention and Visitors Bureau; Individual Internet Sites for Hotels; Gruen Gruen + Associates.



The Navy Pier contains 170,000 square feet of exhibit space. Navy Pier includes 44,000 square feet of contiguous meeting room space, 18,000 square feet of ballroom space and over 50,000 square feet of multi-use reception area space, with enclosed parking for 1,800 automobiles. Navy Pier attracts a variety of public events ranging from job fairs to art shows and recreational events. In 2000, Navy Pier has attracted over 32 trade shows and other events. These include the Midwest Clinical Conference, National Conference of State Legislatures, World Congress on Osteoporosis, Association of Nurse Anesthetists, and corporate events held by General Motors and Coors Beer.

Another 509,800 square feet of space is located in five downtown Chicago hotels. The seating capacities in these hotels range from approximately 1,300 to 5,300 attendees. Between July 1999 through December 2000, the Chicago Convention Digest compiled by the Chicago Convention and Tourism Bureau reports that approximately 141 events were or are scheduled to be held in downtown Chicago hotels. Average attendance at the majority of these events is between 1,000 and 3,000 delegates. The downtown hotels, especially the Hyatt Regency, successfully attract meetings of professional and technical organizations, and state associations which require large blocks of hotel rooms and maximize attendance through the destination appeal of a location in a first-tier, "24-hour" city.

### **Rosemont Facilities**

Table 4 shows the convention facilities and primary hotels with conference/meeting/exhibit space in Rosemont. The Chicago region's second largest convention facility is located in Rosemont. The Rosemont Convention Center has approximately 740,000 square feet of exhibition space. In 2001, exhibition space will increase to 840,000 square feet, accommodating 3,566 booths. An adjoining conference center and ballroom contains 28 meeting rooms totaling 52,000 square feet. This facility can accommodate 4,000 seats for theater and 3,000 seats for banquets. The Convention Center averages 85 to 110 shows per year, of which approximately 70 percent are trade shows and 30 percent are public or consumer shows. Rosemont also has an arena that hosts on average 185 events per year and a 4,300-seat theater that books approximately 200 shows per year.

Rosemont area hotels contain over 6,670 rooms. One hotel contains over 1,000 rooms, while six hotels each contain over 475 rooms. The sample of hotels shown on Table 4 contain meeting space totaling approximately 325,500 square feet of meeting space. One hotel contains approximately 100,000 square feet of space while four others contain 30,000 square feet to 70,000 square feet. Two hotels contain 13,000 square feet each of meeting space. The ballroom and meeting space in the larger hotels can accommodate 1,000 to 4,000 people depending upon the type of event. According to the Chicago Convention Digest, between July 1999 and December 2000, Rosemont area hotels hosted approximately 44 meetings and 73 trade shows. Attendance levels ranged from 700 to 70,000 with average attendance of 12,650.

The analysis of the supply data and our interviews suggest that Rosemont continues to hold a leading position in the trade show and consumer show markets. The growth of the (1) hotel room supply (which has more than doubled over the past ten years); (2) meeting space facilities; and (3) entertainment venues has made Rosemont an increasingly attractive site for conventions and meetings.



**TABLE 4  
Convention Facilities and Conference Center Hotels in Rosemont**

Facility Name Community	Total Space (Sq. Ft.)	Total Continuous Space (Sq. Ft.)	No. of Meeting Rooms	Largest room (Seating Capacity)	Number of Parking Spaces	Hotel Rooms	Distance to Airport (Miles)
Rosemont Convention Center	760,000	600,000	28	NA	5,375	NA	2
<b>HOTELS</b>							
Holiday Inn O'Hare International	55,000		18	1,700		503	1.5
Hyatt Regency O'Hare	100,000	30,000	60			1,099	
Ramada Plaza Hotel O'Hare	70,000			1,500		723	
O'Hare Marriott	30,000		31			681	
Westin O'Hare	45,000	12,128	25	1,100		525	2
Sheraton Gateway Suites Chicago O'Hare	12,500	3,936	16	500			
Doubletree Hotel O'Hare/Rosemont	13,000					369	
<b>TOTAL FOR CONVENTION CENTER AND HOTELS</b>	<b>1,085,500</b>						

Source: [www.rosemont.com](http://www.rosemont.com); individual Internet sites for hotels; Gruen Gruen + Associates



## Chicago Area Suburban Facilities, Excluding Rosemont Facilities

Table 5 shows a sample of existing convention/meeting and trade show facilities located in Chicago area suburbs, excluding Rosemont. Collectively, these meeting facilities total 503,000 square feet of space. The facilities most directly competitive with a potential facility in Downers Grove include the Pheasant Run Resort and Convention Center. This St. Charles facility contains 473 hotel rooms and a maximum room capacity theater style of 1,600 and total seating capacity of approximately 4,000 and approximately 63,000 square feet of exhibition space.

The Anderson Worldwide Center for Professional Education, also located in St. Charles, contains 1,000 sleeping rooms, 145 classrooms, and auditorium and amphitheater facilities. Geared to serving the corporate and institutional meeting and training market, this facility can accommodate a maximum meeting capacity of 2,200 and banquet capacity of 1,000.

Oak Brook contains at least three facilities that represent potential competition to a potential Downers Grove facility. The Oak Brook Hills a Dolce Conference Resort, contains 384 hotel rooms, an 18-hole golf course and 35,000 square feet of conference space. This facility can accommodate in a single room 1,500 people in theater style seating. The Drury Lane Conference Center in Oak Brook Terrace contains 19,000 square feet of meeting space in ten meeting rooms and adjoins the Hilton Suites, which has 212 hotel rooms and maximum room capacity theater style of 1,400.

Lisle also contains a variety of potentially competitive venues to a potential Downers Grove facility. The Marriott Hickory Ridge Conference Center contains 382 hotel rooms and 60,000 square feet of meeting space that is divisible into 100 meeting rooms that accommodate ten to 200 people. Moreover, the Telecordia Technologies Learning Center is located in Lisle. This facility contains 16,000 square feet of training facility space, including 27 meeting rooms with capacity to accommodate ten to 140 people and 74 breakout rooms and 343 sleeping rooms. The 17,000-square-foot Unisys Conference Center is also located in Lisle. This facility can accommodate up to approximately 2,300 people and contains 30 meeting rooms.

In addition to the meeting facilities shown on Table 5, several hotels in the market contain a total of over 80,000 square feet of conference/meeting space. Some of these hotels can accommodate groups up to 1,500 people. The Hyatt Regency Oak Brook contain 423 rooms and 30,000 square feet of meeting space in over 31 rooms and 7,500 square feet of exhibit space. The Radisson Hotel contains 242 rooms and approximately 20,000 square feet of event space that can accommodate banquets for 1,000 and meetings up to 1,500 people. The Hyatt Lisle contains 311 hotel rooms and approximately 13,000 square feet of meeting space. The Hilton Lisle/Naperville has 309 hotel rooms and can accommodate 800 people each in two ballrooms and has 20 meeting rooms. Already located in Downers Grove is a 247-room DoubleTree Guest Suites, which contains 20,000 square feet of dedicated conference and meeting space, including an approximately 5,200-square-foot ballroom.

Table 5 lists other sources of potential competition which may siphon off some potential demand, but have developed niches with sports and recreational events, public and consumer shows, banquets and other events that are not the kind of economic development enhancing convention and trade shows that a Downers Grove facility would need to attract to succeed.



**TABLE 5**  
**Convention/Conference Facilities and**  
**Conference Center Hotels in Chicago Metropolitan Area Suburbs, Excluding Rosemont**

Facility Name Community	<u>Total Size of Facility</u>						Distance to O'Hare (Miles)
	Total Space (Sq. Ft.)	Total Continuous Space (Sq. Ft.)	No. of Meeting Rooms	Largest Room (Seating Capacity)	Number of Parking Spaces	Hotel Rooms	
Darien Sportsplex Darien	130,000	40,000	2	5,000	480	NA	19
Concord Banquet & Conference Center Northlake	33,000+	15,000	8	15,000	750		10
Drury Lane Conference Center Oakbrook Terrace	19,000	19,000	10	19,000	1,400		8
Pheasant Run Resort St. Charles	63,000	38,000	43	4,000	3,000	473	22
Odeum Sports & Expo Center Villa Park	130,000	20,960	10	4,000	2,000	0	5
Mariott Hickory Ridge Conference Center Lisle	60,000	4,560	74	350	400	383	25



**TABLE 5**  
**Convention/Conference Facilities and**  
**Conference Center Hotels in Chicago Metropolitan Area Suburbs, Excluding Rosemont**

Facility Name Community	<u>Total Size of Facility</u>						Distance to O'Hare (Miles)
	Total Space (Sq. Ft.)	Total Continuous Space (Sq. Ft.)	No. of Meeting Rooms	Largest Room (Seating Capacity)	Number of Parking Spaces	Hotel Rooms	
Telecordia Learning Center Lisle	16,000	3,000	27	150	NA	347	20
Unisys Conference Center Lisle	17,000	2,280	30	2,280	330	221	25
Oak Brook Hills, A Dolce Conference Resort Oak Brook	35,000	13,400	31	13,400	1,500	384	13
Center for Professional Education - Anderson Worldwide St. Charles	NA	20,000	145	1,800	500	1,277	35
<b>TOTAL</b>	<b>503,000</b>	<b>176,280</b>					

Sources: DuPage Meeting Planners Guide, DuPage Convention & Visitors Bureau;  
websites for Pheasant Run, Odeum Sports & Expo Center; Gruen Gruen + Associates.



Inland Meeting & Exposition Center, a 45,000-square-foot facility oriented to public events located in Westmont has closed. According to a February 7, 2000 Business Ledger article, this facility was sold to a automobile dealership because Inland needed a larger facility. Inland has yet to relocate to another facility. A discussion with an Inland representative indicates that it was more profitable to sell the facility for the operation of an automobile dealership than to operate the facility exposition and meeting facility. This is an indication of increasingly competitive conditions.

## **PROPOSED OR NEW CONVENTION AND MEETING SPACE FACILITIES**

Several Chicago western and northwestern suburbs are planning or have proposed convention center/conference facilities. At least 570,000 square feet of convention and trade show space is proposed to be built in the near term. Developers in Itasca have proposed a 100,000-square foot convention center. Lombard, which is adjacent to Downers Grove, has recently announced it is negotiating with a developer to build a 70,000-square-foot convention center and a 20-22 story, 420-room hotel. Schaumburg has purchased 45 acres near the Interstate 90 Tollway and is evaluating demand for a convention center that is planned to consist of 370,000 square feet. Aurora is considering adding a 5,000- to 7,000-seat multi-use facility as part of its downtown revitalization.

A new 33,000-square-foot conference center is under construction in Hoffman Estates on Higgins Road, near Interstate 90, and adjoining a business park and hospital. This facility is intended to attract local business meetings, small conferences and social functions. The largest room can accommodate 700 people and four smaller rooms can accommodate 150 people each.

## **CONCLUSIONS DRAWN FROM REVIEW OF SUPPLY**

The review of the supply of convention and trade show facilities suggest the following conclusions:

1. Downtown Chicago has ample facility and hotel room capacity to serve a wide variety of events. Chicago's capacity to host smaller to mid-sized events has improved as the result of the redevelopment a portion of McCormick Place to serve the smaller to mid-sized convention and trade show market, the opening of Navy Pier and the construction or expansion and remodeling of hotel/conference centers.
2. Rosemont's competitive position to attract not only large events, but also smaller to mid-size events has also improved due to the significant expansion of municipal convention and meeting space facilities as well as the development of a substantial number of hotel rooms and meeting space facilities. Rosemont has the largest supply of suburban hotel rooms. Rosemont also possesses superior proximity to Chicago O'Hare Airport, along with public transportation to downtown Chicago. In addition to having the largest amount of suburban convention and trade show facilities, Rosemont has added and continues to add entertainment and recreational attractions to augment its destination appeal.
3. The western and northwest suburbs contain a relatively large number of conference and meeting space venues. Competition for serving demands originating from



corporate events (meetings, seminars, exhibitions etc.), and smaller convention and trade show events is intense. A high proportion of the demand from smaller events can be expected to be absorbed in hotel facilities, which will have increasing incentives to offer conference and meeting space at highly attractive rates in order to obtain the hotel room bookings.

4. The nature of the existing facilities and proposed facilities in Schaumburg, Itasca, Aurora, Lisle, and Lombard suggest that a facility at Downers Grove would need to be relatively large (200,000 to 250,000 gross square feet) with room to expand over time, to preempt and ward off competition and be in a position to respond to the requirements of a broad range of events.<sup>1</sup> If the proposed projects are built, the competition for market share can be expected to be extremely high. The amount of municipal subsidies required to operate and pay the debt on facilities that are developed are likely to increase due to reduced prices likely to be obtainable from conventions and trade shows and the fewer number of events captured at any one facility.

## DEMAND

To obtain an understanding of the nature of the demand for convention and exhibition events in a potential Downers Grove facility, we conducted surveys of conventions and trade show planners representing:

- associations which have held events in DuPage County;
- associations which have not held events in DuPage County but have expressed interest in doing so, or could not be accommodated in DuPage County; and
- associations which have not considered DuPage County as a site for their events.

We also surveyed a sample of local business firms with respect to their conference and meeting space requirements. The purpose of the surveys was to assess the likelihood that event planners would hold an event in Downers Grove and if so, the evaluate the type of facilities, amenities and services they would prefer.

---

<sup>1</sup> Based on our review of the supply, interviews with convention and trade show facility experts and attendance levels of the events attracted to competing supply options, and discussions with Village representatives, we assume that 75 percent of the total space would be exhibit and 25 percent meeting and ballroom. 100,000 square feet of exhibit, meeting and ballroom space would require 200,000 square feet of gross space. This estimate of gross space reflects the rule of thumb that the total of service areas (lobby, service docks, storage, kitchen, service/public circulation and administration) equals the sum of the areas used for exhibit, meeting and ballroom space. This size of facility is estimated to be able to accommodate the primary range of attendance of 1,000 to 3,000 delegates.



## Sampling and Interviews Attempted and Completed

We had planned to draw a sample of potential users from the International Association of Convention & Visitors Bureau's Convention Information Network (CINET) database, which permits defining the population of events from which to select a sample based on a variety of parameters. Unfortunately, this database was unavailable during the course of this study. Therefore, we drew on the following sources to identify potential users. The DuPage County Convention and Visitors Bureau provided a list of "booked, lost and pending" convention and trade show events for DuPage County in 2000. Of the nine events that were listed as have either been booked in DuPage County or pending, we were able to complete interviews with four of these groups. One of these four groups, however, had considered DuPage County but could not be accommodated. We were not able to reach three other groups due to telephone numbers not being in service or no answer. The eighth group did not return our repeated calls. The ninth group's representative indicated the group had no plans to come to Illinois and therefore was not accurately classified as a booked or pending event.

With respect to those groups listed as "lost business" events in DuPage County, despite attempted repeated callbacks, we were only able to interview one of the ten groups that had considered DuPage County. It turned out that this group did not belong in the "lost business" category because it is holding its event in DuPage County.

The Downers Grove Visitors Bureau also provided a list of the largest trade shows in DuPage County, northwest Cook County and the Fox Valley. This list was published in the June 26, 2000 edition of the Business Ledger. From this list, we identified eight events with average attendance of between 550 and 1,500 delegates hypothesized to be potentially attracted to a Downers Grove convention center. We were able to complete only two interviews with event planners from this list. Note, however, that one of these two interviews was with an organization that provided business booster events for a local municipality and therefore, would not be a candidate for a Downers Grove facility. We would also note that three of the events from this list of whose representatives we were unable to obtain cooperation are local municipal/business booster events which would be unlikely to come to a Downers Grove facility. The one interview we did complete from this list was for an event that had considered DuPage County as location but could not be accommodated.

To expand the pool of potential users from which to select a sample to survey, we used the Chicago Convention Digest published by the Chicago Convention and Tourism Bureau for the period July 1999 through December 2000. From this publication, we identified 104 events with attendance in the 1,000-3,000 range which held or are scheduled to hold events in either downtown Chicago hotels, suburban hotels, McCormick Place, Rosemont Convention Center and Pheasant Run in St. Charles.

Of the 104 events we drew a sample of 18 events for state or regional associations hypothesized to be the demand segment most likely to be attracted to a Downers Grove facility. We also overweighted the sample in favor of groups that had selected suburban locations other than Rosemont.

From the sample of 18 events, we completed interviews with eleven of these groups. Three of these groups had at one time or another considered a DuPage County location for their event, but could not be accommodated. Two groups have booked events in DuPage County. Six groups had not



considered a DuPage County location as a convention/trade show/conference site.

In sum, we completed 17 interviews with potential users. Six of these interviews were with groups that had or have booked business in DuPage County; five groups had considered DuPage County but could not be accommodated; and six groups had not considered DuPage County for their events.

Appendix A contains the copies of the questionnaires/interview guides. Appendix B lists the specific associations contacted.

### **The Nature of Demand by Groups Which Have Booked Events in DuPage County**

Table 6 summarizes the results of the interviews with representatives of six organizations that have booked events in DuPage County. Four organizations hold annual events, although the Great Lakes Association of Colleges and University Housing Officers only hold events in Illinois every four years. The Illinois Science Teachers Association alternates every other year between upstate Illinois and downstate Illinois. The Illinois Academy of Physicians holds events three times per year. The Plumbing Heating Cooling Contractors Association has held its annual event in DuPage County six or seven times over the past ten years and anticipates holding its event in DuPage County annually for the next ten years. The Chicago Bolt, Nut and Screw Association does not tend to select locations within DuPage County for its event, but has done so for a special purpose for 2001. The attendance for events held by these six organizations ranges from 120 attendees to 2,000 attendees. Average attendance approximates 850.

The locations the six associations selected in DuPage County include Indian Lakes in Bloomingdale, Drury Lane in Oak Brook Terrace, Pheasant Run in St. Charles and the Wyndham Drake in Oak Brook. The Chicago Bolt, Nut and Screw Association historically has selected the Rosemont Convention Center and is satisfied with this facility even though the representative indicated this is a higher cost facility. This organization has selected Indian Lakes in 2001 because the event will be tied to a golf outing for which Indian Lakes was the lowest cost option for the event. The Chicago Bolt, Nut and Screw Association is booked to return to the Rosemont Convention Center in 2002.

Other than Chicago Nut Bolt and Screw Association, the remaining five organizations draw their attendance primarily from the Chicago metropolitan area. The draw area, however, for The Great Lakes Association of Colleges and University Housing Officers, includes Illinois, Indiana, Ohio and Michigan. Thus, consistent with the origins of most of the attendees, a significant number of attendees drive rather than fly to the events.

Four organizations need exhibit space between 1,000 square feet and 20,000 square feet. The Chicago Bolt Nut and Screw Association needs approximately 100,000 square feet for its annual product show. The five organizations other than the Chicago Bolt Nut and Screw Association need ballrooms seating from 150 people to 500 people. Four of these five organizations also need anywhere from four to 20 break-out/meeting rooms that each hold from 50 people to 150 people.



**TABLE 6**  
**Conferences/Trade Shows/Conventions Which Have Been Accommodated in DuPage County**

Event	Location for Event	Date of Event	Attendance Level and From Where Attendees Are Drawn	Amount and Type of Space Booked	Total Hotel Room Nights Generated	Primary Reasons for Location and Facility Selection Decision	Attitude Toward Holding Event at a Downers Grove Facility
Chicago Bolt, Nut and Screw Association	Rosemont Convention Center	2002	1,000 Out of local area	100,000 s.f. exhibit space	NA	Proximity to Airport and facilities meet space requirements. Lower cost at Indian Lakes and tied to annual golf outing in 2001	Would not hold event in Downers Grove. Not as convenient to Airport, large number of attendees and exhibitors travel to event by airplane. Had 2000 event at Rosemont Convention Center and will be there in 2002.
	Indian Lakes, Bloomingdale	2001					
	Rosemont Convention Center	2000					
Plumbing Heating Cooling Contractors Association	Drury Lane, Oak Brook Terrace and Adjacent Hilton Suites for hotel rooms	March 2001 Annual event	Just under 1,000 Chicago metropolitan area	20,000 s.f. exhibit space; four break-out rooms for 100-125 people	250 Need block of 83 rooms	Facility requirements and location important; near shopping and restaurants important because attendees bring spouses and others	Indifferent about Downers Grove location compared to other DuPage County locations; not familiar with community and facilities/amenities



**TABLE 6**  
**Conferences/Trade Shows/Conventions Which Have Been Accommodated in DuPage County**

Event	Location for Event	Date of Event	Attendance Level and From Where Attendees Are Drawn	Amount and Type of Space Booked	Total Hotel Room Nights Generated	Primary Reasons for Location and Facility Selection Decision	Attitude Toward Holding Event at a Downers Grove Facility
Great Lakes Association of Colleges and University Housing Officers	Pheasant Run, St. Charles; Previous events held in Schaumburg	November 2002 Annual Event but comes to Illinois only every four years	500 Draw from Midwest (IL, IN, OH, MI) 200 parking spaces required	ballroom to seat 500 people; 15 break-out rooms for 30-50 people; need 50-10'x10' booths	Need block of 320 rooms	Facility requirements important (need exhibit and ballroom space tied together); freeway access important, but could not find suitable space with desired access in Kane or DuPage Counties. Require pool and fitness room	Would be receptive to Downers Grove location if had appropriate facility because adjacent to I-88 freeway. Does not place high importance on destination appeal of community.
Illinois Academy of Physicians	Wyndham Drake, Oak Brook Have held events in Oak Brook 1-2 times per year over past 10 years	November 2000 and March 2001 Held three times per year in March, July and November	120 Chicago metropolitan area	Ballroom of 4,200 s.f. to seat 400 people; 7 break-out rooms (3,700 s.f. total); 1,000 s.f. exhibit space (20 exhibitors)	90	Room rate, meeting room rental rate and hotel has pool which is desired because attendees bring families	Indifferent about Downers Grove location; want to be near restaurants and shopping; want facility to be family friendly and include pool or fitness area. Current facilities are a "perfect match" to their requirements



**TABLE 6**  
**Conferences/Trade Shows/Conventions Which Have Been Accommodated in DuPage County**

Event	Location for Event	Date of Event	Attendance Level and From Where Attendees Are Drawn	Amount and Type of Space Booked	Total Hotel Room Nights Generated	Primary Reasons for Location and Facility Selection Decision	Attitude Toward Holding Event at a Downers Grove Facility
Nikken (magnet health products)	Drury Lane, Oak Brook Wyndham, Itasca	2000 1999 and 1998 Four times per year for one day	500 Midwest Require 150 parking spaces	Ballroom with theater style seating for 500 people; 10-15 exhibitor tables	NA	Size and location of facility; look for easy access from I-294	Indifferent about Downers Grove versus other suburban locations, including Rosemont; many attendees carpool so easier to be in suburbs
Illinois Science Teachers Association	Pheasant Run, St. Charles Rosemont Convention Center	2000 1998 Alternate between downstate/upstate	2,000 Chicago metropolitan area and Illinois	Ballroom for 350 people; 20 break-out rooms for 50 people each; 150 booths of 10'x10' each	500	Size of facility Requires adjacent headquarters hotel	Would consider Downers Grove location because of transportation accessibility if appropriate facility available; most attendees drive. Ranks destination appeal as least important factor

Source: Gruen Gruen + Associates



The respondents indicated that the following factors influence their location decisions:

- availability of sufficient space to house the event;
- costs of event and hotel room facilities;
- for events which delegates are encouraged to bring spouses, other family members or significant others, facilities located near shopping and restaurants and other attractions; and
- proximity to key transportation links.

Representatives of two associations in particular, the Plumbing Heating Cooling Contractors Association and The Great Lakes Association of Colleges and University Housing Officers, indicated that they found it difficult to obtain acceptable concurrent meeting and exhibition or ballroom space. The Plumbing Association considered Pheasant Run but decided against holding the event at that facility due to reservations about the accessibility of the site from the highway and the quality of the hotel rooms. This group also considered the Lincolnshire Marriot Resort but decided that the location is too far north. In the past, the Plumbing Association held events at a hotel in Itasca, but outgrew the facility. The Plumbing Association selected the Drury Lane in Oak Brook but indicated this facility could use more meeting rooms. This group also places importance on an amenity-laden location because a high proportion of delegates bring guests.

Similarly, the representative for the Illinois Academy of Physicians indicated that the group places importance on a location near shopping, restaurants and a hotel and conference facility that includes a pool and fitness center. This reflects a policy of encouraging attendees to bring family members. Thus, Oak Brook is a preferred location. The Illinois Academy would not be a likely candidate for a Downers Grove facility because the current facilities and location are a "perfect match" to its requirements.

The representative for the Great Lakes Association of Colleges and University Housing Officers selected Pheasant Run because it provided the best available configuration of ballroom and exhibit space. The freeway accessibility, however, is considered less than ideal. This representative also indicated that the hotel rooms are "tired". This group does not require the availability of a golf course, but does require an attractive pool and fitness center. The Illinois Science Teachers Association also chose Pheasant Run because it offered sufficient meeting and exhibit space. This group also found the freeway accessibility afforded by Pheasant Run less than ideal. This is a decided disadvantage given that a high proportion of the attendees drive rather than fly to their events.

Of the six organizations that have booked events in DuPage County, one indicated it would not consider a Downers Grove location for its annual event. The Chicago Bolt, Nut and Screw Association has a large number of attendees fly in to Chicago. Therefore, the representative for this organization indicated Rosemont Convention Center is a suitable facility because it is close to Chicago O'Hare Airport. This organization is willing to pay for a higher cost facility in order to be near O'Hare Airport. Their choice of Indian Lakes for their 2001 event is an unusual selection because of the golf-related function tied to the event. The Chicago Bolt, Nut and Screw Association is satisfied with the Rosemont Convention Center as its site for conventions and trade shows.



Three organizations were indifferent about a Downers Grove location versus alternative locations within DuPage County. The Plumbing Heating Cooling Contractors Association and Illinois Academy of Physicians representatives indicated their attendees want to be near shopping, restaurants and other activities because attendees bring their families. Both of these organizations chose facilities in Oak Brook, which respond well to the demands of smaller, less cost-sensitive events requiring an amenity-laden location. Both representatives indicated they are unfamiliar with Downers Grove. Given the limited familiarity with Downers Grove, significant marketing efforts would be required to position Downers Grove as a convention and trade show destination. Nikken also indicated an indifference about a Downers Grove location versus other suburban locations, including Rosemont.

Representatives of three organizations - the Great Lakes Association of Colleges and University Housing Officers, Illinois Science Teachers Association and Nikken - concurred that Downers Grove would be a good location for their groups annual events because of transportation accessibility to Interstate 88. A significant proportion of attendees of these associations' events drive to the event locations. Access to Interstates 88 and 355 is a major advantage to those types of organizations which value convenient highway accessibility to their events. The Great Lakes Association, however, is the only user which would prefer a Downers Grove location if a suitable facility was available. This response reflects the importance this group places on automobile transportation accessibility and the unimportance it places on the destination appeal of a community. The Illinois Science Association, the other group, which would consider (though not prefer) Downers Grove as a location also ranked the destination appeal of the community as the least important factor influencing the selection of a location. These two groups would generate only 410 hotel rooms for their events, and in the case of Great Lakes, rotate to Illinois only every four years while Illinois Science only rotates to the Chicago metropolitan area every other year.

#### **Nature of Demand by Those Groups Which Expressed Interest in a DuPage County But Could Not Be Accommodated**

A larger number of people attend events held by the associations listed on Table 7 than those who attend events held by associations that have booked their events in DuPage County. Attendance at the events of these five organizations ranges from 1,000 attendees to 4,000 attendees. These events draw attendees from a wider geographic area than those associations which have been accommodated in DuPage County. All groups in this category draw attendees from the entire State of Illinois, while one group, the Construction Safety Conference, attracts attendees from the entire United States.

Four of the five groups alternate their annual events between the Chicago metropolitan area and downstate Illinois.

Because attendance levels are higher for these organizations than for those groups that were already being accommodated in DuPage County, the amount of space required is also larger. The amount of space required ranges from large ballrooms that seat from about 400 people to 1,800 people, meeting rooms that can seat large groups of up to 2,000 people and exhibition space ranging from approximately 10,000 square feet to 70,000 square feet.

Accordingly, these associations selected venues outside of DuPage County. The locations selected include Navy Pier, hotels in downtown Chicago and its suburbs, the Rosemont Convention Center,



**TABLE 7**  
**Conferences/Trade Shows/Conventions Which Have**  
**Considered DuPage County But Could Not Be Accommodated**

Event	Location for Event	Date of Event	Attendance Level and From Where Attendees are Drawn	Amount and Type of Space Booked	Total Hotel Room Nights Generated	Primary Reasons for Location and Facility Selection Decision
Illinois Drug Education Alliance Annual Prevention Conference	Peoria Civic Center Sheraton Chicago Crowne Plaza Hotel, Springfield Chicago Marriott	2000 1999 1998 1997	1,700-1,800 Illinois	Ballroom for 1,800-1,900 people; three meeting rooms to accommodate 400-500 people each; exhibit space for 25 tables	702 room nights in Chicago in 1999 at \$90 per room	Attitude Toward Holding Event at a Downers Grove Facility  Would consider Downers Grove if had appropriate facility and reasonable cost; many attendees are from Downers Grove area; downtown Chicago is very expensive; does not encourage attendance by non-delegates; destination appeal least important factor



**TABLE 7**  
**Conferences/Trade Shows/Conventions Which Have**  
**Considered DuPage County But Could Not Be Accommodated**

Event	Location for Event	Date of Event	Attendance Level and From Where Attendees are Drawn	Amount and Type of Space Booked	Total Hotel Room Nights Generated	Primary Reasons for Location and Facility Selection Decision
Illinois Library Association	Navy Pier, Chicago Springfield Convention Center Peoria Civic Center Navy Pier, Chicago	2002 2001 2000 1999	2,000 Illinois	Ballroom for 200-400 people; seven meeting rooms for 1,500 seats each; 14,000 sq. ft. exhibit space	529 room nights in Chicago in 1999 at \$84 per room; 654 rooms in Chicago in 1998 and 850 rooms in 1997 in Springfield	Attitude Toward Holding Event at a Downers Grove Facility  Prefer Chicago venues to Downers Grove; indifferent about Downers Grove compared to other DuPage County locations; May consider a Downers Grove location, but need evening activities such as boat tours or theatre for attendees, which is more readily available in Chicago



**TABLE 7**  
**Conferences/Trade Shows/Conventions Which Have**  
**Considered DuPage County But Could Not Be Accommodated**

Event	Location for Event	Date of Event	Attendance Level and From Where Attendees are Drawn	Amount and Type of Space Booked	Total Hotel Room Nights Generated	Primary Reasons for Location and Facility Selection Decision	Attitude Toward Holding Event at a Downers Grove Facility
Illinois Parks and Recreation Assoc.	Hyatt Chicago	1996-1999	4,000 Illinois	Ballroom for 1,800 people; 14 meeting rooms; 70,000 s.f. exhibit space	More than 1,300 room nights; 1,300 rooms is peak night	Size of facility and number of hotel rooms	Compared to Rosemont and Chicago, would prefer Downers Grove if appropriate facility available at lower cost than Chicago or Rosemont because of less traffic congestion, but need things to do because attendees bring family and others; indifferent about a Downers Grove location compared to other DuPage County locations



**TABLE 7**  
**Conferences/Trade Shows/Conventions Which Have**  
**Considered DuPage County But Could Not Be Accommodated**

Event	Location for Event	Date of Event	Attendance Level and From Where Attendees are Drawn	Amount and Type of Space Booked	Total Hotel Room Nights Generated	Primary Reasons for Location and Facility Selection Decision
Illinois Assoc. of Realtors	Lincolnshire Marriott	2001	1,000-1,200	Ballroom for 800 people; 6 meeting rooms for 20-2,000 people; 125 exhibitors in 8'x10' booths	800 at \$130	Size and cost of facility including adjacent hotel; no parking fees; has found it difficult to find acceptable, sufficient exhibit and meeting space in DuPage County
	Holiday Inn Hotel, Tinley Park	2000	Illinois and Chicago metropolitan area			Would consider Downers Grove location, but want to be close to shopping and restaurants; will not pay parking fees. prefer Downers Grove over Chicago and Rosemont because of cost factors, but indifferent compared to other DuPage County locations
	Grand Geneva, Lake Geneva, WI	1999				
	Peoria	1998				



**TABLE 7**  
**Conferences/Trade Shows/Conventions Which Have**  
**Considered DuPage County But Could Not Be Accommodated**

Event	Location for Event	Date of Event	Attendance Level and From Where Attendees are Drawn	Amount and Type of Space Booked	Total Hotel Room Nights Generated	Primary Reasons for Location and Facility Selection Decision	Attitude Toward Holding Event at a Downers Grove Facility
Construction Safety Conference	Rosemont Convention Center	2000	1,500 U.S. but majority from Illinois	Ballroom for 1,000-1,500 people; 22,000 s.f. of meeting rooms; 30,000 s.f. exhibit space 300-400 parking spaces	1,450 at \$94-\$135; need block of 500 rooms	Size of facility, facilities have to be union; need shuttle service to airport; could not find sufficient concurrent space in other suburban locations that met requirements	Indifferent about Downers Grove compared to other DuPage County locations; Advantage of Rosemont is can access downtown Chicago for one special event and have proximity to Airport

Source: Gruen Gruen + Associates



downstate locations and a resort area in Wisconsin.

The respondents indicated that the following factors influence their location decisions:

1. availability of sufficient space to house the event (one group outgrew an initial location in Lisle), including adjacent hotel or integrated hotel and convention facilities;
2. costs of event and hotel room facilities (one group will not select locations which entail parking fees);
3. facilities located near shopping, restaurants and other attractions, including evening entertainment activities for events to which attendees are encouraged to bring spouses, other family members or significant others;
4. proximity to key transportation linkages. The association whose events attract delegates which fly rather than drive requires shuttle services to Chicago O'Hare Airport; and
5. for the Construction Safety Conference, facilities must be union.

The Construction Safety Conference had considered a DuPage County location, Drury Lane in Oakbrook Terrace. This facility, however, lacked sufficient congruent exhibition and ballroom space. This group is satisfied with the Rosemont Convention Center. It would prefer a Downers Grove location over a City of Chicago location on the condition that the facility was union and that shuttle service is provided to and from Chicago O'Hare Airport. The Construction Safety Conference, however, is indifferent about a Downers Grove location versus alternative suburban DuPage County locations. It should be noted, however, that a union facility equates to a higher cost facility, which would be a competitive disadvantage in appealing to groups that seek suburban facilities because of their lower costs.

The Illinois Parks and Recreation Association has previously selected the Rosemont Convention Center, but found that facility larger than required and higher cost than it would prefer. Since 1995, the group has held its events at the Hyatt in downtown Chicago because this facility contains a suitable amount of space in a location that has a high level of destination appeal. The Illinois Parks Association considers this venue a relatively high cost option. If a facility large enough to accommodate the group's space requirements were available in Downers Grove, it would consider Downers Grove as a site for its event because of the accessibility advantages, on the condition that the costs would be lower than those obtainable at downtown Chicago or Rosemont facilities. This group is indifferent about a Downers Grove location versus alternative locations in DuPage County. This user, however, would have reservations about whether Downers Grove has sufficient destination appeal to attract a high level of attendance.

Similarly, the Illinois Association of Realtors is price sensitive and would consider a Downers Grove venue, but would be concerned about whether the destination appeal of the location is sufficient to generate high attendance. While this group is indifferent about Downers Grove compared to other suburban locations, it would prefer Downers Grove over higher cost downtown Chicago locations.



The Illinois Library Association prefers Chicago locations over a Downers Grove location and would be indifferent as to suburban locations. In contrast, the Illinois Drug Education Alliance would prefer a Downers Grove location to other suburban locations because a high proportion of attendees come Downers Grove. This group ranked the destination appeal of a community a least important factor, and gave this factor the lowest ranking of any other association. It is important to note that this association does not encourage attendees to bring guests. Therefore, the potential economic impact generated by the event is reduced accordingly.

### **The Nature of the Demand by Groups Which Have Not Considered DuPage County as a Convention/Trade Show Site**

In order to cover the potential market, we interviewed six associations shown on Table 8 which have booked events at facilities within the Chicago metropolitan area and whose size alone would not preclude them from considering a Downers Grove location. These groups have scheduled events in downtown Chicago hotels, McCormick Place, Rosemont area hotels and the Rosemont Convention Center.

The attendance level at the events held by these associations averages 2,000 to 3,000 people. Attendees to the events of these associations come from a wider geographic area than attendees of events held by groups that either selected or considered venues in DuPage County. Four of the associations attract attendees from throughout the United States, while two associations attract attendees from the Midwest.

Only one of the six associations would consider a Downers Grove location for its event. The Hearts at Home would consider Downers Grove if the costs are less than the Hyatt O'Hare would charge. This group is price sensitive as to both the convention and hotel room facilities. The other key requirement is that an integrated facility accommodate both hotel room and meeting space requirements. The destination appeal of a community is the least important factor to this group. The economic impacts generated by this group would be lower than those generated by groups which place greater importance on the destination appeal of a community.

The American Association of Nurse Anaesthetists usually holds its meetings at locations outside the state of Illinois. The representative for this group indicated that it does not anticipate rotating to Chicago again in the foreseeable future. Smaller meetings are instead planned to be held near their primary facilities. Two groups, the Midwest Psychological Association and the Premedia Intertec Club Industry Association, will not consider suburban location for their events. The Midwest Psychological Association traditionally selects the Palmer House Hilton in downtown Chicago as the site for its event. This organization would not select a suburban location because, based on experience, attendance levels would decline. The Premedia event attracts buyers from all over the country. The destination appeal and centrality of the McCormick Place, Chicago venue serves to generate greater attendance than would be realized at a suburban venue.

The Institute of Food Technologists prefers the Rosemont Convention Center over alternative locations because of its proximity to Chicago O'Hare Airport. Therefore, Rosemont is an extremely convenient location for the 50 percent or more attendees who travel to the event by airplane.



**TABLE 8**  
**Conferences/Trade Shows/Conventions**  
**Which Have Not Considered DuPage County**

Event	Location for Event	Date of Event	Attendance Level and From Where Attendees are Drawn	Attitude Toward Holding an Event in Downers Grove Facility
Compassionate Friends	Hyatt Regency O'Hare Rotates to Midwest every 3 years	2000	2,000 U.S.	Would not rotate to Downers Grove. Requires hotel with adequate meeting space, near the Airport.
Primedia Intertec Club Industry	McCormick Place Outgrew downtown Chicago Hilton Hotel	2000 and 1999	3,000 U.S.	Would not consider Downers Grove as a location for an event. Attracts attendees from entire U.S. Requires location in first-tier city.
Institute of Food Technologists	Rosemont Convention Center	Last 10 years	3,000, 500 exhibit booths, 10 x 10 U.S.	Would not consider a Downers Grove location. 50% of attendees come from out-of-town; need to be near Airport. Satisfied with Rosemont Convention Center.
American Assoc. of Nurse Anesthetists	Navy Pier	2000	3,000 U.S.	Would not consider Downers Grove as a location for a future event. Usually held out-of-state; will not rotate again to Chicago for the foreseeable future.
Midwest Psychological Assoc.	Palmer House Hilton, Chicago	Annually since 1982	2,000 Midwest	Traditionally has held events at Palmer House Hilton in downtown Chicago; would not go to suburban location because attendance level would decrease.
Hearts at Home	Hyatt O'Hare	1999 One night only	1,600 (1,000 parking spaces required) Midwest	Possibly consider Downers Grove location; Hyatt O'Hare was too costly; requires low hotel room rates; e.g., \$54-\$89 in Naperville in 1998; destination appeal least important factor.

Source: Gruen Gruen + Associates



Compassionate Friends, a grief counseling organization for families, meets in the Midwest only every three years. It prefers to stay in a large hotel that has sufficient meeting/conference space to facilitate interaction among the attendees in a more intimate center than a separate hotel and convention center can provide. Because many attendees come from outside the area, this group prefers a location near the Chicago O'Hare Airport.

## CONCLUSIONS ABOUT DEMAND POTENTIAL DRAWN FROM SURVEY OF POTENTIAL USERS

The interviews with potential users and discussions with convention and visitor and trade show experts suggest the following conclusions:

1. The larger, less price sensitive regional and state associations will be unlikely to rotate their events to a Downers Grove convention facility. To bolster attendance, this demand segment prefers locations that are either in downtown Chicago, in Rosemont, or in resorts areas;
2. Smaller to mid-size, less price-sensitive regional and state associations will also be unlikely to rotate their events to a Downers Grove convention facility. These associations prefer amenity-laden suburban locations at full-service hotels, which often include golf-course and tennis facilities. Downers Grove lacks the necessary depth and mix of shopping, restaurants, entertainment activities and other attractions sought by this demand segment. Associations in this demand segment also tend to have policies of encouraging delegates to bring guests. Therefore, this demand segment also places importance on the destination appeal of the community; and
3. A Downers Grove convention facility would appeal most to price-sensitive associations which seek locations accessible to major highways such as Interstate 88 and Interstate 355 because a high proportion of attendees to such events travel to the events by automobile rather than airplane. This demand segment requires less space at lower costs than available at McCormick Place, Rosemont area facilities, or downtown Chicago hotels, but more space than typically available at non conference center suburban hotels. Associations in this demand segment tend to not encourage attendees to bring guests. They place significantly less importance on the destination appeal of the location of the events than the other primary demand segments.

The users to which a Downers Grove location will most appeal will tend to have less "brand loyalty" than less price sensitive market segments. A Downers Grove venue will be most susceptible to competition from other automobile accessible, lower-cost suburban facilities. A high proportion of the demand from smaller events can be expected to be absorbed in hotel facilities, which will have increasing incentives to offer conference and meeting space at highly attractive rates in order to book their hotel rooms. The interviews indicate that as supply increases, it is becoming increasingly challenging, especially for older facilities, or facilities not located in amenity-laden locations, to maintain high utilization rates.



## **The Nature of the Conference/Meeting Space Demand Generated by Local Businesses/Organizations**

As described in more detail in Chapter III below, we conducted interviews with 12 businesses which are either located in the Downers Grove area, or which use Downers Grove area hotel facilities. The survey was conducted to ascertain the businesses demand for hotel rooms and conference and meeting space.

A key finding is that none of the businesses interviewed cited the availability of conference center and meeting space facilities as an important factor in their hotel selection. Table 9 indicates the current conference and meeting facilities used by the businesses. One firm does not book any conference or meeting space. Of the eight firms that were willing or able to estimate the frequency with which they booked meeting or conference space, six firms hold meetings or conferences less than five times per year. Of these firms, one firm holds a large meeting for 2,000 to 3,000 attendees approximately every five or six years. These large meetings have been held in downtown Chicago or the Rosemont area. A second firm holds an occasional lunch meeting for 12 people at the DoubleTree Guest Suites. A third firm holds meetings at the DoubleTree twice per year for 23 people. A fourth firm holds training sessions five times per year for 25 to 60 people at the Marriot Suites in Downers Grove and the Marriott Hickory Ridge Conference Center in Lisle. A fifth firm holds meetings and banquets two to four times per year for 100 to 200 people at nearby Holiday Inn, Hampton Inn and Radisson facilities. A sixth firm holds four to five meetings per year for 12 people at the Marriott Suites in Downers Grove.

One firm holds meetings at the DoubleTree and a facility in Oak Brook up to ten times per year for between 60 and 70 people. A second firm conducts meetings for 120 people twice per year and up to 50 meetings per year for under 30 people. This firm has used the Hyatt, Hilton, Radisson and Arthur Anderson Worldwide Center for Professional Education for these events.

Another firm holds an annual event at the Oak Brook Hills for under 25 people for three days and a limited number of meetings for eight or fewer people at the Marriott Suites in Downers Grove. One firm holds meetings for 20 to 150 people at Marriott Suites in Downers Grove and in various facilities in the Rosemont area. Finally another firm with multiple Chicago area offices holds meetings in downtown Chicago, Oak Brook, the Wyndham in Itasca as well as facilities in Downers Grove.

This same firm and an additional four firms would have no interest in booking conference, meeting or convention space at a new facility in Downers Grove. Seven firms would have potential interest in booking space at a conference or meeting space facility, but in total, the annual attendance would not exceed 4,000 people and 80 events. A new facility, however, is unlikely to obtain a high share of these requirements because none of the firms are dissatisfied with the existing supply of conference and meeting facilities. In addition, with the exception of the firm which requires a large facility approximately every five or six years, our interviews with hotel and conference facility operators indicate that ample capacity exists to serve the needs of these businesses. The Doubletree Guest Suites, for example, can accommodate every requirement described above other than the once every five or six year meeting for 2,000 to 3,000 people.

Moreover, our interviews with the businesses suggest that the growth of the demand for conference



**TABLE 9**  
**Demand for Conference/Meeting Space from Downers Grove Area Businesses**

Firm Business Sectors	Locations Where Currently Book Conference or Meeting Space	Interest in Booking Conference/Meeting/Convention Space If Available in Downers Grove
Manufacturing	Marriott, Renaissance Oak Brook and Drake Oak Brook in Oakbrook, Downtown Chicago, Wyndham in Itasca	No
Technology	Downtown Chicago, Rosemont Area	Yes, once every five years for conference for 2,000 to 3,000 attendees
Manufacturing	DoubleTree Guest Suites, but only use rarely and for lunch/meetings for 12 people	No
Services	Hyatt, Hilton and Radisson Hotel in Lisle-Naperville and Arthur Anderson in St. Charles	Yes, two meetings per year for 120 people and up to 50 meetings per year for under 30 people
Manufacturing	DoubleTree Guest Suites, 23 people, twice per year	No
Retail	Oak Brook Hills Conference Center for 25 people over three days, and for under 8 person meetings, stay at Marriott Suites in Downers Grove	No
Services	Marriott Suites in Downers Grove, Marriott Hickory Ridge Conference Center in Lisle	Yes, but five times per year for training, 25-60 people
Financial	Marriott Suites in Downers Grove and various facilities in Rosemont area	Yes, throughout the year for 20-150 people
Services	DoubleTree Guest Suites in Downers Grove and Hyatt Regency in Oak Brook	Yes, 10 times per year for 60-70 people
Retail	Holiday Inn in Downers Grove, Hampton Inn in Lombard, Radisson Hotel in Lisle-Naperville, 2-4 times per year	Yes, 3-5 meetings per year, 100-200 people meeting/banquet space
Services	None	No
Technology	Marriott Suites in Downers Grove	Yes, 4-5 times per year, 12 people

Source: Gruen Gruen + Associates



or meeting space is beginning to decline as the result of the following:

1. Larger firms, especially high technology firms, are increasingly using video-conferencing to reduce travel and in-person meeting requirements. This trend will increase as video-conferencing facilities become more widely available at lower costs; and
2. Firms, both large and small, that are heavy users of meeting and training space have built or leased such space as part of their office or other facilities so that they need not rent outside hotel and conference facility space for most of their meeting or training functions. Representatives of two local hotels indicated that formerly major customers have recently built their own training center and video-conferencing facilities. Meetings at higher cost facilities such as full-service hotels, are increasingly reserved for senior management/executive functions. Accordingly, segments of demand for meeting space are being absorbed in non-traditional meeting facilities, increasing competition for serving the requirements of local businesses.
3. The survey of businesses and interviews with hotel and conference center operators indicate that relatively limited demand exists from local businesses for additional conference or meeting space. The extent of the geographic area served by Downers Grove area conference and meeting facilities will begin to shrink as additional supply options are added. As additional facilities are developed elsewhere in the western suburbs, some firms located further west than Downers Grove that currently utilize Downers Grove area facilities can be expected to shift their business to facilities closer to their offices. For example, a large office space user in Aurora, which currently holds two meeting per year for between 300 and 500 people at a Lisle facility will move these meetings to a full-service facility when one opens in Aurora.



## CHAPTER III

## CHAPTER III

### THE DEMAND FOR HOTEL ROOMS IN DOWNERS GROVE

#### THE PRESENT SUPPLY OF HOTEL ROOMS

Our interviews with hoteliers and review of data on the stock of hotels suggest that hotels located in Oak Brook, Lombard, Downers Grove and Lisle comprise the eastern DuPage County hotel market. Table 10 lists the inventory of hotels in the Village of Downers Grove and the adjoining community of Lombard, which constitute the smaller, central submarket. The Downers Grove/Lombard submarket contains approximately 1,742 hotel rooms. Almost 44 percent or 763 rooms are located in three major hotels - the 254-room Marriott Suites and 247-room DoubleTree Guest Suites in Downers Grove and the 262-room Embassy Suites in Lombard. The Marriott Suites and the DoubleTree Guest Suites have the largest number of meeting rooms of the hotels in this submarket. These three hotels have pools, on-site restaurants, and exercise facilities. The remaining six hotels in the Downers Grove/Lombard market are smaller, limited service hotel/motels with few or no amenities.

Table 11 lists the other hotels in the eastern DuPage County market. Three major hotels are located in the second primary submarket, Lisle, west of the Lombard/Downers Grove submarket. Four major hotels are located in the Oak Brook submarket, east of Lombard/Downers Grove. These seven hotels compete with the three suites-type hotels in the Downers Grove/Lombard submarket.

The Lisle and Oak Brook submarkets contain approximately 1,958 hotel rooms. Four hotels - the 309-room Hilton and 311-room Hyatt in Lisle and the 423-room Hyatt Regency and 347-room Marriott in Oak Brook - are larger than the three major hotels in Downers Grove/Lombard. These seven hotels in the Lisle and Oak Brook submarkets are full service facilities, containing multiple restaurants, pools, exercise facilities and meeting rooms.

Based on data provided by the DuPage Convention and Visitors Bureau, Table 12 shows our estimate of the growth of the number of hotel rooms within DuPage County, from under 10,000 rooms in 1993 to nearly 13,264 rooms in 1999. According to the Bureau, the development of limited service facilities accounts for all of the growth of hotel rooms.

#### ROOM RATES AND OCCUPANCY LEVELS

With the exception of the DoubleTree Guest Suites Hotel in Downers Grove, the published room rates for the Lisle and Oak Brook hotels are higher than any of the hotels/motels in the Downers Grove submarket. Published room rates generally range from \$140 to \$180 for a single room to \$140 to \$200 for a double room for facilities in Oak Brook and Lisle. This compares to \$80 to \$130 for a single room and \$90 to \$140 for a double room for the Downers Grove/Lombard submarket.

Annual occupancy rates of the rooms in the suites-type hotels in Downers Grove and Lombard range from the low 70s to 82 percent. Occupancy rates over the weekends are significantly lower than those during the work week. Average room rates are reported to range from \$139 to \$189. While the



**TABLE 10**

**Hotels and Motels in Downers Grove and Lombard<sup>1</sup>**

Name of Hotel	Number of Rooms	Published Rate <sup>2</sup> \$	Number of Meeting Rooms	On-Site Amenities
Comfort Inn Downers Grove	121	1P - \$79-89 2P - \$79-89	1	Pool, exercise area
Holiday Inn Express Downers Grove	123	1P - \$89-\$129 2P - \$89-\$129	3	None
Marriott Suites Downers Grove	254	1P- \$69-\$179 2P - NA	13	Pool, Restaurant Exercise area
DoubleTree Guest Suites Downers Grove	247	1P - \$179-\$189 2P - \$179-\$189	36	Pool, racquetball courts, tennis court, restaurant, exercise area
Red Roof Inn Downers Grove	135	1P - \$46-\$71 2P - \$51-\$71	1	None
AmeriSuites Lombard	151	1P - \$99-\$109 2P - \$109-\$129	2	Pool, exercise area
Embassy Suites Lombard	262	NA	6	Pool, restaurant, exercise area
Hampton Inn Lombard	128	1P - \$99 2P - \$109	2	Exercise area
Residence Inn by Marriott Lombard	144	1P - \$139 2P - \$139	0	Pool, sports court, exercise area
Quality Inn & Suites Lombard	114	NA	NA	
Comfort Suites	63	NA	NA	
Total	1,742			

<sup>1</sup> There is also a 136-room extended stay motel, Homestead Village Guest Studios, located in Lombard and an additional 127-room suites hotel scheduled to open Winter 2000.

<sup>2</sup> Rates vary by time of year and are valid through March, 2001.

Sources: Illinois/Indiana/Ohio AAA Tour Book; DuPage Meeting Planners Guide, DuPage Convention & Visitors Bureau; Gruen Gruen + Associates.



**TABLE 11**

**Hotels and Motels in Lisle and Oak Brook**

Name of Hotel	Number of Rooms	Published Rate <sup>1</sup> \$	Number of Meeting Rooms	On-Site Amenities
Hilton Lisle	309	1P- \$89-\$149 2P- \$109-\$169	20	Pool, restaurant, exercise area
Hyatt Lisle at Corporetum Lisle	311	1P - \$139 2P - \$164	17	Pool, restaurant, exercise area
Radisson Hotel Lisle	242	1P - \$169-\$181 2P - \$179-\$199	16	Pool, restaurant, exercise area
Drake Oak Brook Oak Brook	160	1P- \$152-\$172 2P - \$152-\$172	13	Two pools, restaurant, exercise area
Hyatt Regency Oak Brook	423	1P - \$145 2P - \$170	31	Pool, restaurant, exercise area
Marriott Oak Brook Oak Brook	347	NA	17	Pool, restaurant, exercise area
Renaissance Hotel Oak Brook	166	1P - \$139-\$169 2P - \$139-\$169	12	Pool, restaurant, exercise area
Total	1,958			

<sup>1</sup> Rates vary by time of year and are valid through March, 2001.

Sources: Illinois/Indiana/Ohio AAA Tour Book; DuPage Meeting Planners Guide, DuPage Convention & Visitors Bureau; Gruen Gruen + Associates.



**TABLE 12**

**Number of Hotel Rooms and Occupancy and Room Rate Trends  
for DuPage County Hotels:1993-First Quarter, 2000**

Year	Occupancy Rate	Average Daily Room Rate \$	Total Number of Hotel Rooms
1993	65.3%	\$65.66	9,999
1994	69.6%	\$69.13	9,973
1995	71.2%	\$73.25	9,946
1996	71.0%	\$78.28	10,290
1997	71.0%	\$84.14	11,005
1998	71.2%	\$88.46	11,641
1999	67.8%	\$88.09	13,264
1 <sup>st</sup> Quarter, 2000	57.9%	\$84.65	NA

Sources: DuPage Convention & Visitors Bureau; Gruen Gruen + Associates.



average room rate has increased for one suites-type facility, the average room rate has decreased for the two other suites-type facilities.

The interviews with managers of the DoubleTree Guest Suites, Marriott Suites and Embassy Suites suggest that the departure of Waste Management and acquisitions by non local firms of Amoco and Palatinum Technology has caused a decline in the demand for room nights of at least 30,000. In addition, interviews with both businesses and hoteliers suggest that businesses are cutting back on travel that engenders room nights and on the per diem rates allocated for travel.

Consistent with this finding, Table 12 shows that the average occupancy rate and average daily room rate for lodging facilities in DuPage County peaked in 1998 at approximately 71 percent and \$88.50, respectively. In 1999, the average occupancy rate declined to under 68 percent. Average daily room rates have also declined to under \$85 as of the first quarter 2000. The growth in the supply of rooms in conjunction with the decline in room nights generated by large firms accounts for the decline in the average occupancy and room rates.

### **AVERAGE LENGTH OF VISIT, TYPE OF OVERNIGHT CUSTOMERS**

Based on a limited response to the hotel questionnaire distributed by the DuPage Convention and Visitors Bureau, Tables 13 and 14 show the results of the survey of DuPage County hotels regarding the type of customer attracted. Appendix C contains the hotel questionnaire. Table 13 describes the results for hotels over 150 rooms and Table 14 describes the results for those hotels with 150 rooms or less. None of the hotels in the survey generate a significant number of leisure or special events customers. For the larger hotels, the highest percentage of guests are groups or corporate transient customers. For almost all of the large hotels, leisure and special event customers make up less than 25 percent of the guests. For the smaller hotels, the highest percentage of guests are corporate transient customers. Four of the smaller hotels have corporate transient customers that make up 51 percent or more of their customers.

Consistent with the survey results, leisure travelers make-up only five percent of room nights for the DoubleTree Guest Suites. Forty-five percent of the room nights for this facility are generated by conference groups and 55 percent of the room nights are generated by corporate transient customers. Marriott Suites in Downers Grove, which has significantly less conference facilities than the DoubleTree, has a higher proportion of room nights generated by leisure travelers at approximately 25 percent. Of the 75 percent of room night demand generated by business travelers, approximately 20 percent of this demand is attributable to groups. An increasing proportion of demand, however, is attributable to business travelers. The make-up of room night demand for the Embassy Suites in Lombard consists of 95 percent of business travelers, of which 20 percent is attributable to groups and five percent for leisure travelers.

The length of stay for the suites-types facilities in Downers Grove and Lombard ranges from 2.3 days to 3 days.



**TABLE 13**

**Type of Guests for Respondent Hotels 150 Rooms or More in DuPage County**

Percentage of Guests	Number of Hotels			
Type of Guest	Group	Corporate Transient	Leisure	Special events
25% or less	1	4	7	8
26-50%	2	2	0	0
51-75%	0	1	0	0
76-100%	3	0	0	0

Source: Gruen Gruen + Associates



**TABLE 14**

**Type of Guests for Respondent Hotels Under 150 Rooms in DuPage County**

Percentage of Guests	Number of Hotels			
Type of Guest	Group	Corporate Transient	Leisure	Special events
25% or less	7	0	5	7
26-50%	0	2	2	0
51-75%	0	2	0	0
76-100%	0	2	0	0

Source: Gruen Gruen + Associates



## SAMPLE OF BUSINESSES INTERVIEWED

Because commercial transients or business-related to travelers make up such a large segment of the demand for hotel rooms in Downers Grove and the adjoining communities, we researched the existing lodging and meeting space arrangements and locational and product preferences of this demand segment. We did so by contacting telephone interviews with a sample of representatives of businesses. Appendix D contains a copy of the interview guide for the businesses.

The Downers Grove Visitors Bureau provided the names of and contact information for 14 businesses that either use Downers Grove area lodging facilities and/or that were expected to have 100 or more employees in Downers Grove. The Village of Downers Grove sent out a letter to a representative of each organization requesting their participation in the survey. GG+A contacted by telephone representatives of these businesses and completed interviews with representatives of 12 of these 14 firms.

The make-up of the sample of firms with whom we completed interviews is classified as follows:

<u>Economic Sector</u>	<u>Number of Respondents in the Economic Sector</u>
Financial	1
Retail	2
Services	4
Manufacturing	3
Technology	2
Total	12

We were not able to reach designated contacts or otherwise obtain cooperation from an insurance firm and a pharmaceutical firm.

Table 15 shows the breakdown of current size employment and location of the respondents. Eight of the respondents are located in Downers Grove, while one respondent each are located in Lombard, Lisle, and Naperville and Lincolnshire. The Lincolnshire respondent is located far out of the market area, but uses a Downers Grove hotel because it is a central location for several branch offices to hold meetings. Seven respondents have less than 100 employees. Three respondents have total employment between 700 and 1,500 and one firm has over 11,000 employees. A fifth respondent was not willing to estimate employment, but this firm is one listed as one of the area's largest employers with between 500 and 1,000 employees.

## TYPE OF OVERNIGHT VISITORS AND ESTIMATED ROOM NIGHTS

Table 16 shows the type of overnight visitors and average length of stay for respondents. Collectively, the twelve businesses, which provided information, generate approximately 14,600 to 28,000 annual room nights. This estimate may be low because one of the largest area employers was unable to accurately estimate its total room night demand because each department within the organization



**TABLE 15**

**Information Concerning Characteristics Of Business Travelers  
Disclosed by Interviews at Major Firms in Downers Grove Area**

Firms Business Sectors	Location	Number of Employees
Manufacturing	Downers Grove	500-999*
Retail	Downers Grove	40-50
Services	Lisle	10
Technology	Downers Grove	70
Manufacturing	Downers Grove	47
Technology	Naperville	11,000
Manufacturing	Lombard	18
Services	Downers Grove	700
Retail	Downers Grove	750
Services	Downers Grove	1,500
Services	Downers Grove	45
Financial	Lincolnshire	28
Approximate Total		3,700
* Respondent could not estimate; but estimate provided by Downers Grove Economic Development Commission		
Source: Downers Grove Economic Development Commission; Gruen Gruen + Associates		



**TABLE 16**

**Visitor Information Concerning Characteristics Of Business Travelers  
Disclosed by Interviews at Major Firms in Downers Grove Area**

Firms Business Sectors	Number of Visitors Per Month	Average Length of Visit (# nights)	Annual Room Night Demand
Manufacturing	15-40	2-5	360-2,400
Retail	40-50	5	2,400-3,000
Services	15	5	900
Technology	20	1-2	240-480
Manufacturing	4	2	100
Technology	200-300	2-3	4,800-10,800
Manufacturing	30	3	1,100
Services	100-200	1-2	1,200-4,800
Retail	DK	DK	at least 300
Services	40-60	2-3	960-2,160
Services	50	3	1,800
Financial	DK	DK	at least 400
Total	NA	NA	14,600-28,200
DK = Do not know			

Source: Gruen Gruen + Associates



makes its own hotel arrangements. Our interviews suggest that this firm primarily uses hotel facilities in Lisle and to a lesser extent, Naperville. In addition, the workplaces of this firm include video-conferencing facilities, which are serving to reduce the need for travel and hotel rooms. This same user also has significant meeting space within its own workplaces so that it does not tend to require conference or meeting space in hotels or conference facilities. On average, the twelve firms utilize 2,000 to 3,000 room nights per month.

One to three nights is the average number of nights respondents indicated as the typical stay by their visitors. Therefore, approximately 1,200 to 2,300 room nights are generated monthly by the respondents. Most visitors of the firms are employees or distributors/vendors whose visits are typically for training, sales meetings and other business purposes. Only two of the 12 respondents indicated customers generate a significant number of room nights.

### **EXISTING LODGING FACILITY ARRANGEMENTS AND PREFERENCE FOR OVERNIGHT ACCOMMODATIONS**

Table 17 shows the locations in which the visitors of the twelve respondents currently choose for lodging. The five respondents with more than 100 employees use full-service lodging facilities in Lisle, Naperville, Oak Brook and downtown Chicago. The hotels selected include the Hilton and Radisson in Lisle, the Oak Brook Hills, Oak Brook Marriot and Drake Hotel in Oak Brook. Visitors to one of the employers with 700 or more employees primarily select the Hyatt Regency in Oak Brook. A significantly smaller proportion of this firm's visitors stay at the DoubleTree in Downers Grove.

Visitors to the employers with 100 or more employees choose these locations for the following reasons:

- proximity to workplace facilities;
- higher level of amenities and services, including greater selection of restaurants and shopping available in Oak Brook and downtown Chicago; and
- the availability of higher-quality, full-service lodging facilities.

One of the four respondents indicated that their visitors from overseas choose Oak Brook Hills because of its ambiance and the availability of conference space.

The other seven respondents, whose employment levels are smaller than the five respondents cited above, each indicated that their visitors primarily select the Marriott Suites or the Holiday Inn Express in Downers Grove or the DoubleTree Guest Suites in Downers Grove. The respondents' visitors choose these locations for the following reasons:

- proximity to workplace facilities;
- lower room rates; and
- proximity to O'Hare Airport.



**TABLE 17**

**Lodging Preferences Of Business Travelers  
Disclosed by Interviews at Major Firms in Downers Grove Area**

Firms Business Sectors Location of Office	Employment Size (Number of Employees)	Locations Where Visitors Presently Stay	Reasons for Location Choices
Technology Naperville	11,000	Lisle - 100%	Proximity to office
Services Downers Grove	1,500	Downers Grove - 15% Oak Brook - 85%	Quality of hotels; proximity to amenities, restaurants and shopping
Manufacturing Downers Grove	500-999*	Downtown Chicago - 50% Metro area - 50%	Prefer Oak Brook hotels because near shopping, restaurants and high-quality hotels
Services Downers Grove	700	Lisle - 95% Chicago O'Hare - 5%	Proximity to office and contract rate with hotels
Retail Downers Grove	750	Oak Brook - 100%	Quality of hotels; proximity to amenities, restaurants and shopping
Technology Downers Grove	70	Downers Grove - 50%	Proximity to training facility but moving facility to Rolling Meadows
Manufacturing Downers Grove	47	Downers Grove (primarily) or Lisle and Lombard if no rooms available in Downers Grove; executives stay at DoubleTree Guest Suites; non-executives stay at Comfort Inn	Proximity to office
Services Downers Grove	45	Downers Grove - 95% Oak Brook - 5%	Contract rate and Marriott Rewards program with Marriott Suites in Downers Grove
Retail Downers Grove	40-50	Downers Grove - 100%	Proximity to office
Financial Lincolnshire	28	Downers Grove - 60%	Central location in metro area for all offices
Manufacturing Lombard	18	Downers Grove - 50% Lombard - 50%	Proximity to office
Services Lisle	10	Downers Grove - 90% Chicago Midway - 10%	Proximity to office and contract rate with Holiday Inn Express
Source: Gruen Gruen + Associates			



The responses suggest that visitors to smaller employers in the Downers Grove area tend to be more price sensitive and place relatively greater priority on accessibility to the workplaces and Chicago O'Hare Airport. Proximity to workplace facility is a key factor in the selection of hotels for both visitors to large employers and smaller employers.

### **Response to Potential Additional Higher-Quality Hotel in Downers Grove**

Table 18 shows the number of respondents and the reasons why a higher proportion of their visitors would use or not use an additional higher-quality hotel facility if one were built in Downers Grove.

- Six of the 12 respondents would not use a higher-quality hotel in Downers Grove. Four of these firms are satisfied with their existing facilities. All four firms are price sensitive. One of the larger employer respondents indicated satisfaction with the quality of the Oak Brook hotel facilities and a preference for a location in Oak Brook due to the relatively greater base of retail, entertainment and restaurant activities in Oak Brook compared to Downers Grove. One of the respondents prefers hotels in Lisle due to greater proximity to its workplaces.
- One firm estimates that perhaps 20 percent to 30 percent of its visitors would select a higher-quality facility in Downers Grove; provided, however, that the cost would not exceed the \$70 to \$80 average room rate currently paid. Similarly, another firm would shift its business to an additional higher-quality hotel in Downers Grove, but only if the average room rate is less than \$100 per room night, or a 25 percent discount on the standard rate. Two firms would shift a substantial proportion of their room nights to a Downers Grove location if the facility was comparable to that of Oak Brook Hills. One of these firms would expect a 25 percent to 30 percent room rate discount, while the other firm indicated a budget constraint of \$120 per room night, which is consistent with the current negotiated rate. Finally, one firm not located in the area would shift its businesses to a higher-quality facility, only if it had a golf course, theater or similar attractions.
- The respondents are satisfied with the selection, quality and pricing of lodging facilities. Downers Grove and the surrounding area contain a relatively complete selection of lodging facilities that respond well to the preferences of the differing types of business customers.

### **PRIMARY HOTEL SELECTION CRITERIA**

Table 19 identifies the major factors visitors consider in their selection of a hotel. The ratings are consistent with the reasons given for the selection of hotels described in the preceding section. Proximity or central location to the respondents' business facilities is the primary factor for eight of the 12 respondents. Price is another critical factor for ten of the 12 respondents.

Two of the largest employers place relatively greater importance on the availability of restaurants, services, retail goods and entertainment in the vicinity of the hotels. Six of the respondents, two of



**TABLE 18**

**Preference for A Higher-Quality Lodging Facility in Downers Grove  
of Business Travelers Disclosed by  
Interviews at Major Firms in Downers Grove Area**

Firms Business Sectors Location of Office	<i>Would a greater proportion of visitors stay overnight in Downers Grove if a different high-quality facility than is presently available existed?</i>
Manufacturing Downers Grove	Yes, if similar to Oak Brook Hills and rates are market (i.e., \$119 per night or less)
Retail Downers Grove	Perhaps 20%-30% of visitors would use new facility if room rates are competitive
Services Lisle	No
Technology Downers Grove	Yes, but only if lower priced than Marriott Suites at under \$100 per night
Manufacturing Downers Grove	No, satisfied with DoubleTree Guest Suites
Technology Naperville	No, already have negotiated contracts with national chains closer to office
Manufacturing Lombard	Don't know, rate is key factor
Services Downers Grove	Yes, but only if can negotiate rate of \$99 per night or less
Retail Downers Grove	Yes
Services Downers Grove	Yes, if more full-service like Oak Brook Hills and can obtain 25%-30% discounted rate
Services Downers Grove	No, prefer Marriott Suites
Financial Lincolnshire	Yes, only if facility had other activities like golf and theater
Source: Gruen Gruen + Associates	



**TABLE 19**

**Factors Important in Hotel Selection for Respondents**

Factor	Number of Respondents	Percentage of Respondents
Room Rates	10	83%
Proximity to offices	8	75%
Quality of Hotel	6	50%
Nearby Amenities, shopping, restaurants	2	17%
Proximity to O'Hare	1	8%
Transportation shuttle	1	8%
Meeting Space Rates	1	8%

Source: Gruen Gruen + Associates



them the largest employers, give priority to the quality of the hotel in their selection criteria.

### **CURRENT RATES PAID AT EXISTING FACILITIES AND WILLINGNESS TO PAY FOR PROPOSED HOTEL FACILITY**

The responses concerning rates currently paid or willing to pay indicate large users of hotel rooms are able to negotiate favorable rates that are substantially lower than published rates. In addition the results of the survey indicate that the rates paid by respondents do not significantly vary between suite type hotels and full-service hotels. This suggests a relatively high intensity of competition in the full-service hotel market. Eleven respondents indicated what they or their visitors currently pay for a single or double room for area lodging facilities. Visitors to three respondents stay at the Holiday Inn Express and Hampton Inn at rates of approximately \$60 to \$80 per room night. Five respondents indicated their visitors stay at the suite hotels in Downers Grove at rates ranging from \$90 to \$130 per room night. Three respondents indicated their visitors stay in full-service hotels in either Lisle/Naperville or Oak Brook at rates ranging from \$80 to \$120 per night. One respondent receives a discounted rate of \$103 per night at the DoubleTree versus a rate of \$129 at the Oak Brook Hyatt.

Three respondents were uncertain as to what their firms are willing to pay for a new higher quality hotel in Downers Grove. Seven respondents would pay no more or about the same as they currently pay to stay at a new higher-quality, full-service facility in Downers Grove. An eleventh respondent said that it is paying \$79 per night at the Holiday Inn Express but would be willing to pay somewhat more for a higher-end facility. A twelfth respondent pays between \$79 and \$82 per night at the Hampton Inn and Holiday Inn Express but would be willing to pay up to \$90 per night for a higher quality hotel.

Only three of the twelve respondents would be willing to commit to booking guest room nights totaling 3,300 to 4,400 annual room nights. Eight respondents would either not be willing to or are uncertain of their ability to commit to guest room bookings. Another respondent has a policy of allocating its bookings over two to three hotels in order to obtain the best negotiated rate. A large employer could commit to 1,800 to 2,400 room night bookings per year but at a rate similar to the Marriott of about \$129 per night. Another smaller respondent could commit to 30 room night bookings per year. One other large employer would commit to guest room bookings of between 1,500 and 2,000 room nights per year.

### **CONCLUSIONS DRAWN FROM ANALYSIS OF HOTEL SUPPLY AND SURVEYS OF BUSINESSES AND HOTELS**

The survey of businesses clearly indicates that larger firms tend to select hotels in Oak Brook and Lisle while smaller firms select suites-types or limited service hotels in the Downers Grove/Lombard submarket.

An addition of a full-service hotel in Downers Grove could at most be expected to attract 3,300 to 4,400 room nights of the total room nights of the businesses interviewed, or between 12 percent and 16 percent of the maximum annual demand of 28,200 room nights. Given the supply and demand conditions outlined above, it would be premature for the development of a full-service hotel in Downers Grove. If a full-service hotel captured 12 percent to 16 percent of visitation engendered



by the expansion of existing businesses or attraction of future businesses attracted to Downers Grove, this level would not provide adequate support for the facility. We base this judgement on the following:

1. Based on the survey results, 0.4 to 0.6 visitors are associated with every employee;
2. Vacant or proposed office space in Downers Grove totals approximately 1,379,300 square feet according to data compiled by the Downers Grove Economic Development Commission. Assuming a worker to space ratio of one worker for every 200 square feet of building space, if all this space is occupied, approximately 6,900 workers would occupy the space;
3. Applying the rate of visitation to employment in number one above, to the estimate of employment associated with available or proposed office space in number two above yields an estimate of annual visitation of 2,800 to 4,100 visitors;
4. Multiplying this estimate of visitation by the estimated average stay of visitors of 2.4 to 3.0 room nights per visitor produces an estimate of annual demand for room nights of between 6,700 and 12,300 room nights;
5. A survey of local businesses identified the demand for a new full-service hotel in Downers Grove to be in the range of 12 percent to 16 percent of the total demand generated by these local businesses. Applying this capture rate to the room nights generated by forecast visitation (in number four above) would translate to between 800 and 2,000 room nights for a full-service hotel in Downers Grove.

If a new 250-room full-service hotel generates 65,000 available weekday room nights, then total demand of approximately 4,100 to 6,400 room nights from both business respondents interviewed and future employment results in an occupancy rate of six percent to ten percent of total available weekday room nights. Unless other major Downers Grove employers are found likely to support a minimum 25 percent occupancy rate, insufficient room night demand exists at this time to support a high-quality full-service hotel facility. Based on the results of the research summarized above, this is highly unlikely to be the case. The universe of major Downers Grove employers is presently not large enough to generate a high proportion of the remaining needed demand.

The willingness to pay results of the survey suggests why full-service facilities have not been built in DuPage County since 1993. As a rule of thumb, room rates tend to be set at one-tenth of one percent of room costs. While limited service facilities can typically be built for between \$55,000 and \$75,000 per room, full-service suburban facilities tend to cost approximately \$158,000 to \$178,000 or more per room. This range of per room hard costs would require average daily rates of \$158 to \$178. The results of the supply assessment and interviews, however, indicate that average daily rates in the market are less than the required threshold. Therefore, obtainable hotel room rates are not currently high enough to support the feasible construction of new full-service hotels.



**APPENDIX A**

APPENDIX A

TELEPHONE INTERVIEW GUIDE FOR THOSE  
CONVENTIONS/TRADE SHOWS/CONFERENCES WHICH  
HAVE BEEN ACCOMMODATED IN DUPAGE COUNTY

1. Name and Title of Interviewee:  
Name \_\_\_\_\_ Title \_\_\_\_\_
2. Name of Organization \_\_\_\_\_
3. Address of Organization \_\_\_\_\_
4. Type of Organization \_\_\_\_\_
5. What was the purpose of the convention/trade show/conference held in DuPage County?  
\_\_\_\_\_
6. Where was it held? \_\_\_\_\_
7. When was held and for how long?  
Month \_\_\_\_\_ and Year \_\_\_\_\_  
Number of days \_\_\_\_\_ Days of the Week \_\_\_\_\_
8. Were the delegates or attendees primarily drawn from:  
 Downers Grove     Elsewhere in DuPage County (specify \_\_\_\_\_)  
 Chicago Metropolitan Area     The rest of the State  
 Midwest     the Nation
- 9a. How often in the past ten years have you held your event in DuPage County? \_\_\_\_\_
- 9b. How often in the next ten years do you anticipate holding your event in DuPage County?  
\_\_\_\_\_
- 10a. What is the average attendance levels for your events held in DuPage County? \_\_\_\_\_
- 10b. What is the typical amount of parking required to accommodate your delegates or attendees? \_\_\_\_\_ (Number of spaces).

11a. What was the amount and type of ballroom/plenary, exhibit and meeting break-out space used at your most recent event in DuPage County?

Ballroom Space \_\_\_\_\_ (Square Feet and Seating Capacity)

Meeting Rooms \_\_\_\_\_ (Number and Square Feet and Seating Capacity)

Exhibit Space \_\_\_\_\_ (Square Feet)

11b. Do you have any special facility needs such as tiered seating, unusual ceiling heights or electrical requirements? \_\_\_\_\_

12. Please rate how well the facilities matched your preferred requirements, on a scale of 1 to 5, with 5 representing a highly acceptable match and 1 representing a highly unacceptable match. \_\_\_\_\_

Probe for what met or did not meet requirements. \_\_\_\_\_

13a. How many single, double, and other types of rooms were booked and what were their price ranges?

<u>Room Type</u>	<u>Number Booked</u>	<u>Price Range</u>
------------------	----------------------	--------------------

Single	_____	_____
--------	-------	-------

Double	_____	_____
--------	-------	-------

Other	_____	_____
-------	-------	-------

Total room nights \_\_\_\_\_

What is the number of hotel room blocks needed for your event? \_\_\_\_\_

13b. Please rate how well the lodging facilities matched your preferred requirements, on a scale of 1 to 5, with 5 representing a highly acceptable match and 1 representing a highly unacceptable match. \_\_\_\_\_

Probe for what met or did not meet requirements. \_\_\_\_\_

13c. ***For conventions/trade shows/conferences not held in hotel facilities:***

Does your event require a headquarter hotel adjacent to the convention center?

Yes \_\_\_\_\_ No \_\_\_\_\_

14. Were any auxiliary facilities or services, such as transportation or recreation required?  
Yes \_\_\_\_\_ No \_\_\_\_\_

IF YES: What were they? \_\_\_\_\_  
\_\_\_\_\_

15. Does your organization have any rules about the locations at which your events can be held? Yes \_\_\_\_\_ No \_\_\_\_\_ If Yes, probe for whether limits ability to select a Downers Grove location \_\_\_\_\_

16. What other locations, hotel and convention/trade show and conference facilities were considered for the convention/trade show/conference?

<u>Location</u>	<u>Hotel Name</u>	<u>Convention/Trade Show/Conference Facility*</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

\* Find out if hotel was also site of convention/trade show/conference.

17. What were the primary reasons why you selected the facility(ies) and location you did over the other facilities and locations considered? \_\_\_\_\_  
\_\_\_\_\_

18. Do you generally encourage delegates or attendees to bring spouses, other family members, significant others, or friends? Yes \_\_\_\_\_ No \_\_\_\_\_

*If Yes, Go To Question 19; If No, Go To Question 21.*

19. Does your selection of a location or facilities take into consideration that spouses, family members, significant others and friends might attend? Yes \_\_\_\_\_ No \_\_\_\_\_

*If Yes, Go To Question 20; If No, Go To Question 21.*

20. In what way, if any, does this affect the type of location or facilities you select?  
\_\_\_\_\_

20a. Please rate the following major factors or reasons for your selecting one location and facility(ies) over another option for a convention/trade show/conference, *with 5 being most important and 1 being least important*:

<u>Factor</u>	<u>Rating</u>
Exhibition Space	_____
Meeting and Ballroom Space	_____
Convention/trade show/conference Facility Rental Rates	_____
Hotel Room Availability	_____
Hotel Room Rates	_____
Air and Local Transportation Accessibility	_____
Destination Appeal (i.e., proximity to shopping/restaurants, sight-seeing, cultural attractions, recreational amenities and membership-related)	_____

20b. Is there any major factor or reason for selecting one location and facility(ies) over another omitted from the list just read to you that is at least of equal importance to your decision-making(such as free rooms for staff, or coffee services for meetings if book a certain number of rooms, executive suites for Presidents)? Yes \_\_\_\_\_ No \_\_\_\_ If Yes, please specify: \_\_\_\_\_

21. If Downers Grove contained the required convention/trade show and conference facility, would you  prefer,  not prefer, or be  indifferent about a Downers Grove location compared to other DuPage County locations as the venue for your event?

Why? \_\_\_\_\_

22. Please rate your perception of the destination appeal to delegates or attendees of a Downers Grove location for your event, *with 5 being most appealing and a 1 being least appealing*. \_\_\_\_\_

Thank You for Your Time.

**TELEPHONE INTERVIEW GUIDE FOR THOSE CONVENTIONS/ TRADE SHOWS/CONFERENCES WHICH COULD NOT BE ACCOMMODATED IN OR HAVE NOT CONSIDERED A DUPAGE COUNTY LOCATION**

1. Name and Title of Interviewee:

Name \_\_\_\_\_ Title \_\_\_\_\_

2. Name of Organization \_\_\_\_\_

3. Address of Organization \_\_\_\_\_

4. Type of Organization \_\_\_\_\_

5. What is the purpose of your organization's convention/trade show/conferences?

\_\_\_\_\_

6. When are your events typically held and for how long?

Annually  Twice Per Year  Every Other Year  Other (specify \_\_\_\_\_)

Month(s) \_\_\_\_\_

Number of days \_\_\_\_\_ Days of the Week \_\_\_\_\_

7. Are the delegates or attendees primarily drawn from:

DuPage County (specify \_\_\_\_\_)  Chicago Metropolitan Area  
 The rest of the State  Midwest  the Nation

8a. What is the average attendance levels for your events? \_\_\_\_\_

8b. What is the typical amount of parking required to accommodate your delegates or attendees? \_\_\_\_\_ (Number of spaces).

8c. What is the typical amount and type of ballroom/plenary, exhibit and meeting break-out space you require for your events?

Ballroom Space \_\_\_\_\_ (Square Feet and Seating Capacity)

Meeting Rooms \_\_\_\_\_ (Number and Square Feet and Seating Capacity)

Exhibit Space \_\_\_\_\_ (Square Feet)

8d. Do you have any special facility needs such as tiered seating, unusual ceiling heights or electrical requirements? \_\_\_\_\_

9a. How many single, double, and other types of rooms are typically booked and what are their price ranges?

<u>Room Type</u>	<u>Number Booked</u>	<u>Price Range</u>
Single	_____	_____
Double	_____	_____
Other	_____	_____

Total room nights \_\_\_\_\_

What is the number of hotel room blocks needed for your event? \_\_\_\_\_

9b. *For conventions/trade shows/conferences not held in hotel facilities:*

Does your event require a headquarter hotel adjacent to the convention center?  
Yes \_\_\_\_\_ No \_\_\_\_\_

10. Are any auxiliary facilities or services, such as transportation or recreation required?  
Yes \_\_\_\_\_ No \_\_\_\_\_

IF YES: What are they? \_\_\_\_\_

11. Does your organization have any rules about the locations at which your events can be held? Yes \_\_\_\_\_ No \_\_\_\_\_ If Yes, probe for whether limits ability to select a Downers Grove location. \_\_\_\_\_

12a. What previous locations, hotel and convention/trade show and conference facilities have you selected for your events?

<u>Year</u>	<u>Location</u>	<u>Hotel Name</u>	<u>Convention/Trade Show/Conference Facility*</u>
2000	_____	_____	_____
2000	_____	_____	_____
1999	_____	_____	_____

1999	_____	_____	_____
1998	_____	_____	_____
1998	_____	_____	_____
1997	_____	_____	_____
1997	_____	_____	_____
1996	_____	_____	_____
1995	_____	_____	_____
1995	_____	_____	_____

\* Find out if hotel was also site of convention/trade show/conference.

12b. What are the primary reasons you selected these locations and facilities ?

Reasons for Selection

2000	_____	_____
1999	_____	_____
1998	_____	_____
1997	_____	_____
1996	_____	_____
1995	_____	_____

13. Have you ever tried to book an event in DuPage County, but found your requirements could not be accommodated? Yes \_\_\_\_\_ No \_\_\_\_\_

If YES:

When did you consider a DuPage County location? \_\_\_\_\_

What location(s) within DuPage County was considered? \_\_\_\_\_

Why did you consider holding your event in DuPage County? \_\_\_\_\_

\_\_\_\_\_

Why did you not hold your event within DuPage County? \_\_\_\_\_

What location did you select in instead? \_\_\_\_\_

Why? \_\_\_\_\_

14. Do you generally encourage delegates or attendees to bring spouses, other family members, significant others, or friends? Yes \_\_\_\_\_ No \_\_\_\_\_

*If Yes, Go To Question 15; If No, Go To Question 17.*

15. Does your selection of a location or facilities take into consideration that spouses, family members, significant others and friends might attend? Yes \_\_\_\_\_ No \_\_\_\_\_

*If Yes, Go To Question 16; If No, Go To Question 17.*

16. In what way, if any, does this affect the type of location or facilities you select?  
\_\_\_\_\_

- 17a. Please rate the following major factors or reasons for your selecting one location and facility(ies) over another option for a convention/trade show/conference, *with 5 being most important and 1 being least important:*

<u>Factor</u>	<u>Rating</u>
Exhibition Space	_____
Meeting and Ballroom Space	_____
Convention/trade show/conference Facility Rental Rates	_____
Hotel Room Availability	_____
Hotel Room Rates	_____
Air and Local Transportation Accessibility	_____
Destination Appeal (i.e., proximity to shopping/restaurants, sight-seeing, cultural attractions and recreational amenities, membership-related)	_____

- 17b. Is there any major factor or reason for selecting one location and facility(ies) over another omitted from the list just read to you that is at least of equal importance to your decision-making (such as free rooms for staff, or coffee service for meetings if book a certain number of rooms, executive suites for Presidents)? Yes \_\_\_\_\_ No \_\_\_\_\_ If Yes, please specify: \_\_\_\_\_

18. If Downers Grove contained the required convention/trade show/ conference facility, would you consider holding a convention/trade show or conference in Downers Grove?  
Yes \_\_\_\_\_ No \_\_\_\_\_

Why or Why Not? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19a. Would you  prefer,  not prefer, or be  indifferent about a Downers Grove location compared to other DuPage County locations as the venue for your event?

Why? \_\_\_\_\_

19b. Would you  prefer,  not prefer, or be  indifferent about a Downers Grove location compared to a City of Chicago venue?

Why? \_\_\_\_\_

19c. Would you  prefer,  not prefer, or be  indifferent about a Downers Grove location compared to a Rosemont (IL) venue?

Why? \_\_\_\_\_

19d. Would you  prefer,  not prefer, or be  indifferent about a Downers Grove location compared to another Chicago area suburban location not in DuPage County?

Why? \_\_\_\_\_

20. Please rate your perception of the destination appeal to delegates or attendees of a Downers Grove location for your event, *with 5 being most appealing and a 1 being least appealing.* \_\_\_\_\_

Thank You for Your Time.

**APPENDIX B**

## APPENDIX B

### LIST OF ASSOCIATIONS CONTACTED

ACM Siggraph  
American Association of Nurse Anesthetists  
American Library Association  
Chicago Nut Bolt & Screw Association  
Compassionate Friends  
Construction Safety Conference  
Expo 2001, Naperville Area Chamber of Commerce  
Great Lakes Association of Colleges & Universities Housing Officers  
Hearts at Home  
Illinois Academy of Physicians  
Illinois Association of Realtors  
Illinois Library Association  
Illinois Drug Education Alliance Annual Prevention Conference  
Institute of Food Technologists  
Illinois Parks & Recreation Association  
Illinois Science Teachers Association  
Midwest Psychological Association  
Nikken  
Plumbing Heating Cooling Contractors Association  
Primedia IntertecClub Industry

**APPENDIX C**

APPENDIX C

Hotel Survey

1. How long has your hotel been located at the above address? \_\_\_\_\_ *years*
2. How many rooms are in this hotel? \_\_\_\_\_ *number of rooms*
3. How many square feet of conference and/or meeting room facility do you have?  
\_\_\_\_\_ *square feet*
4. What was your overall hotel room occupancy rate in 1999? \_\_\_\_\_ %
5. What was the overall utilization rate of your conference and/or meeting facility space in 1999?  
\_\_\_\_\_ %
6. In 1999 of your total guests, approximately what percent were:
  - A. Group? \_\_\_\_\_ %
  - B. Corporate transient? \_\_\_\_\_ %
  - C. Leisure? \_\_\_\_\_ %
  - D. Attending a special event, such as the U.S. Pro Criterium \_\_\_\_\_ %

For D above (if D = 0% then write *none* below):

Please list up to five special events, including conferences and conventions, that encouraged guests to your hotel in order of their importance, with the first identified encouraging the largest number of visitors:

- 1<sup>st</sup> \_\_\_\_\_
- 2<sup>nd</sup> \_\_\_\_\_
- 3<sup>rd</sup> \_\_\_\_\_
- 4<sup>th</sup> \_\_\_\_\_
- 5<sup>th</sup> \_\_\_\_\_



7. Has there been a major shift in the make-up of your visitors since 1995?

\_\_\_\_\_ *Not in business in 1995* \_\_\_\_\_ *Yes* \_\_\_\_\_ *No*

(If Yes, please describe the change in the visitor make-up in the space provided below.)

---

---

8. What percentage of your total guests, if any, fly in and out of the Chicago O'Hare Airport?  
\_\_\_\_\_ %

Has this percentage \_\_\_\_\_ increased \_\_\_\_\_ decreased \_\_\_\_\_ remained the same since 1995?

9. If your hotel contained additional conference and/or meeting space, would you be able to obtain adequate bookings for such additional conference and/or meeting space? \_\_\_ Yes \_\_\_ No

If No, why not? \_\_\_\_\_

If Yes, how much more conference and/or meeting space would you be able to book?

\_\_\_\_\_ Square Feet

If Yes, what kind of additional events would you book? \_\_\_\_\_

10. Have you lost event bookings because of a lack of sufficient conference and/or meeting space? \_\_\_\_\_ Yes \_\_\_\_\_ No

11. Have you lost hotel room bookings because of a lack of sufficient conference and/or meeting space? \_\_\_\_\_ Yes \_\_\_\_\_ No

12. If Yes was checked in questions 10 or 11 above, do you know what facility and location was selected instead? \_\_\_\_\_ Yes \_\_\_\_\_ No

If Yes, please specify facility and location selected: \_\_\_\_\_

If Yes, do you know the number and size of meeting rooms which were required for the event?

\_\_\_\_\_ Yes \_\_\_\_\_ No



If Yes, specify \_\_\_\_\_  
(# of required meeting rooms) (square feet) (seating capacity)

If Yes, how often per year have you lost events or room night bookings because of a shortage of conference and/or meeting space or hotel rooms (check the box that best applies)?

- one to two times per year
- three to five times per year
- six to ten times per year
- more than ten times per year

13a. What do you believe is the minimum amount of conference/meeting space to be able to competitively obtain and serve a 500-person booking? \_\_\_\_\_ Square Feet

13b. What do you believe is the minimum amount of conference/meeting space to be able to competitively obtain and serve a 1,000-person booking? \_\_\_\_\_ Square Feet

13c. How many hotel rooms should a facility contain, if it has the amount of conference/meeting space specified in your answer to question 13a above to serve a 500-person booking?  
\_\_\_\_\_ Number of Hotel Rooms

13d. How many hotel rooms should a facility contain, if it has the amount of conference/meeting space specified in your answer to question 13b above to serve a 1,000-person booking?  
\_\_\_\_\_ Number of Hotel Rooms

14. If your hotel includes conference/meeting space, please check the box below that best describes how you charge for conference/meeting?

- Charge for conference/meeting space directly;
- Charge for conference/meeting space based on a minimum number of hotel room bookings;
- Charge for conference/meeting space based on a minimum amount for food and beverage expenditure;
- Other (Please describe: \_\_\_\_\_)

THANK YOU FOR YOUR TIME AND TROUBLE IN COMPLETING THIS SURVEY.



**APPENDIX D**



## APPENDIX D

### VILLAGE OF DOWNERS GROVE INTERVIEW GUIDE FOR BUSINESSES/ORGANIZATIONS

(Major Regional Employers)

Date: \_\_\_\_\_

Name of Firm/Organization: \_\_\_\_\_

Street Address: \_\_\_\_\_

City and Zip Code: \_\_\_\_\_

Telephone: \_\_\_\_\_

Name of Respondent: \_\_\_\_\_

Title of Respondent: \_\_\_\_\_

Hello. I am \_\_\_\_\_ with Gruen Gruen + Associates. We are helping the Downers Grove Visitors Bureau prepare a market feasibility study of a proposed hotel/meeting facility. I hope you have received a letter and call from name of Village representative informing you that I would be calling and would very much appreciate having about ten minutes of your time to find out about your firm's hotel and meeting space facility needs. May I begin by asking:

1. What is the nature of your business/organization?  
\_\_\_\_\_
2. How long have you been located in (*insert name of municipality*)? \_\_\_\_\_  
\_\_\_\_\_
- 3a. How many full- and part-time (less than 32-hours per week) employees currently work at your (*insert name of municipality*) location?  
Full-time \_\_\_\_\_  
Part-time \_\_\_\_\_



3b. Do you have any plans within the next three years to increase the number of full-time and/or part-time employees at your (*insert name of municipality*) location?

Increase # of full-time employees Yes \_\_\_ No \_\_\_ Don't Know \_\_\_ If Yes, can you estimate the number of added positions or proportion of increase? \_\_\_\_\_ (# or % increase) and when such full-time employee additions might occur? \_\_\_\_\_

Increase # of part-time employees Yes \_\_\_ No \_\_\_ Don't Know \_\_\_ If yes, can you estimate the number of added positions or proportion of increase? \_\_\_\_\_ (# or % increase) and when such additions to part-time staff might occur? \_\_\_\_\_

4. How many hotel room nights per year are typically generated by out-of-town visitors? \_\_\_\_\_ (# per year)

5. Are your visitors requiring overnight accommodations, employees from other locations, suppliers, clients, or what? What is the purpose of their visits?

<u>Type and Purpose of Visit</u>	<u>Number Who Visit (Monthly/Time of Year/Annually)</u>
_____	_____
_____	_____
_____	_____
_____	_____

6. If visitors are employees of the firm/organization, do they have a maximum hotel room rate budget?  
Yes \_\_\_ No \_\_\_ If Yes, what is the maximum daily hotel rate? \_\_\_\_\_

7. Are there any times of the year, or days of the week, when a disproportionate number of visitors requiring overnight accommodations visit your firm/organization?

Times of the year \_\_\_\_\_

Days of the week \_\_\_\_\_



8. On the average, how long does a visitor to your firm/organization requiring overnight accommodations stay? \_\_\_\_\_ # of nights

9. What proportion of these visitors stay at a hotel/motel in:

Downers Grove \_\_\_\_\_

Lisle \_\_\_\_\_

Lombard \_\_\_\_\_

Oak Brook \_\_\_\_\_

Chicago O'Hare \_\_\_\_\_

Chicago Downtown \_\_\_\_\_

Other Location (specify) \_\_\_\_\_

10. Why do visitors choose the locations indicated? \_\_\_\_\_  
\_\_\_\_\_

11. In each of these locations, at which hotels/motels do these visitors generally stay?

<u>Location</u>	<u>Hotel/Motel(s)</u>
Downers Grove	_____
Lisle	_____
Lombard	_____
Oak Brook	_____
Chicago O'Hare	_____
Chicago Downtown	_____
Other Location (specify)	_____



12. Would a greater proportion of these visitors stay overnight in Downers Grove if a different high-quality facility than is presently available existed?  
Yes \_\_\_ No \_\_\_ If Yes, what would be the proportion? \_\_\_\_\_  
Why would the proportion increase? \_\_\_\_\_
13. Would a greater proportion of these visitors stay overnight in a hotel in Downers Grove that was part of a larger complex which included a conference center or meeting space?  
Yes \_\_\_ No \_\_\_ If Yes, what would be the proportion? \_\_\_\_\_  
Why? \_\_\_\_\_
14. If a similar hotel were also available in insert competitive location(s), at which location would your visitors stay? \_\_\_\_\_  
Why? \_\_\_\_\_
15. If a similar hotel-conference/meeting center were available in insert competitive location(s), at which location would your visitors stay? \_\_\_\_\_  
Why? \_\_\_\_\_
16. What are the major factors affecting your firm/organization decisions to select hotel accommodations (probe)? \_\_\_\_\_
17. What do you think your visitors typically pay per night for a single room? \_\_\_ A double room? \_\_\_ Suite? \_\_\_  
Would your visitors likely pay  about the same;  less; or  more for a new high-quality hotel and/or hotel/conference facility in Downers Grove?  
Why? \_\_\_\_\_
18. Does your organization directly book any space for conferences or meetings or other events? Yes \_\_\_ No \_\_\_  
If Yes, who does the bookings? \_\_\_\_\_  
If Yes, where is the space booked? \_\_\_\_\_ (Name and location)



If Yes, do these conference/meeting space requirements engender the need for hotel rooms? Yes \_\_\_\_\_ No \_\_\_\_\_ If Yes, how many hotel room nights? \_\_\_\_\_ (# of hotel room nights) What hotel(s) do you select? \_\_\_\_\_

- 19a. If conference/meeting space/ convention facilities for staff or visitors etc. were available in Downers Grove, as part of the hotel complex, would your firm/organization have interest in booking such facilities? Specifically, what type of space and how much space (e.g. number of seats or seating capacity, breakout/meeting rooms or banquet space) would be needed to accommodate your requirements (i.e., probe for banquet space, meeting/break-out space, exhibit space, reception space)?

Yes \_\_\_ No \_\_\_ If No, why not? \_\_\_\_\_

If Yes, what would be the type, number, frequency and size of facilities required?

<u>Type</u>	<u>Number Per Year</u>	<u>Frequency</u>	<u>Size</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

- 19b. If Yes, for what purposes would the types of space specified above be needed (i.e., seminars, training, special events, conferences, meetings, banquets etc.)? Please describe any special features or services that would be required for these activities.

\_\_\_\_\_  
\_\_\_\_\_

What other features/facilities, if part of the proposed Downers Grove complex, would serve as an inducement to book the activities mentioned above at the proposed Downers Grove complex? Yes \_\_\_ No \_\_\_\_\_

\_\_\_\_\_

- 19c. If Yes: Would any hotel rooms be required for overnight visitors?  
Yes \_\_\_ No \_\_\_ If Yes, how many? \_\_\_\_\_ (# of hotel rooms)  
Length of visit (number of room nights)? \_\_\_\_\_ (# of room nights)

- 20a. What do you think your firm/organization would be willing to pay per room per night?  
\_\_\_\_\_ (Rate per room night)



20b. Would your firm/organization be willing to commit to guest room bookings on an annual basis, if a discount was offered? Yes \_\_\_ No \_\_\_ If Yes, what would be the minimum number of rooms for how many nights per year? \_\_\_\_\_  
If Yes, what is the percentage discount you would expect? \_\_\_\_\_ (% discount)

**Gruen Gruen + Associates (GG+A)** is a firm of economists, sociologists, statisticians and market, financial and fiscal analysts. Developers, public agencies, attorneys and others involved in real estate asset management utilize GG+A research and consulting to make and implement investment, marketing, product, pricing and legal support decisions. The firm's staff has extensive experience and special training in the use of demographic analysis, survey research, econometrics, psychometrics and financial analysis to describe and forecast markets for a wide variety of real estate projects.

Since its founding in 1970, GG+A has pioneered the use of economic, social and fiscal impact analysis. GG+A impact studies accurately and comprehensively portray the effects of public and private real estate developments, land use plans, regulations, annexations and assessments on the affected treasuries, taxpayers, consumers, other residents and property owners.

---

*San Francisco:*  
TEL: (415) 433-7598  
E-mail: [sf@ggassoc.com](mailto:sf@ggassoc.com)

*Northbrook:*  
(847) 498-5840  
E-mail: [midwest@ggassoc.com](mailto:midwest@ggassoc.com)

[www.ggassoc.com](http://www.ggassoc.com)

