



IMPACT STUDY

Lancaster County Convention Center

LANCASTER, PA



SUBMITTED TO:

Mr. Kevin R. Molloy, Executive Director
Lancaster County Convention Center
25 South Queen Street
Lancaster, Pennsylvania 17603
717-207-4110
krmolloy@lcca.com

PREPARED BY:

HVS Convention, Sports & Entertainment
Facilities Consulting
205 West Randolph
Suite 1650
Chicago, Illinois 60606
+1 (312) 587-9900



Convention, Sports & Entertainment
Facilities Consulting
Chicago, Illinois

September 14, 2026

205 West Randolph
Suite 1650
Chicago, Illinois 60606
+1 312-587-9900
+1 312-488-3631 FAX
www.hvs.com

Mr. Kevin R. Molloy, Executive Director
Lancaster County Convention Center
25 South Queen Street
Lancaster, Pennsylvania 17603
717-207-4110
krmolloy@lccca.com

Re: Impact Analysis

Dear Mr. Molloy:

Attached you will find our Impact Study of the Lancaster County Convention Center in Lancaster, PA.

We certify that we have no undisclosed interest in the property, and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

It has been a pleasure working with you. Please let us know if we can provide any additional services.

Sincerely,
HVS Convention, Sports & Entertainment
Facilities Consulting

A handwritten signature in black ink that reads 'Thomas Hazinski'.

Thomas A. Hazinski, MPP
Managing Director

A handwritten signature in black ink that reads 'Jorge Cotte'.

Jorge Cotte
Project Manager



Convention, Sports & Entertainment
Facilities Consulting
Chicago, Illinois

Table of Contents

SECTION	TITLE
1.	Introduction and Executive Summary
2.	Demand Analysis
3.	Economic Impact
4.	Business Survey Findings
5.	Statement of Assumptions and Limiting Conditions
6.	Certification

1. Introduction and Executive Summary

Nature of the Assignment

The Lancaster County Convention Center Authority engaged HVS Convention, Sports & Entertainment Facilities Consulting (“HVS”) to conduct an Economic and Fiscal Impact Study of the Lancaster County Convention Center (“LCCC”) in Lancaster, PA. The purpose of the study is to estimate the increase in economic spending from the ongoing operation of the LCCC.

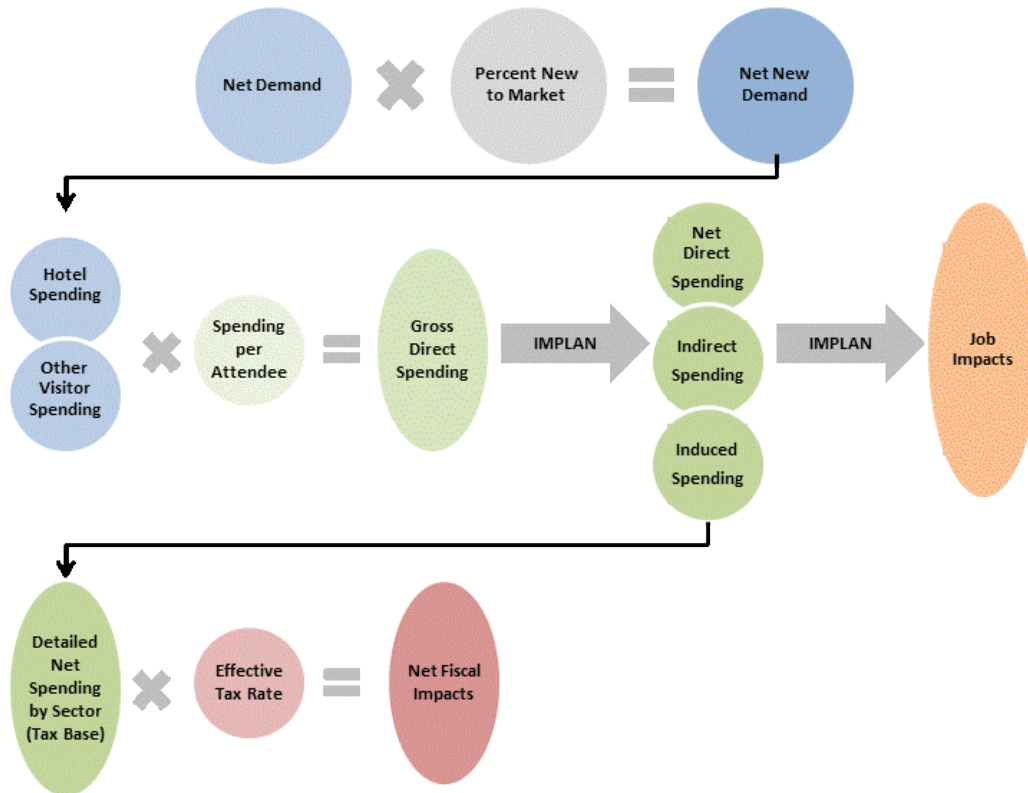
Public investment in the LCCC reflects the convention center's significant role in the state and local economy. The venue provides an essential forum for exchanging products and information in the Lancaster area and allows unique events to contribute to the city's culture. Conventions attract out-of-town delegates and exhibitors to Lancaster County. Attendee and exhibitor spending supports hotels, restaurants, retail establishments, and many other local businesses. The meeting and group visitors produce room nights in local hotels that supplement corporate and leisure business, smoothing occupancy cycles and supporting demand during low and shoulder seasons. Exhibiting companies provide temporary and permanent jobs to many area residents. Zenkaikon, the annual anime and science-fiction convention, is a notable example of the economic and cultural impact of the LCCC, as it consistently hosts more attendees per year than any other event.

This study updates our Economic and Fiscal Impact Study of the LCCC produced in December 2024 (the “2024 Study”), which analyzed the impact of 2021 through 2023. In this study, the employment and spending impacts of the LCCC on Lancaster and the surrounding area are quantified using event data for 2024 and 2025. We also quantified the fiscal impacts, or new tax revenue, flowing to state and local government.

Economic Impact Methodology

We quantified spending, fiscal impacts, and employment in the City of Lancaster, Lancaster County, and the Commonwealth of Pennsylvania due to the operations of the LCCC. The figure below depicts the study process.

FIGURE 1-1



We conducted the following steps:

- Gathered detailed information on historical LCCC events from 2024 and 2025.
- Surveyed local Lancaster merchants to understand better the intangible benefits of the LCCC, as well as how they feel the convention center affects their business.
- Quantified historical demand for attendees and exhibitors.
- Estimated the percent of visitors outside the market area (net new demand).
- Estimated spending per visitor or attendee to estimate gross direct spending or income imported into the market.

- Measured the effect of LCCC events on the Lancaster County hotel market directly, using daily hotel performance data from CoStar and a difference of means test, to establish the lodging component of direct spending.
- Used an input-output model of the economy (IMPLAN) to generate estimates of total net spending, indirect spending, and induced spending.
- Used IMPLAN to estimate the increase in employment associated with the total net spending.
- Identified sources of net new spending that would generate tax revenues and applied the appropriate, effective tax rates to generate fiscal impact estimates.

Our staff collected and analyzed all the information in this report. We sought reliable sources and deemed information obtained from third parties accurate.

Event Demand Analysis

The LCCC provided detailed event data on historical events from 2019 through 2025. The following figure shows event and attendance trends for each year by type of event.

FIGURE 1-2
LCCC EVENT SUMMARY

	2019	2020	2021	2022	2023	2024	2025
Events							
Conventions & Conferences	36	5	8	36	29	28	29
Consumer Shows	11	3	1	8	10	10	11
Assemblies	5	0	2	4	5	6	6
Banquets	13	0	5	11	14	17	15
Sports & Competitions	9	4	17	11	14	13	14
Concerts & Entertainment	5	0	3	3	4	2	4
Total	79	12	36	73	76	76	79
Attendees							
Conventions & Conferences	26,240	2,230	2,910	27,010	30,780	38,760	36,580
Consumer Shows	19,150	4,300	580	11,470	17,230	23,110	32,960
Assemblies	5,530	0	1,130	2,530	5,930	10,080	7,880
Banquets	8,690	0	1,490	5,990	8,690	11,630	10,200
Sports & Competitions	11,170	6,130	10,330	18,490	20,710	22,840	27,420
Concerts & Entertainment	12,800	0	2,290	8,660	10,210	8,240	7,860
Total	83,580	12,660	18,730	74,150	93,550	114,660	122,900
Attached Room Nights							
Conventions & Conferences	13,252	2,053	2,299	9,246	11,908	11,805	9,728
Consumer Shows	3,478	191	366	1,975	1,812	1,817	1,922
Assemblies	529	0	170	857	233	253	890
Banquets	324	0	93	94	399	581	284
Sports & Competitions	1,330	861	1,566	1,802	2,811	2,893	3,653
Concerts & Entertainment	45	0	90	331	218	291	236
Total	18,958	3,105	4,584	14,305	17,381	17,640	16,713
Attendee Days							
Conventions & Conferences	87,137	8,871	7,962	84,991	111,490	120,817	124,869
Consumer Shows	54,800	9,283	2,339	32,180	41,257	44,063	51,206
Assemblies	11,613	0	3,050	7,350	8,161	10,584	15,337
Banquets	11,476	0	3,424	7,996	11,993	13,659	12,183
Sports & Competitions	32,187	20,374	29,442	49,587	61,734	58,251	71,567
Concerts & Entertainment	12,800	0	11,150	11,657	13,727	12,236	12,761
Total	210,013	38,528	57,367	193,761	248,362	259,610	287,923

Source: LCCCA

The LCCC hosted 76 events in 2024 and 79 events in 2025, matching the 2019 record. These events drew record levels of attendance across both years.

Economic Impact

For this study, we improved our approach to estimating the economic impact of LCCC events on the Lancaster hotel market. We performed a “compression analysis”¹ that, compares occupancy and average daily rate on LCCC event days and days where the LCCC did not host room night-generating events. We estimated that LCCC events impact occupancy by 5.0% and room rate by \$10.02 on event days. This new methodology affects the comparison with previous versions of this study.

For other spending by overnight visitors and day trip visitors, we used spending parameters from the Travel USA study by Longwoods International. We adjusted spending for inflation and local spending patterns.

Using the IMPLAN input-output model, we estimated the amounts of share of gross spending that occurred in the local economy (“Net Direct Spending”), associated business spending (“Indirect Spending”), and related personal income (“Induced Spending”). We also calculated the number of full-time equivalent jobs needed to support the estimated direct, indirect, and induced output.

We provided estimates for three jurisdictions: 1) the City of Lancaster, 2) Lancaster County, and 3) the Commonwealth of Pennsylvania, as shown in the following figure.

¹ See the following for a description of the HVS compression analysis methodology.
<https://www.hvs.com/article/10475-how-convention-centers-change-hotel-markets>.

FIGURE 1-3
ANNUAL ECONOMIC IMPACT ESTIMATES (\$ MILLIONS, UNFLATED DOLLARS)

	2024	2025	Total
City of Lancaster			
Direct	\$44.6	\$46.9	\$91.5
Indirect	6.8	7.1	13.8
Induced	2.2	2.4	4.6
Total	\$53.5	\$56.3	\$109.9
Lancaster County			
Direct	\$38.6	\$42.0	\$80.6
Indirect	12.8	13.9	26.7
Induced	10.8	11.8	22.5
Total	\$62.1	\$67.6	\$129.8
Commonwealth of Pennsylvania			
Direct	\$3.6	\$3.8	\$7.4
Indirect	1.5	1.6	3.0
Induced	1.7	1.8	3.5
Total	\$6.7	\$7.2	\$13.9
*Impacts between the City, County, and State are <u>not</u> additive.			

The impacts for each jurisdiction (City, County, and Commonwealth) overlap and are not additive. The level of net direct spending varies within each jurisdiction depending on the percentage of visitors from outside the geographic area and the share of direct spending that flows to entities within the jurisdiction. The City of Lancaster's net direct spending is higher than that of the Commonwealth of Pennsylvania because a higher percentage of visitors to LCCC come from outside Lancaster than from outside Pennsylvania. Indirect impacts (new business income) and induced impacts (new personal income) occur as the net direct spending reverberates through the economy.

Fiscal Impacts

Net direct, induced, and indirect spending is the basis for estimating fiscal impacts. We identified eight applicable taxes that would generate new revenue for the City of Lancaster, Lancaster County, and the Commonwealth of Pennsylvania. The following figure summarizes the estimated fiscal impact for 2024 and 2025.

FIGURE 1-4
FISCAL IMPACTS (UNINFLATED DOLLARS)

	2024	2025	Total
City of Lancaster			
Earned Income Tax	\$157,200	\$166,500	\$323,700
Lancaster County			
Hotel Room Rental Tax	\$475,200	\$501,000	\$976,200
Hotel Excise Tax	134,000	141,300	275,300
Total	\$609,200	\$642,300	\$1,251,500
Commonwealth of Pennsylvania			
Sales, Use, Hotel Occupancy Tax	\$378,600	\$409,100	\$787,700
Individual Income Tax	66,300	71,500	137,800
Corporate Income Tax	26,100	26,700	52,800
Vehicle Rental Tax	3,700	4,000	7,700
Liquid Fuel Tax	2,100	2,400	4,500
Total	\$476,800	\$513,700	\$990,500

The two tax sources that generate the most revenue are Lancaster County's Hotel Room Rental Tax and Pennsylvania's Sales, Use, and Hotel Occupancy Tax.

Conclusion

The following figure summarizes the economic, employment, and fiscal impacts on the City, County, and Commonwealth for 2024 and 2025.

FIGURE 1-5
SUMMARY OF IMPACTS (\$ MILLIONS, UNINFLATED DOLLARS)

	2024	2025	Total
City of Lancaster			
Economic Impact (millions)	\$53.5	\$56.3	\$109.9
Fiscal Impact (thousands)	157.2	166.5	323.7
Full-time Equivalent Jobs	445	455	
Lancaster County			
Economic Impact (millions)	\$62.1	\$67.6	\$129.8
Fiscal Impact (thousands)	609.2	642.3	1,251.5
Full-time Equivalent Jobs	485	515	
Commonwealth of Pennsylvania			
Economic Impact (millions)	\$6.7	\$7.2	\$13.9
Fiscal Impact (thousands)	476.8	513.7	990.5
Full-time Equivalent Jobs	45	45	

The LCCC has steadily increased its economic and fiscal impact over the past two years in all three geographic areas. The following figure compares the two years of this study with the two comparable years of the prior study period. Because of changes in how we estimated the impacts to the lodging market, the comparison across these two studies reflects changes in methodology along with changes in activity.

FIGURE 1-6
IMPACT COMPARISON FROM PREVIOUS STUDY (\$ MILLIONS, 2025 DOLLARS)

	2022-2023	2024-2025	% Change
City of Lancaster			
Economic Impact (millions)	\$101.9	\$111.3	9%
Fiscal Impact (thousands)	311.9	327.8	5%
Lancaster County			
Economic Impact (millions)	\$96.5	\$131.4	36%
Fiscal Impact (thousands)	757.1	1,267.5	67%
Commonwealth of Pennsylvania			
Economic Impact (millions)	\$10.1	\$14.1	40%
Fiscal Impact (thousands)	829.6	1,003.0	21%

Across 2024 and 2025, the LCCC generated \$111.3 million of total economic output in the City of Lancaster, \$131.4 million in Lancaster County, and \$14.1 million in the Commonwealth of Pennsylvania (in 2025 dollars). These totals represent increases of 9%, 36% and 40% from the previous two years.

The LCCC has increased its economic and fiscal impact in the City of Lancaster and Lancaster County. After recovering from the COVID-19 Pandemic, the LCCC continues to match or exceed previous records in events and attendance. The impact generated by the LCCC extends to other businesses in the area, generating revenue elsewhere and supporting new jobs, and allows the City of Lancaster, Lancaster County, and the Commonwealth of Pennsylvania to reap the economic and fiscal benefits of normal visitation and tourism to the region.

2. Demand Analysis

History of the Lancaster County Convention Center

In September of 1999, the Lancaster County Convention Center Authority (“LCCCA”) was established by Penn Square Partners and the Lancaster Foundation and charged with developing a convention venue in Lancaster County. The convention center was one of seventeen strategies LDR International, Inc. developed to revitalize downtown Lancaster. In January of 2000, Lancaster County passed a 3.9% hotel tax to fund the construction and marketing of the convention center. Delayed by lawsuits, construction did not begin until 2006.

The Lancaster County Convention Center (“LCCC”) opened in the summer of 2009. Since then, the county-owned facility has been the primary venue for conventions, consumer shows, tradeshow, and assemblies. Since 2013, the LCCC has hosted the annual Zenkaikon anime and science fiction convention, which attracted attendance of over 28,000 in 2025.

The following figure shows the building program for the LCCC. The largest function space in the LCCC is the approximately 46,500-square-foot exhibit hall, capable of hosting over 270 exhibit booths. The LCCC also connects directly to a 416-room hotel.

FIGURE 2-1
LCCC BUILDING PROGRAM

Event Space	Total Area (SF)	Capacities			Exhibit Booths (10'x10')
		Theatre	Banquet	Classroom	
Freedom Hall	46,508	5,000	4,500	2,007	277
Sub-Divisions					
Hall A	15,553	1,500	1,200	750	74
Hall B	27,784	3,000	2,500	1,200	153
Heritage Ballroom	9,696	1,000	1,000	500	50
Sub-Divisions					
Ballroom A	1,298	90	100	60	-
Ballroom B	1,298	90	100	60	-
Ballroom C	4,504	400	300	225	21
Ballroom D	1,298	90	100	60	-
Ballroom E	1,298	90	100	60	-
Commonwealth Ballroom	8,274	800	800	400	45
Sub-Divisions					
Salon 1	1,508	90	100	60	-
Salon 2	1,384	90	100	60	-
Salon 3	3,045	300	300	140	15
Salon 4	2,787	225	200	120	15
Meeting Rooms	4,139				
Federal Room (2)	1,017	80	75	60	
Independence Room (2)	1,290	90	75	60	
Hickory Room (2)	1,290	90	75	60	
Walnut Room	542	30	30	12	
Conestoga Room (2)	1,290	90	75	60	
TOTAL FUNCTION SPACE	68,617				

Source: LCCCA

Historical Events and Attendance

For our 2021 and 2024 studies, LCCC staff provided detailed event and attendance data from 2018 through 2023. For this analysis, the LCCCA provided bookings for 2024 and 2025. HVS reclassified event types into standard event categories based on attendance, function space used, and whether overnight rooms were required. Where necessary, we altered classifications from previous years to ensure consistency among repeated events. This does not substantially alter estimates from previous studies.

We classified all events into one of the following categories:

Conventions & Conferences—associations, government, and SMERF organizations register attendees for multi-day events. Facility setup includes breakout, banquet, and exhibit space set-up and may include plenary sessions. Typically, the primary purpose of a convention is information exchange. These events often have a large general assembly meeting that can be set up in a multipurpose ballroom. The venue primarily attracts state associations with some national groups booking as well. Conventions and conferences attract many out-of-town attendees requiring lodging in the local market.

Consumer Shows—public, ticketed events featuring the exhibitions of merchandise for sale or display. Exhibition companies produce consumer shows, as they provide a means of product distribution and advertising. They only require exhibit space set-up. Food and beverage service is limited to concessions.

Assemblies—usually involve a ceremony, a speech, or another similar activity that attracts a crowd of spectators. Produced by any type of organization, assemblies are always public events. Additionally, assemblies only require a plenary set-up. Assembly events at the LCCC typically include graduations, speeches, or religious events.

Banquets—only require a banquet set-up for food and beverage meal service. These events also can be produced by any organizational type, and are either held privately or require guests to register.

Sports/Competitions—typically require setting up a competition area in a large function space. Attendees to sporting events, which sports enterprises usually organize, may be public or registered. Some sporting events have both a registered and public aspect to the event over a few days. Sports/Competitions events at the LCCC typically include dance, cheer, and other sporting events.

Concerts & Entertainment—usually a concert or some form of live entertainment, owned and organized by an event promoter for the public. Entertainment events only require production setup.

The following figure summarizes event demand at the LCCC from 2019 to 2025.

FIGURE 2-2
SUMMARY OF DEMAND HISTORY

	2019	2020	2021	2022	2023	2024	2025
Events							
Conventions & Conferences	36	5	8	36	29	28	29
Consumer Shows	11	3	1	8	10	10	11
Assemblies	5	0	2	4	5	6	6
Banquets	13	0	5	11	14	17	15
Sports & Competitions	9	4	17	11	14	13	14
Concerts & Entertainment	5	0	3	3	4	2	4
Total	79	12	36	73	76	76	79
Attendees							
Conventions & Conferences	26,240	2,230	2,910	27,010	30,780	38,760	36,580
Consumer Shows	19,150	4,300	580	11,470	17,230	23,110	32,960
Assemblies	5,530	0	1,130	2,530	5,930	10,080	7,880
Banquets	8,690	0	1,490	5,990	8,690	11,630	10,200
Sports & Competitions	11,170	6,130	10,330	18,490	20,710	22,840	27,420
Concerts & Entertainment	12,800	0	2,290	8,660	10,210	8,240	7,860
Total	83,580	12,660	18,730	74,150	93,550	114,660	122,900
Attached Room Nights							
Conventions & Conferences	13,252	2,053	2,299	9,246	11,908	11,805	9,728
Consumer Shows	3,478	191	366	1,975	1,812	1,817	1,922
Assemblies	529	0	170	857	233	253	890
Banquets	324	0	93	94	399	581	284
Sports & Competitions	1,330	861	1,566	1,802	2,811	2,893	3,653
Concerts & Entertainment	45	0	90	331	218	291	236
Total	18,958	3,105	4,584	14,305	17,381	17,640	16,713
Attendee Days							
Conventions & Conferences	87,137	8,871	7,962	84,991	111,490	120,817	124,869
Consumer Shows	54,800	9,283	2,339	32,180	41,257	44,063	51,206
Assemblies	11,613	0	3,050	7,350	8,161	10,584	15,337
Banquets	11,476	0	3,424	7,996	11,993	13,659	12,183
Sports & Competitions	32,187	20,374	29,442	49,587	61,734	58,251	71,567
Concerts & Entertainment	12,800	0	11,150	11,657	13,727	12,236	12,761
Total	210,013	38,528	57,367	193,761	248,362	259,610	287,923

Source: LCCCA

In 2024 and 2025, the LCCC recorded consecutive years of the highest attendance in the venue's history. Attendance to Conventions & Conferences and Sports & Competitions has grown the most. In 2025, attached room nights decreased from 2024 and 2023.

Repeat Events & Attendance

We analyzed the number of repeat events that return to the LCCC and their associated attendance and room nights, as shown in the following figure. Consistent returning business means that event planners and attendees are satisfied with their event experience at the LCCC.

FIGURE 2-3
REPEATED EVENT AND ATTENDANCE FIGURES BY YEAR

Year	Events	Attendance	Events Repeated	Attendance Repeated	Attached Room
2018	67	201,309	57%	65%	17,179
2019	79	210,013	56%	69%	18,958
2020	12	38,528	100%	100%	3,105
2021	36	57,367	64%	61%	4,584
2022	73	193,761	51%	54%	14,305
2023	76	248,362	66%	71%	17,381
2024	76	259,610	54%	66%	17,640
2025	79	287,923	67%	83%	16,713

Excluding pandemic years, 2025 had the highest percentage of repeat events and associated attendance of this period. High levels of repeat business indicate that the LCCC has a consistent base of event demand.

Event Duration

We analyzed event lengths, including the time needed for event organizers to move in and set up. The following figure presents the average event length and average move-in time for each year from 2021 through 2025.

FIGURE 2-4
AVERAGE EVENT DURATION AND MOVE-IN (DAYS)

Event Length	2021	2022	2023	2024	2025
Average Event Length					
Conventions & Conference:	4.9	2.9	3.2	3.2	2.8
Banquets	2.8	1.7	1.8	1.2	1.2
Consumer Shows	4.0	3.1	2.5	2.1	2.0
Sports/Competitions	2.9	2.8	2.9	2.5	2.6
Assemblies	2.5	2.8	1.6	1.2	2.0
Concerts & Entertainment	6.3	1.7	1.3	1.5	1.5
Average Move In Days					
Conventions & Conference:	0.5	0.9	0.9	1.2	0.9
Banquets	1.8	1.1	1.1	0.7	0.9
Consumer Shows	1.0	1.1	0.8	0.8	1.0
Sports/Competitions	1.0	1.1	0.8	0.8	0.7
Assemblies	1.0	0.8	0.6	1.0	1.0
Concerts & Entertainment	0.3	0.7	0.3	1.0	1.0

Source: LCCCA

Average event lengths have shortened slightly over this period, but average move-in time has remained close to one day in every category.

Room Nights

Our economic impact analysis in Section 3 uses estimates of overnight stays induced by LCCC events in the Lancaster market. The following figure shows the average room nights generated by each type of event held at the LCCC from 2021 through 2025. Only events that require overnight rooms are included.

FIGURE 2-5
AVERAGE ROOM NIGHTS PER EVENT

	2021	2022	2023	2024	2025
Conventions & Conferences	287	257	411	422	335
Sports & Competitions	366	247	181	182	175
Consumer Shows	85	214	47	42	148
Banquets	19	9	29	34	19
Assemblies	92	164	201	223	261
Concerts & Entertainment	30	110	55	146	59

Conventions and conferences remain by far the largest generator of room nights per event, but the measure peaked in 2024 at 422 room nights per event and fell to 335 in 2025, a decline of 21%. Consumer shows have a higher variability in room night generation, while Sports & Competitions are relatively steady in recent years. Banquets and Concerts generate comparatively few overnight stays.

Conclusion

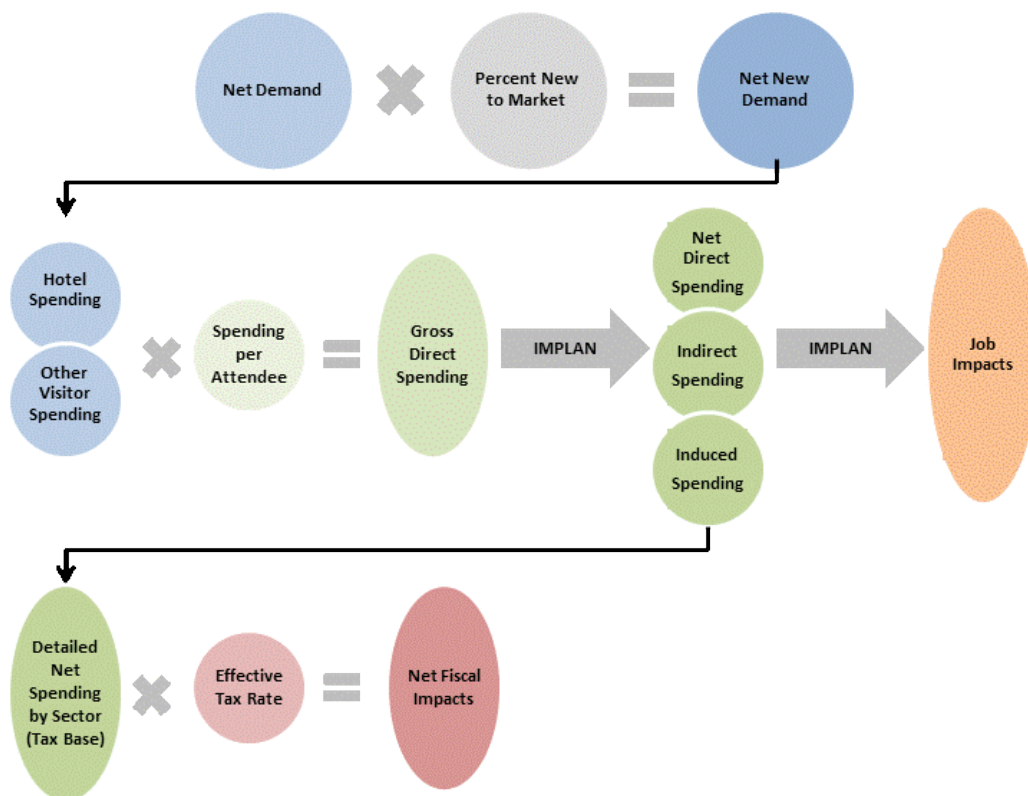
After recovering from the COVID-19 Pandemic, attendance at the LCCC reached record levels in 2024 and 2025. Consistent repeat business indicates event planners' satisfaction with the LCCC and a dependable base of demand.

3. Economic Impact

Based on the historical event activity and attendance presented in this report, we estimate the spending that occurred in the local economy due to the ongoing operation of the Lancaster County Convention Center ("LCCC"). We estimated the income and employment new visitors, and event organizers generated in the City of Lancaster, Lancaster County, and the Commonwealth of Pennsylvania.

The figure below demonstrates our methodology.

FIGURE 3-1
METHODOLOGY FOR ECONOMIC AND FISCAL IMPACT ANALYSIS



Direct, Indirect, and Induced Spending

Spending falls into three categories:

- **Direct spending** includes the new spending of event attendees and organizers. For example, an attendee's expenditure on a restaurant meal is a direct spending impact. Direct spending includes only new spending that originates from outside Lancaster, the County, or the Commonwealth. Spending by attendees who live within the market area is a transfer of income from one sector of the area's economy to another; therefore, this analysis does not count spending by residents as a new economic impact. Net direct spending is the amount of direct spending that falls into the local economy.
- **Indirect spending** follows from the business spending resulting from the initial direct spending. For example, an event attendee's direct expenditure on a restaurant meal causes the restaurant to purchase food and other items from suppliers. The portion of these restaurant purchases that remain within Lancaster, the County or the Commonwealth count as indirect impacts.
- **Induced spending** represents the change in local consumption due to the personal spending by employees whose incomes change from direct and indirect spending. For example, a server at a local restaurant may have more personal income because of an event attendee dining at the restaurant. The increase in income that the waiter spends in the local economy has an induced impact.

To generate direct spending estimates, we applied assumptions about the amounts of new spending generated by LCCC events. We used the IMPLAN input-output model of the local economy to estimate net direct, indirect, and induced spending. The sum of net direct, indirect, and induced spending estimates make up the total estimated spending impact of LCCC events.

Some refer to indirect and induced impacts as multiplier effects. The relationship between direct spending and the multiplier effects varies based on the specific size and characteristics of a local area's economy.

Sources of Direct Spending

We identified four sources of new direct spending impact:

- **Overnight Guests:** Visitors to the City of Lancaster who require overnight lodging, including convention delegates, meeting attendees, and attendees at other LCCC events. Overnight delegate spending includes meals, shopping, local transportation, recreation and entertainment, and other goods and services while in town.
- **Daytrip Attendees:** Visitors to the LCCC who do not require paid lodging. In most markets, day-trippers typically spend money on meals, shopping,

local transportation, recreation and entertainment, and other goods and services while in town.

- **Event Organizers:** Individuals, associations, or other organizations that plan, sponsor, organize, and coordinate events that take place at LCCC facilities. In addition to facility spending, event organizers also spend on lodging, meals, local transportation, facility rentals, equipment rentals, and other goods and services required to plan and organize a successful event.
- **Exhibitors:** Individuals or companies that rent exhibition space, typically from event organizers, to display information or products at events. In addition to spending at the facility, exhibitors purchase lodging, meals, local transportation, vendor services, meeting room rentals, equipment rentals, and other goods and services.

Estimation of new spending of each of these sources involves three sets of assumptions: 1) the number of new visitors to the market, 2) the geographic location of their spending, and 3) the amounts typically spent by each of the sources.

Hotel Market Compression Analysis

The LCCC influences the Lancaster hotel market by concentrating large volumes of visitor demand into relatively short periods of time. Our prior analyses of convention center impacts on hotels have focused on estimating the number of hotel room nights generated by convention events and then multiplying those room nights by an assumed average daily room rate (“ADR”). While this approach provided a straightforward estimate of lodging demand, it oversimplified the complex dynamics that occur within the hotel market during events.

For this study we applied a more comprehensive methodology that evaluates how convention-related events affect overall hotel market performance. Rather than relying solely on estimated room night generation, we analyzed daily changes in hotel occupancy and average daily room rates (“ADR”) during convention center event days using two years of hotel market and convention center event data. Further, the approach shows that the generation of room revenues generated by LCCC events varies by day of week and month of year. The HVS methodology incorporates statistical testing to quantify the level of confidence associated with the estimated impacts.

To analyze the impact of LCCC events on the hotel market, HVS performed a difference of means test. Using data sets on daily hotel performance and LCCC events for the years 2024 and 2025, we calculated the average daily room rates and average occupancy rates on “LCCC Event Days,” when LCCC hosted an event that generated attached room nights, to days in which LCCC did not. A difference of means test has the advantages of providing an estimate of the change in occupancy and rooms rates and determining whether these differences are statistically

Occupancy Compression

significant. This method also considers any possible displacement of hotel demand that could occur during LCCC events and provides a basis for the calculation of the total rooms revenue impact on Lancaster County hotels.

Over the analysis period the Lancaster County market offered approximately 8,500 rooms and ran at 58.7% occupancy at an average daily rate of \$132.71.

The following figures show the average occupancies of the Lancaster hotel market on LCCC event days and non-event days by day of week and by month.

FIGURE 3-2
OCCUPANCY IMPACT BY DAY OF WEEK

	Event Day	Non-Event Day	Difference	
Monday	51.7%	48.9%	2.8%	
Tuesday	59.5%	56.0%	3.5%	
Wednesday	60.9%	56.0%	4.9%	
Thursday	58.8%	56.2%	2.6%	
Friday	73.0%	74.2%	-1.1%	
Saturday	77.7%	75.8%	1.9%	
Sunday	40.2%	38.7%	1.5%	

Sources: CoStar, LCCC, and HVS

FIGURE 3-3
OCCUPANCY IMPACT BY MONTH

	Event Day	Non-Event Day	Difference	
January	52.1%	37.8%	14.2%	
February	48.4%	44.5%	3.9%	
March	58.9%	48.5%	10.4%	
April	60.5%	61.9%	-1.4%	
May	68.1%	57.8%	10.3%	
June	68.2%	64.8%	3.3%	
July	74.1%	61.4%	12.7%	
August	71.1%	66.5%	4.6%	
September	64.6%	63.4%	1.2%	
October	76.6%	67.8%	8.8%	
November	61.9%	52.5%	9.4%	
December	67.1%	50.9%	16.3%	

Sources: CoStar, LCCC, and HVS

Occupancy on LCCC event days exceeded occupancy on non-event days in eleven of the twelve months of the year and on six of the seven days of the week, and the size of the gain tracks how full the market would otherwise have been. The occupancy

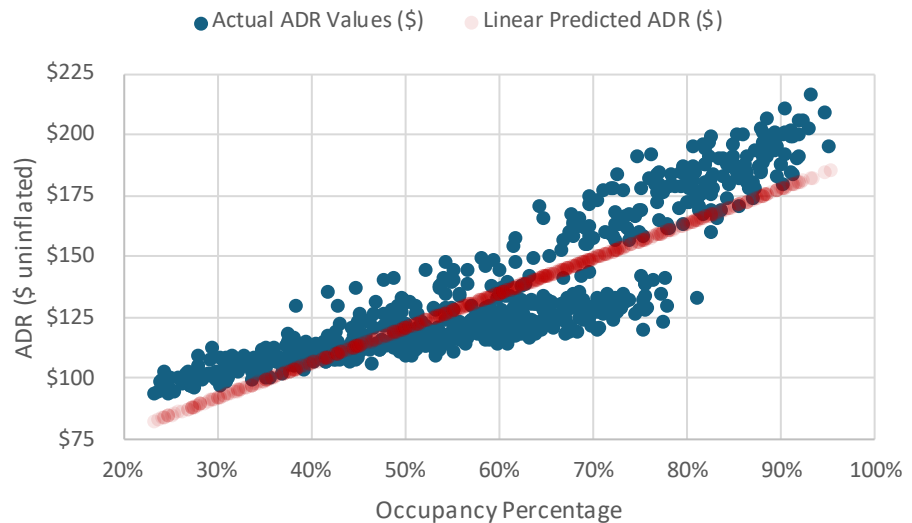
effects of convention events are generally more significant during lower occupancy periods, because more unused hotel inventory is available and a larger share of convention-related demand therefore represents net new room nights rather than the displacement of existing travelers. Convention events occurring during already high occupancy periods tend to generate smaller net increases in occupied rooms, because a larger share of the demand they bring displaces other lodging demand.

While the LCCC records some room nights associated with its events, this larger impact reflects attendees booking outside the block, exhibitors and vendors, staff and support personnel, and accompanying visitors.

ADR Compression

Convention events affect hotel markets not only by increasing occupancy levels, but also by creating pricing compression that allows hotels to raise ADR. As hotel occupancy approaches capacity, hotels gain greater pricing power as they implement dynamic pricing strategies that increase room revenue.

FIGURE 3-4
AVERAGE DAILY RATE BY OCCUPANCY LEVEL (2024 – 2025)



Sources: CoStar and HVS

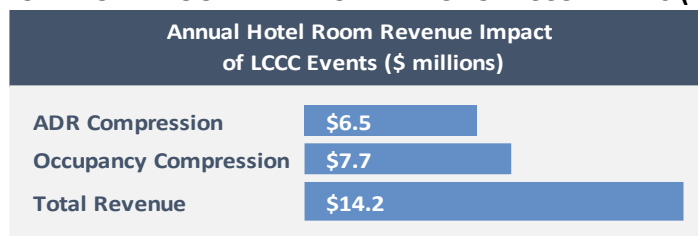
The relationship between occupancy and rate is not linear. Across the Lancaster County market, average daily rate rises by roughly \$8 for each ten-point gain in occupancy through the range from 25% to 65%, and by roughly \$25 for each ten-point gain above that threshold.

While the occupancy impact primarily works by adding new room nights to the market, ADR compression lifts the rate on all room nights in the market regardless

of whether these room nights are associated with the LCCC. For example, a transient business traveler staying at a hotel in Lancaster will pay, on average, \$13.54 more for a hotel room on a LCCC Event Day.

The two components of compression are quantified separately and then combined. Revenue attributable to occupancy compression is the number of net new room nights the events generate, multiplied by the average rate at which those rooms are sold. Revenue attributable to rate compression is the increase in average daily rate multiplied by the rooms that would have been occupied on those days in any event.

FIGURE 3-5
ANNUAL HOTEL ROOM REVENUE IMPACT OF LCCC EVENTS (2025)



We used the hotel room revenue impact estimated above as the direct hotel spending input into the IMPLAN model. Lodging is the only spending category in the model estimated separately rather than as a per-visitor spending parameter and has the largest impact among any category.

New Visitors

We estimated the percentage of each visitor type that would come from outside the market rather than from the local area. The spending estimates only include new visitor spending because non-residents import income, whereas residents transfer income already in the market area. Our estimates of new visitors remain consistent with our past studies.

We estimated the percentage of overnight room nights per event outside of the attached hotel. The sum of the attached room nights and Market Occupied Room Nights reflects the total annual room nights produced by the LCCC.

- **Overnight Guests**— we assume that 95% of overnight guests are new to Lancaster County, meaning they originated from outside of Lancaster County and are non-residents. This percentage was determined based on the LCCC's status as the lone facility of its size in Lancaster County. Some overnight guests may stay with friends and family or outside the market. We determined the new overnight visitation to the Commonwealth of Pennsylvania by determining which events could occur at other venues in the Commonwealth and which could only occur in Lancaster. The number of

overnight guests reflected in the model only reflects overnight guests for events at the LCCC.

- **Day Trips**— we determined the percentage of new day trips to the City of Lancaster and Lancaster County by comparing their populations to the one-hour drive-time population. Based on the event profile, we assume that events draw few day-trip visitors from outside the Commonwealth.
- **Exhibitor/Organizer spending on Attendees/Delegates**— we based the percentage of new exhibitors and organizer spending on the percentage of new attendees.

The product of the visitor forecasts and the percent of demand new to the market yields an estimate of the sources of impact shown in the following table. That is:

$$\text{Total Overnight Guests} \times \text{Percent New} = \text{New Overnight Stays}$$

$$\text{Total Day Trips} \times \text{Percent New} = \text{New Day Trips}$$

$$\text{Total Delegate Days} \times \text{Percent New} = \text{New Delegate Days}$$

The figure below shows the result of our locational analysis that indicate the share of visitation and spending that come from outside each region.

FIGURE 3-6
PERCENT NEW VISITORS BY REGION AND EVENT TYPE

	City of Lancaster	Lancaster County	Commonwealth of Pennsylvania
Overnight Delegates	95%	95%	10%
Daytrips	95%	74%	5%
Exhibitor and Organizers	95%	90%	10%

The figure below applies the percentages to total visitation, yielding the net new visitors that generate spending in each region.

FIGURE 3-7
SUMMARY OF VISITATION BY EVENT TYPE

Spending Source	Demand Estimates		
	New	New to Region	Percent in Region
City of Lancaster			
Overnight Delegates	50,234	47,723	95%
Daytrips	237,689	225,804	95%
Exhibitor and Organizers	176,075	167,271	95%
Lancaster County			
Overnight Delegates	50,234	47,723	95%
Daytrips	237,689	176,257	74%
Exhibitor and Organizers	176,075	158,468	90%
Commonwealth of Pennsylvania			
Overnight Delegates	50,234	5,023	10%
Daytrips	237,689	11,884	5%
Exhibitor and Organizers	176,075	17,608	10%

Spending Parameters

We identified categories of spending including Advertising, Car Rental, Catering & Concessions, Equipment Rental, Food & Beverage, Hotel, Parking, Recreation, Retail, and Transportation (Taxi/Uber/Other). We estimated the total spending of event attendees, organizers, and exhibitors using results from the Travel USA study by Longwoods International. This survey is conducted annually with a sample size of approximately 350,000 trips and assesses the trip's origin, spending, party size, and primary purpose. We applied parameters from the Corporate Travel Index ("CTI") to account for local spending patterns.

All spending parameters are stated in 2025 dollars. The following figures present the direct spending parameters for each source and category of expenditure.

FIGURE 3-8
HVS SPENDING PARAMETERS

Sector	Spending Source	Estimate Units	Amount per Unit
Advertising	Exhibitor and Organizers	Multiday Event Attendee Days	\$5.76
Car Rental	Exhibitor and Organizers	Multiday Event Attendee Days	\$3.49
Catering & Concessions	Exhibitor and Organizers	Multiday Event Attendee Days	\$16.84
Equipment Rental	Exhibitor and Organizers	Multiday Event Attendee Days	\$2.56
Food & Beverage	Overnight Delegates	All Lodgers	\$37.98
Food & Beverage	Daytrips	All Day Trips	\$36.18
Recreation	Overnight Delegates	All Lodgers	\$21.60
Recreation	Daytrips	All Day Trips	\$21.21
Recreation	Exhibitor and Organizers	Multiday Event Attendee Days	\$6.08
Retail	Overnight Delegates	All Lodgers	\$26.84
Retail	Daytrips	All Day Trips	\$25.91
Retail	Exhibitor and Organizers	Multiday Event Attendee Days	\$2.56
Transportation (Taxi/Uber)	Overnight Delegates	All Lodgers	\$27.73
Transportation (Taxi/Uber)	Daytrips	All Day Trips	\$26.36
Transportation (Taxi/Uber)	Exhibitor and Organizers	Multiday Event Attendee Days	\$1.94
Convention Center	Exhibitor and Organizers	Multiday Event Attendee Days	\$5.85

Source: HVS and Longwoods International

Following are descriptions of each spending category.

- **Advertising**—Promotional expenses include advertising in media, digital platforms, and printed materials to attract attendees and exhibitors to the event.
- **Food & Beverage**—In addition to any catering provided at the convention center, attendees often dine at nearby restaurants and cafés. This category includes spending on meals, snacks, and beverages consumed outside the convention center’s services.
- **Recreation**—Visitors often seek leisure activities beyond the event itself, such as sightseeing, entertainment, or local attractions. This category includes spending on things like theaters, museums, and outdoor recreation activities.
- **Retail**—Visitors frequent nearby shops for various retail purchases, including souvenirs, clothing, and other personal items. Local stores and malls see increased foot traffic, with attendees spending on everything from specialty products to everyday goods.

- **Transportation (Taxi/Uber/Other)**—Travel to and from events often involves taxis, rideshares, or other transportation services. These costs reflect the need for attendees to commute from their accommodations, airports, and other locations to the venue.

Gross Direct Spending

HVS applied the previous sources of spending impacts and parameters to estimate gross direct spending for each year included in this update. The product of the historical demand and the percent of demand new to the market yields an estimate of Direct Spending. That is:

$$\text{Total Demand} * \text{Regional Share} * \text{Spending per Unit} = \text{Direct Spending}$$

The figure below shows our Direct Spending estimates for the geographic regions analyzed.

FIGURE 3-9
DIRECT SPENDING ESTIMATES (\$ MILLIONS, UNIFLATED DOLLARS)

	2024	2025
City of Lancaster		
Overnight Visits	\$19.5	\$20.5
Day-trips	22.8	24.1
Exhibitor Attendee Days	7.1	7.5
Total	\$49.3	\$52.2
Lancaster County		
Overnight Visits	\$19.5	\$20.5
Day-trips	17.8	18.8
Exhibitor Attendee Days	6.7	7.1
Total	\$43.9	\$46.5
Commonwealth of Pennsylvania		
Overnight Visits	\$2.0	\$2.2
Day-trips	1.2	1.3
Exhibitor Attendee Days	0.7	0.8
Total	\$4.0	\$4.2

IMPLAN Impact Modeling

We use the IMPLAN input-output model to estimate the impact of indirect and induced spending and employment. IMPLAN is a nationally recognized model developed at the University of Minnesota and commonly used to estimate economic impacts. An input-output model generally describes the commodities and income that normally flow through the various sectors of a given economy. The indirect and induced spending and employment effects represent the estimated changes in the flow of income, goods, and services caused by the estimated direct spending. The

IMPLAN model accounts for the specific characteristics of the local area economy and estimates the share of indirect and induced spending that it would retain.

We categorized new direct expenditures into spending categories, which we provide inputs into in the IMPLAN model. Specifically, the IMPLAN model relies on spending categories defined by the U.S. Census according to the North American Industry Classification System (“NAICS”). Because the spending data from our spending surveys do not match the NAICS spending categories, we translate the spending categories into the NAICS spending categories that most closely match.

Annual Net Direct Spending

Not all gross direct spending has an economic impact because some do not generate income within the market. We adjust gross direct spending to account for income leaking from the local economy by estimating retail margins and local purchase percentages. As a result, the realized direct spending (“net direct spending”) is lower than the gross direct spending in the market area.

Retail Margins

Spending at retailers creates a smaller economic impact than spending in other industries. Retailers add value equal to the margin or price increase of the good above the original price paid to obtain the good. The IMPLAN model is product-based, so we use IMPLAN margin numbers to account for the discrepancy between retail purchaser prices and producer prices.

Net Direct, Indirect, and Induced Spending

The relationship between direct spending and the multiplier effects can vary based on the specific size and characteristics of a local area’s economy. We enter the gross direct spending estimate into the IMPLAN input-output model of the local economy to estimate the net direct, indirect, and induced spending. We obtained the most recent data from IMPLAN for the City of Lancaster, Lancaster County, and the Commonwealth of Pennsylvania.

The following figures present the output of the IMPLAN model—the net new direct, indirect, and induced economic impacts that are attributable to the ongoing operation of the LCCC. We also used IMPLAN to estimate the jobs created based on direct, indirect, and induced spending estimates.

Annual Net Spending Impacts

The following figure shows the annual net direct, indirect, and induced spending generated for the City of Lancaster, Lancaster County, and the Commonwealth of Pennsylvania. Note that the impacts between geographic areas are not additive.

FIGURE 3-10
ANNUAL ECONOMIC IMPACT ESTIMATES
(\$ MILLIONS, UNINFLATED DOLLARS)

	2024	2025	Total
City of Lancaster			
Direct	\$44.6	\$46.9	\$91.5
Indirect	6.8	7.1	13.8
Induced	2.2	2.4	4.6
Total	\$53.5	\$56.3	\$109.9
Lancaster County			
Direct	\$38.6	\$42.0	\$80.6
Indirect	12.8	13.9	26.7
Induced	10.8	11.8	22.5
Total	\$62.1	\$67.6	\$129.8
Commonwealth of Pennsylvania			
Direct	\$3.6	\$3.8	\$7.4
Indirect	1.5	1.6	3.0
Induced	1.7	1.8	3.5
Total	\$6.7	\$7.2	\$13.9
*Impacts between the City, County, and State are <u>not</u> additive.			

Employment Impacts

We calculated the full-time equivalent jobs supported by the spending in each geographic area. The following figure summarizes the results.

FIGURE 3-11
EMPLOYMENT IMPACTS
NUMBER OF FULL-TIME EQUIVALENT JOBS

	2024	2025
City of Lancaster		
Direct	400	405
Indirect	35	35
Induced	10	10
Total	445	455
Lancaster County		
Direct	350	375
Indirect	70	75
Induced	65	65
Total	485	515
Commonwealth of Pennsylvania		
Direct	30	30
Indirect	5	5
Induced	10	10
Total	45	45
*Jobs between the City, County, and State are <u>not</u> additive.		

Spending generated by events at the LCCC supported 445 full-time equivalent jobs in the City of Lancaster and 485 in Lancaster County in 2024, rising to 455 and 515 respectively in 2025. These impacts reflect jobs across all sectors of the economy whose output increased because of events at the LCCC. Hotel accommodation and food service account for the largest share, followed by retail, recreation, and transportation.

Fiscal Impacts

Fiscal impacts are the public sector's share of the economic impacts of tax collections on new spending. The previously discussed spending estimates provide a basis for estimating potential tax revenue.

The IMPLAN analysis results in direct, indirect, and induced spending classified into hundreds of detailed spending categories. We evaluated these spending categories to determine which taxes would apply to each type of spending output. We then used the appropriate tax rates to estimate the amount of tax revenue.

We applied these nominal tax rates to a detailed breakdown of spending and income categories that result from direct, indirect, and induced spending through the operation of the LCCC. We then estimated the potential annual revenue from each

tax source. To calculate all income taxes, we calculated a percentage of IMPLAN's total employee compensation figures. Sales & Use, hotel, vehicle, and liquid fuel taxes were each calculated by applying the appropriate tax rates to the new spending within relevant industries. Within the study period, the Commonwealth's Corporate Net Income Tax decreased from 8.49% in 2024 to 7.99% in 2025, per HB 1342 signed into law in 2022. The following figure describes each tax included in the analysis.

FIGURE 3-12
TAX DESCRIPTIONS

Tax	Nominal Rate	Base
CITY OF LANCASTER		
Earned Income Tax	1.1%	Lancaster levies a 1.1% personal income tax.
LANCASTER COUNTY		
Hotel Room Rental Tax	3.9%	Hotels and motels in Lancaster County collect the tax. The nominal incidence of the tax falls on the guest. Revenues are divided between Discover Lancaster and the LCCC.
Hotel Excise Tax	1.1%	The excise tax applies to all types of accommodations, including bed & breakfast locations.
STATE OF PENNSYLVANIA		
Sales, Use, and Hotel Occupancy ¹	6%	Imposed on the retail sale, consumption, rental or use of personal property, including hotel room revenue.
Individual Income Tax	3.07%	Levied against income of residents, estates, corporations, etc.
Corporate Net Income Tax	7.99%	Imposed on both domestic and foreign corporations doing business in state.
Vehicle Rental Tax	2%	Imposed on all rental companies with five or more motor vehicles.
Liquid Fuel Tax	\$0.576 per Gallon	Imposed on fuels used or sold and delivered by distributors in the state.

The following figure summarizes the fiscal impact on the City, County, and Commonwealth based on the abovementioned tax rates.

FIGURE 3-13
FISCAL IMPACT (UNINFLATED DOLLARS)

	2024	2025	Total
City of Lancaster			
Earned Income Tax	\$157,200	\$166,500	\$323,700
Lancaster County			
Hotel Room Rental Tax	\$475,200	\$501,000	\$976,200
Hotel Excise Tax	134,000	141,300	275,300
Total	\$609,200	\$642,300	\$1,251,500
Commonwealth of Pennsylvania			
Sales, Use, Hotel Occupancy Tax	\$378,600	\$409,100	\$787,700
Individual Income Tax	66,300	71,500	137,800
Corporate Income Tax	26,100	26,700	52,800
Vehicle Rental Tax	3,700	4,000	7,700
Liquid Fuel Tax	2,100	2,400	4,500
Total	\$476,800	\$513,700	\$990,500

The following figure summarizes recurring annual economic and fiscal impacts produced by the LCCC in 2024 and 2025.

FIGURE 3-14
SUMMARY OF ECONOMIC AND FISCAL IMPACTS
(UNINFLATED DOLLARS)

	2024	2025	Total
City of Lancaster			
Economic Impact (millions)	\$53.5	\$56.3	\$109.9
Fiscal Impact (thousands)	157.2	166.5	323.7
Full-time Equivalent Jobs	445	455	
Lancaster County			
Economic Impact (millions)	\$62.1	\$67.6	\$129.8
Fiscal Impact (thousands)	609.2	642.3	1,251.5
Full-time Equivalent Jobs	485	515	
Commonwealth of Pennsylvania			
Economic Impact (millions)	\$6.7	\$7.2	\$13.9
Fiscal Impact (thousands)	476.8	513.7	990.5
Full-time Equivalent Jobs	45	45	

The following figure compares the two years of this study with the two comparable years of the prior study period, 2022 and 2023. Because the lodging component is now measured by hotel market compression rather than estimated from room night

counts, and because the City of Lancaster's earned income tax rate rose in 2025, the comparison across study periods reflects changes in method and in law as well as changes in activity.

FIGURE 3-15
IMPACT COMPARISON FROM PREVIOUS STUDY (2025 DOLLARS)

	2022-2023	2024-2025	% Change
City of Lancaster			
Economic Impact (millions)	\$101.9	\$111.3	9%
Fiscal Impact (thousands)	311.9	327.8	5%
Lancaster County			
Economic Impact (millions)	\$96.5	\$131.4	36%
Fiscal Impact (thousands)	757.1	1,267.5	67%
Commonwealth of Pennsylvania			
Economic Impact (millions)	\$10.1	\$14.1	40%
Fiscal Impact (thousands)	829.6	1,003.0	21%

Conclusion

The LCCC's current performance and associated economic impact have surpassed pre-pandemic levels. Attendance reached record levels, leading to growths in direct spending. This report also strengthens our analysis of the lodging market by using a compression analysis which reflects a robust impact of LCCC events on the City, County, and Commonwealth.

These economic and fiscal impact estimates are subject to the assumptions described throughout the report. Numerous assumptions about the circumstances of visitor spending and lodging form the basis for these estimates. Although we consider these assumptions reasonable, actual events and circumstances could have differed from the assumptions in this report, and some of those differences may be material.

4. Business Survey Findings

Overview

This section further evaluated how LCCC activity affects the businesses in Downtown Lancaster and in the surrounding area. To evaluate how business owners perceive the effect of the venue on their businesses, we designed and conducted a survey of Lancaster merchants.

With the assistance of the Lancaster City Alliance, the survey was distributed to representatives of merchants who own or manage businesses in Lancaster County. The survey targeted merchants operating in retail, hospitality, and other sectors providing goods and services to visitors.

We received 42 responses, 27 of which were complete, with all questions answered, and 15 were partial, with some questions left unanswered. The following summary of responses highlights key results.

Survey Respondents

Respondents were asked what kind of business they operate. The following figure shows the cross-section of respondents by type of business.

FIGURE 4-1
TYPE OF BUSINESS



(n = 49)

Respondents were asked what year their business opened. The LCCC opened in 2009 as part of a plan to spur redevelopment in downtown Lancaster. The Commonwealth of Pennsylvania established a 130-acre City Revitalization and Improvement Zone ("CRIZ") in Downtown Lancaster to encourage business development. The CRIZ continues to allow Lancaster to revitalize its downtown area beyond economic development spurred by the LCCC. In 2016, CRIZ revenues were used for debt service associated with the expansion of the attached hotel.

**Impacts on Business
Activity**

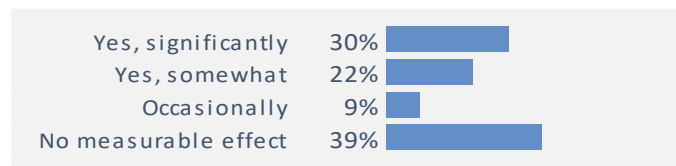
Just under half of the businesses answering, 49%, opened before 2009, the year the LCCC opened, and a third opened in 2020 or later.

We also asked respondents where their customers primarily originate. County and City residents were the most named sources. Over 40% of respondents primarily serve tourists or leisure travelers and almost a third count convention, hotel, or event attendees among their primary customers.

To identify the LCCC's effect on businesses in downtown Lancaster, we asked respondents in the sample if they were aware of when the LCCC hosts events. Most respondents are usually aware when the LCCC hosts events, with 58% of respondents saying they are always aware and only 18% saying they are rarely or never aware.

We also asked respondents whether LCCC events affect customer traffic or visitation at their business. Because of the venue's location, we only included respondents representing downtown business.

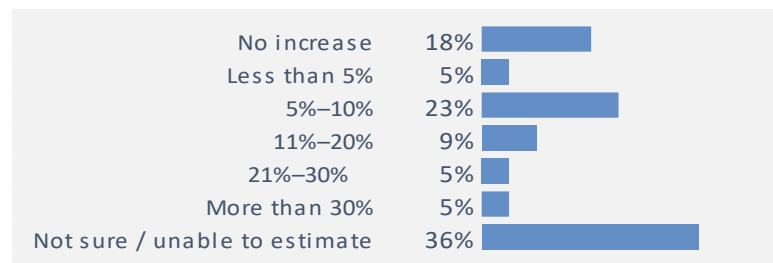
FIGURE 4-2
TRAFFIC OR VISITATION INCREASE DURING LCCC EVENT WEEKS



(n = 23, Downtown Lancaster only)

We asked respondents to estimate how much their customer traffic increases during a week when a well-attended event takes place at the LCCC, compared with a week when no event occurs.

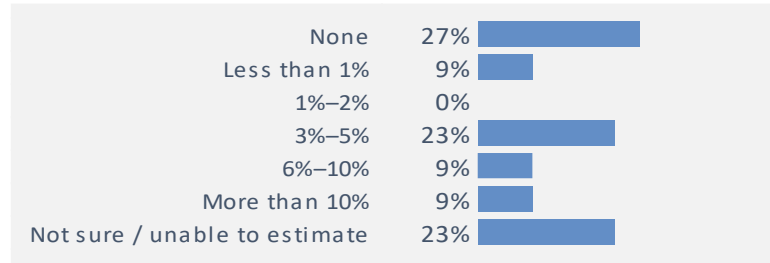
FIGURE 4-3
PERCENTAGE TRAFFIC INCREASE DURING LCCC EVENT WEEKS



(n = 22, Downtown Lancaster only)

We also asked respondents to estimate the share of their annual sales attributable to visitors attending LCCC events.

FIGURE 4-4
PERCENTAGE ANNUAL SALES ATTRIBUTED TO LCCC

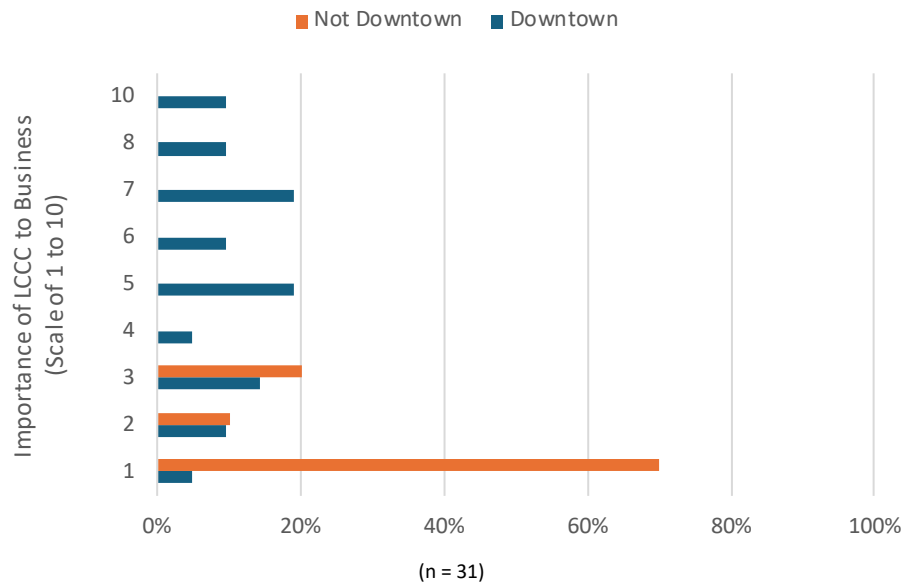


(n = 22, Downtown Lancaster only)

While some respondents do not attribute a significant amount of their annual sales to LCCC activity, at least 40% of downtown respondents said the LCCC is directly or indirectly responsible for at least 3% of their annual sales.

We asked respondents to rate how essential LCCC activity is to their business's profitability on a scale of one to ten, with one meaning not essential and ten meaning incredibly essential. The distribution of responses is shown in the following figure.

FIGURE 4-5
LCCC ACTIVITY ESSENTIAL TO BUSINESS SUCCESS

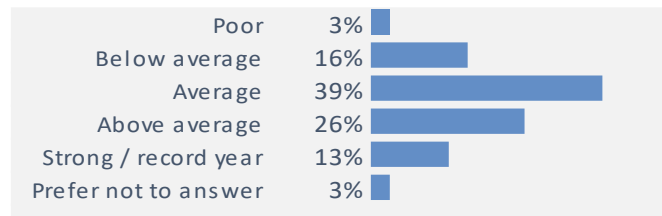


(n = 31)

Downtown Lancaster businesses report an average of 5.4 and 38% rate the importance of the LCCC to their business as a seven or higher. By contrast, businesses outside of Downtown do not see the LCCC-related activity as central to their business's overall success.

Additionally, we asked respondents to describe how their businesses are currently performing compared to years past.

FIGURE 4-6
BUSINESS PERFORMANCE COMPARED TO YEARS PAST

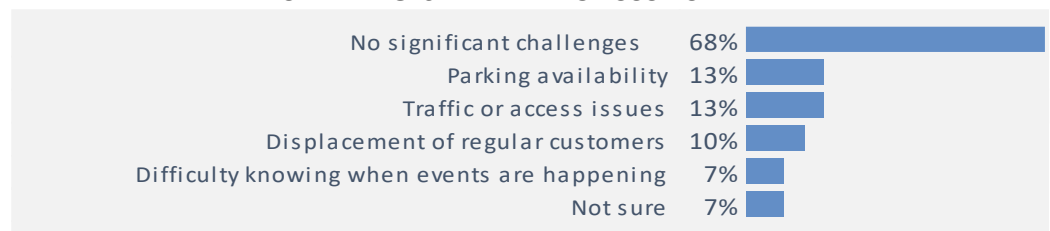


(n = 31)

Thirty-nine percent of respondents rated their current performance as average and another 39% rated their current performance as above average or a strong or record year.

We asked respondents if LCCC events ever create challenges for their business.

FIGURE 4-7
CHALLENGES RELATED TO LCCC ACTIVITY



(n = 31)

Most respondents reported no significant challenges arising from LCCC events. Parking, traffic, and displacement of regular customers were cited as issues among a small number of respondents.

LCCC Intangible Benefits

In an open-ended format, we asked respondents to describe their thoughts on the impact of the LCCC on their business and on downtown Lancaster, what could be done to help local businesses benefit from events, and what businesses or amenities are missing in Downtown Lancaster. Between 18 and 19 respondents answered each of these questions. We grouped responses based on common themes and chose representative examples.

Transformation of Downtown Lancaster

- “Overall I would say the convention center is critical. I remember Lancaster of the ’90s. Ghost town. The center brings people who would have otherwise kept assuming that Lancaster is all corn fields.”
- “The convention venture was the spark that led to the revitalization of downtown.”
- “It has revitalized downtown in a way that was deeply needed, though the revitalization has inevitably driven the price of residential and commercial space up significantly.”
- “The LCCC is great for getting people to discover how wonderful Downtown Lancaster is. It definitely brings in business that we wouldn’t otherwise see.”
- “I believe it’s led to some restaurants, decent jobs for city residents, and made it safer.”

Effect on Surrounding Businesses

- “We opened on a Zenkaikon weekend; it literally jumpstarted the business.”
- “We see the most business from multi-day conferences where the meals are not in house.”
- “Advertising in the lobby digital kiosk has helped to give us more visibility. I think all businesses downtown benefit from the convention center being in its current location.”
- “It seems to impact those restaurants that are immediately around the Center.”
- “I believe the convention center has made no difference on the room nights sold at my hotels.”

Areas for improvement and concerns

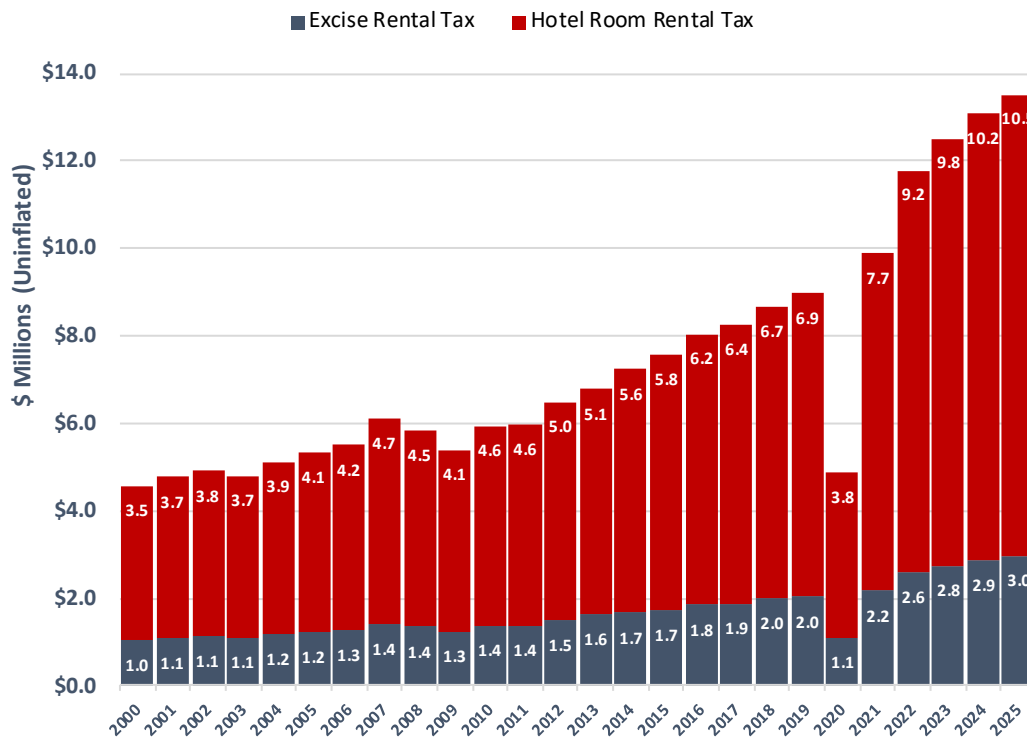
- “Collaboration. Working with businesses in the immediate vicinity to increase foot traffic to their establishments. Help market Downtown as a destination apart from their business interests.”
- “Convention center attendees are generally not aware that we are in downtown Lancaster.”
- “Making sure local businesses are highlighted in ‘places to go’”
- “Because of its place in the downtown, its employees are key to getting the word out to guests.”
- “Adhere to the intended purpose of building the center by making sure large events that require overflow rooms are the first groups pursued.”

- “Discover Lancaster should be promoting the county, not just downtown, where only the Marriott benefits.”
- “Better communication to the businesses about their events and what to expect. Also promoting the local businesses more rather than only promoting the restaurants directly connected to the convention center.”

Some of the hotel business owners’ perceptions of the impact on convention events are inconsistent with the findings of our hotel compression analysis. The gap between the perceptions of impact and the actual effects on ADR and occupancy is understandable. Many hotel guests may present themselves as transient guests and not reveal any connection to convention events. Other guests may be choosing hotels because they are unable to obtain or afford lodging close to the convention center on event days. Further, it may not be apparent that hoteliers benefit from rate compression that allows them to generate more revenue from all their guests during convention events. Our research in many other markets has demonstrated that while compression impacts are widespread, the impacts on ADR and occupancy decrease as distance from the convention center increases. Outlying hotels may experience smaller impacts that are less apparent.

Lodging Tax Collections

We analyzed historical Hotel Room Rental Tax and Excise Rental Tax collections to evaluate the LCCC’s effect on the lodging industry in Lancaster. The Lancaster County Convention Center Authority (“LCCCA”) provided historical collections data from Lancaster County Treasurer Reports. See the following figure.

FIGURE 4-8
HOTEL RENTAL TAX REVENUES

Source: Lancaster County Treasurer

From 2000 to 2009, Lancaster County hotel room rental taxes grew at a compound annual growth rate of 2.0%. From 2009 to 2019, when the LCCC was open, the compound annual growth rate was 5.0%. As was experienced across the United States, lodging tax collections in 2020 suffered due to the COVID-19 pandemic. From 2019 to 2020, lodging tax collections in Lancaster fell by 46%. Since recovering from the pandemic in 2021, hotel tax revenues have increased every year and reached record highs.

Conclusions

The LCCC provides significant benefits to the local economy. Most respondents near the venue recognize material differences when the LCCC hosts events, and very few cite significant challenges associated with events. Some respondents cite communication and coordination with businesses as areas of improvement. In general, businesses outside of downtown see little effects from LCCC activity. As a whole, a majority of respondents agree that the LCCC has had a positive impact in Downtown Lancaster.

5. Statement of Assumptions and Limiting Conditions

1. This report is to be used in whole and not in part.
2. No responsibility is assumed for matters of a legal nature.
3. We have not considered the presence of potentially hazardous materials on the proposed site, such as asbestos, urea formaldehyde foam insulation, PCBs, any form of toxic waste, polychlorinated biphenyls, pesticides, or lead-based paints.
4. All information, financial operating statements, estimates, and opinions obtained from parties not employed by HVS are assumed to be true and correct. We can assume no liability resulting from misinformation.
5. Unless noted, we assume that there are no encroachments, zoning violations, or building violations encumbering the subject property.
6. We are not required to give testimony or attendance in court by reason of this analysis without previous arrangements, and only when our standard per-diem fees and travel costs are paid prior to the appearance.
7. If the reader is making a fiduciary or individual investment decision and has any questions concerning the material presented in this report, it is recommended that the reader contact us.
8. We take no responsibility for any events or circumstances that take place after the date of our report.
9. The quality of a facility's on-site management has a direct effect on a facility's economic performance. The economic impacts presented in this analysis assume responsible ownership and competent management. Any departure from this assumption may have a significant impact on the projected operating results.
10. The impact analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines. Over the projection period considered in our analysis, wages and other operating expenses may increase or decrease due to market volatility and economic forces outside the control of the facility's management.
11. We do not warrant that our estimates will be attained, but they have been developed based on information obtained during our market research and are intended to reflect reasonable expectations.

12. Many of the figures presented in this report were generated using sophisticated computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers have been rounded. Thus, these figures may be subject to small rounding errors.
13. It is agreed that our liability to the client is limited to the amount of the fee paid as liquidated damages. Our responsibility is limited to the client and use of this report by third parties shall be solely at the risk of the client and/or third parties. The use of this report is also subject to the terms and conditions set forth in our engagement letter with the client.
14. Although this analysis employs various mathematical calculations, the final estimates are subjective and may be influenced by our experience and other factors not specifically set forth in this report.
15. HVS, is not a municipal advisor and HVS is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financial product or issuance of municipal securities. The reader is advised that any actual issuance of debt would be done under the advice of its bond counsel and financial advisors. Financial advisor would provide advice concerning the specific structure, timing, expected interest cost, and risk associated with any government loan or bond issue. Potential investors should not rely on representations made in this report with respect to the issuance of municipal debt.
16. This report was prepared by HVS Convention, Sports & Entertainment Facilities Consulting. All opinions, recommendations, and conclusions expressed during this assignment are rendered by the staff of this organization, as employees, rather than as individuals.
17. This report is set forth as an impact study of the subject facility; this is not an appraisal report.

6. Certification

The undersigned hereby certify that, to the best of our knowledge and belief:

1. the statements of fact presented in this report are true and correct;
2. the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
3. we have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved;
4. HVS is not a municipal advisor and is not subject to the fiduciary duty set forth in section 15B(c)(1) of the Act (15 U.S.C. 78o-4(c)(1)) with respect to the municipal financial product or issuance of municipal securities;
5. we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
6. our engagement in this assignment was not contingent upon developing or reporting predetermined results; and
7. our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this report.



Thomas Hazinski
Managing Director



Jorge Cotte
Senior Director