NATIONAL CONSULTANT GIVES PUEBLO CONVENTION CENTER, VENUE OPERATOR SPECTRA A THUMBS-UP

An outside expert gives high marks to the Pueblo Convention Center and its operator Spectra.

The center adds about 113 jobs, 11,450 hotel room nights and about $7.3 million a year in direct spending to the local economy, according to C.H. Johnson Consulting of Chicago, one of the nation’s leading hospitality and real estate consultants.

It contributes about $5.6 million a year in indirect spending, the company said.

The company examined the center’s visitor numbers and financial performance over a three-year period from 2012 to 2014.

“I think we have a very ‘good news’ story. We think it’s admirable what you all have accomplished here,” company President Charles Johnson said in presenting the findings at a Pueblo Urban Renewal Authority meeting Tuesday at the convention center.

The Urban Renewal Authority oversees the convention center as well as the venue’s management company, Spectra, the former Global Spectrum. Spectra manages arenas and other event venues across the country, including more than 30 convention centers.

The consultant’s report comes ahead of the planned enlargement of the center to add an exhibit hall and a Professional Bull Riders-anchored sports performance center, part of the first phase of the Historic Arkansas Riverwalk of Pueblo expansion.

Johnson said the study focused only on the center’s past operations, in part as a way to provide benchmark data going forward. Separately, he praised the expansion plans, saying he agrees with proponents who say the additional space is needed to host more and larger events, including trade shows and two larger events at the same time. Between 2012-14, the venue attracted only six trade shows, according to his company’s review.

Johnson offered a glowing assessment of the existing Pueblo venue.

In opening the convention center in 1997, the community and Pueblo City Council made smart choices by giving oversight to a quasi-independent body such as the Urban Renewal Authority and handing operations to a professional management company, he said.

“We feel that the way the funding came together and having your organization be the steward puts the onus on economic development for this convention center and this hotel,” the attached Courtyard by Marriott, Johnson said. “Now you have a laser focus on economic development for the convention center and, administratively, that’s a very good process.

“Also, we’ve worked very closely with Spectra on several occasions and have found them to be doing an extraordinarily good job here.”
Johnson said the venue’s public operating subsidy is on the lower end of national standards. The operating subsidy totaled $340,000 in 2014, $260,000 in 2013 and about $400,000 in 2012. Some other mid-sized centers across the nation rely on subsidies that can exceed $1 million a year, he said.

Under questioning by the Urban Renewal Authority board of commissioners, Johnson said he does not know of any convention centers that operate in the black other than some large centers such as the Javitz Center in New York, where demand outpaces available dates.

“It is very rare and I would say the best you can really hope for a facility is to break even but that is really not practical,” he said.

Commission members welcomed the findings and Johnson’s insights.

They noted that the convention center, while broadly supported in the community, comes under periodic criticism from some individuals who question its value. They hope the consultant’s report helps answer the critics’ questions, they said.

Johnson said some convention centers are deserving of criticism but not Pueblo’s.

“A lot of the times there are weaknesses in the upkeep. You don’t have that. A lot of time there is weakness in administration. . . . You don’t have that. (In some cities,) those are the difficulties we see — the lack of reinvestment and misguided ownership,” he said.

C.H. Johnson Consulting’s list of past clients includes more than 150 large and small venues across the country, major and minor league sports arenas and hotels. The company’s website is chjc.com.