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February 25, 2011

Senator Dominic Pileggi
The State Capitol
Harrisburg, PA 17120-3009

Via – E-mail – dpileggi@pasen.gov

Dear Senator Pileggi:

I have your letter of February 24, 2011, copied to the Board of PCCA, “clarifying” your views as expressed to the Philadelphia Inquirer as to how a state grant previously received under contract from the Commonwealth should be spent by the PCCA.

We are always pleased to receive your thoughts.

Be assured, Senator, that at no time has this Board of the PCCA ever considered spending anyone’s money – taxpayer or otherwise – on a “self congratulatory party or celebration” for themselves.

Actually, even the suggestion that this group of dedicated and accomplished Board members (many of them elected officials) need be reminded to act in the taxpayers’ best interest trivializes and demeans not only the grueling work which has been put into the success of this building (sometimes under seemingly insurmountable odds) but also demeans the members who have virtually anonymously put their very valuable and skilled time into making this massive building project a success.

I believe if you search news articles far and wide, you will find no one on this Board expressing themselves in a “self congratulatory” manner. Rather every effort in public relations has been directed toward the benefits which this great expansion is bringing to the region.

We appreciate your brief commending remark to our Board – “for bringing this project in on time and on budget”.

However, it’s clear from that single passing recognition that your understanding of what has been (and continues to be) truly accomplished here misses the mark by a wide margin.

We are all acutely aware of the serious recession to which you refer. We all personally live in it and are adversely affected by it.

However, that which we at the PCCA and PCVB are doing with this marvelous Convention Center building is clearly part of the solution to this “serious recession” in this region of Pennsylvania – not part of the problem.

Allow me to point out just a few important examples which I hope will lead you to agree just how important what we are collectively doing is for the benefit of the “taxpayers” of the region.

1. For the last 3 years during preparation for, and construction of, this building we have provided work for more than 2,500+ workers. At times there were more than 900 workers per day on the job working full time. These are workers who by and large would have been sitting idle (and may now be) as a result of the recession you describe which has hit the building industry particularly hard.
2. The contractors who supplied vast amounts of materials in the multi-millions of dollars to the job helped create real meaningful stimulus to the economy in our region.
3. Keating, our general contractor, who has done a marvelous job, has hired local labor and used local suppliers, when possible.
4. The construction of this building has now created the demand and requirement for an additional 2,000 plus hotel rooms in the region.

This demand will soon create yet additional significant important and desperately needed construction jobs in the region as well as stimulus to the economy from new contractor work and locally supplied material, equipment, etc.

5. The new folks who will be drawn to the Center as a result of expansion just from conventions now already on the books for the new Center are projected to infuse \$150,000,000.00 a year into the regional economy.
6. The ripple effect on the regional economy of these tens of thousands of new people coming to the Philadelphia region is immeasurable.
7. The new hotels themselves will create 2000 new hospitality jobs – particularly at the lower end of the economic scale where they are so needed. These jobs will also create room for advancement up the chain in the hospitality business.
8. The expanded Center will generate \$10,000,000.00 in additional tax revenue to the Commonwealth.

9. These are only a handful of examples of benefits to the taxpayers of the Commonwealth.

Finally, allow me to address “the occasion of opening the expanded Convention Center” about which you express your views.

It’s important that you are aware that this Board and management not only has had the responsibility to deliver the largest publicly funded building project in the history of Pennsylvania – ever – “on time and on budget” – but also has an obligation to see to the continuing successful day to day operation of the Center – an overwhelming undertaking in today’s environment.

I’m pleased to report to you, Senator, that not only has the building been completed “on time and on budget” but we have received the final report of our auditor for the past fiscal year showing our results significantly better than budget for the year.

An important component of the revenue at the Center – now and in the future – is revenue derived from smaller and local “bookings”. Although most of the publicity about which you read in the media relates to big “out of town” conventions, the important “fill in” revenue is derived from local events – seminars, meetings and conferences.

In addition, our regional hotel industry is vitally interested in our “opening” as are our regional restaurants. They want to be there and see what we’re about and hear what we have to say. They also are the source of local business for us as “ambassadors” of the Center as are our regional elected officials. The local and regional sources of business for us have been waiting for a long time for us to “open” this Center.

This “opening” is truly a tremendous milestone in the history of our region and extremely important for our local “bookings”.

We have created, and will continue in even a more significant way, to create jobs, bring large amounts of outside money into the region, create demand for significant new hotel space, create multiple new construction sites and bring real stimulus to our regional economy.

Although our intent is not to have a “party” at this opening, some people may actually have fun there which could lead a reporter looking for a story to write that we had a “party”. Not sure there’s much we can do about that.

Senator Dominic Pileggi

2/25/2011

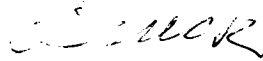
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I do believe, however, that this promotional and marketing event with hoteliers, customers, potential customers, officials, restaurateurs and others will turn out to be a celebration of sorts – for one of the most significant events in the early part of this century for the region.

We are truly disappointed that you won't be with us for this significant "promotional" and "marketing" event in the region.

If your plans should change, please let me know. We would be pleased to have you as a speaker for this historic event.

Sincerely,

A handwritten signature in dark ink, appearing to read "T. Riley, Jr.", with a stylized flourish at the end.

Thomas A. Riley, Jr.
Chairman

TAR/cmc

cc: All PCCC Board Members