

Impact of Hotels in Downtown West Chester

by [Malcolm Johnstone](#), West Chester BID, updated March 2, 2017

The West Chester BID supports full-service, high-quality hotels in the downtown. Downtown has a number of places that can maintain visitor interest including restaurants, galleries, shops, performing arts center, museum, railroad excursions, entertainment, and the Brandywine Valley attractions. The bottom line is that hotel development in downtown West Chester will strengthen and diversify the local economy and support the family owned businesses that have become the hallmark of downtown.



The 80-room [Warner Hotel](#), was opened in 2007 at 120 North High Street by the McFadden Group. Currently, there is a 120-room proposed hotel for the corner of Gay & Walnut by Zukin Realty Hotel Development.

Impact

The anticipated economic impact can be projected using data from pre-recession research provided by the Greater Philadelphia Tourism Marketing Commission (GPTMC) and economic profiling from Penn State. In 2005, the average spending for tourist packages in the five county region was \$750, a 15 percent increase over 2004. This includes \$168 for shopping and \$217 for dining per tourist package sold. The top four activities of leisure travelers is shopping (86 percent); visiting regional attractions (72 percent); sight-seeing (58 percent); and fine dining (47 percent).

According to the Chester County Conference & Visitors Bureau (CVB), the average occupancy for hotel rooms in Chester County for 2006/2007 was 72.3 percent compared to a national average of 63.3 percent in 2007 forecast by PricewaterhouseCoopers, based on national aggregate for the domestic occupancy rate. This is due to the large amount of business travel in Chester County. There are currently no other urban hotels in the county. Surveys have indicated that there would be a strong preference for business persons to stay in such a hotel. Hotels located in downtown West Chester fill this particular demand segment.

BID Support

To support hotel usage, the BID has launched a program called the Brandywine Traveler that promotes the historic and architectural features West Chester has to offer plus the 100 attractions in and around the Brandywine Valley. Specifically, this program will attract visitors to West Chester with ads placed in regional and national magazines and social media that provides valuable guides to assist in developing visitor travel itineraries.

By the Numbers

Using current available data, 200 hotel rooms with 1.3 persons staying per room would bring an additional 68,613 day/night visits to the downtown (200 rooms x .723 occupancy x 1.3 users x 365 days per year = 68,613 day/night visits). With spending anticipated at a conservative \$200 per day/per person, \$14 million in outside funds would be spent. Utilizing the multiplier effect of 2.5 (as indicated by Penn State), the economic impact of 200 rooms would be up to \$34 million per year locally.

Figure 1. Illustration of Multiplier Rounds and Leakage Effects with \$100,000 increase in Final Demand and 40% Leakage

