KINGSTON CONFERENCE CENTRE (BLOCK 4) FEASIBILITY STUDY

Prepared for:

City of Kingston and

Kingston Economic Development Corporation

October 2013

HLT ADVISORY

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EXECUTIVE SUMMARY

Kingston Economic Development Corporation ("KEDCO") and the City of Kingston have been considering a number of alternative uses for a land parcel in the downtown core known as "Block 4", including the possibility of developing a mixed-use hospitality-oriented project focused around a purpose-built conference centre. Block 4 is located adjacent to the City-owned Rogers K-Rock Centre and is situated between The Tragically Hip Way to the north, Ontario Street to the east, Queen Street to the south and King Street to the west. In a motion on April 3, 2013 Council confirmed the potential for limited municipal funding contribution that would include funding from community partners such as the Downtown Kingston! Business Improvement Area and the Kingston Accommodation Partners for capital or other associated costs of a conference centre.

HLT Advisory Inc. ("HLT") was retained by the City and KEDCO to complete an assessment of market potential and economic impact for a potential conference centre on a City-owned parcel of land in downtown Kingston, Ontario. In completing the analysis, HLT:

- Conducted extensive interviews with KEDCO, City representatives and a range of stakeholders including local hotels, demand generators, complementary (and potentially competitive facilities). A list of interviewees is contained in Appendix A.
- Analyzed Kingston from the perspective of how well the City could compete as a convention/conference destination.
- Completed an inventory of all Kingston area purpose-built meeting facilities and commercial lodging offering meeting facilities as well as comparable and competitive conference venues in the immediate area and elsewhere in Ontario.
- Managed an "e-survey" of all Ontario and Quebec members of the Canadian Society of Association Executives and Meeting Planners International to identify event needs and assess potential demand for a purpose-built conference centre.

Based on this analysis (and other work steps summarized in the main body of the report), HLT concluded that the likelihood of a private-sector developer coming forward through an RFP process to purchase Block 4 and develop a conference/convention centre is limited unless:

- The City is prepared to fund any operating losses incurred by the conference centre/convention centre component of a mixed-use development; and/or
- A developer could be convinced that some other component of a mixed-use project will offset any operating losses from the convention centre as well as generating a return on overall invested capital. The most logical "other complementary component" is a hotel, however, while the hotel market in Kingston is relatively stable it does not appear to be experiencing increased room night or business/association group demand. The City likely does not want to pursue any action that might disrupt the current marketplace by providing any form of incentive for a new hotel.

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Executive Summary (cont'd.)

The findings supporting this conclusion are fourfold:

1. Almost no private-sector conference centres exist in Canada (with the exception of those operated in conjunction with a hotel or smaller, meeting-oriented facilities in the commercial core of major cities).

   All stand-alone Ontario convention centres are owned by the provincial or applicable municipal governments (i.e., Metro Toronto Convention Centre, Ottawa Convention Centre, Hamilton Convention Centre, London Convention Centre, Chatham Convention Centre). These centres were built (or, in the case of Chatham, acquired and repurposed) with the intention of generating local economic impact in the community from convention and related activity as opposed to generating an operating profit.

Principal Convention Venue in Largest Ontario Census Metropolitan Areas (CMAs)

CMA	2013 Population	Name	Exhibit/Meeting Space Total	Exhibit/Meeting Space Largest	Public/Private	Hotel Rooms Attached	Hotel Rooms Within 1km
Toronto	5,920,832	Metro Toronto Convention Centre	453,648	260,000	Public	586	8,300
Ottawa	1,308,348	Ottawa Convention Centre	120,688	57,740	Public	496	3,659
Hamilton	760,286	Hamilton Convention Centre	53,814	19,662	Public	301	575
Kitchener/Waterloo	504,987	Bingemans Conference Centre	49,180	18,000	Private	-	37
London	503,326	London Convention Centre	43,357	33,033	Public	323	841
St. Catharines/Niagara	412,290	Scotiabank Convention Centre Niagara Falls	125,065	82,000	Public	-	4,097
Oshawa*	377,683	Quality Hotel and Conference Centre	9,950	4,450	Private	194	194
Windsor	337,146	Caesars Windsor	84,014	40,000	Public	758	1,865
Barrie*	198,883	Holiday Inn Hotel & Conference Centre - Barrie	8,897	3,108	Private	161	431
Kingston*	168,820	Ambassador Conference Resort	22,281	7,200	Private	246	322
Guelph*	150,190	Delta Guelph Hotel & Conference Centre	12,042	6,210	Private	148	339

Source: HLT Advisory Inc. based on MapInfo population projections based on Statistics Canada data, and various convention centre and hotel websites.
**If no dedicated convention centre in community (public or private) the largest convention hotel is listed.*
Note: The list includes the 11 largest CMAs in Ontario excluding Sudbury. Sudbury was not included in this list because of it's distance away from the CMAs listed.

   Stand-alone trade and consumer show venues (emphasis of "flat-floor" exhibition space rather than meeting rooms) can be privately owned/operated but are located in densely populated areas.

   Multi-purpose venues (including arenas such as the Rogers K-Rock Centre) often stand-in for event needs if other supply is not available or present in a given marketplace.

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EXECUTIVE SUMMARY (CONT'D.)

2. The Province of Ontario is adequately, if not overly, supplied in terms of convention/conference centres and convention hotels. Large provincial events and associated event planners have many choices of venues – especially in the higher population/business centres (i.e., greater Toronto area, Ottawa, southwest Ontario including London, Windsor and Chatham). Competition for Ontario-based events (e.g., provincial association meetings, regional corporate meetings, Ontario chapter meetings of national/international associations) is intense. Within the Kingston area several convention centre and convention hotel options exist including the Ottawa Convention Centre and numerous Ottawa hotels.

Profile of Competitive Hotel/Conference/Convention Centres >20,000 sq.ft.

	Ottawa Convention Centre	Nav Centre	Westin Ottawa	Fairmont Chateau Laurier	Ottawa Marriott	Delta Ottawa City Centre
Location	Ottawa	Cornwall	Ottawa	Ottawa	Ottawa	Ottawa
CMA Population 2013	1,308,348	61,674	1,308,348	1,308,348	1,308,348	1,308,348
Venue Type	Conv. Centre	Hotel/Conference	Hotel/Conference	Hotel/Conference	Hotel/Conference	Hotel/Conference
Total Meeting/Exhibit/Ballroom Space (sq. ft.	126,640	58,009	39,327	32,803	25,915	23,894
Exhibit Space Total	56,340	n.a.	n.a.	n.a.	n.a.	n.a.
# of Exhibit Halls	3	n.a.	n.a.	n.a.	n.a.	n.a.
Size of Largest Hall	56,340	n.a.	n.a.	n.a.	n.a.	n.a.
Meeting/Ballroom Space Total	70,300	58,009	39,327	32,803	25,915	23,894
# of Meeting/Ballrooms	25	63	27	17	22	16
Size of Largest Meeting/Ballroom	21,300	9,600	16,942	5,886	6,365	9,840
Meeting/Exhibit Space Ratio	1.25	n.a.	n.a.	n.a.	n.a.	n.a.
Hotel/Adjacent/Connected Hotel	Yes	Yes	Yes	Yes	Yes	Yes
# of Rooms	496	560	496	429	480	411
Brand	Westin	unflagged	Westin	Fairmont	Marriott	Delta

Source: HLT Advisory Inc. based on individual facility websites and publically available information.

Note: for the purpose of this analysis a Ballroom is counted as 1 meeting space.

Some new centres are struggling (i.e., Scotiabank Convention Centre in Niagara Falls opened in 2011 and is experiencing low demand and is using it for different uses than initially intended) while the control of some older centres (e.g., Hamilton Convention Centre) has been ceded to private operators (who have contributed very limited capital). The oversupply situation is not unique to Ontario.

Executive Summary (cont'd.)

3. Conference/convention demand as well as local/regional group business in Kingston and Regional Tourism Organization ("RTO") 9 is modest as a result of:
   - Transportation challenges for delegates whether based within Ontario or further afield. The lack of air access is a significant deterrent; VIA is not an attractive alternative and car travel can be limiting beyond a 2-hour mark.
   - Lack of commercial headquarters and regional meeting demand limits demand in necessary "fill-in" periods. Kingston has limited "home grown" demand for conventions/conferences and even meetings. Some of the larger potential generators (e.g., academia have on-site facilities. This situation is similar to Niagara Falls where convention centre utilization is far below benchmark levels given a lack of local commercial/office-generated meeting demand.
   - Multiple existing venue options for Ontario-based groups. Most associations follow fixed rotation patterns (i.e., Toronto, SW Ontario, SE Ontario, potentially northern Ontario). Kingston would most likely compete with Ottawa and Ottawa area hotels (transportation, local animation and hotel options make Kingston a harder sell to meeting planners).

   The e-survey of meeting planners confirmed these findings.
4. Kingston's hotels and university meeting facilities are adequate to host small- to medium-sized conference events. These events have been and are likely to continue to be the main event types choosing Kingston for conferences/conventions/meetings.

Based on the comparable facility event analysis, HLT prepared a potential event load and attendance estimate for a new conference/convention centre facility in Kingston. Consistent with similarly-sized communities, Kingston can expect the majority of convention/conference events to fall into the <500 delegate range. A small number of convention events have potential to generate attendance greater than 500 delegates (i.e., one to three per year). Providing the events fall on dates with availability, the existing supply of hotel and meeting space in the City could potentially service the majority of these events (i.e., those events with less than 300 attendees). The consideration of a conference centre for the City would have to account for incremental visitation and attendance at events and be wary of the potential to cannibalize business from the existing facilities in the City.

A conference centre could also be expected to host a number of other events such as meetings, F&B events and "other" (e.g., weddings, galas, graduation ceremonies and other social catering events). The average size of these events would likely be in the 300 or less attendee category as well as 5 to 15 trade/consumer show events per annum (although many of these are or could be held at the Rogers K-Rock Centre).

1. INTRODUCTION

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BACKGROUND

KEDCO and the City have been considering a number of alternative uses for a land parcel in the downtown core known as "Block 4", including the possibility of developing a mixed-use hospitality-oriented project focused around a purpose-built conference centre. Block 4 is located adjacent to the City-owned Rogers K-Rock Centre and is situated between The Tragically Hip Way to the north, Ontario Street to the east, Queen Street to the south and King Street to the west.

The City's intent is to sell the Block 4 site via a Request for Proposal (RFP) process to a private purchaser. Proposals for development could include a potential conference centre, together with either related hospitality uses (e.g., a hotel) or complementary uses (e.g., residential). As Block 4 is a brownfield site it is eligible for financial assistance to offset costs related to remediation and risk management under the Community Improvement Plan for Brownfields. The balance of development costs will be the responsibility of the land purchaser/developer.

An artist's rendering of a potential mixed-use hotel and conference centre is shown below:

BACKGROUND (CONT'D.)

In a motion on April 3, 2013 Council confirmed the potential for limited municipal funding contribution that would include funding from community partners such as the Downtown Kingston! Business Improvement Area and the Kingston Accommodation Partners for capital or other associated costs of a conference centre.

HLT Advisory Inc. ("HLT") was retained by the City of Kingston ("City") and Kingston Economic Development Corporation ("KEDCO") to complete an assessment of market potential and economic impact for a potential conference centre on a City-owned parcel of land in downtown Kingston, Ontario. HLT's mandate in this regard is to review the market potential for a conference centre (or conference hotel) on the Block 4 site.

DEFINITIONS

The Request for Proposal issued by the City and KEDCO focused on the potential for a conference centre facility focusing on the meeting and convention ("M&C") market opportunity for the City. In launching the study we relied on the following definitions:

- ***Meetings:*** The coming together of a number of people in one place, to confer or carry out a particular activity. Can be on an ad hoc basis or according to a set pattern. Meetings are assumed to last for one full day or less.
- ***Conventions:*** An assemblage of delegates, representatives, and members of an organization convened for a common purpose. Conventions are most often held on a regular pattern (i.e., annually) and usually of limited duration with set objectives. The primary activity of the attendees is to attend educational sessions, participate in meetings/discussions, socialize, or attend other organized events. There may also be a secondary exhibit component. Related events, including conferences and congresses, have similar meaning but may differ in length, number of attendees, regularity and purpose. Conventions (as well as conferences and congresses) are assumed to last for two or more days.
- ***Hotel Occupancy (OCC):*** is the percentage of available hotel rooms that were sold during a specified period of time. Occupancy is calculated by dividing the number of hotel rooms sold by rooms available.
- ***Average Daily Rate (Hotel ADR):*** A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.
- ***Revenue Per Available Room (Hotel RevPAR):*** the total guest room revenue divided by the total number of available rooms. RevPAR differs from ADR because RevPAR is affected by the amount of unoccupied available rooms, while ADR shows only the average rate of rooms actually sold.
- ***SMERF:*** an acronym for Social, Military, Educational, Religious, Fraternal, indicating a market segment for the sales of banqueting rooms and meeting facilities.

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TERMS OF REFERENCE

KEDCO and the City retained HLT to provide advisory assistance to analyze the market potential of, and economic impact from, a proposed conference centre on Block 4. KEDCO and the City have established the following objectives for the consulting assignment:

- Define the conference centre operating environment including KEDCO's and the City's interest in entering this market.
- Summarize relevant industry-wide conference facility supply and demand trends.
- Assess the current situation in Kingston relevant to the conference opportunity, including consideration of:
    - nature and type of existing Kingston (and area) conference/meeting facilities
    - quantity and quality of hotel rooms and future needs given addition of conference facilities
    - access factors (e.g., airport and rail)
    - interest of key stakeholders (e.g., hotel and downtown business community) in conference facilities
    - potential synergies with Rogers K-Rock Centre/SMG Canada
    - marketing requirements
    - review of a feasibility study for a previously proposed conference centre compiled by 8020 Info;
- Complete an analysis of the competitive landscape focused primarily on eastern and central Ontario;
- Project event load for a potential conference centre in Kingston;

Should a conference centre be proven as feasible:

- Calculate economic impacts from conference centre usage/visitation;
- Identify the spatial elements of a Kingston conference centre and associated support space and parking based on the demand assessment and space availability on Block 4;
- Complete a gap analysis based on space availability on Block 4 and the optimal space program for a conference facility for Kingston (based on target market);
- Outline possible operating and governance structures;
- Summarize revenue (direct/indirect) and costs (capital and operating); and
- Assist the City in determining whether or not a conference centre should form part of the Request for Proposals to be issued for Block 4 in the North Block District.

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Scope of Work

To complete the analysis outlined in KEDCO and the City's Terms of Reference, HLT completed the following work steps:

- Assessed all documentation and assessments to date prepared for KEDCO and the City regarding the potential Conference Centre and related development on Block 4.
- Met with KEDCO and the City representatives in order to refine the work plan.
- Met with key representatives from Tourism Kingston/KEDCO, the City, SMG Canada (Rogers K-Rock Centre) to assess the potential for additional demand for a Block 4 Conference Centre. The discussion with SMG Canada focused on how a conference centre might complement and/or compete with the Rogers K-Rock Centre for given events.
- Conducted 20 in person/telephone interviews with individuals representing meetings and convention venues in Kingston as well as demand influencers, and potential users. A list of interviewees is contained in Appendix A.
- Reviewed the feasibility study for a previously proposed conference centre compiled by 8020 Info.
- Managed an "e-survey" of all Ontario and Quebec members of the Canadian Society of Association Executives and Meeting Planners International to identify event needs and assess potential demand for a purpose-built conference centre.
- Completed an inventory of all Kingston area purpose-built meeting facilities and commercial lodging offering meeting facilities.
- Prepared an inventory of comparable and competitive conference venues in the immediate area and elsewhere in Ontario.
- Conducted a market analysis of Kingston focusing on:
    - hotel occupancy, room rates and seasonality;
    - air, train and other modes of access to Kingston, including seasonal variances; and
    - demographics, key business sectors, demand influencers and economic development focus areas.

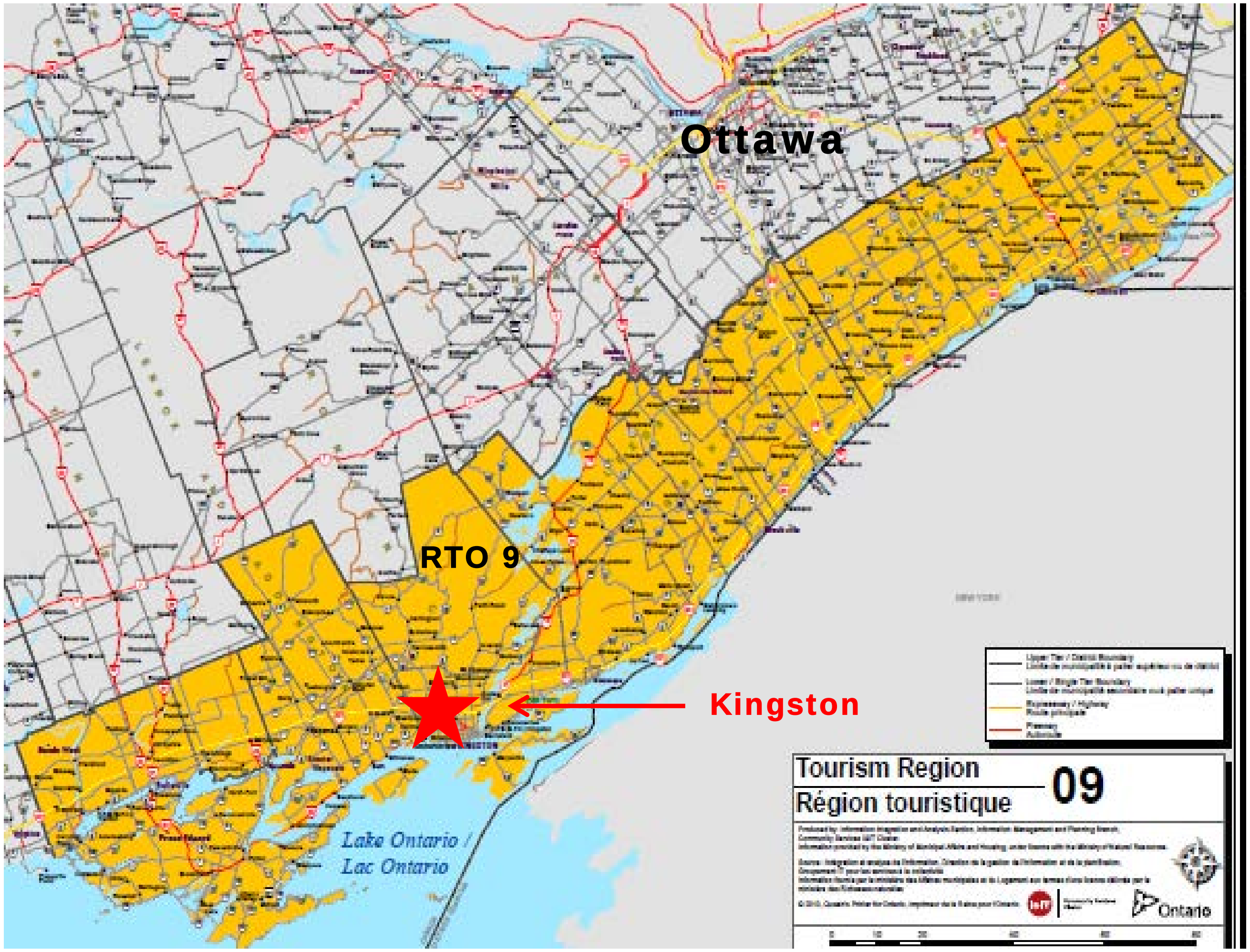
Upon completion of these steps we prepared the following report.

2. Current Visitor Situation

REGIONAL CONTEXT

The City of Kingston, is located in Eastern Ontario midway along the Highway 401 corridor between Toronto and Montreal at the head of Lake Ontario and the start of the Saint Lawrence River (and the Thousand Islands). Kingston is a 2.5-hour drive northeast of Toronto and 2 hours southwest of Ottawa. According to Statistics Canada census, the total population of the City of Kingston in 2011 was 123,363.

The City is part of Regional Tourism Organization 9 ("RTO 9"). Ontario is comprised of 13 RTOs which were established in 2010 pursuant to the Ontario Ministry of Tourism, Culture and Sport's request to create "an organization that will coordinate the diverse interests of the tourism industry to build and support a competitive tourism region through marketing and destination management."



RTO 9 encompasses a large geographic area, containing six counties along the Saint Lawrence River and Lake Ontario, stretching from the municipalities of Cornwall in the east to Trenton in the west. Kingston is the most populous municipality contained within RTO 9.

HISTORICAL VISITOR PROFILE

Historically, annual visitation (over the past five years to the end of 2010) to the region has been consistent at around 6.5 million visitors annually, with day tips slightly outweighing overnight trips.

Historical Visitation to RTO 9 (000s)

	2006	2007	2008	2009	2010
Day Trips	3,748	4,106	3,661	3,627	3,767
Overnight Trips	2,913	2,784	2,784	2,775	2,686
Total Trips	6,661	6,890	6,445	6,401	6,454
% Day to Total	56.3%	59.6%	56.8%	56.7%	58.4%

Source: HLT Advisory Inc. based on Ontario Ministry of Tourism and Culture Travel Statistics to Ontario Tourism Regions. Travel statistics are based on Statistics Canada microdata which contain anonymised data collected in the Travel Survey of Residents of Canada and the International Travel Survey.

2010 Visitation to Ontario RTOs (000s)

RTO	Region	Total Trips	Day Trips	Overnight Trips	% Day to Total
5	GTA	18,830	10,813	8,018	57.4%
1	Southwest Ontario	13,632	9,181	4,451	67.3%
2	Niagara Falls, Wine Country	10,063	6,145	3,918	61.1%
7	Bruce, Georgian Bay, Lake Simcoe	9,496	5,099	4,397	53.7%
4	Huron, Perth, Waterloo, Wellington	8,850	5,723	3,127	64.7%
6	York, Durham, Hills of Headwaters	7,569	5,387	2,183	71.2%
3	Hamilton, Halton, Brant	7,357	5,387	1,971	73.2%
10	Ottawa and Countryside	6,910	3,657	3,252	52.9%
13	Northern Ontario	6,487	2,683	3,804	41.4%
9	Southeastern Ontario	6,454	3,767	2,686	58.4%
8	Kawartha, Northumberland	4,646	2,250	2,396	48.4%
11	Haliburton Highlands/Ottawa Valley	4,195	1,698	2,497	40.5%
12	Muskoka, Parry Sound, Algonquin	3,827	1,012	2,814	26.5%

Source: HLT Advisory Inc. based on Ontario Ministry of Tourism and Culture Travel Statistics to Ontario Tourism Regions. Travel statistics are based on Statistics Canada microdata which contain anonymised data collected in the Travel Survey of Residents of Canada and the International Travel Survey.

From a provincial context, day trips account for 60.0% of total Ontario travel, ranging from a low of 26.5% in RTO 12 to a high of 73.2% in RTO 3. The proportion of day trips to total trips reflects the proximity to the greater Toronto area and environs (i.e., typically the higher percentages will be found in those RTOs closer to the GTA).

In 2010 RTO 9 placed 10th of 13 tourism regions in terms of total trips. GTA, southwestern Ontario and Niagara Falls/NOTL lead the way in terms of total visitation.

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ONTARIO TOURISM REGIONS – VISITOR ORIGIN

Examining the geographic source of visitors to each of Ontario's 13 RTOs suggests two distinct groupings: 1) those RTOs generating more than 90% of visitation from within Ontario and; 2) those RTOs generating 75% or fewer visitors from within Ontario. RTO 9 has (2006 though 2010) typically recorded less than 75% of visitation from within Ontario (ranging from a low of 69.2% in 2006 to a high of 75.7% in 2009).

Correspondingly, U.S. based visitation represents 14.8% of total visitation to the region. This is most likely a reflection of the region's proximity to Lake Ontario and border with the U.S. With the exception of GTA, the other regions with high U.S. visitation are also border regions (Southwestern Ontario, Niagara Falls, and Northern Ontario).

2010 Total Visitation to RTO by Source of Visitor (000s)

RTO	Region	Ontario	Other Canada	U.S.	Overseas	Total	ON % of Total
7	Bruce, Georgian Bay, Lake Simcoe	9,064	84	229	120	9,496	95.4%
8	Kawartha, Northumberland	4,401	38	162	45	4,646	94.7%
12	Muskoka, Parry Sound, Algonquin	3,594	33	131	69	3,827	93.9%
11	Haliburton Highlands/Ottawa Valley	3,875	117	181	22	4,195	92.4%
6	York, Durham, Hills of Headwaters	6,952	122	322	174	7,569	91.8%
4	Huron, Perth, Waterloo, Wellington	8,080	98	570	102	8,850	91.3%
3	Hamilton, Halton, Brant	6,665	158	397	138	7,357	90.6%
1	Southwest Ontario	10,546	113	2,888	84	13,632	77.4%
9	Southeastern Ontario	4,789	594	957	113	6,454	74.2%
13	Northern Ontario	4,804	573	1,069	41	6,487	74.1%
5	GTA	13,523	1,353	2,386	1,569	18,830	71.8%
10	Ottawa and Countryside	4,466	1,730	365	350	6,910	64.6%
2	Niagara Falls, Wine Country	6,065	200	3,091	707	10,063	60.3%

Source: HLT Advisory Inc. based on Ontario Ministry of Tourism and Culture Travel Statistics to Ontario Tourism Regions. Travel statistics are based on Statistics Canada microdata which contain anonymised data collected in the Travel Survey of Residents of Canada and the International Travel Survey.

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ONTARIO TOURISM REGIONS – VISITOR TRIP PURPOSE

Leisure based trips including visiting friends and relatives ("VFR") and pleasure account for the majority of travel to RTO 9. Business travel (meetings, convention/conferences, and other business) accounts for less than 5% of total trips.

Compared to other RTOs across Ontario, RTO 9 does not fare well in terms of the existing number of business-related visitors, with respect to both the proportion (3.7%) and aggregate number (238,000) of business related visitors. In terms of aggregate numbers of visitors, only RTOs 8, 11, and 12 have less business related travel.

From a total number of visitors on business related trips, in 20120, RTO 9 had a similar number of visitors to RTO 7 – includes Bruce, Georgian Bay, Lake Simcoe area (i.e., 243,000).

2010 Total Visitation to RTO by Purpose of Visit (000s)

		Leisure		Business						% of Total	
RTO	Region	Pleasure	VFR	Mtgs	Conv/Conf	Other Bus.	Other Personal	Total	Total Business	Business	Leisure
5	GTA	6,321	8,641	515	1,218	812	1,324	18,830	2,545	13.5%	79.5%
10	Ottawa and Countryside	2,431	3,333	76	232	235	604	6,910	543	7.9%	83.4%
3	Hamilton, Halton, Brant	2,023	4,253	58	136	219	669	7,357	413	5.6%	85.3%
4	Huron, Perth, Waterloo, Wellington	2,756	5,113	71	191	223	496	8,850	484	5.5%	88.9%
6	York, Durham, Hills of Headwaters	2,221	4,437	74	130	185	522	7,569	389	5.1%	88.0%
13	Northern Ontario	3,268	2,282	22	110	191	614	6,487	323	5.0%	85.6%
1	Southwest Ontario	5,371	5,975	175	191	312	1,608	13,632	678	5.0%	83.2%
8	Kawartha, Northumberland	2,031	2,243	10	67	109	187	4,646	185	4.0%	92.0%
2	Niagara Falls, Wine Country	5,848	3,091	111	181	84	749	10,063	376	3.7%	88.8%
9	Southeastern Ontario	2,900	2,673	53	61	124	642	6,454	238	3.7%	86.4%
7	Bruce, Georgian Bay, Lake Simcoe	4,896	3,956	13	73	157	402	9,496	243	2.6%	93.2%
12	Muskoka, Parry Sound, Algonquin	2,787	838	1	16	46	139	3,827	63	1.7%	94.7%
11	Haliburton Highlands/Ottawa Valley	2,315	1,669	3	20	38	150	4,195	61	1.4%	95.0%

Source: HLT Advisory Inc. based on Ontario Ministry of Tourism and Culture Travel Statistics to Ontario Tourism Regions. Travel statistics are based on Statistics Canada microdata which contain anonymised data collected in the Travel Survey of Residents of Canada and the International Travel Survey.

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ONTARIO TOURISM REGIONS – VISITOR SPENDING

In terms of spending by purpose of visit, the majority of spend lays in the pleasure travel market (88.9% of total spend). In 2010, $33.6 million was spent in RTO 9 for business travel purposes (meeting, convention/conferences, and other business) which represented 4.4% of total visitor spend.

On a spend per visitor basis, business related travel to the region accounted for $141.05 per visitor. Compared to other RTOs, this spend per visitor was lower than RTOs 5 and 10 (>$500 spend per business related visitor), but higher than RTOs 1, 7, 11, and 12 who ranged from $106.81 (RTO 12) to $134.88 (RTO 1).

2010 Total Visitor Spending in RTO by Purpose of Visit ($000s)

		Leisure		Business						% of Total	
RTO	Region	Pleasure	VFR	Mtgs	Conv/Conf	Other Bus.	Other Personal	Total	Total Business	Business	Leisure
5	GTA	$1,908,784	$1,464,547	$471,334	$588,318	$332,513	$355,335	$5,120,831	$1,392,165	27.2%	65.9%
10	Ottawa and Countryside	$505,712	$445,875	$65,093	$119,286	$108,142	$69,480	$1,313,588	$292,521	22.3%	72.4%
3	Hamilton, Halton, Brant	$195,575	$240,448	$20,186	$25,799	$27,499	$30,164	$539,671	$73,484	13.6%	80.8%
6	York, Durham, Hills of Headwaters	$209,743	$262,812	$31,541	$9,914	$27,689	$54,303	$596,002	$69,144	11.6%	79.3%
4	Huron, Perth, Waterloo, Wellington	$343,524	$351,364	$31,391	$19,289	$38,121	$42,737	$826,426	$88,801	10.7%	84.1%
13	Northern Ontario	$768,253	$293,555	$5,155	$30,629	$67,930	$75,613	$1,241,135	$103,714	8.4%	85.6%
1	Southwest Ontario	$623,151	$430,571	$28,415	$24,020	$38,990	$144,662	$1,289,809	$91,425	7.1%	81.7%
8	Kawartha, Northumberland	$254,050	$155,454	$6,247	$11,259	$14,618	$14,775	$456,403	$32,124	7.0%	89.7%
9	Southeastern Ontario	$458,470	$214,183	$8,275	$9,655	$15,668	$50,614	$756,865	$33,598	4.4%	88.9%
2	Niagara Falls, Wine Country	$1,172,872	$240,932	$14,550	$36,400	$16,089	$72,548	$1,553,391	$67,039	4.3%	91.0%
7	Bruce, Georgian Bay, Lake Simcoe	$818,693	$267,261	$4,859	$10,390	$15,281	$38,867	$1,155,351	$30,530	2.6%	94.0%
11	Haliburton Highlands/Ottawa Valley	$305,527	$91,734	$1,070	$2,717	$4,200	$13,269	$418,517	$7,987	1.9%	94.9%
12	Muskoka, Parry Sound, Algonquin	$404,375	$76,562	$97	$5,514	$1,150	$25,348	$513,046	$6,761	1.3%	93.7%

Source: HLT Advisory Inc. based on Ontario Ministry of Tourism and Culture Travel Statistics to Ontario Tourism Regions. Travel statistics are based on Statistics Canada microdata which contain anonymised data collected in the Travel Survey of Residents of Canada and the International Travel Survey.

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Current Visitor Situation – Summary & Conclusion

RTO 9 encompasses a large geographic area, with Kingston being the most populous municipality, followed by smaller urban centres such as Belleville, Brockville, Cornwall and Trenton.

Visitation to RTO 9 is:

- Leisure based (including the visiting friends and relatives sector).
- More of a day-trip market (58.4% of travelers).
- Modestly successful in the meetings and conventions corporate marketplace as evidenced by the 4.4% base of corporate demand and $36.5million in business related travel expenditure (2010).

RTO 9 ranks in 10th place (out of 13 provincial regional tourism organizations) with respect both total visitation (6.45 million visitors in 2010) and business visitation (238,000 in 2010).

From the perspective of supporting increased corporate and association group business and additional conference centre facilities in RTO9, the relatively low business visitation in the region is a challenge. Most of the meeting and conference business is held in larger economic centres in the Golden Horseshoe and Ottawa as evidenced by the summary of RTO business visitation, the top five RTOs (GTA, Southwest Ontario, Ottawa area, Niagara and Huron/Perth/Waterloo/Wellington) represent 78% of all meetings and conference/convention business in Ontario).

3. Kingston Operating Environment

THE ESSENTIALS

Successful M&C destinations have a number of common attributes, several of which are introduced below and further discussed in this section:

Desirable Destination Attribute	Current Kingston Situation
• Core facilities – adequate meeting space and lodging to accommodate meeting and convention groups	Kingston does not have a purpose built convention/conference centre, rather convention space is spread among a handful of privately owned lodging facilities. Hotel supply in the downtown core limits the size and scope of conventions.
• Demand Generators and influencers	Kingston is strong in its academic institutional offering (i.e., Queens, RMC, St. Lawrence College). The City houses a number of public sector and government enterprises, however there is not a substantial corporate regional or head-office segment that would act a major generator of meeting and conference business.
• Sense of prosperity	Recent investment downtown infrastructure (e.g., Rogers K-Rock Centre), average population growth – The Kingston CMA population growth projections can be considered average at slightly below the provincial growth projections (5.7%). Lodging trends indicate a leisure based tourist market (high occupancy % and ADR during summer season).
• Access – air, road, or other mode depending on source of market	Kingston is conveniently located along Highway 401 corridor mid-way between Toronto and Ottawa/Montreal. The City enjoys regular VIA rail service. Air access is limited, with only one carrier and one daily destination (Toronto).
• Common approach to marketing	Tourism Kingston is the main entity marketing the city – working with a number of local stakeholders (e.g., BIA, hotels) to market the city as a destination for leisure and business events. Hotels have been reluctant to share proprietary event information in the past, however Tourism Kingston is working to improve this relationship.

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DEMAND GENERATORS: INDUSTRY

Kingston is a mid-sized city of 123,363 inhabitants and serves as a significant regional centre in southeast Ontario. The City's largest employers are predominately related to health care, higher-education and government (military, corrections and the public sector) and tourism.

The City is home to a number of large public sector institutions – the top ten alone employing upwards of 21,745 individuals. Further, the military sector employs an additional 10,000 people.

The private sector is not as prevalent as the public sector, with smaller numbers of individuals employed in small businesses and very few large corporate headquarters and regional offices. As Kingston is centrally located on the Toronto-Montreal Highway 401 corridor and is close to the Canada-USA border crossing at Thousand Island Bridge (Gananoque), a number of distribution centres and light manufacturing/research companies have located in the city.

While certain large corporate entities (e.g., Bell Canada, DuPont, Tim Hortons) with a national reach have offices/distribution centres in the City, the lack of a corporate "head office" in the City may indicate a lack of sufficient meeting demand generation from these groups.

Top Employers Kingston

Employer	# Employed
Public Sector	
Queen's University	7,000
Correctional Services of Canada	4,187
Kingston General Hospital	4,056
City of Kingston	2,212
Providence Care	1,800
Hotel Dieu Hospital	900
Ontario Ministry of Health	610
Ongwanada	500
Ontario Ministry of Transportation	480
Private Sector	
INVISTA Canada	900
Commissionaires Canada	780
StarTek Canada	685
Empire Life Insurance Company	600
J.E. Agnew Food Services	550
Bell Canada	358
Tim Hortons Inc. Distribution Centre	210
Assurant Solutions	180
SLH Transport	174
Dupont Research and Development Centre	150
Military	
Canadian Forces Base Kingston	8,442
Royal Military College	1,200

Source: HLT Advisory Inc. based on data from Kingston Economic Development Corporation.

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DEMAND INFLUENCERS: EDUCATION

Kingston is home to two universities and one community college, with the campuses extending to regional centres of Belleville and Cornwall (also located with tourism region RTO 9). Each university has specialties in one or more academic area, with Royal Military College unique in its catering to Canadian military careers. This academic base in the local community serves as a possible avenue to develop a more concerted M&C business focus.

Kingston - Higher Education Institutions

Institution	Enrollment Undergraduate	Enrollment Graduate	# Faculty	Specialties	Campus
Queens University	19,600	4,200	1,101	- Law, Education, Medicine, Business, Science	Kingston
Royal Military College	2,180	590	474	- Military	Kingston
St. Lawrence College	6,500	n/a	418	- St. Lawrence College outperformed all other colleges, ranking number one in Ontario in the area of Graduate Employment Rate. - The most popular programs continue to be in the areas of Health Sciences, Community Services, Justice Studies and Applied Arts.	Kingston Belleville Cornwall

Source: HLT Advisory Inc. based on information provided by individual Univeristy and College websites.

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Sense of Prosperity: Population Growth

The City of Kingston has projected population growth of 5.1% from 2011 to 2018, which is by far the most aggressive growth in RTO 9 (average for RTO 9 over the period is 3.0%). The City of Kingston represents almost one third of the entire population of the RTO.

Current and Projected Population of the Counties Comprising RTO 9 and Kingston CMA

	2011	2013	2014	2015	2016	2017	2018	% Growth
RTO 9								
Hastings	134,934	141,958	143,124	144,291	145,457	146,614	147,770	4.1%
Frontenac	149,738	158,079	159,245	160,412	162,420	163,862	165,303	4.6%
Leeds & Grenville	99,306	104,075	105,241	106,408	105,192	105,561	105,929	1.8%
Lennox & Addington	41,824	43,951	45,117	46,284	44,880	45,186	45,491	3.5%
Prince Edward County	25,258	26,310	27,476	28,643	26,448	26,491	26,534	0.9%
Stormont, Dundas & Glengarry	111,164	118,071	119,237	120,404	118,885	119,152	119,419	1.1%
Total RTO	562,224	592,444	599,442	606,440	603,282	606,864	610,446	3.0%
Kingston CMA	159,561	168,820	169,986	171,153	174,043	175,778	177,512	5.1%
Kingston CMA % of Total	28.4%	28.5%	28.4%	28.2%	28.8%	29.0%	29.1%	

Source: HLT Advisory Inc. based on MapInfo demographic mapping software using Statistics Canada data and HLT estimates.

Compared to proximate urban centres in eastern Ontario, Kingston is not only the second most populous but also exhibits the second highest growth projection (behind Ottawa). Kingston population growth potential can be considered average, being slightly below the provincial growth projections (5.7%).

Current and Projected CMA Population of Kingston and Proximate Eastern Ontario Centres

	2011	2013	2014	2015	2016	2017	2018	% Growth
Cornwall	58,957	61,674	62,840	64,007	62,090	62,225	62,359	1.1%
Brockville	39,024	40,656	41,822	42,989	40,719	40,738	40,756	0.2%
Belleville	92,540	96,985	98,151	99,318	98,725	99,301	99,876	3.0%
Kingston	159,561	168,820	169,986	171,153	174,043	175,778	177,512	5.1%
Ottawa	1,236,324	1,308,348	1,309,514	1,310,681	1,376,194	1,398,774	1,421,353	8.6%
Total	1,586,406	1,676,483	1,682,315	1,688,146	1,751,771	1,776,814	1,801,856	7.5%
Kingston % of total	10.1%	10.1%	10.1%	10.1%	9.9%	9.9%	9.9%	
Province - Ontario	12,851,821	13,609,014	13,610,180	13,611,347	14,072,832	14,227,090	14,381,348	5.7%

Source: HLT Advisory Inc. based on MapInfo demographic mapping software using Statistics Canada data and HLT estimates.

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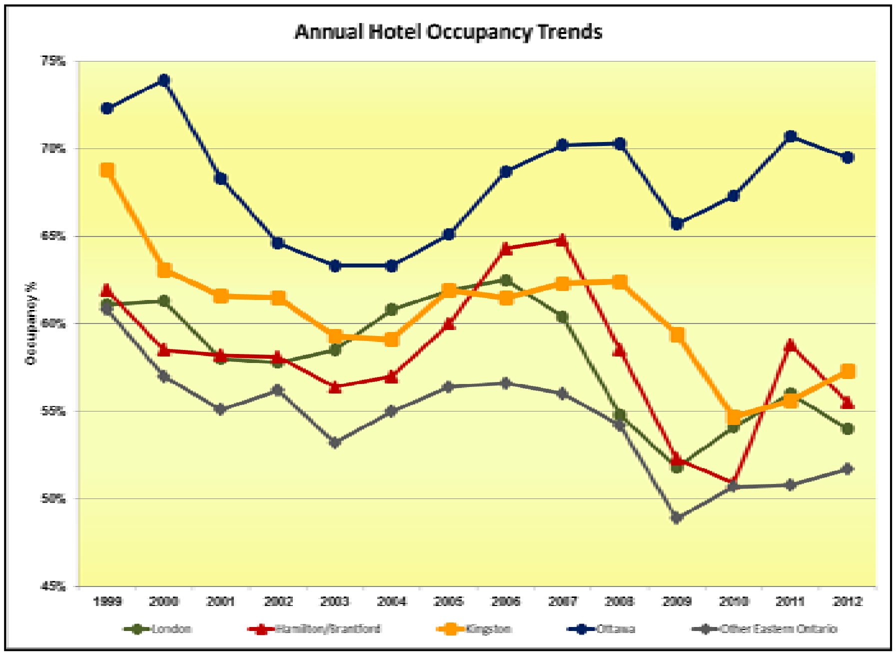
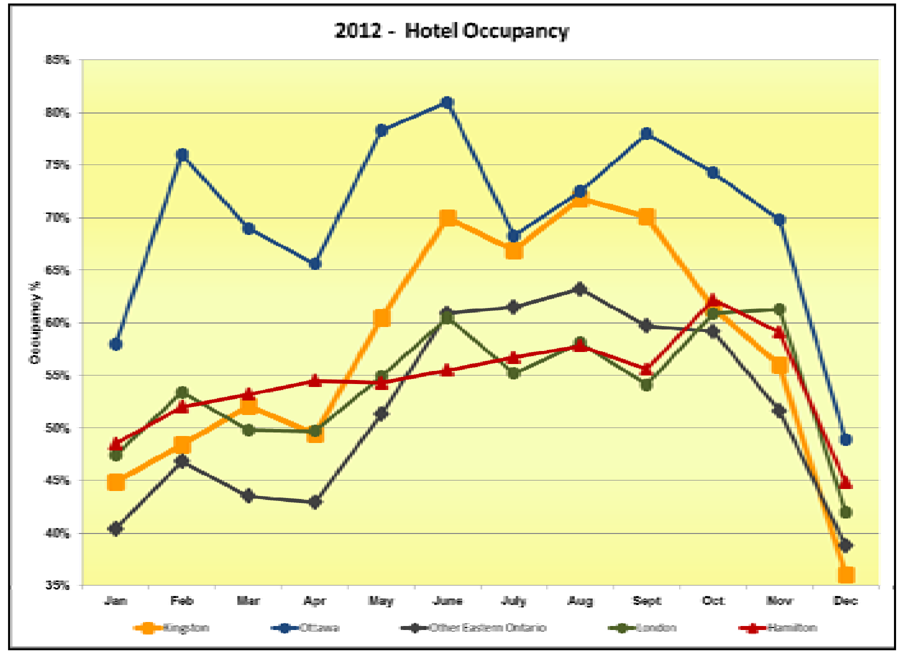
Sense of Prosperity: Lodging Trends (OCC%)

The following tables summarize hotel market (all hotels in the market) for Kingston, Ottawa and other similar sized Ontario markets.

Occupancy rates for all markets shown ranged from 40% to 80% throughout the year. Ottawa occupancy peaks during spring/fall months, while Kingston occupancy peaks during the summer months. Kingston averaged 57.3% for the entire year in 2012. Kingston also experienced the most fluctuation in OCC (the lowest in December at 36.0% and almost highest in August at 71.8%).



Source: PKF



Source: PKF

Behind Ottawa, Kingston generally has had the next highest annual occupancy percentage over the past 14 years. However, occupancy for these markets (except Ottawa) has generally experienced downward trending over this period due to a number of factors (reduced US visitation, economic recession, lower group business due to cutbacks in travel and expenditures, etc.)

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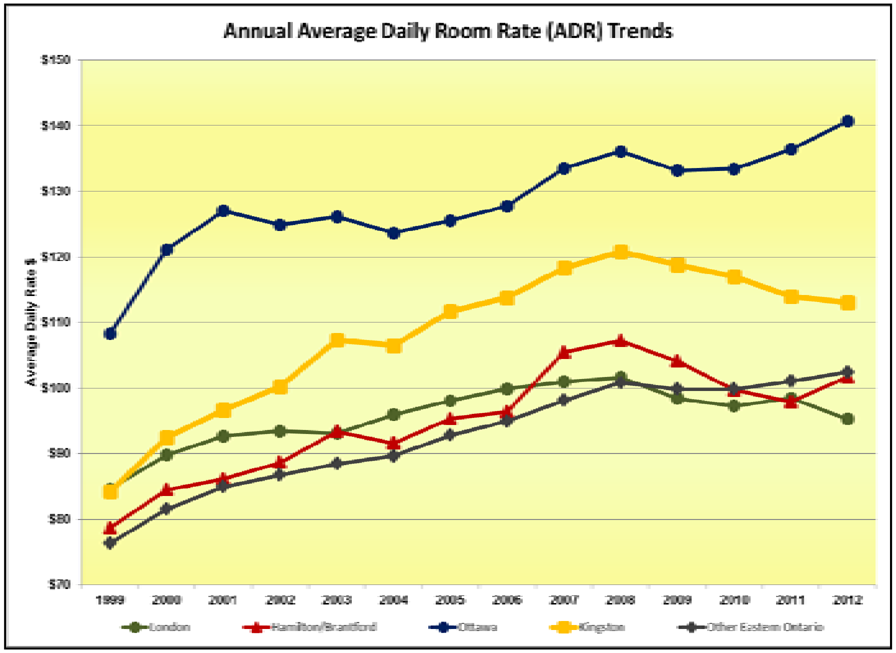
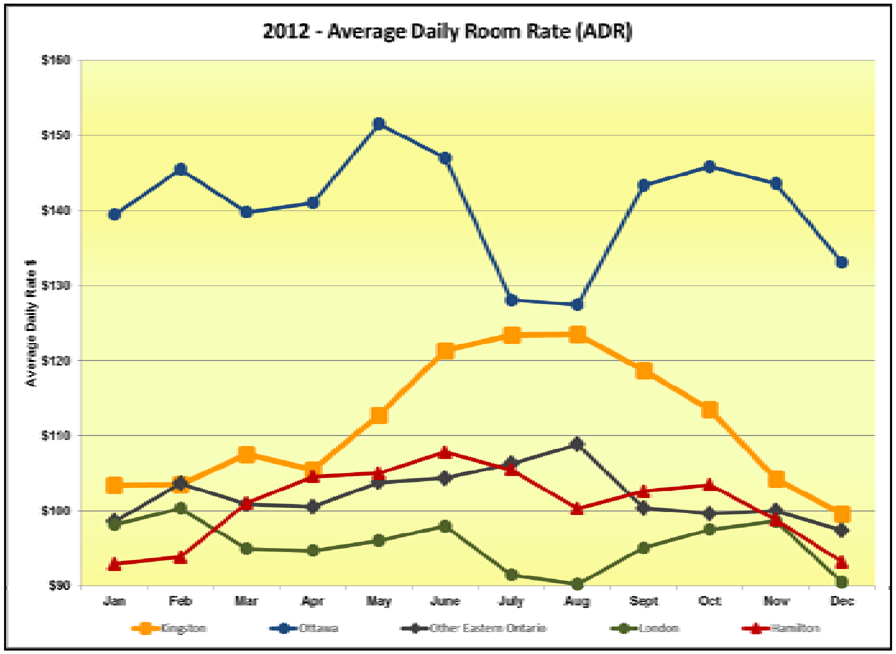
SENSE OF PROSPERITY: LODGING TRENDS ($ADR)

The following tables show average daily room rate trends for Kingston, Ottawa, and Eastern Ontario. For comparative purposes, Hamilton and London have been included as both have convention centres and attract a regional M&C market.

From a seasonal perspective, in 2012, Ottawa ADR peaks during the prime meeting seasons (spring and fall) which is indicative of a substantial corporate M&C business. In contrast, Kingston peaks during the summer months, which indicates a leisure-based tourist market. Through all months, Kingston achieved a higher ADR than London and Hamilton.



Source: PKF



Source: PKF

Over the past 14 years, ADR in all markets shown increased ADR at similar growth rates. Kingston achieved a 2.9% compound average growth rate over the period.

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Access

Kingston is centrally located along the Highway 401 corridor which links Windsor to Montreal which provides good year-round highway access from Toronto, Ottawa, Montreal and New York State.

Kingston is also served by VIA Rail on the Toronto to Montreal/Ottawa rail line. VIA has 9 eastbound stops daily and 12 westbound stops daily at Kingston, making it very convenient for business travelers, students and other visitors to access the city.

Kingston has one regional airport - the Norman Rogers Airport (YGK). The only commercial air carrier serving the airport is Jazz (Air Canada) that has 6 eastbound arrivals daily and 7 westbound departures daily to/from Toronto Pearson International Airport.

The destination's ability to attract larger national meetings and conventions would be greatly enhanced should the airport open up a number of new flight paths to various Canadian city destinations.

As it stands, meeting and convention delegates are primarily restricted to the use of rail and car/bus to reach the destination. This limits the reach of the destination to the Toronto to Ottawa/Montreal regions - which is at the furthest distance that event planners/delegates are willing to travel to an event (approximately 2-3 hours in each direction with preference being under 2 hours).

Scheduled Direct Trips to/ from Kingston

City	Norman Rogers Airport	Kingston VIA Train Station
Aldershot		X
Belleville		X
Brantford		X
Brockville		X
Charny		X
Chatham		X
Dorval		X
Glencoe		X
Ingersoll		X
Kitchener		X
London		X
Montreal		X
Niagara Falls		X
Oakville		X
Ottawa		X
Quebec City		X
Sarnia		X
St. Marys		X
Stratford		X
Strathroy		X
Toronto	X	X
Windsor		X
Woodstock		X
Wyoming		X

Source: OAG Flight Guide, VIA Rail website.

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Approach to Marketing

Tourism Kingston is the primary entity in charge of marketing the city for M&C events. Historically there has been a noted reluctance on the part of the local hoteliers to share proprietary event information (events, delegates etc.). However, in the past couple of years, there has been an indication that more information has been shared amongst these groups for the benefit of a citywide effort on selling M&C events as well as for Tourism Kingston to apply for city funded projects.

In terms of marketing the destination, Tourism Kingston has:

- Attended trade shows;
- Held receptions at venues such as the Drake Hotel and the Cordon Bleu where they entertained meeting planners;
- Partnered with 3-4 local downtown hotels and the Rogers K-Rock Centre to try to sell city-wide events;
- Placed advertisements in CSAE (Canadian Society of Association Executives) industry magazine
- Completed sales calls annually for prospective clients.

In 2013, Tourism Kingston also engaged external resources to cold call prospective clients and to gauge interest in the destination. Once interest is indicated, Tourism Kingston follows up with a sales call. Leads are classified by size of meeting/conference and whether events are considered “hot”, “warm” or “cold.” Most events expressing interest were 250 delegates or less. Overall, 74.9% of prospective events fall into the 250 delegate or less category, and a mere 2.6% of prospects had events with more than 250 delegates.

4. Competitive Environment for M&C

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Supply Overview

Across North America, as well as within Canada and Ontario, the supply of convention and meeting space continues to grow, with future growth (based on projects under construction or planned) expected to be as strong or stronger. Some key considerations drawn from industry-wide trends, include:

- On a percentage basis , the growth in North American convention space has outpaced the growth in the number of North American hotel rooms since 2000, suggesting the private sector (responsible for most hotel development) is more cautious than public-sector proponents of public-assembly venues.
  - In Ontario, new convention centres opened in Ottawa (April 2011), and Niagara Falls (March 2011). Proposals for additional (or expanded venues) are under consideration in Toronto, Mississauga and Barrie, among other locations.
  - Across Canada, management of the Halifax (under construction), Quebec City, Winnipeg (under construction), Calgary and Edmonton convention centres have expansion plans in various stages of readiness.
- More supply translates into increased competition.
  - The decline in U.S. visitation to Canada, widely acknowledged in the leisure marketplace, has been felt in the M&C sector as well. This decline has caused even large, traditionally U.S.-focused venues (i.e., Metro Toronto Convention Centre), to look more earnestly at Canadian-based business of varying size.
  - Publicly-owned convention centres of all sizes continue to employ various forms of incentives to attract meeting planners. The result has been downward pressure on pricing.
- Private-sector hotel operators (in Ontario, particularly those operators/companies with a strong presence in the corporate and corporate group segments such as Marriott, Delta and Starwood) are aggressively marketing conference and meeting packages.
- Educational institutions are increasingly viewing residences (and the associated classroom/meeting space and food & beverage) as potential profit centres, actively marketing to large social, fraternal and similar groups. Several private-sector operators are actively working with these institutions to manage this opportunity.

Regardless of the geographic area under consideration (continental, national, provincial or regional) the continued increase in supply will affect any destination looking at the M&C marketplace. Kingston will not be immune to the "ripple effect" caused by the development of additional convention space in Ontario. A realistic, focused approach will be necessary to attract M&C events.

INVENTORY OF KINGSTON M&C FACILITIES

HLT compiled an inventory of venues suitable for hosting M&C events in Kingston. The criteria used to compile the inventory included a minimum size (and perceived associated impact) threshold designed to focus on those events likely to generate meaningful visitation from outside the immediate area. The inventory classifies these primary venues as:

- Unique convention and meeting venues - venues where the primary purpose may not be to host conventions, meetings and similar events, but have capacity to do so and offer meeting/convention space.
- Any commercial lodging establishment (i.e., hotel, inn, motel) with dedicated meeting space
- Institutions offering accommodation and meeting space on a commercial basis.

Also contained in Appendix B are and inventory of the following:

- Ontario stand-alone convention centres;
- Ontario hotels offering more than 20,000 sq.ft. of event space; and
- Eastern Ontario hotels with greater than 200 rooms offering event space.

KINGSTON UNIQUE M&C FACILITIES

In addition to lodging facilities with M&C capability, Kingston offers a few unique meeting and convention venues. These include the City owned venues such as the Rogers K-Rock Centre (17,000 sq.ft. surface) and the Grand Theatre with theatre and lounge rooms. Fort Henry has a opened a new Discovery Centre building with a 2,200 sq.ft. great hall for meeting and banquet events.

Kingston - Unique M&C Inventory

Venue	# of Theatre Seats	Ownership	Description
Rogers K-Rock Centre	6,700	City of Kingston	17,000 sq.ft. rink surface, home to the Kingston Frontenac (OHL) hockey
Grand Theatre	885	City of Kingston	Renovated 2008. Offers 2 theatre spaces plus two lounge areas.
Fort Henry - Discovery Centre	n/a	St. Lawrence Parks Commission (agency of Ontario provincial government)	Opened May 2012. 10,000 sq.ft. Building, with interactive exhibits (projection and touch screen technologies), retail store, guest café and 2,200 sq.ft. great hall (max 160 banquet style) with adjoining 12,800 sq.ft. tented area.

Source: HLT Advisory Inc. based on publically available information.

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Kingston Hotel Facilities with M&C Capability

Kingston contains a total hotel room count of just over 2,000 rooms. A total of seven hotels in Kingston provide meeting room space of 5,000 sq.ft. or more. These seven hotels represent 1,138 rooms or 56.4% of the entire city supply.

Meeting room space ranges from 5,200 sq.ft. at the Residence Inn to 22,281 sq.ft. at the Ambassador Resort hotel.

Kingston - Lodging Facilities with M&C Capability >5,000 Sq.Ft.

	# Hotel Rooms	# Meeting Rooms (Max Breakout)	Total Sq.Ft.	Largest Room
Ambassador Resort Hotel	246	22	22,281	7,200
Four Points by Sheraton - Kingston	171	14	12,505	4,559
Days Inn - Kingston Hotel & Convention Cent	161	9	9,470	5,605
Holiday Inn - Kingston-Waterfront	197	8	9,225	3,468
Confederation Place Hotel	95	7	8,942	4,210
Delta Kingston Waterfront	127	5	5,740	2,242
Residence Inn - Kingston Water's Edge	141	3	5,200	4,032
Total M&C Hotel Rooms	1,138	68	73,363	
Total Kingston Rooms	2,019			
M&C Hotel Rooms as % of total	*56.4%*			

Source: HLT Advisory Inc. hotel database of 50 rooms or more and various hotel websites.

Within Eastern Ontario, Ottawa contains the most hotels and rooms with a room count of 9,980 and an average room size of 181 per hotel. Kingston has the second most populous hotel count with 18 hotels and 2,019 rooms averaging 112 rooms per hotel.

Hotels and Rooms - Select Eastern Ontario Locations

	Hotels	Rooms	Avg Size (# Rooms)
Ottawa	55	9,980	181
Kingston	18	2,019	112
Belleville	6	606	101
Cornwall	6	500	83
Brockville	6	439	73
Trenton	3	260	87
Smiths Falls	1	64	64

Source: HLT Advisory hotel database of 50 rooms or more.

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Downtown Kingston Hotel Performance

A summary of the historic performance of Kingston's largest downtown hotels and the city's largest group hotel – the Ambassador Hotel is presented in the following table.

	2007	2008	2009	2010	2011	2012
Downtown Kingston Hotels [(1)]						
Occupancy	65.4%	65.6%	61.9%	56.8%	59.4%	61.0%
Average Daily Rate	$134.67	$137.64	$137.83	$138.00	$133.21	$132.39
RevPAR	$88.07	$90.29	$85.32	$78.38	$79.13	$80.76

Source: STR

Includes: (1) Holiday Inn Kingston Waterfront, Four Points Kingston, Ambassdor Hotel, Delta Kingston, Residence Inn Kingston Water's Edge

This data includes the annual occupancy and average daily rates of the Holiday Inn Kingston Waterfront, Four Points Kingston, Ambassador Hotel, Delta Kingston, Residence Inn Kingston Water's Edge.

Average occupancy over the past six years has been 62% and average daily rate is relatively stable at $136. Aside from the opening of the Residence Inn in April 2010 there have not been any significant additions to hotel supply. The former Radisson hotel was renovated and rebranded as the Delta Kingston Waterfront Hotel in July 2013.

The overall historic performance of these hotels indicates that the market is relatively stable and does not have any significant growth. There does not appear to be sufficient demand/growth in the downtown Kingston hotel market to support additional hotel rooms.

Kingston Educational Institutions with an M&C Offering

The post-secondary educational institutions in Kingston provide accommodation, food and beverage and event space within the confines of the campus. Royal Military College ("RMC") hold events for military/internal purposes only. The other facilities contain accommodation for attendees of 600 (St. Lawrence) to upwards of 2,000 (Queens). The largest plenary/ballroom space at Queens contains a 9,900 sq.ft. hall and can serve a banquet for up to 800 in its gymnasium.

These educational institutions target the sports, military, education, religious and fraternal ("SMERF") markets and host the majority of Kingston's convention/conference events during May-August (during the academic year summer break).

Kingston - Educational Institutions with M&C Capability

	# Residence Rooms	Meeting Space	Largest Meeting Space
Queens University - Event Services	2,000 beds + 800 sports/youth spaces	Banner Hall - 9,900 sq.ft + 5 breakouts, numerous classrooms for breakouts, 3 atriums for receptions, largest banquet for 800.	Gymnasium can hold up to 3,000
St. Lawrence College - Conference Services	600	Many breakouts for 30-70ppl	Largest room seats 350 theatre style for plenary, 250
Royal Military College	Do not host external events - Military purposes only		

Source: HLT Advisory Inc. interviews.

PRINCIPAL M&C VENUE IN EACH OF ONTARIO'S MAJOR CMAS

In each of Ontario's Census Metropolitan Areas (the 11 largest listed by descending population) the principal convention venues are listed in the following table. The Ambassador Hotel in Kingston has the largest amount of meeting space compared to similarly sized CMAs of Barrie and Guelph. The largest convention facility in both other similarly size CMA's are hotels with attached M&C space.

Principal Convention Venue in Largest Ontario Census Metropolitan Areas (CMAs)

			Exhibit/Meeting Space			Hotel Rooms	
CMA	2013 Population	Name	Total	Largest	Public/Private	Attached	Within 1km
Toronto	5,920,832	Metro Toronto Convention Centre	453,648	260,000	Public	586	8,300
Ottawa	1,308,348	Ottawa Convention Centre	120,688	57,740	Public	496	3,659
Hamilton	760,286	Hamilton Convention Centre	53,814	19,662	Public	301	575
Kitchener/Waterloo	504,987	Bingemans Conference Centre	49,180	18,000	Private	-	37
London	503,326	London Convention Centre	43,357	33,033	Public	323	841
St. Catharines/Niagara	412,290	Scotiabank Convention Centre Niagara Falls	125,065	82,000	Public	-	4,097
Oshawa*	377,683	Quality Hotel and Conference Centre	9,950	4,450	Private	194	194
Windsor	337,146	Caesars Windsor	84,014	40,000	Public	758	1,865
Barrie*	198,883	Holiday Inn Hotel & Conference Centre - Barrie	8,897	3,108	Private	161	431
Kingston*	168,820	Ambassador Conference Resort	22,281	7,200	Private	246	322
Guelph*	150,190	Delta Guelph Hotel & Conference Centre	12,042	6,210	Private	148	339

Source: HLT Advisory Inc. based on MapInfo population projections based on Statistics Canada data, and various convention centre and hotel websites.

**If no dedicated convention centre in community (public or private) the largest convention hotel is listed.*

Note: The list includes the 11 largest CMAs in Ontario excluding Sudbury. Sudbury was not included in this list because of it's distance away from the CMAs listed.

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Principal Hotel with M&C Capability in Each of Ontario's Major CMAs

In each of Ontario's Census Metropolitan Areas (the 11 largest listed by descending population) the principal hotel with the largest amount of meeting space is shown in the table below. The Ambassador Hotel has the largest amount of meeting space in Kingston compared to similarly sized CMAs of Barrie and Guelph. A trend with the larger CMA hotel facilities is the correspondingly larger meeting space capacity in each facility.

Hotel Supply in Largest Ontario Census Metropolitan Areas (CMAs)

CMA	CMA Pop (2013)	Hotels	Rooms	Largest Hotel (Meeting Space sq.ft.): Name	Rooms	Total Meeting Space (s.f.)
Toronto	5,920,832	217	41,074	Sheraton Centre Toronto Hotel	1,377	116,000
Ottawa	1,308,348	55	9,980	Westin Ottawa	496	39,327
Hamilton	760,286	25	2,672	Crowne Plaza Hamilton	214	17,440
Kitchener/Waterloo	504,987	21	2,309	Waterloo Inn Conference Centre	155	22,958
London	503,326	38	3,340	Hilton London Ontario	323	21,681
St. Catharines/Niagara	412,290	100	14,302	Niagara Fallsview Casino Resort	374	30,428
Oshawa	377,683	9	1,000	Quality Hotel and Conference Centre	194	9,950
Windsor	337,146	20	3,227	Caesars Windsor	758	84,014
Barrie	198,883	13	1,188	Holiday Inn Hotel & Conference Centre - Barrie	161	8,897
Kingston	168,820	18	2,019	Ambassador Conference Resort	246	22,281
Guelph	150,190	10	962	Delta Guelph Hotel & Conference Centre	148	12,042

Source: HLT Advisory Inc. based HLT Advisory hotel database of 50 rooms or more, various convention centre and hotel websites and Statistics Canada definition of CMAs.

Note: The list includes the 11 largest CMAs in Ontario excluding Sudbury. Sudbury was not included in this list because of it's distance away from the CMAs listed.

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M&C Venues Proximate to Kingston

Venues in Eastern Ontario that would compete with a potential conference centre in Kingston for M&C business would include larger hotels with meeting space and the stand-alone convention centre in Ottawa. The table below profiles facilities offering more than 20,000 sq.ft. of event related space. With the exception of the Nav Centre in Cornwall, all the facilities offering 20,000+ sq.ft. of event space are located in Ottawa. Typically, the hotel facilities offer a ballroom space (~6,000sq.ft. -17,000 sq.ft.) plus pre-function space and a number of additional breakout rooms. The Ottawa convention centre offers both exhibit halls (totaling 56,340 sq.ft.) and a ballroom (21,300 sq.ft.) in addition to a number of breakout meeting spaces.

Profile of Competitive Hotel/Conference/Convention Centres >20,000 sq.ft.

	Ottawa Convention Centre	Nav Centre	Westin Ottawa	Fairmont Chateau Laurier	Ottawa Marriott	Delta Ottawa City Centre
Location	Ottawa	Cornwall	Ottawa	Ottawa	Ottawa	Ottawa
CMA Population 2013	1,308,348	61,674	1,308,348	1,308,348	1,308,348	1,308,348
Venue Type	Conv. Centre	Hotel/Conference	Hotel/Conference	Hotel/Conference	Hotel/Conference	Hotel/Conference
Total Meeting/Exhibit/Ballroom Space (sq. ft.	126,640	58,009	39,327	32,803	25,915	23,894
Exhibit Space Total	56,340	n.a.	n.a.	n.a.	n.a.	n.a.
# of Exhibit Halls	3	n.a.	n.a.	n.a.	n.a.	n.a.
Size of Largest Hall	56,340	n.a.	n.a.	n.a.	n.a.	n.a.
Meeting/Ballroom Space Total	70,300	58,009	39,327	32,803	25,915	23,894
# of Meeting/Ballrooms	25	63	27	17	22	16
Size of Largest Meeting/Ballroom	21,300	9,600	16,942	5,886	6,365	9,840
Meeting/Exhibit Space Ratio	1.25	n.a.	n.a.	n.a.	n.a.	n.a.
Hotel/Adjacent/Connected Hotel	Yes	Yes	Yes	Yes	Yes	Yes
# of Rooms	496	560	496	429	480	411
Brand	Westin	unflagged	Westin	Fairmont	Marriott	Delta

Source: HLT Advisory Inc. based on individual facility websites and publically available information.

Note: for the purpose of this analysis a Ballroom is counted as 1 meeting space.

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5. Defining the M&C Market Opportunity and Market Potential

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Approach to M&C Market Opportunity Assessment

Defining the market opportunity for M&C business in Kingston is neither a scientific nor an easily quantifiable process. In completing this aspect of the assignment we sought input from the City of Kingston, Tourism Kingston, KEDCO, individuals knowledgeable of the Ontario and regional tourism industry, providers of tourism infrastructure within Kingston (e.g., hotel operators, meeting venue operators) and potential users of M&C venues. Input was gathered through a combination of one-on-one interviews, and an e-survey of Ontario meeting planners and association executives.

The findings from these interviews and surveys forms the basis of our understanding of existing M&C activity. While largely qualitative (and in some cases anecdotal) in nature, the findings have provided a reasonably clear picture of current activity levels, potential areas of future business and an identification of issues and challenges that will need to be addressed in short order.

<u>Inputs to market definition and potential</u>

In conducting this analysis, HLT sought input via the following:

- Interviews with the City of Kingston, Tourism Kingston and KEDCO representatives.
- One-on-one interviews with broader tourism industry representatives.
- One-on-one interviews with Kingston area representatives including:
- Demand generators (i.e., entities staging or managing M&C events)
- Demand influencers (e.g., academic institutions).
- Suppliers (e.g., those entities providing venues).
- Custom “e” survey of Ontario meeting planners
- Secondary data sources

A list of interviewees is included in Appendix A. A summary of the “e-survey “is included in Appendix C.

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PAST M&C ACTIVITY IN KINGSTON

Kingston can be characterized as a small meeting and convention market. Due to the limited amount of accommodation and meeting space at any one facility, the City has traditionally attracted meetings and conventions of less than 250 attendees. For example, the largest facility in Kingston (the Ambassador Hotel) markets to the 100-300 delegate size M&C event (the largest event they can have self-contained under a "single roof").

Obtaining historical event data on an event by event basis has been difficult. Tourism Kingston (the destination marketing body for the City) has noted reluctance on the part of local hoteliers in sharing proprietary event information. For the purposes of this project, HLT has been able to ascertain qualitative/anecdotal information regarding the types of groups frequenting the City for M&C purposes. These groups include:

- SMERF
- Local chapter/regional associations
- Local corporate meeting
- Corporate "retreat" events
- Education (tied to University and College local champion)

Tourism Kingston has indicated a few groups (which include a mix of local, regional and provincial organizations) which will be holding future events in the City. These include: The Municipal Finance Officers Association (180 delegates), Arthritis Society of Eastern Ontario (130 delegates), Canadian Life and Health Insurance (150 delegates), STLHE (400 delegates), and Kingston Family Health Team (225 delegates).

HLT was able to obtain the event list for the City-owned Rogers K-Rock Centre which opened in February 2008. Events at this facility primarily revolve around sporting and concert/entertainment events. The M&C business represents a small portion of overall event activity as shown in the table.

Rogers K-Rock Centre Event History

	2010	2011	2012	2013	Median	% of Total
Concerts/Entertainment	9	19	24	21	20	36.4%
Sporting	15	48	39	26	33	59.1%
Convention/Conference/Mtg	1	4	1	13	3	4.5%
Total	25	71	64	60	55	100.0%

Source: HLT Advisory Inc. based on data from Rogers K-Rock Centre.
Note:
- 2010 partial year events May 30th - Dec 31
- 2013 events to September, 2013.

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M&C SWOT Analysis

Kingston has some strengths and opportunities but is not without challenges from marketing the destination to M&C events.

Strengths

- Midway point between Toronto and Montreal/Ottawa – potential to attract attendees from both centres (also a weakness).
- Strong public sector base (education, corrections, military).
- Two educational institutions (Queens University, St. Lawrence College) provides potential for joint marketing opportunities.
- Numerous and varied tourism “attractions” (theatre, specialty retail, annual events, concerts, waterfront, historic sites, and the Kingston Penitentiary)
- Cultural influence (history, architecture)
- Well serviced by Highway (401) and Rail (VIA).

Weaknesses

- Lack of air access = more time spent to get to the event destination.
- Lack of 4- and 5-star hotel options for corporate groups.
- Midway point between Toronto and Montreal/Ottawa – too far from majority of attendees (also a strength).
- Current facility supply limits the size of convention (rooms and meeting space) – lack of ability to hold the “under one roof” convention.
- Cheaper options in Ottawa and Toronto (lodging/event space)
- Lack of awareness of Kingston as an M&C destination. Not high on the membership preference list in terms of destination.
- Not a major hub – small town feel (also an opportunity)
- Limited history of structured M&C sales in Kingston; venues have traditionally self marketed.
- Lack of a strong corporate base (Headquarters)
- Lack of a focused marketing effort to sell the destination (i.e., no “Plan a Meeting” option on DMO website).

Opportunities

- Kingston can galvanize local stakeholders to position region as an M&C destination.
- Improved transportation linkages (air access) from Canadian cities would allow for greater marketing opportunities to national events.
- Not a major hub – small town feel (also an weakness)
- Could position as an alternative to Ottawa for eastern Ontario “retreat” meetings.
- Kingston can focus on what sets them apart (i.e., history, attractions, waterfront, vibrant downtown core).

Threats

- Abundant supply of meeting/event space across Ontario. Why travel to Kingston when it is easier to hold the event in Ottawa or Toronto?
- Inconsistent perception of M&C options in RTO 9 without dedicated, consistent, market over time.
- Technology replacing smaller (e.g., corporate board, committee, training) meetings; less impact on larger, annual meetings

Online Survey of Meeting Planners

Event organizers for MC&IT events want convenience for both planning and execution of their event. One of Kingston's notable strengths (it's equidistant location between the Toronto – Montreal/Ottawa corridor) is also one of it's deterrents in attracting the corporate M&C activity. While the mid-point location has potential to attract attendees from both Toronto and Ottawa/Montreal given its 2.5 hour distance from each, for the same reason, meeting planners can be deterred from the location due to the location being considered "too far" from attendee base. In addition, the lack of air accessibility to the destination limits the geographic scope of organization events Kingston can hold (i.e., "national" organization attendees will find it difficult to attend a Kingston based event).

Individuals interviewed during this process have indicated the need for Kingston to identify the opportunities in the city, differentiate themselves and to create awareness of the uniqueness of the destination in order to generate M&C activity and associated overnight stay and leisure activities.

As a means of gathering greater understanding of meeting planner preferences in destination selection (and overall event activity) HLT sent an on-line survey link to 1,650 Ontario based members of Meeting Planners International ("MPI") and Canadian Society of Association Executives ("CSAE"). A total of 141 responses were received, which is equivalent to an 8.5% response rate.

An overview of respondents suggests:

- 85.6% of respondents are in a meeting planning role at an association, SMERF or corporation. The other ~14%, identified themselves as freelance meeting planners.
- About 37.2% of respondents are based in Kingston, Ottawa or elsewhere in Eastern Ontario. Almost half were based in Toronto area (49.6%). Just under 10% were based in Quebec.
- 54.3% of respondents planned events across Canada and 34.9% planned events throughout Eastern Ontario (including Kingston and Ottawa).
- The most frequently mentioned industries in which the respondents are positioned are health care (35.6%), Public/government services (19.8%) and education (22.8%).
- Almost three quarters (70.9%) of respondents indicated a F&B requirement of 500 or less attendees for their largest F&B/Banquet event.
- The greatest number of responses indicated size requirements of <25,000 sq.ft. for the largest plenary/ballroom/exhibit space.

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Comparable Event Loads

HLT has compiled an analysis of event activity in comparable Ontario and Canadian conference/convention centre venues. Comparable venues include those located in regional Ontario cities (i.e., excluding provincial primary destinations/provincial capital such as Toronto or Ottawa) and/or those in other communities considered similar to Kingston. Event activity is a function of HLT knowledge of the convention centre marketplace and past consulting analyses.

Exhibit, ballroom and meeting space at comparable facilities ranged from 20,000 to 50,000 sq. ft. Based on our research, we would expect a potential conference centre in Kingston to fall into the smaller end of this square footage range.

Event types include Convention (an event held over two or more days), Meetings (single-day event), trade and consumer shows, and other events (banquets, concerts, community events). Among each type of event there substantial range exists with respect to the number of events at a given venue as well as the number of attendees. Those venues located in larger population centres host a greater number of convention events, while those with smaller populations would be more heavily weighted to meeting and F&B/Other events. On average, the bulk of the convention business for these facilities lie in the <500 delegate range (80%).

The Ontario convention activity is somewhat defined. The addition of a conference/convention facility in Kingston will not likely significantly increase convention demand from within Ontario. Further, the provincial and regional association and corporate marketplace is highly competitive. Kingston will be forced to share/compete for this business with other convention centres and appropriately-sized hotels. (Appendix B contains an inventory of stand-alone convention centres and hotels with M&C capability throughout the province).

Comparable Venue Event Analysis

Conventions by Delegate Count	# of Events	Avg % of Total
<200	1 - 15	35%
200-500	1 - 20	45%
500-1,000	0 - 10	15%
1,000-1,500	0 - 5	5%
Range in number of Conventions *(two or more days, larger numbers of attendees)*		5 - 40
Median Number of Conventions		20
Range in number of Meetings *(single day event, number of people gathering)*		50 - 300
Median Number of Meetings		170
Range in number of Trade/Consumer Shows		5 - 15
Median Number of Trade/Consumer Shows		10
Range in number of F&B/Other		40 - 170
Median Number of F&B/Other		120

Source: HLT estimates based on HLT knowledge and past consulting analyses.

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KINGSTON POTENTIAL M&C EVENT LOAD

Based on the comparable facility event analysis, HLT prepared a potential event load and attendance estimate for a new conference/convention centre facility in Kingston. The following is presented as an indicative estimate based on comparable facilities.

Consistent with similarly-sized communities, Kingston can expect the majority of convention/conference events to fall into the <500 delegate range. A small number of convention events have potential to generate attendance greater than 500 delegates.

The majority of event activity would likely be created from meetings, F&B events and "other" (e.g., weddings, galas, graduation ceremonies and other social catering events). The average size of these events would likely be in the 300 or less attendee category.

A Kingston conference centre has the potential to draw 5 – 15 trade/consumer show events per annum. These type of events (e.g., day trip, weekend, drive-in market) could expect to generate an average of 500 – 1,000 attendees. Some of these events might currently be held at existing Kingston venues.

Providing the events fall on dates with availability, the existing supply of hotel and meeting space in the City could potentially service the majority of these events (i.e., those events with less than 300 attendees). The consideration of a conference centre for the City would have to account for incremental visitation and attendance at events and be wary of the potential to cannibalize business from the existing facilities in the City.

Kingston Conference/Convention Centre Potential Event Load

	# Annual Events	Average Attendance
Conventions	5 - 15	see convention table below
Meetings	140 - 180	50 - 125
Trade/Consumer Shows	5 - 15	500 - 1,000
F&B/Other	75 - 125	150 - 300

Source: HLT estimates based on HLT knowledge and past consulting analyses.

Other = socials, galas, banquets etc.

Kingston Conference/Convention Centre - Potential Conventions by Size

Attendees	# of Conventions		
<200	3	-	8
200-500	1	-	4
500-1,000	1	-	3
Total	5	-	15

Source: HLT estimates based on HLT knowledge and past consulting analyses.

Note: The ability of Kingston to secure 1,000-person conventions will depend on cooperation amongst hoteliers to provide sufficiently-sized room blocks at competitive pricing.

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KINGSTON TARGET MARKETS FOR M&C

Kingston has accommodated a wide variety of events in the past (e.g., corporate to religious, one-day to multi-day), but events have primarily focused on the following markets:

- SMERF
- Local chapter/regional associations
- Local corporate meetings
- Corporate "retreat" events
- Education (tied to University and College local champion)

Based on input from interviews and the online survey, we believe Kingston's future M&C target markets would include existing target markets as well provincial associations, specifically province-wide and regional events drawing 500 or fewer attendees. The focus should be placed on those associations required to: a) rotate around venues within Ontario and, b)with a preponderance of members in Kingston or with a particular affinity to an industry or sector (e.g., healthcare) in the City.

While new and larger event space will afford Kingston the opportunity to compete for this business, the provincial association market is highly competitive, with both stand alone convention centres and hotels with large amounts of meeting space targeting this group.

The larger corporate meetings target market potential is limited due to the lack of "headquarter" private sector businesses located in the City as well as the limited accessibility by air to the destination. Prior to including this group as a target market for M&C events these issues would first need to be addressed. As it stands, the City should continue to focus on locally based corporate meetings and corporate "retreat" events – leveraging the City's waterfront, historic ambiance and abundance of restaurant and shopping options to add a leisure element for pre-and-post meeting.

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6. Findings and Recommendations

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The Block 4 Objective

The City of Kingston and KEDCO engaged HLT to assess the market feasibility of a conference centre on the Block 4 lands on the basis that:

- The City would undertake a competitive bidding process through a Request for Proposal ("RFP") identifying a conference centre as one possible use for Block 4;
- The conference centre would likely be only one of many uses within any future development. Other uses might include those directly supporting the conference centre (e.g., a hotel) or those complementing the conference centre (e.g., retail, commercial) or able to operate independently (e.g., residential);
- The RFP would seek private-sector developers to purchase the land, develop the project and operate all components; and,
- The City would have only limited direct financial involvement in the development and/or operation of the conference centre (or any other elements of the project) that would include funding from community partners such as the Downtown Kingston! Business Improvement Area and the Kingston Accommodation Partners.

Through various discussions with the City of Kingston and KEDCO, HLT understood that the ideal scenario on Block 4 would be either a stand-alone conference centre or an integrated hotel conference centre that would have both hotel rooms and event spaces operated by a single operator.

THE FINDINGS

The findings of our analysis indicate:

1. Almost no private-sector conference centres exist in Canada (with the exception of those operated in conjunction with a hotel or smaller, meeting-oriented facilities in the commercial core of major cities).
   - All stand-alone Ontario convention/conference centres are owned by the provincial or applicable municipal governments (i.e., Metro Toronto Convention Centre, Ottawa Convention Centre, Hamilton Convention Centre, London Convention Centre, Chatham Convention Centre)
   - Stand-alone trade and consumer show venues (emphasis of "flat-floor" exhibition space rather than meeting rooms) can be privately owned/operated but are located in densely populated areas.
   - Multi-purpose venues (including arenas such as the Rogers K-Rock Centre) often stand in for these types of facilities as needed.
2. The Province of Ontario is adequately, if not overly, supplied in terms of conference centres and convention hotels.
   - Some new centres are struggling (i.e., Scotiabank Convention Centre in Niagara Falls opened in 2011 and is experiencing low demand and is using it for different uses than initially intended) while the control of some older centres (e.g., Hamilton Convention Centre) has been ceded to private operators (who have contributed very limited capital).
   - Large provincial events and associated event planners have many different choices of venues – especially in the higher population/business centres (i.e. Toronto, Ottawa, southwest Ontario). Competition for Ontario (and events from further afield) is intense.
3. Conference/convention demand as well as local/regional group business in Kingston and RTO 9 is modest.
   - The convention/conference demand from Ontario-based associations in Kingston is not likely significant.
   - Lack of commercial headquarters and regional meeting demand limits demand in necessary "fill-in" periods.
   - Transportation challenges (lack of air capacity) will be a limiting factor for some provincial groups.
4. Kingston's hotels and university meeting facilities are adequate to host small- to medium-sized conference events.
   - A gap exists for larger event spaces that can host events of 700 to 1,000 people including banquet, break-out rooms, pre-function space and other flexible event space under one roof. However, there is only modest demand for such a facility.

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THE FINDINGS (CONTINUED)

In our opinion, the likelihood of a private-sector developer coming forward through an RFP process to purchase Block 4 and develop a conference/convention centre is limited unless:

- The City is prepared to fund operating losses of the conference centre/convention centre component of a mixed-use development. Most publicly-owned convention centres in Ontario and Canada are tasked to operate near the break-even point (before debt service and sustaining capital are taken into account). With a few exceptions Canadian convention centres generate modest annual operating losses (up to $1 million per annum) reflecting the fact that convention centres are primarily developed for the purpose of generating economic development for the local area and region. Getting into the convention centre "business" requires ongoing operations and marketing support; or
- A developer is convinced some other component of a mixed-use project will offset any losses from the convention centre as well as generating a return on overall invested capital. The most logical "other complementary component" is a hotel, however, while the hotel market in Kingston is relatively stable it does not appear to be experiencing increased room night or business/association group demand. The City likely does not want to pursue any action that might disrupt the current marketplace by providing any form of incentive for a new hotel. Adding additional hotel rooms and/or meeting space will almost certainly displace existing group and room night demand and simply relocate it to the new conference centre/convention hotel without the new facility generating significant Citywide induced demand throughout the year.

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OTHER THOUGHTS

Kingston is an attractive leisure destination. The City is pretty, has a thriving downtown, interesting historic tourist attractions, tremendous quality of life, waterfront setting, internationally recognized higher-education institutions and is well-located between major urban markets. However, Kingston is currently not equipped to compete for larger regional/provincial/national group events. A privately-owned convention/conference centre is more of a viable option in the future if:

Air access was improved:

- Air access is very important for both regional/provincial events and for enticing corporate headquarters to locate within the City.
- The airport is currently served by one regional carrier with a limited number of flights between Kingston and Toronto.

Kingston had a more extensive base of corporate activity:

- Very few sizable, even mid-sized, corporations are based in Kingston – especially the corporate/regional HQ businesses.
- Locally-based corporate business and associations are the most active players in generating meeting business.
- Kingston's public sector, manufacturing/distribution centres and education facilities are not, and are unlikely to be, sufficient to generate and attract regional group events as many other alternative locations and convention/event facilities in established group markets.
- Attracting and facilitating mid-sized corporate activity to Kingston is the single greatest factor in generating meeting demand for a new venue (whether privately- or publicly-owned; whether a stand-alone venue or a larger meeting venue built as part of a hotel).

The hotel offering is broadened:

- Most private owners of conference centres will typically seek to combine the conference facilities with hotel rooms to complex the two operations under a unified management structure, create operating efficiencies and cost savings, ensure that meetings, accommodation, and food and beverage are under one roof and use the hotel rooms to provide constant revenue throughout the year when the events space is sitting empty.
- Until the hotel market improves sufficiently with occupancy rates closer to 70% (or higher) on a stabilized basis, it will likely not make sense to introduce a new conference hotel into the market. Increasing weekday corporate business will aid in increasing room night demand.

Appendix A—Interviewees

HLT met and/or conducted telephone interviews with the following stakeholders (in alphabetical order):

- Ramy Boujawdeh – General Manager, Chatham-Kent John Bradley Convention Centre
- Nicole Braatz – Director of Sales, Four Points by Sheraton Hotel and Suites Kingston
- Carola Bomfim Lima – Manager Project Development, City of Kingston
- Harry Cann – Senior Regional Vice President, SMG
- Lynn Carlotto – General Manager, K-Rock Centre
- Rob Carnegie – Director of Tourism Marketing and Development, Tourism Kingston
- Marilyn Casselman – Queens Event Services, Queens University
- Erin Cookman – Director of Sales and Marketing, Holiday Inn Kingston Waterfront
- Scott Follwell – General Manager, Holiday Inn Kingston Waterfront
- Timo Hytonen – Senior VP Human Resources and Corporate Initiatives, Empire Life
- Mike Johnstone – General Manager, Residence Inn Marriott Kingston Water's Edge
- Barry Kennedy – Director of Residence and Conference Services, St. Lawrence College
- Tim Lilleyman – Operational Consultant, Nav Centre
- Connie Markle – Conferences and Travel Trade Manager, Tourism Kingston
- Stephanie Quick – Regional Director of Sales, Diamond Hotels Management Inc.
- Venicio Rebelo – General Manager, Ambassador Hotel
- Dr. Richard Reznick – Dean of Medicine, Queens University
- Doug Ritchie – Downtown Kingston BIA
- Dr. Daniel Woolf – Principal and Vice-Chancellor, Queens University
- Alex Zikakis – Donald Gordon Event Centre, Queens University

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APPENDIX B—INVENTORY OF M&C FACILITIES

Ontario Stand Alone Convention Centre and Exhibit/Trade Show Facilities

Venue	City	Total Space (Sq.Ft.)	Largest Room (Sq.Ft.)
Direct Energy Centre	Toronto	778,234	358,433
Toronto Congress Centre	Toronto	593,939	192,525
Metro Toronto Convention Centre	Toronto	575,875	260,000
International Centre	Toronto	533,997	100,000
Ernst & Young Centre	Ottawa	160,489	150,489
Scotiabank Convention Centre	Niagara Falls	125,065	82,000
Ottawa Convention Centre	Ottawa	120,688	57,740
Hamilton Convention Centre	Hamilton	53,814	19,662
Village at Blue Mountain Conference Centre	Collingwood	51,504	8,524
Bingemans	Waterloo	49,180	18,000
London Convention Centre	London	43,357	33,033
John Bradley Chatham-Kent Convention Centre	Chatham	39,703	25,310
Mississauga Convention Centre	Mississauga	25,500	25,500
Burlington Convention Centre	Burlington	13,812	12,300

Source: HLT Advisory Inc. based on various convention centre and hotel websites.

Eastern Ontario - Hotels >200 Rooms with M&C Capability

Name	City	# Hotel Rooms	# Meeting Rooms	Largest Meeting Room (Sq.ft.)	Total Meeting Space (Sq.ft.)
Kingston					
Ambassador Resort Hotel	Kingston	246	22	7,200	22,281
Ottawa					
Westin Ottawa	Ottawa	496	27	16,942	39,327
Ottawa Marriott	Ottawa	480	22	6,365	25,915
Fairmont Château Laurier	Ottawa	429	15	5,886	32,803
Minto Developments Place Suite Hotel	Ottawa	417	15	2,928	11,746
Delta Ottawa City Centre	Ottawa	411	16	9,840	23,894
Lord Elgin Hotel	Ottawa	355	11	2,200	11,113
National Hotel and Suites Ottawa, The	Ottawa	328	8	3,500	11,700
Novotel - Ottawa	Ottawa	282	12	1,950	6,702
Brookstreet Hotel	Ottawa	276	12	5,188	15,871
Chimo Hotel Ottawa	Ottawa	258	10	2,600	7,087
Cartier Place Suite Hotel	Ottawa	254	6	1,500	3,000
Les Suites Hotel-Ottawa	Ottawa	243	3	858	2,052
Sheraton Ottawa Hotel	Ottawa	236	10	2,720	9,426
Holiday Inn Hotel & Suites - Ottawa Downtown	Ottawa	229	8	1,845	5,341
Quality Hotel - Ottawa Downtown	Ottawa	212	2	506	968

Source: HLT Advisory Inc.

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Appendix B—Inventory of M&C Facilities

Ontario Hotels with Meeting Space (>20,000 s.f.)

	City	Rooms	Total Meeting Space (s.f.)	Largest Meeting Room (s.f.)
Toronto				
Sheraton Centre Toronto Hotel	Toronto	1377	116,000	20,212
Westin Harbour Castle	Toronto	977	70,000	24,991
Fairmont Royal York	Toronto	1365	64,568	12,843
Doubletree by Hilton - Toronto Airport	Toronto	433	42,156	14,850
Sheraton Toronto Airport Hotel & Conference Centre	Toronto	249	26,000	7,140
Hyatt Regency - Toronto-On King (Downtown)	Toronto	394	25,000	9,000
Delta Chelsea Hotel	Toronto	1590	22,970	5,200
Le Meridien King Edward Hotel	Toronto	298	22,065	5,279
Delta Toronto East	Toronto	366	22,000	9,302
Four Seasons - Toronto	Toronto	259	21,800	7,168
Holiday Inn & Suites- Toronto International Airport	Toronto	446	21,254	7,728
Old Mill Inn & Spa	Toronto	60	20,653	8,316
GTA				
Holiday Inn - Oakville Centre	Oakville	147	66,562	32,112
Hilton Suites Toronto/Markham Conference Centre	Markham	500	34,162	14,040
Delta Meadowvale Resort and Conference Centre	Mississauga	374	31,723	9,100
Sheraton/Best Western Parkway Toronto North	Richmond Hill	311	28,332	10,030
Hilton Toronto Airport Hotel & Suites	Mississauga	419	21,923	10,000
Sheraton Gateway Hotel in Toronto International Airport	Mississauga	474	21,568	2,632
Southwestern Ontario				
Casino Rama Hotel	Orillia	300	131,148	119,000
Ceasars Windsor Hotel	Windsor	758	76,941	39,000
Nottawasaga Inn Convention Centre	Alliston	269	46,683	21,600
Deerhurst Resort	Huntsville	472	40,000	8,064
Niagara Fallsview Casino Resort	Niagara Falls	374	30,428	28,025
Sheraton On The Falls	Niagara Falls	670	27,006	14,190
Kingbridge Centre, The	King City	124	26,000	3,329
Marriott Gateway on the Falls	Niagara Falls	407	20,052	8,471
White Oaks Resort & Spa	Niagara-on-the-Lake	220	20,380	6,042
Waterloo Inn	Waterloo	155	20,259	8,396
Hilton London Ontario	London	323	21,681	12,300
Best Western Plus Lamplighter Inn & Conference Centre	London	172	20,000	6,930
Eastern Ontario				
Westin Ottawa	Ottawa	496	39,327	16,942
Fairmont Château Laurier	Ottawa	429	32,803	5,886
Ottawa Marriott	Ottawa	480	25,915	6,365
Delta Ottawa City Centre	Ottawa	411	23,894	9,840
Ambassador Resort Hotel	Kingston	246	22,281	7,200
Brookstreet Resort	Ottawa	276	20,446	5,188

Source: HLT Advisory Inc.

Appendix C — Online Survey Results
Introduction

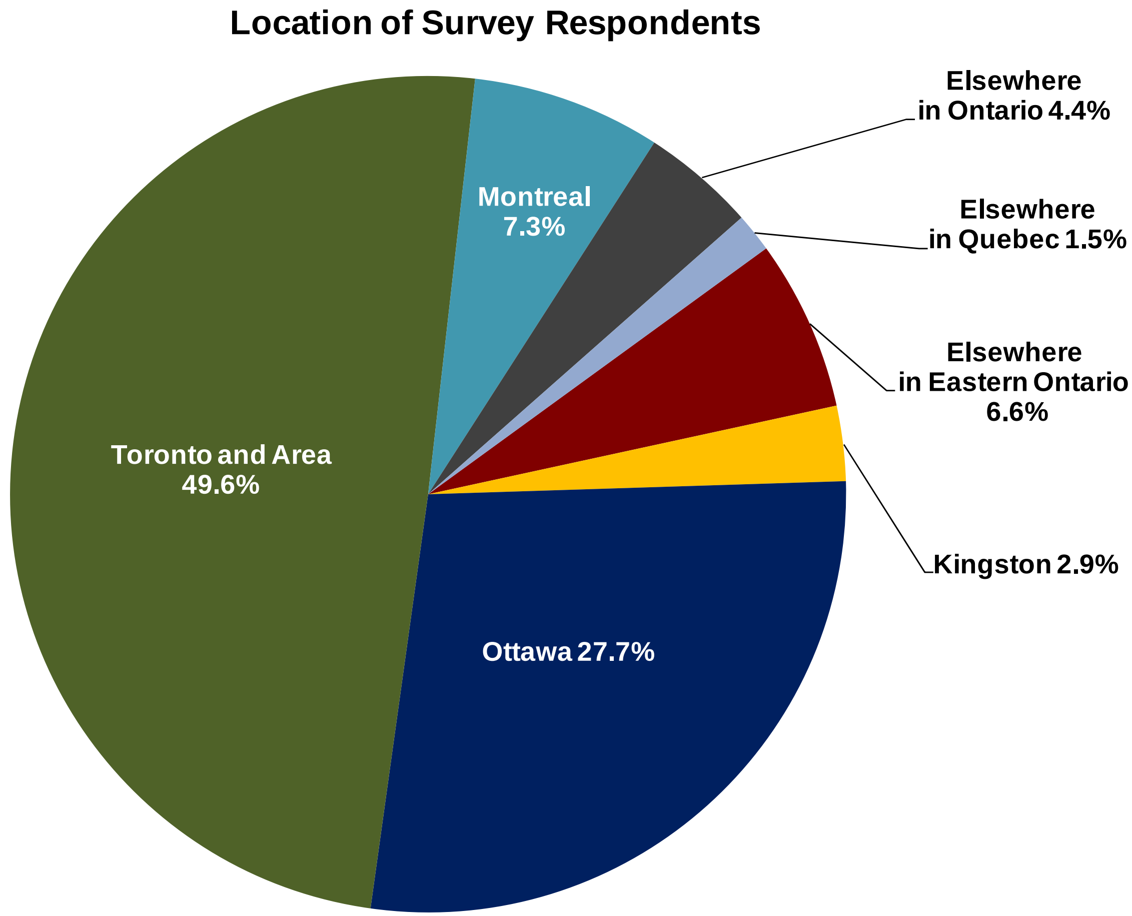
To more fully understand meeting planner preferences in destination selection (and overall event activity) , HLT conducted an on-line survey with the following parameters:

- Provided a email link to and online survey to 1,650 individuals.
- Individuals consisted of Ontario based members of Meeting Planners International ("MPI") and Canadian Society of Association Executives ("CSAE").
- A total of 141 responses were received, equivalent to an 8.5% response rate.

The following slides in Appendix C illustrate meeting planner characteristics, event preferences, and event format through the responses received during this process.

Appendix C — Online Survey Results
Location of Survey Respondents

Toronto and area meeting planners accounted for almost half of the survey respondents. Ottawa and Montreal respondents accounted for more than a third (35%).

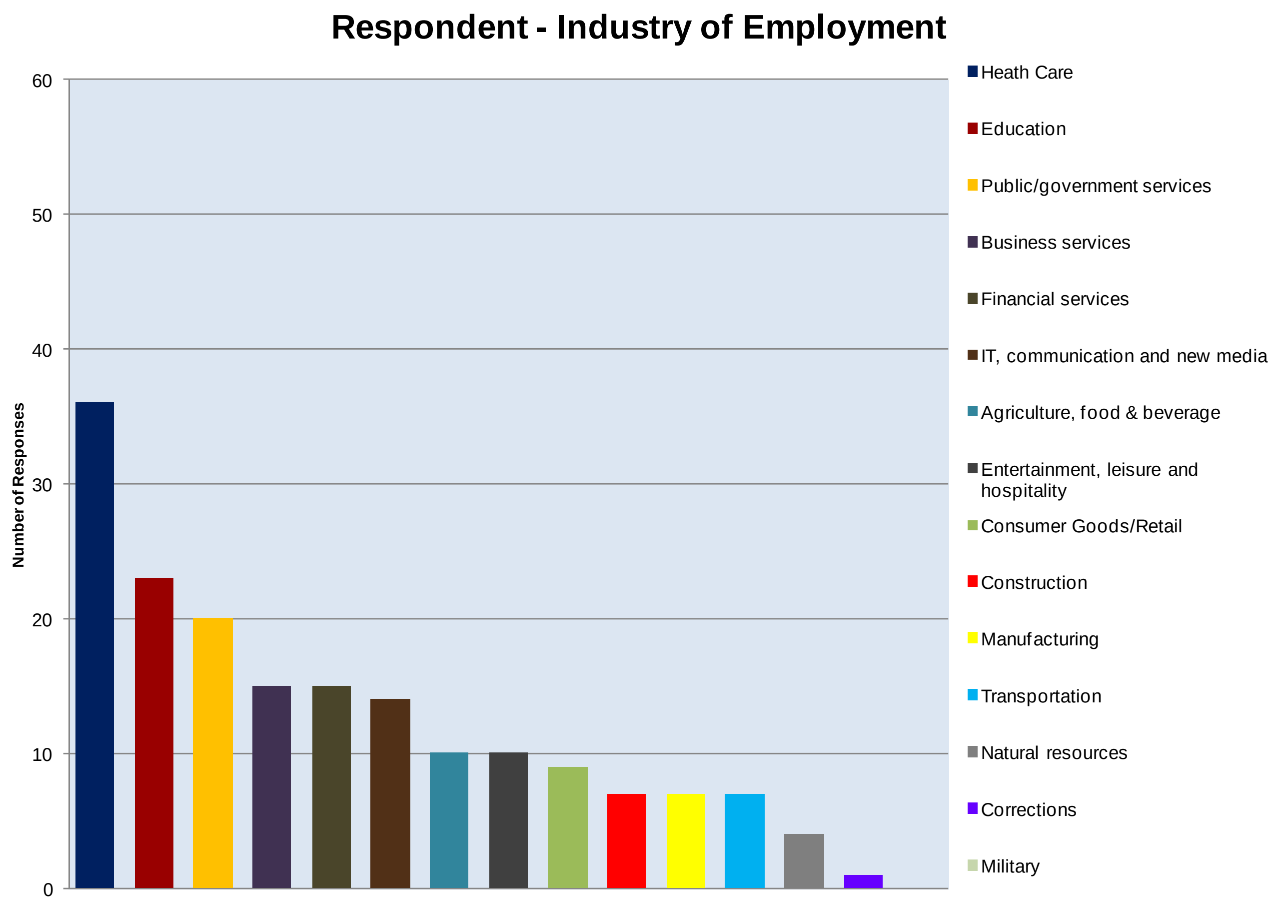


Source: HLT Advisory Online survey responses. N=137

APPENDIX C — ONLINE SURVEY RESULTS
SURVEY RESPONSE INDUSTRY OF EMPLOYMENT

Respondents employed in the Health care field accounted for the highest survey participation.

This sector was followed by Education, Public/government services, business and financial services sectors.



Source: HLT Advisory Online survey responses. N=101

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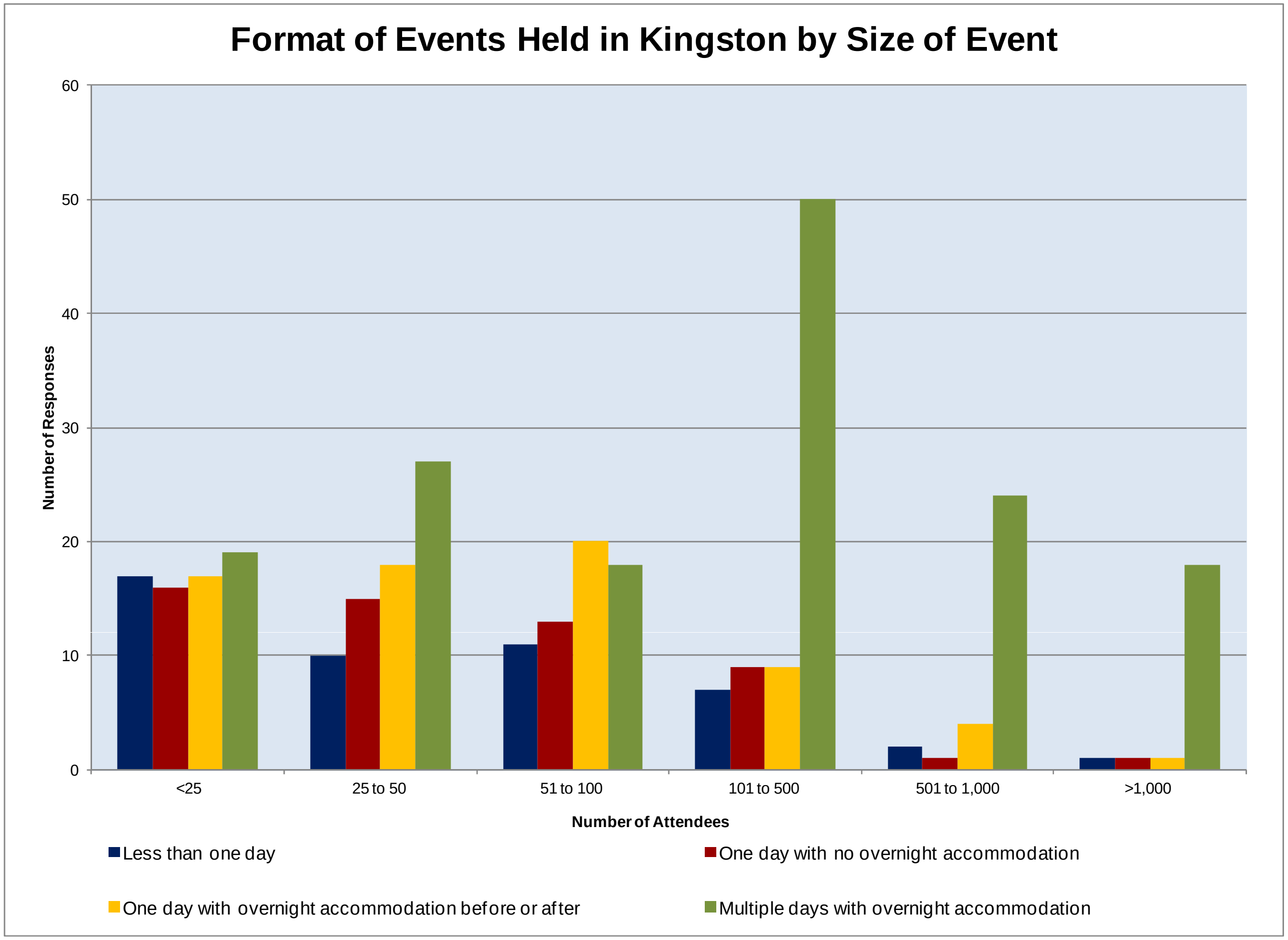
Appendix C — Online Survey Results
Type of Events

Multiple day events with overnight accommodation are a prevalent format for events in all size groupings (by far the most prevalent in the 100+ delegate size events).

Single day, partial day and one day with overnight accommodation are primarily concentrated in the 100 delegate or less sized events.



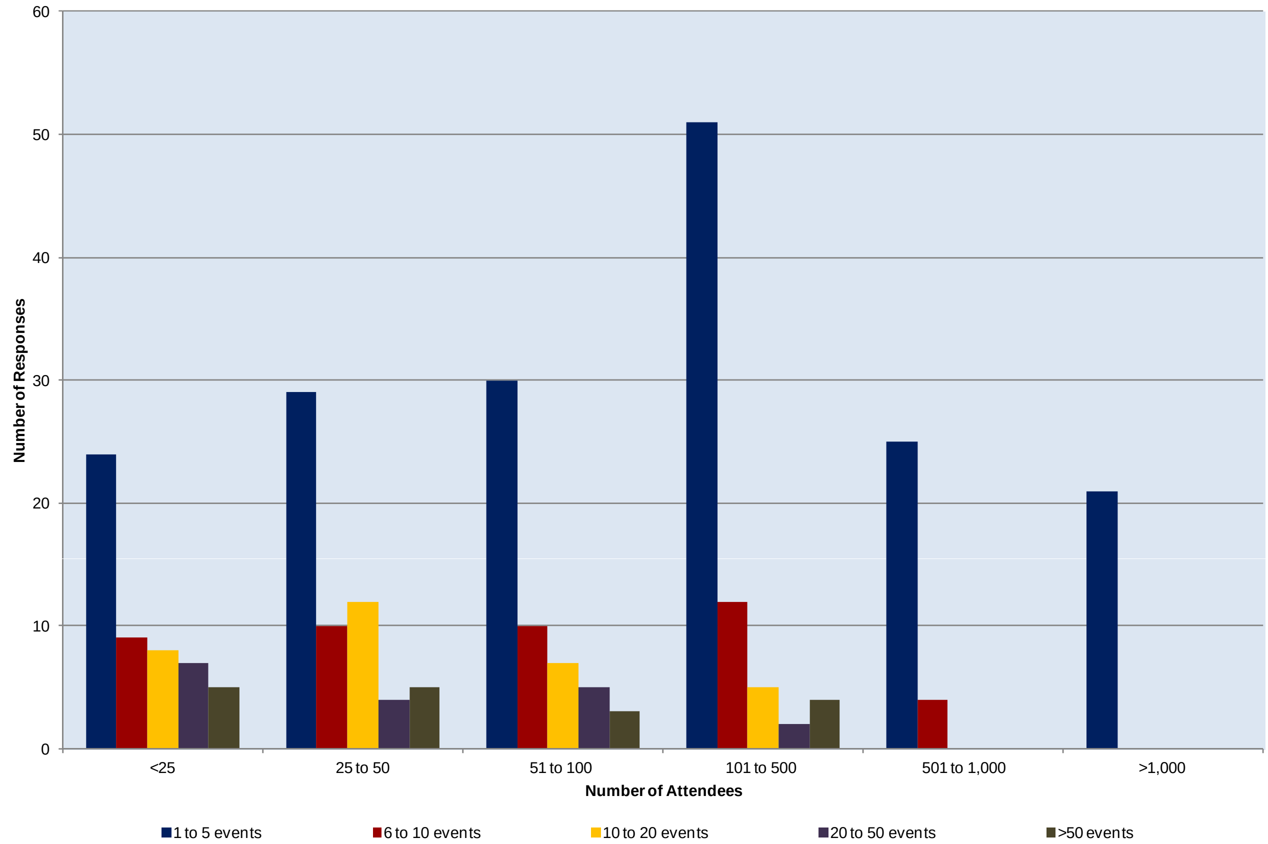
Source: HLT Advisory Online survey responses. N=118

Note: Respondents were instructed to "check all that apply. As such, the total number of responses exceeds the number of completed surveys.

APPENDIX C — ONLINE SURVEY RESULTS
EVENT ACTIVITY OF SURVEY RESPONDENTS

The distribution of meeting planners, based on event activity, suggests limited concentration of planning activity (i.e., many planners handling a small number of events). For the CSAE members this can be construed as the annual meeting (and perhaps one or two other regional or ad hoc meetings throughout the year).

Number of Meeting/Convention Events by Size of Event

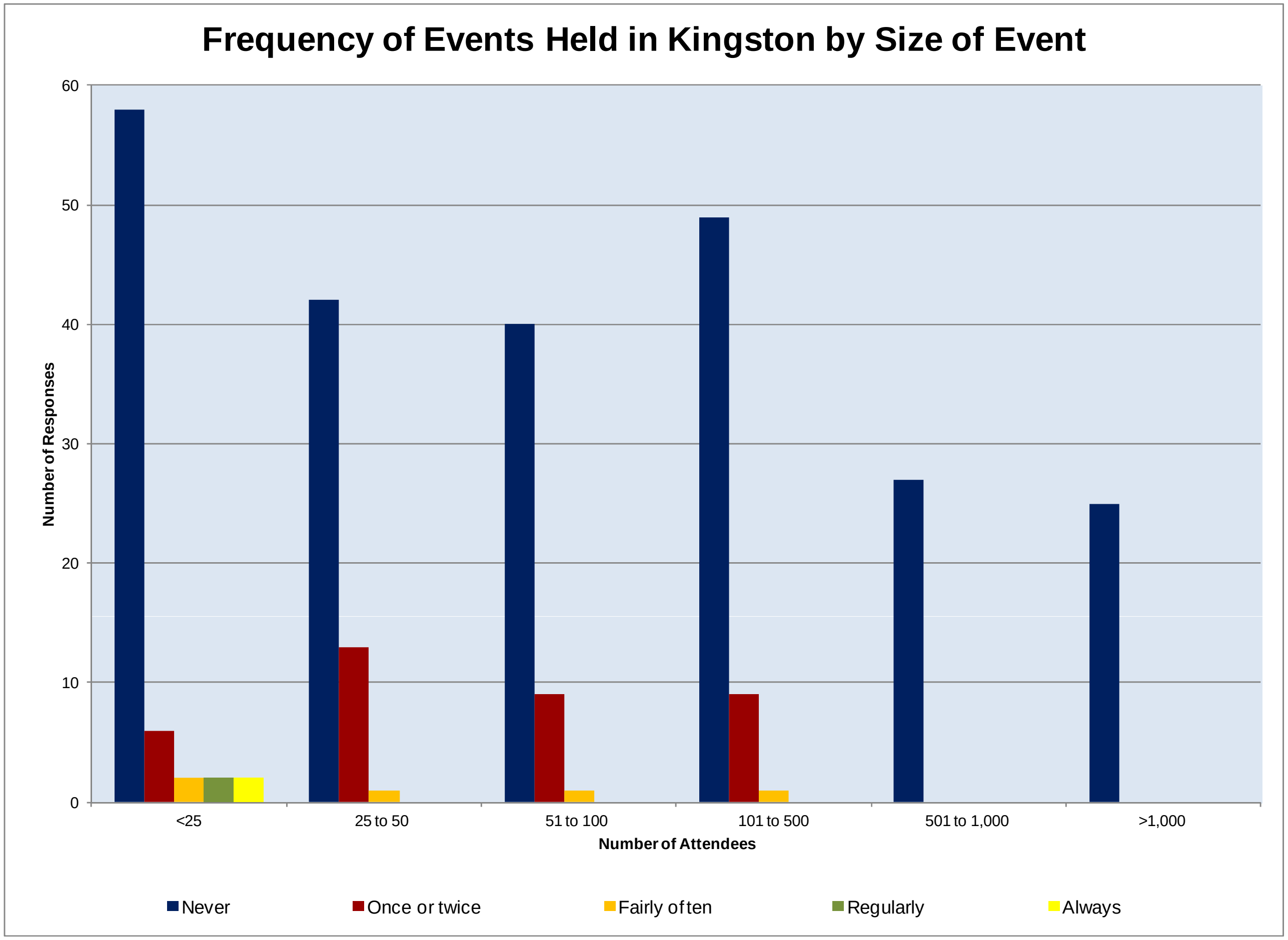


Source: HLT Online survey responses. N=119
Note: Respondents were instructed to "check all that apply. As such, the total number of responses exceeds the number of completed surveys.

APPENDIX C — ONLINE SURVEY RESULTS
FREQUENCY OF EVENTS HELD IN KINGSTON

The majority of meeting planner responses in each event size category indicated they had never held an event in Kingston.

Those that held events "once or twice" or "fairly often" had events with attendees ranging from <25 to 500.

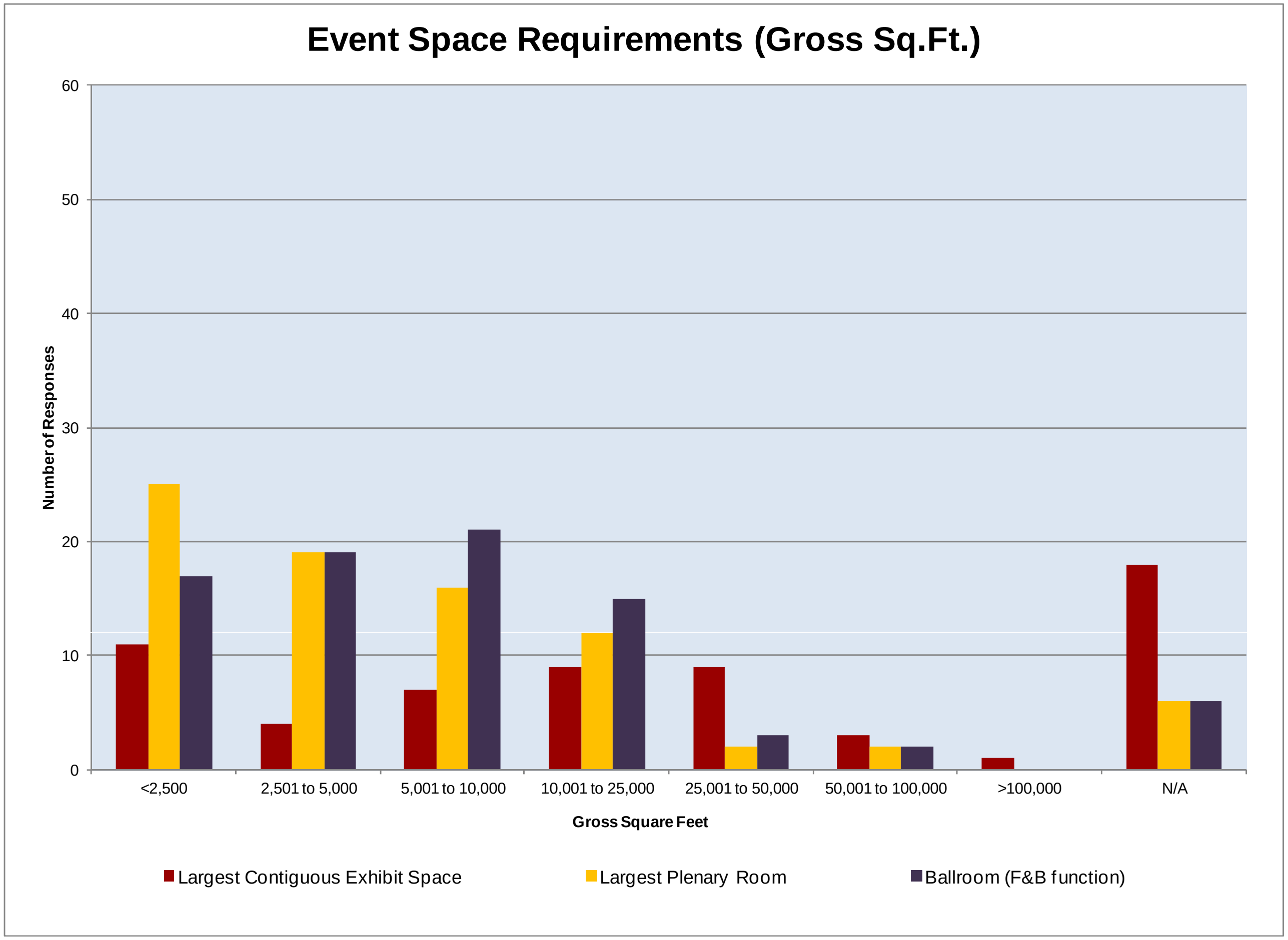


Source: HLT Advisory Online survey responses. N=112.
Note: Respondents were instructed to "check all that apply. As such, the total number of responses exceeds the number of completed surveys.

Appendix C — Online Survey Results
Event Space Requirements

Respondents were asked to provide their event space requirements for the largest event they planned for events with 1,000 attendees or less.

Ballroom and Plenary room space are heavily weighted to the 25,000 sq.ft. or less range (the highest number of responses for ballroom being in the 5,001 – 10,000 sq.ft. range and plenary in the <2,500 sq.ft. range).



Source: HLT Advisory Online survey responses. N=87.

Note: Respondents were instructed to "check all that apply. As such, the total number of responses exceeds the number of completed surveys.

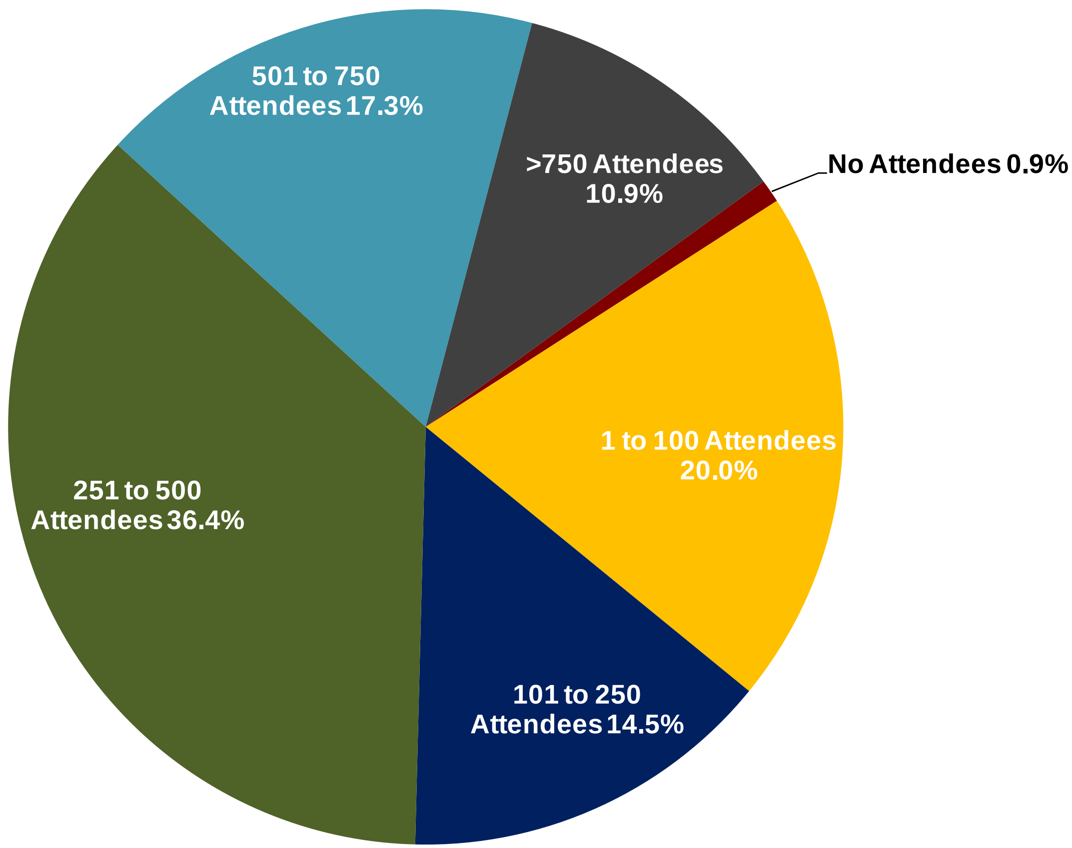
APPENDIX C — ONLINE SURVEY RESULTS
ATTENDEES FOR LARGEST F&B EVENT

Respondents were asked to provide their event space requirements for the largest food and beverage (F&B)event they planned for events with 1,000 attendees or less.

The majority of responses (36.4%) fell into the 251 to 500 delegate range. This was followed by events with 501 to 750 attendees (17.3%) and events with 101 to 250 attendees (14.5%).

Almost 70% of respondents had F&B requirements for less than 750 people.

Number of Attendees for Largest F&B Event

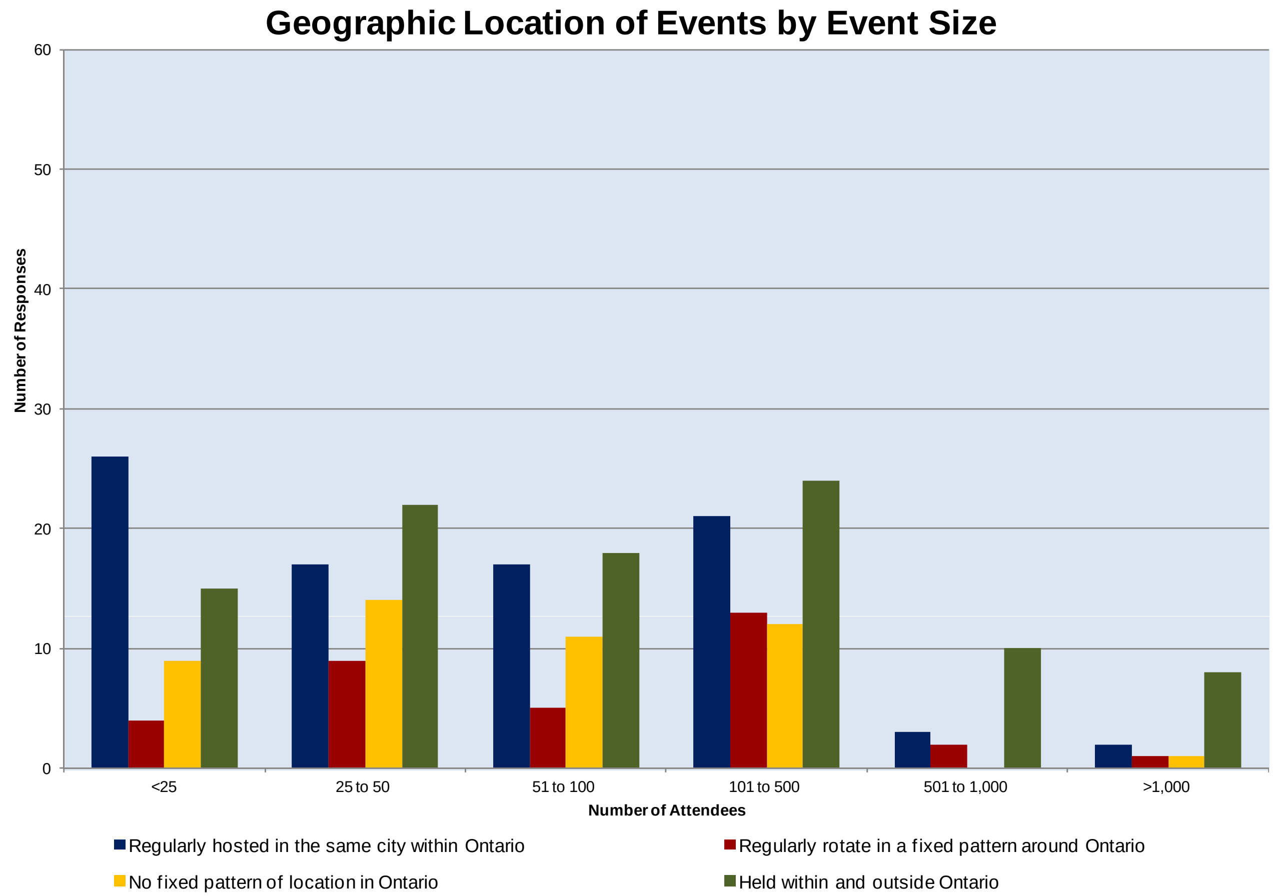


Source: HLT Advisory Online survey responses. N=110.

APPENDIX C — ONLINE SURVEY RESULTS
GEOGRAPHIC ROTATION

The survey also probed into the pattern of event rotation and whether this pattern is “fixed” or more ad hoc in nature.

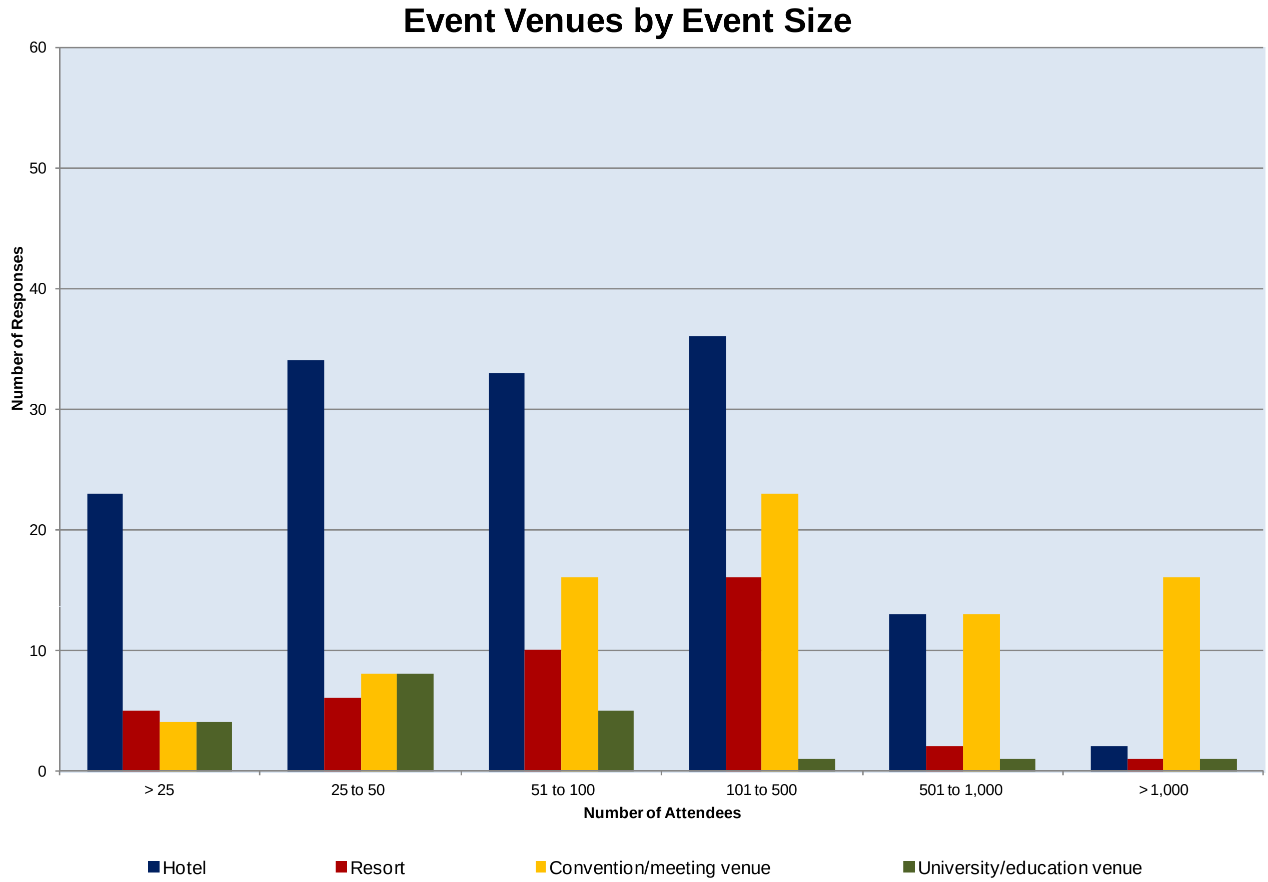
With the exception of a core group (anywhere from 30% to almost 45% for groups less than 500 attendees) that are routinely held in the same location, most events are ambulatory.



Source: HLT Online survey responses. N=117
Note: Respondents were instructed to “check all that apply. As such, the total number of responses exceeds the number of completed surveys.

APPENDIX C — ONLINE SURVEY RESULTS
VENUE PREFERENCES

The majority of Respondents indicated that events are held at hotel venues up to the 500 attendee level. Events larger than 500 attendees are more likely to be held at convention/meeting venues.



Source: HLT Online survey responses. N=117
Note: Respondents were instructed to "check all that apply. As such, the total number of responses exceeds the number of completed surveys.

HLT ADVISORY

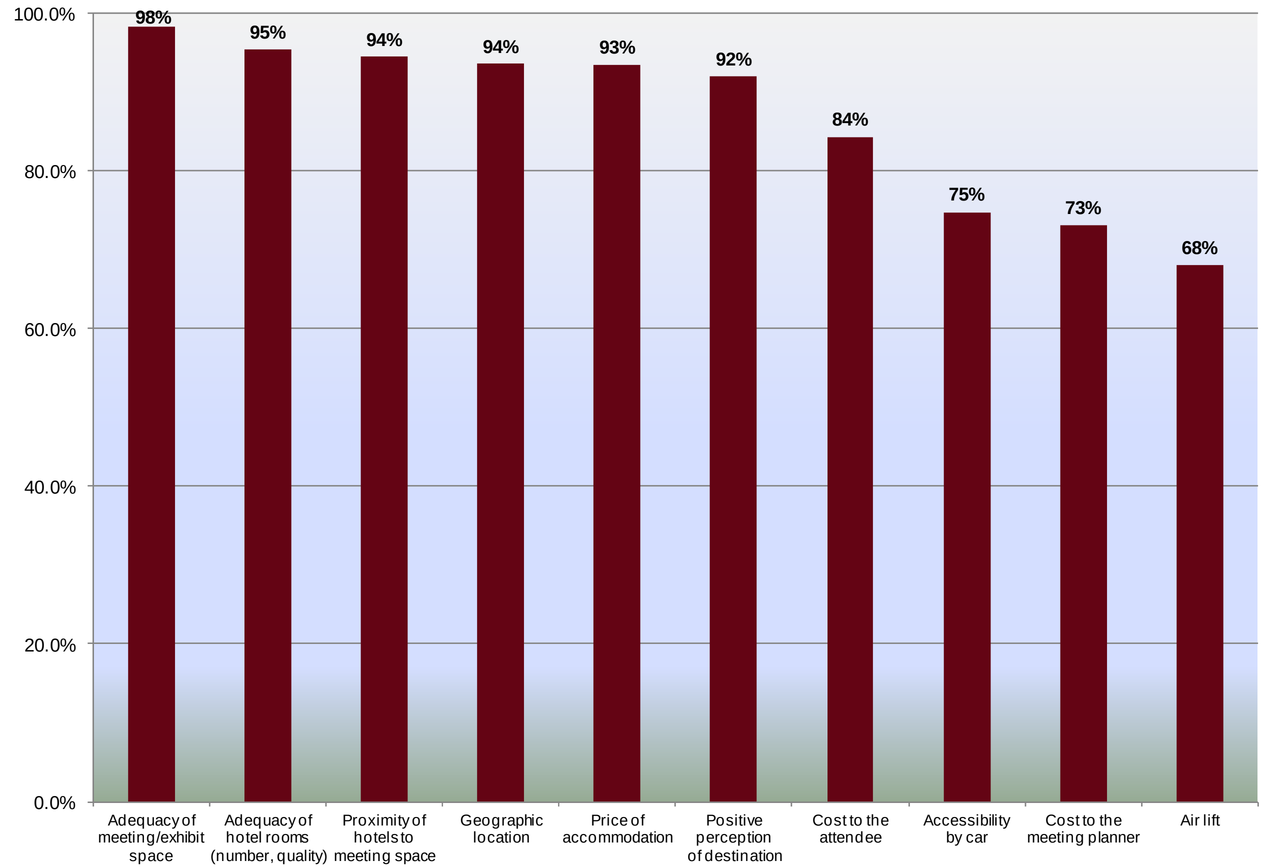
Appendix C — Online Survey Results
Core Factors in Destination Selection

Respondents were presented with a list of destination selection criteria (drawn from past North American meeting planning surveys) and were asked to rank the importance of the criteria on a 5-point scales ranging from very important to not important. The chart illustrates those criteria identified by 65% or more of the respondents as "very important" or "important". In fact, of the dozen criteria listed, only three factors were rated below 50% on the importance scale:

- Opportunity for pre-/post-event and partner/spousal programs (32%),
- Proximity to tourism and cultural amenities (34%)
- Proximity to recreational activities (39%)

Adequacy of meeting/exhibit and hotel rooms were the two most important factors in choosing a destination for an M&C event.

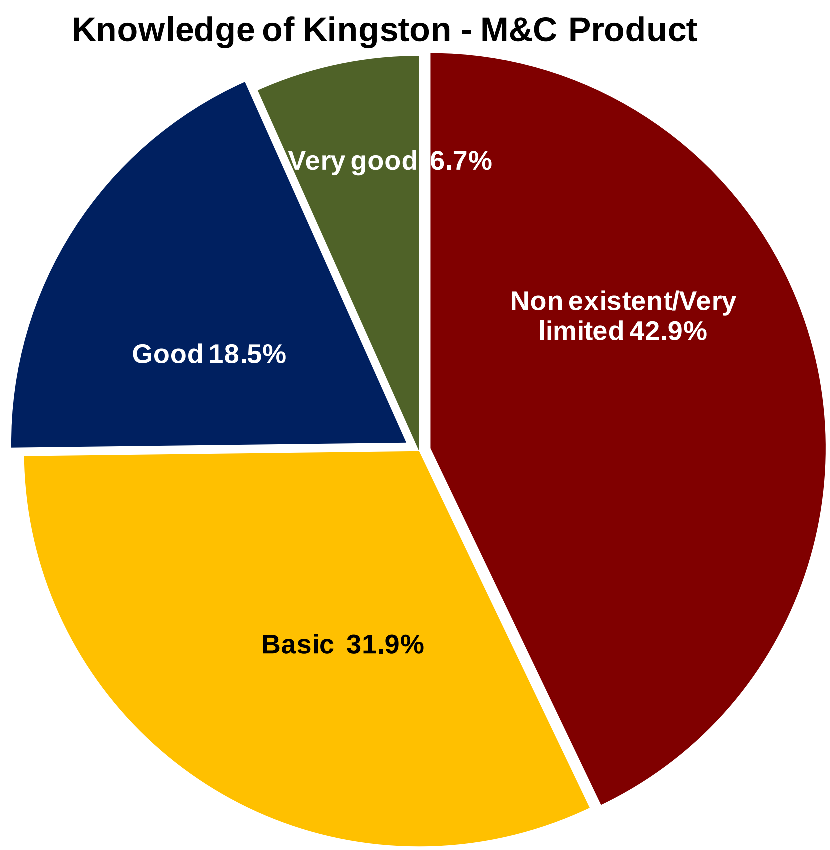
Top Criteria in Choosing an MC&IT Destination



Source: HLT Advisory Online survey

APPENDIX C — ONLINE SURVEY RESULTS
KINGSTON AWARENESS

Almost three quarters (74.8%) of respondents indicated they have either no awareness or basic awareness of M&C product in Kingston.



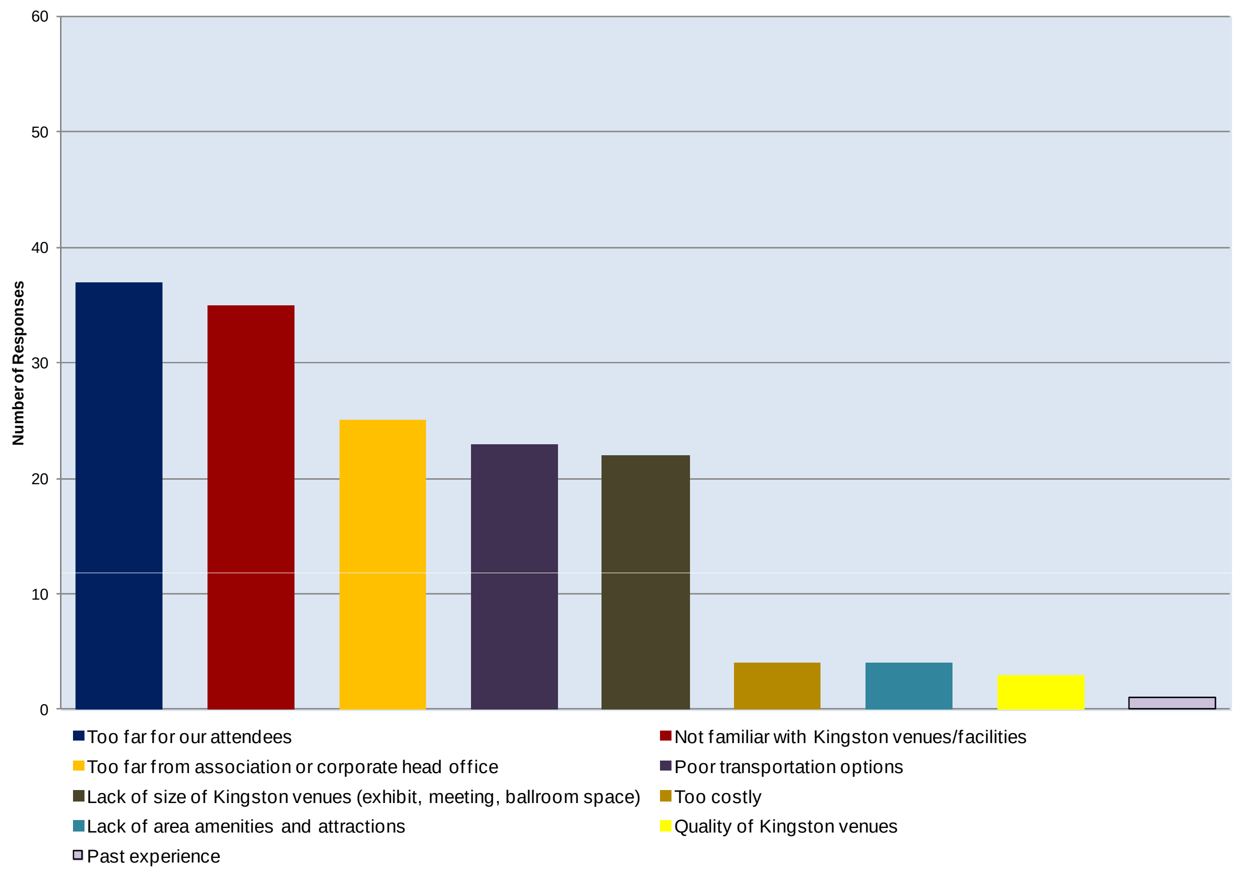
Source: HLT Online survey responses; N=119

APPENDIX C — ONLINE SURVEY RESULTS
REASONS FOR NOT HOSTING IN KINGSTON

The online survey asked those respondents that had never hosted an event in Kingston, why they had not.

Respondents were allowed to select multiple answers to this question with locational factors (e.g., "too far for our attendees" and "too far from association of corporate head office") accounting for two of the top three greatest deterrents. However, lack of familiarity with Kingston venues (stated by 35 or 38.9% of respondents) is also a significant finding.

Reasons for Not Holding an M&C Event in Kingston



Source: HLT Online survey responses. N=90
Note: Respondents were instructed to "check all that apply. As such, the total number of responses exceeds the number of completed surveys.