

◁ *Tourism* ▷  
**KINGSTON**

# *A BUSINESS CASE*

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*FOR A CONFERENCE CENTRE  
IN KINGSTON, ONTARIO*

Submitted to **Tourism Kingston** June 11, 2020  
From: **Twenty31 Consulting Inc.**

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— *Tourism* —  
**KINGSTON**



The findings reported herein are provided to Tourism Kingston and the City of Kingston. The insights and data found in this report are current as of the date of submission and subject to change given market forces and external variables. The report is meant to serve as a series of strategic recommendation not a primary research report.

June 11, 2020

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Kingston

# *PROJECT BACKGROUND*

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In 2013, the Kingston Economic Development Corporation (“KEDCO”) and the City of Kingston were considering alternative uses for a land parcel in Kingston’s downtown core known as “Block 4”, including the possibility of developing a mixed-use, hospitality-oriented project focused around a purpose-built conference centre. The City of Kingston and KEDCO completed an assessment of market potential and economic impact for a privately owned conference centre (or conference hotel) located on the Block 4 Site. The 2013 report concluded that there was modest demand for conference facilities and any conference centre operation would likely need to be supported via public sector subsidy. As a result, private sector investment was deemed unlikely without another component of a mixed-use project that would offset potential losses.

The City of Kingston’s 2015-2018 strategic plan included a priority for the development of a post-secondary downtown campus in partnership with St. Lawrence College. The downtown campus would become a St. Lawrence College Centre of Excellence that

# proj

offers a different and extended tourism, hospitality and culinary arts curriculum with a focus on experiential learning, in partnership with various private sector partners.

In 2019, as per the Council strategic priorities, it was determined that the Block 4 property could easily accommodate the St. Lawrence College Centre of Excellence in addition to a mixed-use development. A development height between 6 and 18 storeys was approved, subject to an urban design study, Heritage Impact Statement and all relevant planning approvals.

The City of Kingston and St. Lawrence College have engaged in discussions and negotiations to define an appropriate development and ownership model for the St. Lawrence College Centre of Excellence – including a potential land contribution or monetary contribution. While the model has not been confirmed, the City of Kingston expects to realize significant property tax revenues that are not currently being generated from the Block 4 property.

# *DOCUMENT PURPOSE*

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Tourism Kingston and the City of Kingston requested an update to the 2013 analysis and to determine the current demand for conference centre facilities in Kingston. This business case seeks to inform Tourism Kingston and the City of Kingston in decision making related to a possible conference centre located on the Block 4 property.

*The key objectives that have informed the development of this business case are:*

01

**Define the conference centre operating environment** using supply and demand data to articulate an evidence-based need.

02

**Assess the current situation in Kingston** to present a clear, factual and compelling picture of Kingston's travel and tourism industry and potential as a business and leisure events destination.

03

**Understand stakeholder perspectives and interest** in a new mixed-use conference centre for Kingston.

# case

# FORWARD

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The research and analysis that informed this study was conducted, in large part, in the midst of the current COVID-19 pandemic that is sweeping the globe. The pandemic has the potential to be the largest shock to the global and Canadian travel and tourism industry in modern times, if not an existential threat to it. Destinations around the world are faced with lockdown of their countries, cessation of international and domestic flights, closures of hotels, restaurants, attractions, natural sites and cancellation of conventions and events.

Longer term, it looks likely to radically change the way leisure consumers select destinations and their available discretionary funds for travel, while when it comes to business travel, conventions and events, virtual events and those making use of technology solutions will increasingly have prominence. Strategies and plans that destinations used to guide them through 2019 are unlikely to be valid in the coming economic crisis and market shift.

At the time of writing, the arc of the pandemic is still far from clear. National and provincial/state governments are almost solely focused on containing the virus and developing stop-gap initiatives to prevent their economies from collapse. Prospects

for the resumption of domestic and international flights seems some way off while the trajectory of COVID-19 cases and the possibility of subsequent waves of infection are still a real prospect. This uncertainty means that plausible recovery scenarios for tourism are hard to discern. Oxford Economics predicts that tourism is unlikely to return in earnest before 2022 at the earliest.

What seems likely, however, is that leisure and business tourism that takes place in the immediate aftermath of the peak of the COVID-19 pandemic is likely to be centred much more on domestic and/or regional customers. It is also likely that smaller-scale meetings and events will be the norm, as social distancing rules stay in effect. However, smaller urban centres, Kingston included, will be well positioned to capture returning demand for in-person meetings and events from local catchment areas as trust in major urban centres, which may be perceived as COVID-19 'hot zones', remains low.

As COVID-19 continues to evolve and impact Canadian society and business, Tourism Kingston will need to assess the situation and likely amend and refresh this study based on current information and data.

## *EXECUTIVE SUMMARY*

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### **Kingston has many of the assets to succeed in business events – but major infrastructure and technology investments are needed**

The City of Kingston has potent natural, historic and cultural assets and has long been popular with summer leisure travellers. In 2019, Kingston was ranked as one of Canada's Best Places to Invest. The assets that make it a desirable place to live and visit range from its historic core to its youthful and highly educated population, its strategic geographic location, the presence of specialized industry sectors, track record as a top city for sport hosting and the innovative 'Fresh Made Daily' place brand.

The last few years have seen strong growth in the business events market. Business events have been pursued through KEDCO since the '80s. The assets that make it so appealing for residents and tourists can also be leveraged when marketing the city to meeting and events planners, but Kingston's conference facilities do not offer enough square footage/

amenities under one roof that are required by large events (1000+ attendees). If Kingston wants to fully develop its potential in events hosting, significant and continuous investments will need to be made in technology and infrastructure.

### **Kingston can deliver on meeting planners' wish-list for unique, affordable, accessible and flexible destinations**

Kingston is now actively developing a strategy and pursuing a purpose-built conference facility in the heart of the downtown area, within easy reach of the city's other assets. The new facility would directly support and complement a number of the City of Kingston's key strategic priorities as well as the City of Kingston's partnership with St. Lawrence College and its Integrated Destination Strategy.

Undoubtedly, Kingston is very well placed to make a success of this strategy. Recent research with meeting planners highlights the critical elements that they are looking for in destinations – uniqueness, affordability, accessibility, upscale features, sustainability and on-site accommodation. Key city stakeholders echo this, and highlight other attributes they believe a new conference centre would need, including a variety of flexible spaces to host small as well as large events, and on-site parking. Kingston has the ability to deliver all of these on the proposed site in a way that would also enhance the sense of place for residents and spur the development of the neighbourhood.

**The local and provincial market is likely to be the key target market**

Naturally, Kingston is not the only city looking to develop its offering in business events. A number of other Canadian cities are looking at moving ahead with their own venues – several within Ontario itself. The stiff competition that Kingston will face, together with limited air access to Kingston, means that the most promising market for Kingston to target with the new facility will likely be local and provincial business from the corporate and associations market, as well as major sports, entertainment and social events if the prestige and longer-term benefits of these is judged to outweigh the costs to the host city.





# RECOMMENDATIONS

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01

## **There is a clear rationale for Kingston to have a dedicated conference centre.**

While the business events, corporate travel and leisure events industry has been deeply affected by the COVID-19 pandemic, mostly around restrictions on gatherings and travel, there is a clear body of evidence emerging to suggest corporate meetings, business events and leisure events will return in the next 12 to 24 months, albeit with demonstrated changes including around health and safety processes and with smaller audiences. Virtual working and meetings have been proven to work for a number of industries and corporations and are likely to continue. However, personal contact and connections maintain their appeal, as do the ability to collaborate and network in-person. Kingston's geographic location between Toronto, Ottawa and Montreal and smaller size will appeal to corporations and event organizers. A dedicated conference centre will allow Kingston to effectively promote and market the city as a location for business meetings and leisure and corporate events.

02

## **Kingston has the opportunity to be Canada's first city with a purpose-built conference centre in a post-COVID-19 environment.**

Conference facilities throughout Canada and the world are now faced with trying to retool their physical spaces and offerings to take into account the importance of health and safety processes and standards and physical distancing requirements. Any proposed conference centre for Kingston could include clear health, safety and physical distancing design elements at the planning stage right through to the marketing and promotion of the facility. This would provide Kingston with a clear competitive advantage in being able to identify and secure business.

### **a. Technology integration within conference centres**

#### **will be an increasingly important part of the logistics, management and connection processes.**

Partly as a result of the lockdowns and travel restrictions imposed due to the COVID-19 pandemic, many companies have launched easy to use and low-cost virtual meeting and conferencing solutions. The costs and complexity of online and offline technology have substantially decreased both for conference centre operators, as well as consumer audiences. Any dedicated conference centre must have a fully integrated technology offering throughout the value chain to support logistics, management and audience connections and participation.

03

**The proposed dedicated conference centre for Kingston should be designed as an iconic attraction.**

There is a large body of evidence indicating that purpose-built and unique, designed buildings help define a destination's brand and positively contribute to the sense of space. Calgary and Ottawa's recently built libraries and Vancouver's convention centre are clear examples of how unique and inspiring designed buildings can elevate the brand positioning, community vibe and visitor experience of the destination. In turn, a unique and inspiring design will directly support marketing and promotion of the facility and drive business and leisure tourism revenues for the city.

04

**The proposed dedicated conference centre for Kingston should be designed as a multi-function facility with multiple purposes.**

To maximize functionality and usage of the dedicated conference centre the design should provide for:

// Large (250+ participants), medium (50 to 250 participants) and small (under 49 participants) corporate meetings and leisure and business events with options for myriad configurations and set up.

// St. Lawrence College downtown Kingston campus including a dedicated hospitality and culinary school providing training and skills-transfer opportunities

// Retail

// Residential and paid accommodation (hotel)

// Parking

**a. A multi-function facility will also have the benefit of including multiple risk-sharing partners engaged in the development and management of the facility.** Shared interest and engagement in development and management of the facility will disperse risk and create a culture of shared ownership in the success growth of the facility.

attraction

# *THE STRATEGIC OPPORTUNITY*

**Kingston's economic growth  
& local economy**

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**Leveraging Kingston's  
brand attributes**

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**Kingston's strategic  
direction**

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**Conference centre trends &  
Kingston's forward opportunity**

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**The importance of  
the destination**

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*The City of Kingston has long been considered as a leisure tourism destination given its natural, historic and cultural assets.*

# Kingston

# ston

Popular with leisure travellers in the summer high season and fall shoulder season, Kingston has not been on the radar, in any significant way, as a conference and major events destination. The absence of a purpose-built conference venue has certainly played a role in this, but then so has Tourism Kingston's absence in this market segment. Only recently has Tourism Kingston invested in a Meetings and Conference Specialist to pursue the business events market. Nevertheless, the city does have many of the attributes necessary to appeal to this business events segment; a robustly sized hotel inventory, year-round activities, an upgraded food and beverage offer, local suppliers (AV, catering, event planners), attractions, community vibe and appeal, and willing citizens who will volunteer in the management of major events.

Elaborating a strategy and pursuing a purpose-built conference facility will enable Kingston to grow its visitation volumes throughout the year and help balance out tourism in the shoulder and low season. In turn, this will help create year-round employment for normally more seasonal employees, generate greater tax revenues and in general bring greater economic benefits to the city and its tourism stakeholders.

# Local

## KINGSTON'S ECONOMIC GROWTH & LOCAL ECONOMY

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*Kingston is the second largest city in Eastern Ontario after Ottawa.*

It has an estimated population of over 136,000 and a broader Census Metropolitan Area population of over 178,000. A number of factors indicate strong future potential for business event activities, and a high likelihood that a new conference centre will help build capacity and Kingston's destination competitiveness. There are a number of recent trends and indicators that highlight and contribute to Kingston's potential and thriving visitor economy. They include:

**// Demographics:** The population of Kingston has a highly skilled and educated population with above-average incomes. Over 30,000 students attending the higher education institutions in Kingston each year add vibrancy and a youthful vibe. These factors positively impact entertainment and tourism spending.

**// Diverse Economy:** Kingston's unique combination of strategic geographic location, state-of-the-art infrastructure, diverse workforce, and concentration of research and development capabilities make it a thriving economic centre for Eastern Ontario. There are global corporations, innovative start-ups and all levels of government that add diversity to Kingston's economic base.

- // **Specialized Sectors:** The City of Kingston is home to vibrant economic sectors including green and alternative energy and film production.
- // **Sport Hosting:** Known as Canada's top ranked sport hosting city among centres with populations of 150,000–500,000, and 7th overall amongst 122 Canadian cities, Kingston attracts many small and medium sport events annually. Kingston recently successfully hosted a national curling championship, the 2020 Tim Hortons Brier, which brought 8,900 out of town visitors and supported over \$8.2 million of economic activity to the area. A new conference centre will position Kingston to continue hosting large national and internationally-recognized events.
- // **Visitor Demand:** In 2019, an estimated 3 million day visitors and 1.7 million overnight visitors spent a total of \$533 million in Kingston.
- // **Brand Position:** Kingston's "Fresh Made Daily" brand launched in 2016 with three supporting pillars – Culturally Vibrant, Authentically Hip and Constantly Evolving. The brand influences all touch points across paid, earned and owned media channels and is largely fuelled by a comprehensive content marketing program that adds voice and credibility to the Kingston experience. Since launch the brand has been recognized regionally, nationally and internationally as a progressive, effective place brand.

Sources:

<https://www.cityofkingston.ca/documents/10180/30029/City+of+Kingston+Strategic+Plan+2019-2022.pdf/0b717fa6-5a06-44e4-a67b-3ec1453ebe1b>

<http://canadiansporttourism.com/news/montreal-tops-canadian-sport-hosting-index-again-2020.html>

2020 Tim Horton's Brier Economic Impact Assessment Final Report

Tourism Kingston's Visitors Arrivals & Spending Estimates Report



# LEVERAGING KINGSTON'S BRAND ATTRIBUTES

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Marketing for business events does not exist in a vacuum and should align with and leverage Kingston's identified brand pillars – the attributes of the place that make it desirable to visit are the same attributes that make it a desirable place to host and attend meetings, conferences and events.

authentically  
**hip**

- // Historic, walkable downtown features one-of-a-kind cafés, shops and restaurants
- // It's bespoke, not big box
- // Hidden alleyways and stone-walled pubs
- // Cool locals

culturally  
**vibrant**

- // Pre- and post-meeting social/ team activities and events:
  - live music nightly in multiple venues
  - performing arts, galleries and studio tours
  - sophisticated food and wine scene

constantly  
**evolving**

- // Youthful energy
- // Creativity is celebrated
- // Not an old fashioned place

# KINGSTON'S STRATEGIC DIRECTION

priority  
one

The City of Kingston and Kingston Economic Development Corporation play a vital role in capital development, attracting investment within the tourism industry and nurturing cultural experiences and events. The City's most recent strategic plan, covering 2019– 2022, highlights several priorities that a multi-purpose conference facility could directly support:

## // Increase Housing Affordability

The City of Kingston will aim to increase the vacancy rate to 3% by 2022. Council will work with local developers, not-for-profit housing organizations, tenants, homeowners, and post-secondary education institutions to encourage more residential development and affordable housing across the city.

## // Strengthen Economic Development Opportunities

The City of Kingston is committed to creating a high quality of life for residents by fostering opportunities that support social development, create jobs and build prosperity. With a focus on innovation, Kingston will engage young people, entrepreneurs, innovators, artists and creative citizens in facilitating economic growth.

Further supporting this direction, in 2017 Council approved a Memorandum of Understanding (MOU) between the City of Kingston and St. Lawrence College to strengthen the relationship and advance collaboration efforts to realize shared objectives that support the economic growth and prosperity of the Kingston community. In July 2019, Council then directed staff to initiate discussions and negotiations with St. Lawrence College on the potential establishment of the downtown tourism, hospitality and culinary Centre of Excellence through the redevelopment of Block 4.

Tourism Kingston's Integrated Destination Strategy (IDS), which launched in 2019, indicated that the St. Lawrence College's downtown Centre of Excellence could serve to position Kingston as a regional centre of excellence in hospitality and culinary tourism by training professionals, who in turn could work within Kingston's industry. The IDS also recommended that Tourism Kingston build out Kingston's potential as a small-medium sized business event destination due to its competitive potential.

priority  
two



# trends

## *CONFERENCE CENTRE TRENDS & KINGSTON'S FORWARD OPPORTUNITY*

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Kingston's success in business events is largely based on economic conditions. However, the level of activity to attract new business and the quality of the offering will determine the depth of impact on Kingston and whether or not meeting planners see Kingston as a top destination. Through the 2020 Tim Hortons Brier, Kingston experienced the positive benefits of hosting a large national event, as visitors alone supported \$8.2 million of economic activity in the area. It is believed that as Kingston's expertise and reputation grows, more space will be needed to make a clear and sustainable impact on occupancy, the local business community and job creation.

Internationally, there is a strong growth trend in the business events market. Expenditures on corporate and incentive programs held in Canada generate over one million travellers and over \$1 billion in tourism spending annually. Destination Canada promotes Canada's diverse destinations, state-of-the-art meeting facilities, high service levels and distinctive product experiences in five markets, positioning Canada as an attractive place for international meetings and incentive trips. At current state, Kingston's facilities are limited by size, functionality and often availability due to their multi-purpose functions. Kingston will only be able to access a limited benefit from Destination Canada's investment and eventual business traveller spending.

Developing Kingston as a top events destination in Ontario, nationally and globally means that continuous investments need to be made in technology and infrastructure. A brand new conference centre can have sophisticated features that add value for meeting planners and significantly enhance the event experience. Even with new convention centre developments across Ontario, a purpose-built and technologically superior offering can help Kingston gain market share, especially in the wake of COVID-19.

Source:

<https://www.destinationcanada.com/sites/default/files/archive/686-2018-2022-corporate-plan-summary/2018-corporate-plan-summary-e-february-5-2018.pdf>

# destination

## *THE IMPORTANCE OF THE DESTINATION*

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Based on recent interviews with meeting planners (3rd party and association) conducted by FLOOR13, as well as trend research within the business events industry, the following input has been garnered:

// Planners are looking for bucket list destinations and/or venues to host their meetings. Delegate attendance is heavily reliant on the appeal of the destination and the availability of unique experiences. Destinations entering this market tend to be considered as alternatives if the right infrastructure and service levels are in place.

// Planners are looking for alternative destinations to the major cities that have capacity and higher pricing issues.

// Accessibility must be easy by plane, rail or car. Location, location, location.

// More than just a new meeting facility would need to be marketed for a planner to consider cities such as Kingston. Hotel availability and off-site activities need to be offered (entertainment, restaurants, leisure activities, etc.).

// Upscale features matching those found in city and resort destinations (walkability, activities, F&B, décor, AV and technology) are essential.

// Sustainability issues are now mainstream items that planners need to incorporate within their programs and destination selection. Destinations must be mindful of developing programs which appeal to this demand from both planners and delegates. New builds should strive to achieve an appropriate level of LEED certification or similar accreditation.

// The meeting facility would need to have a hotel connected to it, or located adjacent, to be considered as a viable business events destination. This is a deal breaker for almost all meeting planners.

# *THE SITE*

**The potential  
development site**

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**Leveraging surrounding  
assets**

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**Improving the existing  
context**

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# THE POTENTIAL DEVELOPMENT SITE

The proposed conference centre facility would be developed on a land parcel in the downtown core known as "Block 4". Block 4 is located adjacent to the City-owned Leon's 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 site was selected as the preferred location based on availability, suitability and potential ownership options.

According to previous studies, the site can accommodate a large facility with a maximum square footage of approximately 429,000ft<sup>2</sup>. A development height of between 6 and 18 storeys was approved, subject to an urban design study, Heritage Impact Statement and all relevant planning approvals.



# LEVERAGING SURROUNDING ASSETS

The majority of Kingston's tourism assets such as hotels, restaurants, cruise operators, live music venues are within a 10-minute walk from the Block 4 site.

// Highlighting the waterfront proximity and incorporating views of it into the design of meeting and banquet rooms would certainly add to the appeal of the venue.

// Proximity to Queen's University facilities can certainly be a selling point in attracting national and international scientific conferences, for use in pre- and post-satellite meetings and site visits.

// Proximity to Leon's Centre as a potential satellite venue for larger multi-venue events (headquarters venues for organizing committees, press, food and beverage venue, storage, extra event space, etc.) should be leveraged.

- 1 City Hall
- 2 1000 Islands Cruises
- 3 Leon's Centre
- 4 Fort Henry
- 5 Frontenac Club
- 6 Residence Inn by Marriott Kingston Waterfront
- 7 Delta Hotel Kingston Waterfront
- 8 Four Points by Sheraton Kingston
- 9 Confederation Place Hotel
- 10 Holiday Inn Kingston Waterfront
- 11 Black Dog Tavern
- 12 Atomica
- 13 AquaTerra
- 14 Dianne's Fish Shack & Smokehouse
- 15 The Public House
- 16 Red House
- 17 Jack Astor's
- 18 Tir Nan Og
- 19 Pilot House
- 20 Iron Duke on Wellington
- 21 Blu Martini
- 22 Olivea
- 23 Chez Piggy
- 24 Tango Nuevo
- 25 Casa Domenico
- 26 Milestones
- 27 Wooden Heads
- 28 Kingston Brewing Company
- 29 The Keg



# *IMPROVING THE EXISTING CONTEXT*

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The development of Block 4 offers an opportunity to revitalize a prime location within downtown Kingston and enhance the sense of place for residents. There are several opportunities and benefits to which the conference centre would contribute:

**// Activate and leverage the waterfront:** There is an opportunity to integrate Kingston's stunning waterfront views into the design of the conference centre. Further, ease of access to the water is attractive would provide delegates and meeting planners with unique off-site activities and areas for exploration.

**// Spur the development of the neighbourhood:** By maximizing the use of this underutilized space in a prime location of downtown Kingston the conference centre can serve as an anchor for development in the area.

# grow

**// Establishment of a high-quality multi-purpose facility:**

Development of the site could include a range of mixed uses, such as residential housing, film production space, a hotel, St. Lawrence College's downtown campus and retail uses.

**// Stronger sense of place for Kingston residents:** There will be more opportunity for people to move between the space and the many restaurants, shops, live music venues and amenities around Kingston – creating jobs and spin-off benefits for local businesses. The conference centre would also be a new and vibrant space for the community to come together.

**// Strengthen connectivity between existing assets:** Located opposite the Leon's Centre, the new conference centre will offer greater flexibility for the delivery of small and large events, as well as unique partnership opportunities between other existing venues in Kingston.

# *SUPPLY AND DEMAND ANALYSIS*

**Industry-wide conference facility  
supply and demand trends** →

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**The competitive  
landscape** →

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**Scenarios in the post-  
COVID-19 environment** →

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# future

## *Cities looking to build conference and or multi-purpose venues is not a new idea.*

Several Canadian cities are presently considering moving ahead with their own venues, either city-owned or in joint partnership development (Barrie, Kitchener, Gatineau, Kamloops), while others are examining the expansion of their existing facilities (Victoria, Calgary, Toronto, Montreal). Ensuring that these centres can be filled should be at the heart of any future strategy. There is no definitive study or research in Canada that identifies the true volume of business events. Nevertheless, Destination Canada, The Convention Centres of Canada and Meetings Mean Business Canada, as well as many of the major hotel chains have all reported increases in business events volumes over the last decade.

Destination Canada, through its Business Events Canada division, has in the last five years pursued an aggressive sales and marketing strategy to attract more and more sector-specific international and US conventions, meetings and incentive events. In 2019, Destination Canada reported – based on their National Pace Report Program, with 17 DMO's reporting – that over 1.3 million delegates had met in Canada over the course of the year, with approximately 36% of those for the international and US markets.

As Canada looks to continue to grow its business events market post-COVID-19, and the country is seen as a safe and secure place to meet, cities that have the right infrastructure and a targeted strategy will stand to gain from this economic sector.



# INDUSTRY-WIDE CONFERENCE FACILITY

## SUPPLY & DEMAND TRENDS

Cities across Canada are actively pursuing the business events market, as its benefits for destinations are many. On average, business events delegates spend almost twice as much as leisure travellers in-market. The Tourism Industry Association of Canada estimated that the business events sector generated \$33.1 billion in direct spending in 2017. Business events interact with a broader set of suppliers and partners within a destination, thereby helping grow tourism-related business in the region. In addition, Destination Canada reports that 57% of business events delegates will add one to two days on their trip for personal leisure travel.

Convention Centres of Canada is an association of 22 convention and conference centres across Canada. The Convention Centres of Canada reports that its members have on average collectively hosted 8,000 meetings, conventions, exhibits and social events per year. Of these, 51% are meetings,

8% are conventions, 5% are exhibits and trade shows and 36% are social and banquet events. The following chart breaks down the average events per venue. One must keep in mind that the four Tier 1 centres (Montreal, Ottawa, Toronto, Vancouver) contribute to this average and host far more events per year than the remaining members of the association.

## CONVENTION CENTRES OF CANADA AVERAGE EVENTS BREAKDOWN

Hotel	All events	Average per venue
Conventions	640	29
Meetings	4,080	185
Exhibits	400	18
Social/Banquet Events	2,880	131
Total	8,000	364

Source: FLOOR13 based on publicly available Convention Centres of Canada data

# THE COMPETITIVE LANDSCAPE

IN EASTERN & CENTRAL ONTARIO

## KINGSTON CONFERENCE CENTRE COMPETITIVE SET

	Village CC Blue Mountain	Liberty North Barrie	Nav Centre Cornwall	Shaw Centre Ottawa	RBC Place London	Donald Gordon Kingston	Bingemens CC Kitchener	AVG
Overall sq ft	52,630	7,610	67,257	192,000	70,000	8,808	40,000	62,615
Ballroom sq ft	23,324	3,600	8,988	19,027	33,000	N/A	18,000	15,134
Ballroom # sections	4	3	1	1	4	3	5	3
Max banquet pax	1,584	300	500	5,000	2,060	120	1,900	1,638
Max meeting pax (theatre)	1,650	400	500	6,000	3,450	120	3,200	2,189
Total # breakouts	17	4	55	15	15	15	7	18
Total breakouts sq ft	29,306	3,220	58,269	47,960	15,126	6,511	13,800	24,885
Largest breakout sq ft	8,524	2,200	4,413	1,140	4,872	2,145	7,200	4,356
Ceiling height	32	15	17.5	24	20	12	14	19
Max exhibit space sq ft	23,324	3,600	8,988	75,000	33,000	N/A	18,000	23,130
Total # of 10x10	100	N/A	N/A	300	192	N/A	80	96
Pre-function sq ft	2,800	1,000	5,765	22,000	7,695	1,500		5,823
Food outlets on site (Y/N)	N	N	Y	N	N	Y	N	
Business Centre (Y/N)	Y	Y	Y	Y	Y	N	Y	
Number of loading docks	1	1	1	4	4	N/A	1	2
Parking spaces	Ample	Ample	Ample	1,500	382	Ample	Ample	

The previous table illustrates the competitive landscape in terms of venues in cities of either similar size, or cities located close to large business event feeder markets. Based on this competitive set of facilities and potential business demand, an ideal breakdown of space for a state-of-the-art conference centre would be as illustrated below:

Creating a conference centre in Kingston that is part of a larger multi-purpose building (e.g., St. Lawrence College, hotel, retail, housing) will ensure year-round viability and services beyond just the traditional and more seasonal meetings and conference activities.

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**40,000 SQ. FT.**

total public space

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**18,000 SQ. FT**

multi-purpose room (ballroom),  
divided into 3 sections

---

**20 FT**

ceiling clearance

---

**300 +**

parking spaces

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**AMPLE**

pre-function space  
(~5,000 sq. ft)

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**3 TO 5**

breakout rooms of varying sizes  
with divisible air wall options

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**INNOVATIVE SPACE**

with natural light and views of the waterfront, with possible roof top reception space

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**SUSTAINABILITY**

in terms of energy efficiency and operations

# ***SCENARIOS IN THE POST-COVID-19 ENVIRONMENT***

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The post-COVID-19 era may provide Kingston with opportunity within this market segment. As society adjusts to a 'new normal', meetings and conventions will likely lag behind other business and tourism related segments of the economy. First to return will be regional business and leisure travel, followed by inter-provincial and national business and leisure travel. International travel will be determined by global restrictions and sanitary controls as well as Canada's own rules around accessible inbound travellers. Unfortunately, meetings and conventions will be the last to see a return to normal levels (12–24 months) depending on the size of the events and mind-set of the delegates attending. Until a COVID-19 vaccine and/or medication is made readily available, social distancing rules and group gathering restrictions will deter a full return to normal conference patterns.

# *KINGSTON MARKET OVERVIEW*

**Conference centre business  
and segments** →

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**Existing conference and  
meeting facilities** →

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**Impact on existing hotels  
& conference facilities** →

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**Access factors** →

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**Marketing factors** →

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**Key conference and event  
players and stakeholders** →

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# e events

*“If you build it they will come”  
only works in the movies.*

As Kingston commits to enter the business and major events market with a new facility and subsequent dedicated strategy, it stands to face stiff competition. As highlighted previously, the Canadian marketplace has and will continue to have a multitude of options for these types of events. Planners within this segment are well aware of the possible hurdles they face when evaluating a destination. Kingston, nevertheless, has an opportunity to be very targeted in its approach and ensure that it pursues the right type of business.

Local and provincial business from both the corporate and associations markets should be the primary Kingston target audience. Certain national associations may also have potential but only if there is a heavy membership proportion in Ontario and Quebec.

Major events (sports, entertainment, social) may also be a lucrative avenue to pursue. These events however, happen less frequently and do require a financial commitment and guarantees from the host city. It will be imperative for Kingston to assess the true cost benefit of some of these events as well as their longer term benefits for the reputation of the destination as a host city.

Tourism Kingston will also have to consider how it sells this new venue, taking into account its other existing facilities that may in some cases be competing for the same business.

*KINGSTON'S CONFERENCE CENTRE*

*BUSINESS AND SEGMENTS*

segment one

There are four main client segments within the business events market which Tourism Kingston could target with the proper infrastructure in place; smaller national associations with a majority of members located in Ontario, provincial associations, Ontario-based corporate meetings and retreats, and 3rd party planners which include site selection agencies.

**// National associations**

**National associations** for the most part, are headquartered in Ottawa. A lesser number are also based in Toronto and Montreal. With these three cities, all within driving distance of Kingston, there maybe an opportunity to pursue smaller association meetings, training sessions and board meetings where the majority of attendees are arriving from these cities. Kingston is not ideal for hosting larger (300+) any type of convention based on the challenge of accessing Kingston from all parts of Canada. Most delegates to these conferences fly into a destination and need quick and

# market

easy access to the conference location. Having to fly into one the three major airports (Toronto, Ottawa or Montreal) and then driving and/or bussing delegates to Kingston (or potentially flying from Toronto) would incur time and extra costs, deterring delegate participation and therefore likely disqualifying Kingston as an ideal location.

**// Provincial associations**

**Provincial associations** would be a natural target clientele for Tourism Kingston. Meeting primarily in the Spring and Fall shoulder seasons, this segment of business events would help increase visitation during these periods. Associations tend to rotate their annual meetings throughout the province from year to year. When compared to top business events cities in Ontario such as Toronto, Niagara Falls, or Ottawa or destination resorts such as Blue Mountain and Deerhurst. These meetings tend to be smaller in size than their national counterparts and look to meet in more reasonably priced destinations. Associations with a large concentration of members in Toronto and Ottawa may consider Kingston an ideal location for these conferences and meetings.

segment two

## segment three

### // Corporate

As for the corporate segment, Kingston may stand to benefit most from regionally based corporations also looking for alternatives to the larger destinations. Often looking to add a motivational element to meetings, the “resort” appeal of Kingston may entice this market to consider the city as a great alternative to other destinations in Eastern Ontario. These organizations tend to look for destinations with a well-developed hotel base, modern meeting facilities, a diverse food and beverage offering as well as easily accessible off-site activities (golf, touring, wine, cultural, etc.). These meetings tend to book within a much shorter time window of six to twelve months, and typically ask for fewer concessions from host cities due to their stronger financial status.

## segment four

### // 3rd party planners

3rd party planners have taken on an ever-increasing role in the business events marketplace as fully integrated meeting and marketing partners, association management firms, destination management companies (DMC's) and site selection firms, commonly with multi-year client agreements. Corporations and associations without on-staff planners turn to 3rd party organizations to act as their meeting planners. Destinations soliciting some of the large and medium-sized 3rd party organizations that represent dozens of clients have the added benefit of covering much more ground through one source. Destinations demonstrating a cohesive city package, such as hotels, transportation, meeting facilities and entertainment venues, tend to be favoured by this segment. Relationship building and sponsorship opportunities remain an integral part of doing business here.

# social



# meet

## EXISTING CONFERENCE & MEETING FACILITIES

In order to set a benchmark for a new facility in Kingston, a review of meeting availability, capacity and hotel inventory within Kingston was conducted, and is shown in the table on the following page. In addition, several regional conference facilities based in Ontario were considered, based on size, services, type of business events and size of destination.

### KINGSTON HOTELS INVENTORY CHART

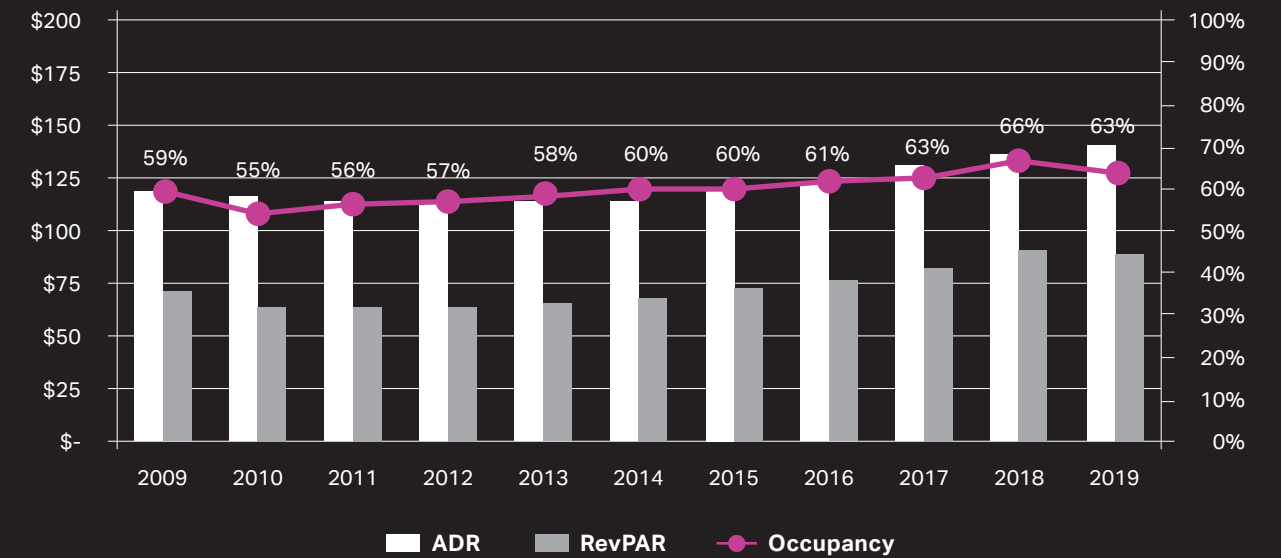
Hotel	Distance to Block 4	Number of hotel rooms	Total meeting space (sq ft)	Largest room (sq ft)	Number of meeting rooms
Ambassador Hotel & Conference Centre	6 km	251	22,281	7,200	22
Four Points by Sheraton	6 min walk	171	12,505	4,559	12
Ramada Hotel & Conference Centre	5 km	161	9,470	5,605	9
Holiday Inn Kingston Waterfront	4 min walk	197	9,225	3,468	8
Confederation Place Hotel	5 min walk	95	8,942	4,210	7
Delta Hotels by Marriott Kingston Waterfront	9 min walk	127	5,740	2,242	5
Residence Inn by Marriott Kingston Water's Edge	10 min walk	141	4,831	4,032	3
Donald Gordon Hotel & Conference Centre	3.3 km	80	6,960	2,145	11

Source: FLOOR13 in-house research and web based public information



# IMPACT ON EXISTING HOTELS & CONFERENCE FACILITIES

## HISTORICAL PERFORMANCE OF KINGSTON HOTEL MARKET, 2009–2019



### Potential Challenges:

- // Opposition from hotel community to adding more meeting space in the city, arguing lack of enough business within the region
- // Some loss of business for hotels and other venues to the new facility
- // Additional hotel construction needed if segment proves to increase occupancy significantly (long term)

### Potential Benefits:

- // Increased space inventory to host larger city wide conferences
- // Increase in overall room nights in hotels during low-demand periods
- // Increase in hotel ADR during conferences (shoulder season)
- // Pressure on all hotels and venues to upgrade product to compete locally but also with other Canadian destinations
- // Influx of new supplier business locally as segment grows
- // Increased bid potential for national and international events

Source: CBRE Hotel Trends in the Hotel Industry National Market Report

# ACCESS FACTORS

Kingston is located along the 401 highway corridor, approximately a three-hour drive from Toronto, two hours from Ottawa and three hours from Montreal. It is also located 20 minutes from the Thousand Islands Bridge Canada-US border crossing.

Other than by automobile, the primary means of transportation to Kingston is Via Rail. There are 14 daily Via arrivals from Toronto, and nine from Ottawa and Montreal. The Norman Rogers Airport (YGK) is a regional airport serving the Kingston area. There are currently four daily flights from Toronto Pearson International Airport, served by Air Canada Jazz. Other than delegates arriving directly from Toronto, all delegates from various parts of Canada would need to connect through Toronto, or fly to Ottawa or Montreal and connect by Via Rail.

In 2019 extensive runway and terminal renovations were completed at the Norman Rogers Airport to improve the frequency and reliability of flights and the overall passenger experience. The average load factor at YGK in 2019 was 72%; in comparison, in 2018 the industry-wide average load factor was 81.9%. Notionally, the mix of passenger demand is 25% business vs. 25% leisure travel.

## WEEKLY FLIGHT SCHEDULE

Total weekly flights		Total weekly seats	
<b>21</b>	<b>28</b>	<b>1,050</b>	<b>1,400</b>
WINTER	SUMMER	WINTER	SUMMER

Kingston has increased daily flights to the Toronto Island and in addition has secured new routes to Ottawa and Montreal. The schedules for Ottawa and Montreal are currently being discussed, however, it is expected that the Toronto Island flights will be daily in the morning, afternoon and evening. At time of writing this report the air access information was not final and likely subject to change given the effects of the COVID-19 pandemic and economic recession.

Despite improvements, limited air access to Kingston will make it challenging for delegates and meeting planners traveling from anywhere in Canada other than Toronto, Ottawa and Montreal. Accordingly, Ontario-based provincial associations and corporations will be Kingston's primary conference markets, with very little reach into the national association market.

Source: [https://www.iata.org/contentassets/a686ff624550453e8bf0c9b3f7f0ab26/wats-2019\\_mediakit.pdf](https://www.iata.org/contentassets/a686ff624550453e8bf0c9b3f7f0ab26/wats-2019_mediakit.pdf)

# MARKETING FACTORS

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Tourism Kingston has only been tracking lost meetings and conference business for the last 18 months. Tourism Kingston did not track this type of business before as their mandate was primarily aimed at the leisure B2C market. In early 2020, Tourism Kingston added a full-time position to pursue more aggressively the meetings and conference market. Since then, lost business has been tracked accurately.

The following page indicates lost group business recorded since the fall of 2018. Overall, 27 groups were lost during this time, equalling 6,059 potential delegates and just over 11,000 room nights for the city. 77% of this lost business was for 2019 and 2020. However, the lack of a dedicated conference centre was not the primary reason given for having lost the business opportunities, it was location, access and hotel issues that were cited more frequently. Having said that, there is a certain level of interest in Kingston as a conference destination regardless of access challenges and there not being a dedicated convention centre. This proves that Kingston is a city that is at least on the radar of some planners. This interest has, to a certain extent, been generated naturally as no concerted sales effort was present before late 2019.



**Estimated Lost Business:  
Delegates and Hotel  
Room Nights – 2019**

**6,059**  
DELEGATES

**11,000**  
HOTEL ROOM NIGHTS

# KEY PLAYERS & STAKEHOLDERS

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## IN KINGSTON'S CONFERENCE AND EVENT MARKET

As part of the development of this business case a series of one-on-one interviews with key stakeholders was conducted by the consultants to understand perceptions and perspectives on Kingston's potential as a business and leisure convention and events destination. The following is a summary of the interview findings:

**// Kingston needs a convention centre** – it will help to support tourism economy in the off-season and may also help drive future visitation

**// Kingston's historic downtown core is its major asset and appeal to event planners** – it's somewhere that people want to spend time

**// Flexibility may be more of a priority than sheer size when designing the centre** – ability to host large AND small meetings will mean facility is used more

**// COVID-19 has the potential to up-end all current assumptions**, but it's currently too early to say what the impacts will be

**// Kingston has a 'wow' factor** that can help to support an in-person events tourism economy even while more functional rivals are struggling

The following pages identify the detailed perceptions, perspectives and general opinions of the stakeholders interviewed.



## **Strength of Kingston's current offering**

There was a strong consensus that Kingston already has a strong offering for business and events tourism, particularly from a regional perspective. It is an attractive city that is also well-located between Toronto, Montreal and Ottawa. Some hotels – the Ramada, the Ambassador – have the capacity to host large gatherings, and the recent Brier was cited by several as an illustration that Kingston can make a success of high-profile events. But most accepted it currently lacks a big enough space to be competitive for very large national conferences or similar-sized events, and despite its location, some felt that transport links were not as good as they could be from the major cities.

## **Kingston's assets**

The inherent appeal of the city is seen as its major asset – particularly its historic, attractive and walkable core and many restaurants, but also the nearby attractions – Fort Henry, the Pen, the Thousand Islands. These make it a place that people want to visit themselves and are seen as key in inducing event planners to consider holding their event in Kingston – if they can make the logistics work.

## **Benefits of building the centre**

Almost all were convinced that boosting business and events tourism infrastructure would be an investment that would pay significant economic dividends for the city. A successful convention centre would boost revenues for tourism businesses year-round, not just during the summer season. Having attended a conference in Kingston, people may come back on a personal basis, helping to drive future tourism. Some pointed out that while new accommodation was being built, Kingston would need to look at new ways to increase demand.

## **Key attributes needed**

While some stakeholders felt that it was important for Kingston to have a very large convention centre that could compete for big national conferences, others doubted whether the city would be able to attract a sufficient number of these (partly because of driving distance from the tier 1 cities) and there was more of a consensus that flexibility was the most important attribute that a new convention centre would need – the ability to be customized to accommodate small groups as well as large ones, and containing modular areas either within the building itself or connected to it. This would allow the space to be utilized 'more than 50 days a year', as one put it. Even with a very large space, can Kingston really attract very large conventions in the same numbers as Toronto or Montreal? Some were not convinced it could. Parking is also critical, and needs to be on-site.

## Impact of COVID19

The current COVID-19 situation loomed large for all stakeholders and was seen as a real imponderable. Without knowing how long the current restrictions would persist, or whether the current pandemic wave would be followed by another, they felt unable to say with any certainty what the future for the business and events business looked like. Some assumed that there would be an increased trend towards 'hybrid' events where participants could join remotely and that the IT infrastructure would need to be strong to allow for this. Several acknowledged that there would be more questions asked of the wisdom of making such a big-ticket investment at a time when the future was so uncertain. But others felt that as a really attractive urban location, Kingston had an opportunity to make a success of in-person events in a new environment where more functional rivals would struggle to fight off the challenge of virtual competitors as the time when people are able to interact with others face-to-face becomes rarer and more special.



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