

**11 BAY STREET:  
ECONOMIC IMPACT STUDY  
PEER REVIEW AND COMMENTARY**

Presented to:

**CREATE TO, BOARD OF DIRECTORS**

March 8<sup>th</sup>, 2021



# Scope

Three Focus Areas for  
Today's Presentation:

1. Conference Hotel/Conference Centre  
Market Commentary
2. The relationship between WHCCC and  
WHC
3. Economic Impact of WHCCC and WHC



# Introduction: Lyle Hall | Hall Hospitality Advisors

- 35+ Years Hospitality and Tourism Advisory
  - National Director | KPMG Canada  
Hospitality, Leisure and Tourism Practice
  - Co-Founder HLT Advisory
  - Hall Hospitality Advisors, Inc. (current)
- Active Industry Participant
  - Creator, Convention Centres of Canada  
Annual Benchmarking Survey
  - Co-Founder, Canadian Hotel Investment  
Conference
  - Past Director and Chair, Destination Toronto
  - Past Director and Executive, International  
Society of Hospitality Consultants

## Convention Centre Strategy/Feasibility Studies:

### Ontario

- Toronto
- Ottawa
- Hamilton
- London
- Kingston
- Barrie
- Sault Ste. Marie
- Kitchener
- Windsor
- Ministry of Tourism

### Canada

- Vancouver
- Whistler
- Calgary
- Edmonton
- Regina
- Saskatoon
- Montreal
- Quebec City
- Halifax
- Saint John

### International

- Copenhagen
- Durban
- Macau
- Singapore

### Associations

- CC of C
- AIPC
- JMIC



# Conference Hotel/Conference Centre Commentary

Full-Service Convention Hotels  
Serve Two Purposes:

1. To host self-contained conventions
  - Only three in Toronto (Sheraton, Royal York)
2. As a key component of the “room block” for a city-wide convention
  - Only four downtown Toronto hotels offer 1,000+ room availability
  - Room blocks a key factor in attracting major convention business to Toronto

Full-Service Convention Hotels  
Operate on Different  
Economics

- Public-sector convention centres operate as “loss leaders.”
- Convention Hotels:
  - Usually privately owned
  - Need to generate a profit
  - Hotel bookings and CC use are tightly integrated



# Public-Sector Support

Public Ownership and  
Operation of Convention  
Venues is Common  
(Full and Partial)

The Benefits are Widely  
Distributed

Total or Partial Toronto examples include:

- MTCC – owned by Province (partially on leased City land)
  - Beanfield Centre/Enercare Centre – located on City lands (Exhibition Place)
  - Sheraton Centre – located on City lands
- 
- Public-sector focus is on overall economic contribution of the CC, not venue profitability
  - Hybrid models exist
    - Hotel operates on a self-sufficient basis.
    - Related conference centre has some level of government support.
    - Hotel operates both facilities.



# Relationship between WHC and WHCC

A 977-Room WHC  
Is

NOT VIABLE

without  
the WHCCC

- Large hotels require consistent dependent sources of demand - e.g. an integrated convention centre.
- Meeting/Conference business is price sensitive and requires mid-priced product offering.
- Meeting/Conference business accounts for roughly:
  - 35% of total room demand at WHC;
  - 22% of total room nights attributable to using just WHCCC event space.
- Additionally, 2/3 of Toronto city-wide convention room blocks include WHC rooms.



# Economic Impacts

## Current Economic Impacts of the WHC/WHCCC

### CBRE Calculations of Economic Impact:

- 721 direct and indirect full-year-equivalent Jobs
- \$5.2M in direct annual municipal property tax
- \$105M direct and indirect GDP

## Lost Economic Impact with Closure of 482 Rooms at WHC

### CBRE Calculations of Lost Economic Impact:

- 243 direct full-year-equivalent jobs lost
- \$3.8M in municipal property and MAT taxes per annum
- \$53M in annual GDP

The office component of 11 Bay will generate:

- \$26 Million a year in municipal and property taxes



# Questions?

