

# WINNIPEG CONVENTION CENTRE EXPANSION PLAN 2008

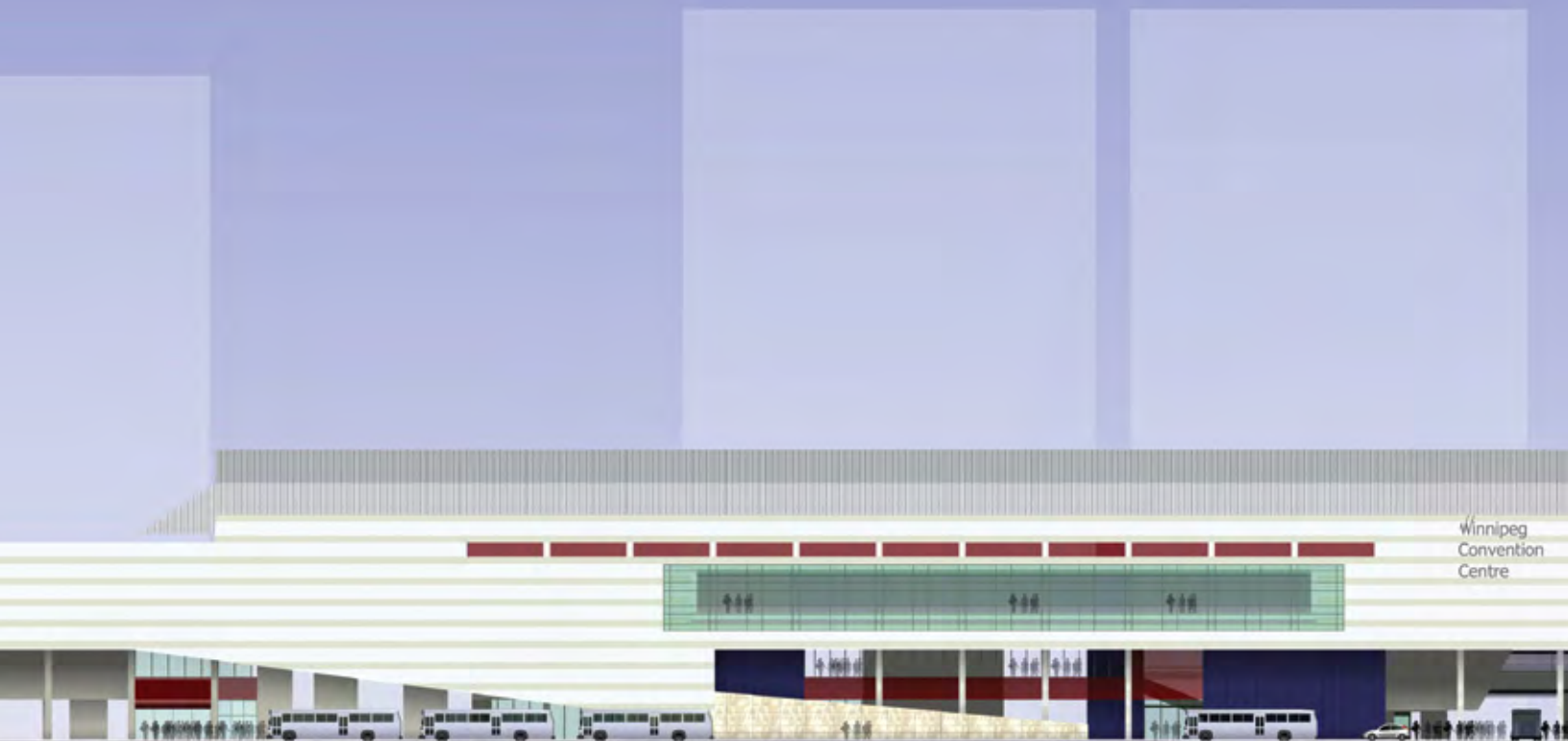


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# EXPANDING FOR SUCCESS

“ IF YOU ONLY LOOK AT WHAT IS,  
YOU MIGHT NEVER ATTAIN  
WHAT COULD BE. ”



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## WINNIPEG CONVENTION CENTRE... IN THE BEGINNING

↳ In the early 1970's the leaders of the city along with the Winnipeg City fathers of the day had an audacious idea. They believed that more people would choose Winnipeg for major conferences and meetings if they were to construct, what at that time would be, the first free-standing purpose-built convention centre in Canada.

They could envision the potential of the convention centre as a major economic generator for Winnipeg, creating a new dynamic in the heart of the city. And the province could easily see that their investment could be paid back many times over with tax revenues from new jobs and sales taxes on the products delegates and organizers would buy.

Naysayers would suggest that no one would want to come to Winnipeg in summer to be overwhelmed by swarms of mosquitoes the moment they stepped outdoors. They would say that a site visit during any of Winnipeg's frigid winters would dispel any notion of recommending us for large conventions which relied on convincing delegates to attend en masse. They would point out that there was a scarcity of hotel rooms, and that even if they overcame their own objections somehow, that air capacity was such that even the attendees who wished to attend could not likely be facilitated with our limited air lift.

“ If the Winnipeg Convention Centre expands along the proposed lines, it would give me a 4th option (Montreal, Toronto and Vancouver) to propose for future conventions. ”

Jay Moor,

National Event Planner,  
Canadian Labour Congress

But the leaders of that day were visionaries who believed that these were not obstacles but challenges, which could and would be overcome. They recognized that this new convention centre would play an important role in the revitalization of Winnipeg's downtown core. They believed that by exercising leadership, the progressive business people of the city would follow through with decisions which would quickly address what naysayers saw as insurmountable roadblocks to success.

Most of those early visionaries who committed themselves to the building of the new Winnipeg Convention Centre would live to see their dreams materialize. Winnipeg has been successful in attracting conventions with massive delegate attendance that have helped drive the economic engines of hotels, restaurants, and retail outlets, both close to and far from the convention centre itself.

Major faith-related conferences like the Lutherans, Jehovah's Witnesses and Mennonite groups overcame any fear of being eaten alive by mosquitoes as they kept selecting Winnipeg time after time. They experienced huge delegate attendance because Winnipeg was perceived to be an open and welcoming city, whose citizens went out of their way to help make their stay as enjoyable as possible.

The winters were made less severe for delegates by that same human warmth that brought new and repeat conventions to Winnipeg over and over. Even as other cities would follow Winnipeg's lead in building their own newer convention centres, Winnipeg continued to be an attractive alternative for convention planners over the next three decades.

Conferences, like those in the faith-based market, continued to select Winnipeg on a regular basis until they were forced to go elsewhere, not as a result of mosquitoes, weather, or any other similar reason. They stopped coming because they outgrew us; when their space requirements could not be accommodated with our current space limitations.

## THE WINNIPEG CONVENTION CENTRE... WHERE ARE WE TODAY?

- By reinvesting surpluses generated over the past several years into improvements and expansions where possible, the Centre looks better today than it ever has. Modern design elements have been incorporated throughout and new banquet and meeting space has facilitated some of the growing needs of convention planners. The addition of a quiet family lounge serves the needs of an evolving demographic in the convention and conference industry.

Winnipeg continues to be an excellent option for the medium size conventions that the Centre has built an enviable record of success in serving. It is worth noting that for the second time in three years, the industry, the people who do business directly with centres across the country, selected the Winnipeg Convention Centre as the best convention centre to do business with in both central and western Canada. This achievement was formally recognized by one of Canada's pre-eminent industry magazines "Meetings & Incentive Travel" whose award hangs prominently in the entrance of the administrative offices.

Delegates and visitors from around the world, whether attending a large convention, a smaller conference, or a major city banquet, recognize the Winnipeg Convention Centre for its exceptional food and beverage, and consistent quality service.

Winnipeg's convention facility is recognized as one of the best Tier Two facilities in the country. As shifts in demographics, conference requirements, and space use has evolved, the Winnipeg Convention Centre has responded to maintain Winnipeg's reputation as a major convention destination.

## BUT THE CONVENTION BUSINESS IS CHANGING

- Two realities in the convention centre industry are intersecting which necessitate major decisions relating to the Winnipeg Convention Centre.

Firstly, demand for a large trade show component has emerged as an important factor in selecting convention destinations. This has taken on new and added significance because the trade show often helps underwrite significant convention costs for delegates. The trade show requires space, lots of it, and the Winnipeg Convention Centre at its present size is not able to accommodate the needs of many of the associations and other organizations it once was able to.

At the same time, the supply side of the market is on the verge of almost explosive growth. New and expanded convention facilities have been announced for Halifax, Moncton, Vancouver, Nanaimo, Ottawa, and Niagara Falls. Other expansions are being discussed in a number of other cities with whom we compete for business as well, Calgary and Edmonton being only two examples.

Many of the conventions that utilize Tier Two centres hold their conferences in the spring or fall season. Winnipeg, under its current configuration, can facilitate only one of these midsize conventions at any given time. Larger centres can successfully handle two conventions simultaneously, thereby maximizing returns during the busiest of conventions seasons.

In 2005, the Board of Directors of the Winnipeg Convention Centre felt that it had a responsibility to research the market and measure these trends more closely, to

*“ The industry is...expanding and we have to be prepared to compete with other provinces. It's not just about losing new business, it's losing existing business. ”*

*Carmen Neufeld,  
President, Planners Plus*

assess what impact they might have on the convention business that Winnipeg had traditionally counted upon.

The services of PKF Consulting, a Canadian leader in providing similar analysis for convention centres, hotels, and other hospitality related organizations throughout the country, was retained to undertake a comprehensive study.

Their report, tabled in November of 2005, foreshadowed significant opportunity, or dramatic consequences for the Winnipeg Convention Centre, dependent upon what path of action, or inaction, it might choose. The report offered no middle ground on the decisions facing the Winnipeg Convention Centre. The options clearly spelled out in the report were conclusive...either grow through expansion, or watch as business erodes.

The report drew a stark line between the decision to expand the Convention Centre or to allow the Centre to remain as is. Expansion to a size which could facilitate the needs of large conferences, or alternatively, offer the ability to host two conventions, or a trade show and convention simultaneously, could result in an additional 41,000 room nights coming to Winnipeg annually. Conversely, not expanding would result in the loss of 23,000 room nights annually to the city.

Similarly, the report underlined how employment, as well as the annual direct economic benefits to the City of Winnipeg, is affected by this decision. Without expansion, an annual loss of 51 direct person years of employment is projected along with a decrease of up to \$6M in direct economic benefits. Expansion, on the other hand, suggests an annual increase of 109 direct person years of employment plus an annual increase of \$13M in economic benefits.

The incremental benefits, that is the difference between the expansion scenario and the certain decline that a 'no-expansion' decision would represent, are significant:

DIFFERENCE IN ANNUAL DIRECT ECONOMIC BENEFITS TO THE CITY OF WINNIPEG	<b>\$19M</b>
DIFFERENCE IN ANNUAL PERSON YEARS OF EMPLOYMENT	<b>160</b>
DIFFERENCE IN OCCUPIED ROOM NIGHTS ANNUALLY	<b>64,000</b>
DIFFERENCE IN GOVERNMENT TAXES COLLECTED ANNUALLY	<b>\$4.1M</b>

In its original report, PKF stressed the importance of communicating this reality to stakeholder groups, government bodies, and other interested parties to build and strengthen the consensus. Since that date more than two dozen presentations have been made with organizations and groups such as the Retail Council of Canada (Manitoba Division), both Manitoba and Winnipeg Chambers of Commerce, the Downtown Biz, Destination Winnipeg, Travel Manitoba, the Winnipeg Airports Authority, the Manitoba Restaurant and Foodservices Association, and the Taxicab Board, to highlight a few. Following each presentation, support for the expansion of the Winnipeg Convention Centre was expressed.

The Board of the Winnipeg Convention Centre fully endorsed every effort to expedite the plans for expansion and to this end, retained McMahon Consulting to formulate a Business Plan. The project was lead by Bob McMahon, who has had significant experience in working with a number of large scale community projects. Recognizing the size of this project's financing needs, the participation of private partners (P3's) was explored in addition to the three levels of government.

“ Our growth factor will lead us to the point where Winnipeg, if it hasn't expanded, would not be able to hold Rendez-vous Canada again. ”

**Randy Williams,**  
President and CEO,  
Tourism Industry Association of Canada

## EXPANDING FOR SUCCESS...THE VISION FOR AN EXPANDED WINNIPEG CONVENTION CENTRE

↳ The future of the Winnipeg Convention Centre is at a crossroads. The conclusions of the original PKF Consulting report have been validated by the most recent report tabled by McMahon Consulting. One can easily conclude from all the statistics and information, along with continuing announcements of new convention centre construction in Canada that if a decision is made to maintain the current configuration of the Winnipeg Convention Centre, its market position will erode, as competitors across Canada renovate and expand.

Notwithstanding additional subsidization in the form of operating grants from the Province of Manitoba and the City of Winnipeg which is likely to be required, it will also lead to a reduction in visitors attracted by events formally hosted by the Winnipeg Convention Centre. As event driven visits decrease, the three levels of government can expect to see a drop in taxation revenue as economic activity falls. The reduction of economic activity will impact all businesses that benefit from event-driven activities such as hotels, taxis, restaurants and the airport.

The alternative vision is for an expanded Winnipeg Convention Centre. This vision creates a dynamic new reality, not just for the convention centre, but for an important step in the revitalization of our downtown core, which does play a significant part in driving the economic engine of this great city forward. With an expanded convention centre, Winnipeg will regain its position as a premier Tier Two convention facility in North America, capable of offering clients and stakeholders from throughout North America a world class facility in a dynamic city centre, which is itself situated at the geographical centre of Canada.

The opening of the Canadian Museum for Human Rights as a National Museum and international attraction extends our horizons for attracting potential major conferences far beyond our current perceived boundaries. With a construction strategy that mirrors that of the new Museum with both attractions opening within a year of each other, an expanded Winnipeg Convention Centre will be in a position to attract new groups and conventions to the city drawn by this unique institution housed in an iconic-building that can be a convention magnet unto itself.

It will also open the door to bring back the conventions which were once a mainstay, filling the city with delegates during the usually quieter convention season during the summer period, beyond the traditional spring and fall support favoured by other larger Canadian and American associations.

A decision to expand the Winnipeg Convention Centre will be comparable to the decision made to build a Convention Centre in the seventies. That decision proved to be farsighted in terms of the legacy of development, business, and economic activity created by the construction of Canada's first free-standing purpose-built Convention Centre.

The proposed Winnipeg Convention Centre expansion will not only rejuvenate its status as an economic catalyst in downtown Winnipeg, but it will also attract additional tourists to the downtown area, contribute to further spending and employment opportunities in Winnipeg and provide tax revenue for all three levels of government. The expansion of the Winnipeg Convention Centre will also contribute to additional induced impacts that are realized as tourism dollars are spent and re-spent by those employed in the tourism industry and by the people with whom they do business.

“ An expanded Convention Centre will create a buzz that will last 5-10 years. That'll create some real interest in Winnipeg and some advertising you couldn't buy as a city. ”

**Jonathan Strauss,**  
Strauss Event & Association Management

The proposed expansion is a cost-effective investment that shows a substantial return on investment for governments and for the economy of the City of Winnipeg and the Province of Manitoba. Without expansion the Winnipeg Convention Centre will see its market position erode with a resultant decrease in events, out-of-town visitors, economic activity and tax revenues.

## THE EXPANSION PROPOSAL

“ We’ve found that Winnipeg could not suit our needs. If the convention Centre (space) was on one main floor, it would be a huge plus. ”

**Gary Hamilton,**  
Executive Director,  
Western Retail Lumber Association

↳ To meet the needs for the new realities in the convention and conference business, an expansion to the existing facility is recommended in the open lot immediately to the south of the current footprint. The new facility, while totalling more than 400,000 square feet in space, offers convention planners almost 105,000 square feet of additional rental space. A key element to the proposed expansion will be the connection of the current third floor to the new third floor of the expanded facility creating a column free 160,000 square foot meeting and trade show space which ensures most of the new larger conventions have the option of selecting Winnipeg.

With over 300,000 square feet of rentable space in total, the Winnipeg Convention Centre can meet the future demands of planners from around the world knowing it can accommodate most of the large groups who might otherwise not consider Winnipeg seriously.

While the expansion will ensure an increase in hotel occupancy, the expansion also avoids the decrease in occupancy projected in the PKF Report. The expansion also has the potential of completely changing the need for future annual government subsidies.

## FACTS AND FIGURES

### WINNIPEG CONVENTION CENTRE EXPANSION

#### How does the Winnipeg Convention Centre benefit the local economy...

- A report prepared in 2005 by PKF Consulting found that in 2004 the Winnipeg Convention Centre hosted 484 events that attracted 360,000 attendees (including exhibitors) and generated 511,000 attendee days. This included 184,210 day and overnight visitor days.

These events and resulting visitors helped to generate the following direct economic benefits to the City of Winnipeg and Province of Manitoba:

DIRECT ON-SITE AND OFF-SITE EXPENDITURES	\$38.9M
YEARS OF EMPLOYMENT WINNIPEG CONVENTION CENTRE	174
YEARS OF ON-SITE AND OFF-SITE EMPLOYMENT	376
ROOM NIGHTS	93,000
REVENUE FOR THE LOCAL ACCOMMODATION INDUSTRY	\$9.2M
REVENUE FOR THE LOCAL RESTAURANT INDUSTRY	\$7.7M
REVENUE FOR OTHER LOCAL BUSINESSES	\$9.7M
FEDERAL TAXES	\$3.7M
PROVINCIAL TAXES	\$3.2M
MUNICIPAL TAXES	\$0.1M

*IT IS ESTIMATED THAT AN ADDITIONAL 36 EVENTS PER YEAR COULD HAVE BEEN ACCOMMODATED BY AN EXPANDED FACILITY.*

#### The Changing Market for Conventions, Large Conferences and Trade Shows...

- The Convention Centre industry is a multi-million dollar industry that continues to grow in terms of scope and demands.

The demand for a large trade show component has emerged as an important factor in selecting convention destinations. This has taken on new and added significance because the trade show often helps underwrite significant convention costs for delegates.

The Winnipeg Convention Centre has in many cases been unable to satisfy the demand from large clients for more space.

From 2000 to 2004 the Winnipeg Convention Centre lost an average of 48 bookings per annum due to scheduling conflicts or the lack of rentable space. Had the Winnipeg Convention Centre been larger, it is estimated that an additional 36 events per year could have been accommodated by an expanded facility.

## Convention Centre Expansion across Canada...

- ↳ The convention industry is a key component of city and regional economies. It attracts visitors who inject significant dollars into economies through “new” spending.

The PKF Report in 2005 identified a number of cities across Canada that had committed to expanding their convention centre facilities or were in the process of conducting feasibility and other such like studies. Although some of the projects have time-shifted to later dates, even more cities have opted to build or expand in the intervening years.

CITY	OPENING
WHISTLER	2004
EDMONTON	2006
WINDSOR	2008
NANAIMO	2008
VANCOUVER	2009
NIAGARA	2011
OTTAWA	2011
MONCTON	PENDING
HALIFAX	PENDING
FREDERICTON	PENDING

WITH MORE CITIES  
ACROSS CANADA  
WILLING TO EXPAND  
AND BUILD TO  
MEET CLIENT NEEDS  
THE WINNIPEG  
CONVENTION CENTRE  
IS AT A CROSSROADS.

## What does this mean to the Winnipeg Convention Centre...

- ↳ Faced with potential customers demanding greater and more flexible space and with more cities across Canada willing to expand and build to meet client needs the Winnipeg Convention Centre is at a crossroads.

The PKF Report identified two scenarios for the Winnipeg Convention Centre - grow through expansion, or watch as business erodes. The years since 2004 have validated PKF's conclusions although the delay of some expansion projects across Canada has mitigated the full impact of the changing market place. However, it appears clear that the full impact has only been delayed not cancelled.

The Winnipeg Convention Centre has lost a number of large events since 2004 and the trend is for the decline to continue if the present facility is not expanded.

YEAR		CONVENTIONS/CONFERENCES/TRADE SHOWS
2004	ACTUAL	50
2005	ACTUAL	39
2006	ACTUAL	42
2007	ACTUAL	48
2008	ESTIMATED	42
2009	ESTIMATED	38

## What does this mean to the local economy...

- Large conventions, conferences and trade shows are important to the Winnipeg Convention Centre as all potentially large customers are to all businesses. As the number of large events has eroded over the last three years the Winnipeg Convention Centre has looked to smaller type events to fill the gaps left by organizations opting for large and more flexible space in other parts of the country.

However, smaller events tend not to be as profitable and attract fewer out-of-town visitors. Those who do travel to Winnipeg may spend less time and money while in the city. This has a direct impact on the local economy in terms of the hotel, restaurant and other related industries.

YEAR		ESTIMATED ROOM NIGHTS WCC EVENTS
2004	* ACTUAL	93,161
2005	* ACTUAL	64,750
2006	* ACTUAL	76,172
2007	* ACTUAL	82,976
2008	PROJECTED	76,323
2009	PROJECTED	71,592

Based on an average daily rate of \$103.48 the loss in room revenue is estimated at \$5.75M over the years from 2005-07 when compared to a base year of 2004. The hospitality and other industries will have also experienced significant losses from the 2004 levels.

*\* Actual - actual room nights based on PKF methodology relating events, visitors and overnight stays. Reflects updated WCC projections for 2008 and 2009 over initial PKF projections from 2004.*

## What will be the long term impact on the Winnipeg Convention Centre, the local economy and government revenues if expansion is not undertaken...

- > In their report PKF identified the potential declines and impacts from 2004 to 2009 if no expansion was undertaken. As stated previously the erosion of the Winnipeg Convention Centre's market share over the last three years has been mitigated by the delay in other projects being completed. However, the trend identified by PKF is still considered to be a valid conclusion and a trend that the Winnipeg Centre has experienced over the last three years and expects to see continue if an expanded Convention Centre is not constructed.

<b>ANNUAL</b>	2004	2009	(ANNUAL LOSS)
OPERATING REVENUES - WINNIPEG CONVENTION CENTRE	\$10.2M	\$8.9M	(\$1.3M)
YEARS OF EMPLOYMENT - WINNIPEG CONVENTION CENTRE	174	167	(7)
DIRECT ON-SITE AND OFF-SITE EXPENDITURES	\$38.9M	\$32.7M	(\$6.2M)
YEARS OF OFF-SITE EMPLOYMENT	202	159	(43)
ROOM NIGHTS	93,000	70,000	(23,000)
LOCAL ACCOMMODATION INDUSTRY	\$9.2M	\$7.0M	(\$2.2M)
LOCAL RESTAURANT INDUSTRY	\$7.7M	\$6.2M	(\$1.5M)
LOCAL BUSINESSES OTHER	\$9.7M	\$7.7M	(\$2.0M)
<b>MUNICIPAL, PROVINCIAL AND FEDERAL TAXES</b>	2004	2009	(ANNUAL LOSS)
GENERATED BY WINNIPEG CONVENTION CENTRE	\$3.00M	\$2.76M	(\$0.24M)
FEDERAL TAXES	\$1.58M	\$1.46M	(\$0.12M)
PROVINCIAL TAXES	\$1.31M	\$1.2M	(\$0.11M)
MUNICIPAL TAXES	\$0.11M	\$0.10M	(\$0.01M)
GENERATED OFF SITE	\$5.41M	\$4.25M	(\$1.16M)
FEDERAL TAXES	\$2.86M	\$2.25M	(\$0.61M)
PROVINCIAL TAXES	\$2.55M	\$2.00M	(\$0.55M)
MUNICIPAL TAXES	-	-	-

## How large will an expanded Winnipeg Convention Centre be...

↳ The planned expansion envisions increasing the rentable space from 160,000 sq. ft. to 306,881 sq. ft., an increase of 146,881 sq. ft. In total the square footage of the Winnipeg Convention Centre would be increased by 467,193 sq. ft. (from 523,776 sq. ft. to 990,969 sq. ft.).

AREA EXPANSION (SQ. FT.)	EXISTING	NEW SPACE	EXPANDED
FACILITY PARKING	177,697	220,203	397,900
RENTABLE SPACE	160,000	146,881	306,881
CONVENIENCE	9,640	3,000	12,640
STORAGE, SUPPORT ETC.	95,171	50,901	146,072
SERVICE SPACE	7,078	10,846	17,924
MISCELLANEOUS SPACE	46,397	23,900	70,297
PUBLIC SPACE	27,796	11,462	39,258
<b>TOTAL SQUARE FOOTAGE</b>	<b>523,779</b>	<b>467,193</b>	<b>990,969</b>

## When will it be built...

TIMELINE	START	FINISH
SCHEMATIC DESIGN	April 2009	Sept 2009
DESIGN DEVELOPMENT	Oct 2009	March 2010
WORKING DRAWINGS	April 2010	Dec 2010
TENDER & AWARD	Jan 2011	March 2011
CONTRACT ADMINISTRATION/ CONSTRUCTION	April 2011	March 2013
COMMISSIONING	April 2013	June 2013
<b>OPENING</b>	<b>July 2013</b>	

The schedule calls for a timeline of fifty-one (51) months.

- SCHEMATIC DESIGN – 6 MONTHS
- DESIGN DEVELOPMENT – 6 MONTHS
- WORKING DRAWINGS – 9 MONTHS
- TENDER & AWARD – 3 MONTHS
- CONTRACT ADMINISTRATION/CONSTRUCTION – 24 MONTHS
- COMMISSIONING – 3 MONTHS

## The Investment...

- LM Architectural Group prepared schematic plans of the required expansion from which an Order of Magnitude Cost Estimate was prepared by PCL Constructors Canada Inc. A construction cost update was subsequently prepared based on the 2008 timeline detailed.

The expansion is estimated to cost \$210M.

### THE PROPOSED COST SHARING OF THE EXPANSION IS

CITY OF WINNIPEG	\$63.9M
PROVINCE OF MANITOBA	\$69.7M
GOVERNMENT OF CANADA	\$60M
WINNIPEG CONVENTION CENTRE	\$16.4M
<b>TOTAL</b>	<b>\$210M</b>

### How would the expansion of the Winnipeg Convention Centre impact the hosting of large events...

- The PKF Report concluded that the proposed expansion of the Winnipeg Convention Centre would allow the Centre to maintain its present client base, regain other clients that had taken their business elsewhere and to generate new business based on an offering of larger and more flexible space.

The Winnipeg Convention Centre believes that should an expanded facility open in July of 2013 the number of large scale events (Convention/Conferences/Trade Shows) that generally attract out-of-town visitors would grow to the following levels with a resulting increase in room nights for the hotel industry.

YEAR	CONVENTIONS/CONFERENCES/TRADE SHOWS	
	EVENTS	ROOM NIGHTS
2004 ACTUAL	50	68,577
2005 ACTUAL	39	40,820
2006 ACTUAL	42	48,029
2007 ACTUAL	48	55,187
2008 ESTIMATED	42	48,029
2009 ESTIMATED	38	43,603
2010 ESTIMATED	45	47,798
2011 ESTIMATED	45	46,940
2012 ESTIMATED	47	51,695
2013 ESTIMATED	59	71,584
2014 ESTIMATED	68	97,173
2015 ESTIMATED	66	101,129
2016 ESTIMATED	68	103,566

THE PROPOSED EXPANSION...WOULD ALLOW THE CENTRE TO MAINTAIN ITS PRESENT CLIENT BASE, REGAIN OTHER CLIENTS THAT HAD TAKEN THEIR BUSINESS ELSEWHERE AND TO GENERATE NEW BUSINESS.

The estimates are based on expansion proceeding and a resulting positive impact on retaining existing business between 2009 and the opening of an expanded facility in July 2013. The number of room nights only accounts for those generated by Conventions/Conferences/Trade Shows. Other events also generate demand for room nights but not to the same extent.

### How will this be achieved...

- ✎ Since the PKF Report of 2005 the Winnipeg Convention Centre has successfully restructured the Sales and Marketing Department. This restructuring has allowed the Winnipeg Convention Centre to maintain overall sales levels above those forecast in the PKF Report and has contributed to better than anticipated financial results.

However, space requirements and average attendance at conventions is increasing and larger conventions with a trade show component are not only becoming more prevalent but expected. Meeting planners seek out destinations that provide a return on their investment. To succeed, the highest level of customer service coupled with highly efficient facilities must be offered.

An expanded Winnipeg Convention Centre would provide existing clients with the additional space and flexibility that they require along with opportunities to host new and larger events as well as simultaneous events.

But offering the "right" space is only part of the answer. In order to achieve success and act as an economic generator for the local community the Winnipeg Convention Centre must continue to work with other agencies in Winnipeg and Manitoba. In order to succeed, all agencies and businesses tasked with attracting visitors to Winnipeg and Manitoba need to work in an integrated manner while acknowledging their strong interdependencies.

### The opportunities offered by an expanded Winnipeg Convention Centre...

#### ✎ EXISTING TARGET MARKET OPPORTUNITIES

- Existing bookings that have pent-up growth potential. With an expanded facility, clients will have the ability to grow their events.
- Consumer Shows currently block other events from taking place during the 1st quarter. An expanded facility will provide us the ability to host simultaneous events.
- High-yield bookings that we have not been able to accommodate on their preferred dates.

#### NEW TARGET MARKETS

- Large Canadian Convention Market
- U.S. Conventions for both Associations and Corporate Business
- The North American Trade and Consumer Show Market

#### NEW MARKETS DIRECTLY LINKED TO THE CANADIAN MUSEUM FOR HUMAN RIGHTS

- National and International Human Rights Conventions
- National and International Corporate Meetings
- Educational Conventions
- Architectural Conventions
- Religious Conventions
- Union Conventions

## The payback to the funders and to the local economy...

↳ **Construction** - BDO Dunwoody Corporate Finance Inc. was commissioned by the Winnipeg Convention Centre in 2006 to assess the economic impact associated with the construction of the expansion of the Winnipeg Convention Centre and the tax generated for the Federal and Provincial Governments.

The study was based on cost estimates of expansion prepared in 2006. At that time the project was estimated to be \$179.41M. The table below outlines both the Economic Gain and the Tax Earning Gain calculated at that time. Updated numbers based on a current project cost of \$210M would impact the numbers below as would any tax rate changes in the intervening years. However, the positive impact that the expansion would have on the economy and on government revenues during the construction phase are considered to remain valid.

INITIAL INCOME GAIN	\$179.41M
OUTPUT GAIN	\$179.52M
LABOUR INCOME GAIN	\$51.66M
ECONOMIC GAIN	\$231.18M
INCOME TAX GAIN	
FEDERAL	\$8.99M
PROVINCIAL	\$6.24M
CORPORATE TAX GAIN	
FEDERAL	\$39.68M
PROVINCIAL	\$26.01M
SALES TAX GAIN (LABOUR INCOME)	
GST	\$1.72M
PST	\$2.01M
SALES TAX GAIN (INITIAL INCOME)	
PST/RST	\$11.88M
TAX EARNING GAIN	\$96.55M
<b>TOTAL GAIN</b>	<b>\$327.73M</b>
<b>JOB GAIN</b>	<b>610 person years</b>

*Note: Does not reflect the Economic Gain and the Tax Earning Gain generated by the construction of a 250 room select-service hotel.*

**Operations** - The PKF Report concluded that the proposed expansion of the Winnipeg Convention Centre would have a positive incremental economic impact on the City of Winnipeg. This improvement would not only recover the annual impact lost post 2004 but would result in an incremental impact over and above 2004 levels.

In 2004 dollars the overall future incremental impacts were identified as:

	NO EXPANSION	EXPANSION	ANNUAL GAIN
OPERATING REVENUES - WINNIPEG CONVENTION CENTRE	\$8.9M	\$12.9M	\$4.0M
YEARS OF EMPLOYMENT - WINNIPEG CONVENTION CENTRE	167	207	40
DIRECT ON-SITE AND OFF-SITE EXPENDITURES	\$32.7M	\$51.4M	\$18.7M
YEARS OF OFF-SITE EMPLOYMENT	159	278	119
YEARS OF ON-SITE AND OFF-SITE EMPLOYMENT	326	485	159
ROOM NIGHTS	70,000	134,000	64,000
LOCAL ACCOMMODATION INDUSTRY	\$7.0M	\$13.3M	\$6.3M
LOCAL RESTAURANT INDUSTRY	\$6.2M	\$10.4M	\$4.2M
LOCAL BUSINESSES OTHER	\$7.7M	\$13.0M	\$5.3M



## THE EXPANSION OF THE CONVENTION CENTRE WILL SPUR OTHER DOWNTOWN DEVELOPMENT...

“We would easily double the size of the RV show... and instantly.”

*Jim Flood,  
Producer, large commercial shows*

- Further development in the downtown would be immediate with the expansion of the Winnipeg Convention Centre. A 250-room select service hotel on top of the expanded Convention Centre is part of the plan.

The construction of the Winnipeg Convention Centre in 1975 acted as a catalyst for further development in an area of the city that had decayed and had been largely abandoned. Restaurants, hotels, offices and other facilities such as a home for the Royal Winnipeg Ballet were all developed beside or close to the then new Winnipeg Convention Centre.

Over thirty years later there is every reason to believe that the expansion of the Winnipeg Convention Centre can once more provide the impetus for private and public investment in downtown Winnipeg.



