

**Does Moncton need a convention centre?**

**Consultants hired by city asked to come up with three options, and recommend best one**

By Brent Mazerolle  
Times & Transcript Staff  
Published Friday September 14th, 2007  
Appeared on page A1

The City of Moncton has been trying for years to get one built in downtown, but the question begs asking again: Do we need a convention centre?

The city has hired one of the hospitality, real estate, and tourism industries' top consulting firms to answer that question. Representatives of PKF Canada were in the city yesterday to begin addressing the issue with area stakeholders.

The push toward a convention centre stems back to a feasibility study carried out by Horwath Consultants in 2000 that found Moncton was under-served in terms of meeting space. As a result, the city began exploring the idea of a convention centre in earnest.

But much has changed in the interim, and the convention market now isn't what it was in 2000.

With city council, city staff and other community leaders beginning to wonder if the missing piece of the convention centre puzzle -- federal investment to match funds put up by the city and province -- would ever materialize, the city decided last month to re-appraise the need with a \$55,000 study expected to be finalized by November.

The consultants have been asked to come up with three options and recommend the best one for the city, investigating whether a stand-alone convention centre, a centre attached to an existing structure or combined with something like a casino, or simply increasing meeting space in the city in other ways is the best course of action.

All this delay in getting a convention centre off the drawing board might not necessarily have been a bad thing.

While consultants Brian Stanford, Fran Hohol and Rebecca Pickford were in town yesterday to merely start looking at Moncton's particular situation, the background information they brought with them on what Stanford called "the realities of the convention centre business in Canada," might help Metro Moncton residents see better what they could be getting into.

First off, "the financial reality of convention centres is they don't make money, they lose money," Stanford said. In fact, he added, only two of the 17 top performing convention centres in Canada don't need subsidies to break even. And the two that are self sufficient owe their financial situations not to conventions, but to renting the excess capacity of their parking lots.

"Most convention centres need in excess of \$30 per square foot in operating subsidies (each year)," Stanford said, meaning the floor space sizes being considered for Moncton would cost anywhere from \$250,000 to \$500,000 per year.

On the other hand, each convention delegate visiting a city can be expected to pump \$1,000 into the local economy, with more than half of that going to businesses besides hotels.

The consultants said if the business case is there, there is huge economic benefit to a whole community from having a convention centre.

The convention business is seasonal and cyclical though. "April, May and June and September, October account for 75 per cent of convention activity," Fran Hohol said. As well, large national conventions, no matter how successful they might have been in Metro Moncton, will still not come back for several years as the annual gathering is rotated around the different regions of the country.

Meanwhile, the consultants said they would only look at the two previously identified potential sites for a convention centre, the Beaver Lumber and Assumption Life properties, as well as anything else in the downtown core. Stanford said it didn't matter how great a plot of land a city might have elsewhere. "Building outside the downtown is not an option."

Moncton is, of course, not the only city looking to get into the convention business. Regionally, Charlottetown and Fredericton are both actively pursuing centres. And last week, the same federal government that has been silent on footing a \$9-million share of an estimated \$18-million Moncton convention centre nevertheless gave Niagara Falls \$35 million to build one.

PKF said if all convention centres that have been proposed or are under construction in Canada get built, the convention space in Canada will increase by 40 per cent in the next few years. By contrast, the convention business grows by about eight per cent per year.

The trick for Moncton will be to compete with other destinations -- not the Tier 1 facilities in places like Montreal, Toronto and Vancouver, not the Tier 2 facilities in cities like Calgary, Edmonton, Quebec City or Winnipeg, or even the Tier 3 facilities like those in Halifax, Hamilton and Penticton. Rather, we would compete against places like Saint John or Fredericton or Charlottetown.

The consultants also came armed with a preliminary survey of Canadian meeting planners' perceptions about Moncton, which give some idea of how we might compete. Since meeting planners' perceptions matter as much as reality, their answers are indicative.

Moncton gets its highest ratings for a friendly atmosphere first, its green practices second, and the safety and security of its city third. Its fourth highest rankings came in perceptions about service.

Where the city fares most poorly in the minds of Canadian meeting planners is in its "airlift" -- industry jargon for whether or not delegates have easy air travel to and from a city. Moncton has just 117 domestic flights a week compared to Halifax's 480 and the 172 that serve St. John's, Newfoundland, the latter a convention hotspot because it's considered an attractive tourist destination.

Moncton also gets drubbed by meeting planners for its overall location and destination appeal and the lack of large blocks of hotel rooms in the downtown core.

Among Atlantic Canadian destinations, meeting planners ranked the city fourth behind Halifax, St. John's and Charlottetown.

While Halifax has a Tier 3 facility in the World Trade and Convention Centre, the consultants noted demand is currently 25 per cent below the average for other Canadian Tier 3 centres, a statistic that might give pause to other regional cities.

The consultants briefed Moncton City Council yesterday morning and spoke largely to hoteliers at a public meeting yesterday afternoon also attended by Rob Robichaud of the Greater Moncton International Airport Authority, Riverview Mayor Clarence Sweetland, and various tourism and economic development officials.

They will investigate the Moncton situation over the next several weeks and plan to present a draft report to Moncton council by the end of October. They hope to present their final report by the end of November.