



Report to: City Council

Meeting Date: Monday, September 30, 2024

SUBJECT:	Feasibility Study for a Convention Centre in the City of Markham
PREPARED BY:	Lee Boudakian, Acting Director, Economic Growth, Culture and Entrepreneurship Nizar Moosa, Business Manager, Destination Markham Corporation

RECOMMENDATION:

- 1) That the Feasibility Study of a Convention Centre in the City of Markham” be received; and
- 2) That staff be authorized to award a contract for the feasibility study for a convention centre to HVS Global Hospitality Services in the amount of \$60,343.68 (inclusive of HST impact); and
- 3) That the tendering process be waived in accordance with Purchasing By-Law 2017-08, Part II, Section 7 Non-Competitive Procurement, item 1 (g) which states “where it is in the City’s best interest not to solicit a competitive Bid”; and (h) “Where it is necessary or in the best interests of the City to Consulting and Professional Services from a supplier who has a proven track record in terms of pricing, quality and service.”; and,
- 4) That a new capital project entitled “Feasibility Study for a Convention Centre” be opened in the amount of \$60,343.68 (Including HST impact) and be funded from the City’s portion of the Municipal Accommodation Tax which is included in the Life Cycle Replacement Reserve (GL #087-02800200); and,
- 5) That Staff report back with the results of the feasibility study in the first quarter of 2025; and further
- 6) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to receive Council approval to award the contract for a feasibility study for a convention centre in the City of Markham.

BACKGROUND:

In February 2024, Development Services Committee directed staff to explore a feasibility study of a potential convention centre in the City of Markham.

A convention centre has been identified as a potential infrastructure project for future consideration in the Markham Tourism Strategic Master Plan 2024-2026. Development Services Committee requested staff to prepare a feasibility study for a convention centre and to report back on the parameters of the study.

In response, staff from Destination Markham and Economic Growth, Culture and Entrepreneurship conducted extensive research and prepared this report with the next steps for a feasibility study on a convention centre in the City of Markham

OPTIONS/ DISCUSSION:

The discussion below outlines the information required to assess the feasibility of building a new convention centre in Markham to enhance its appeal as a premier destination for conferences, exhibitions, cultural and large-scale events.

Overview of the tier system of Canadian Convention Centres:

Convention centres in Canada are categorized into tiers based on their size and capacity:

Tier 1: Includes large centers with 500,000 square feet (sq ft) or more, such as the Metro Toronto Convention Centre (600,000 sq ft) and the Palais des congrès de Montréal (551,520 sq ft). These facilities can accommodate up to 40,000 attendees and are located in major urban centres.

Tier 2: Convention Centres with 120,000 to 500,000 sq ft, such as the Halifax Convention Centre (120,000 sq ft) and the RBC Convention Centre in Winnipeg (260,000 sq ft). These facilities typically host up to 10,000 attendees and are situated in smaller cities or regional hubs.

Tier 3: Facilities with 80,000 sq ft or more, such as Hamilton Convention Centre (80,000 sq ft) and the London Convention Centre (70,000 sq ft). These venues generally serve up to 3,500 attendees and cater to regional or specialized events.

Summary of Recommended Vendor and Scope of Work

HVS Global Hospitality Services is a leading global hospitality consulting firm that has provided financial and valuation consulting services for over 35,000 assignments worldwide since 1980. With a team of over 300 industry specialists and more than 45 offices, HVS offers a comprehensive range of services, including market feasibility studies, valuations, strategic analyses, impact studies, development planning, and litigation support. Known for its reputation among industry participants such as developers, underwriters, and investors, HVS completed over 4,500 engagements last year.

The firm operates independently, providing expertise across various hospitality and tourism-related land uses, such as hotels, convention centers, entertainment venues, and sports facilities. The following are a few of the market feasibility studies they have undertaken: (Los Angeles Convention Center, BMO Centre, Calgary, Dallas Convention Centre and Omni Hotel, Edmonton Conference and Event Centre)

The following services as part of this feasibility study:

Phase 1: Market Analysis

- Project Orientation and Fieldwork
- Market Assessment
- Industry Trends
- Stakeholder Interviews
- Comparable and Competitive Facilities Review
- Demand and Attendance Projections
- Building Program Recommendations
- Hotel Market Assessment
- Financial Projections
- Potential sites
- Reporting and Presentation

Market Demand Analysis

- Conduct surveys and interviews with potential users, City of Markham staff, including businesses, hotels, event organizers and community groups.
- Review market trends and demand forecasts for convention centres in the Greater Toronto Area (GTA).
- Analyze the competition from existing convention centres in nearby cities.

Site Selection

- Identify and evaluate potential sites within Markham based on factors such as accessibility, size, infrastructure, zoning regulations, transit and close proximity to Markham Centre.
- Conduct a SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) for each potential site.
- Recommend the most suitable location(s) for the multi-use convention centre that can host business events, cultural events, sport events, concerts and other events.

Economic Impact Assessment

- Estimate the economic benefits, including job creation, attract visitors and increased business opportunities.
- Assess the potential for increased revenue for local businesses and the city.
- Analyze the costs associated with construction, maintenance and operations.

Social and Environmental Impact

- Evaluate the social benefits, such as community engagement and cultural events.
- Assess potential environmental impacts, including sustainability considerations, green building practices and consider Leadership in Energy and Environmental Design (LEED) certification.
- Propose mitigation strategies for any negative environmental effects.

Financial Analysis

- Develop a preliminary budget for construction and operation.
- Explore funding options, including public-private partnerships, government grants and private investments.
- Analyze the financial viability and return on investment.

Stakeholder Consultation

- Identify key stakeholders, including city officials, local businesses, residents and potential users, business improvement areas (BIA), hotel associations, Markham Board of Trade, etc.
- Conduct stakeholder meetings and public consultations to gather input and build support.
- Summarize stakeholder feedback and incorporate it into the report.

Risk Assessment

- Identify potential risks associated with the project, including financial, operational and environmental risks.
- Develop a risk management plan to mitigate identified risks.

Recommendation

Staff recommend conducting Phase 1 of a feasibility study for the development of a Tier 3 convention centre with a capacity of up to 3,500 attendees. The study will explore the development of a multi-use, state-of-the-art building that prioritizes advanced technology and sustainability (LEED Certified). Staff also recommend that the convention centre be equipped with top-tier technological infrastructure and be built with sustainability at its core, making it a future-proof asset for the community. Collaboration with Markham District Energy can help achieve this goal. Phase 1 will also consider the integration of an attached hotel to enhance the venue's marketability and operational appeal.

FINANCIAL CONSIDERATIONS

The phase 1 of the feasibility study for a Convention Centre in Markham will cost \$60,343.68 inclusive of HST impact and will be funded from the City's portion of the Municipal Accommodation Tax which is included in the Life Cycle Replacement Reserve (GL #087-02800200).

ALIGNMENT WITH STRATEGIC PRIORITIES:

The initiative of conducting a feasibility study on a Convention Centre in the City of Markham aligns with the Economic Development and Culture Strategy and Markham Tourism Master Plan.

BUSINESS UNITS CONSULTED AND AFFECTED:

Economic Growth, Culture, and Entrepreneurship, Finance Department, Destination Markham Corporation.

RECOMMENDED BY:

Lee Boudakian
Acting Director, Economic Growth,
Culture and Entrepreneurship

Joseph Silva
Treasurer

Andy Taylor
Chief Administrative Officer