



Vancouver Island Conference Centre

2017 Budget Presentation

October 4th 2016



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Agenda

- Atlific Hotels, VICC & City of Nanaimo Relationship
- Organizational Chart
- Booking Policies
- Financials: (Revenues, Expenses, Bottom Line Numbers)
- Delegate Days, Room Nights & Participant Days
- PACE
- Competitive Set
- Loyalty & Retention
- Discount Pricing
- VICC Priorities
- RFP Process
- Feasibility Study
- CORE Review Take-Away
- Sales and Marketing



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Atlific Hotels

- Atlific Hotels founded in 1962
- 1997 Ocean Properties became Parent organization
- 58 Canadian Properties and 76 American
- One of the largest privately-held hotel operations and development companies in North America

Atlific Hotels awards:

- Top 50 Shining Stars – *Hotelier* magazine, 2014 & 2012
- Tops In Hospitality Award – *Hotelier* magazine, 2010
- Company of the Year – *Hotelier* magazine, 2009
- Multiple Property Awards in the Hotel portfolio



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See www.atlific.com



Management Agreement

(Atlific & City of Nanaimo)

Contractually:

“The owner desires to have the Management company market, manage, control and operate the Conference Centre including food, beverage and special events and operations related thereto in conjunction with the operation and management of the Hotel”

Additionally:

“The owner hereby appoints the Management Company to supervise, direct and control the management, operation and marketing of the Conference Centre and the Management Company will have the exclusive authority and responsibility for the day to day management and operation of the Conference Centre for and during the term subject to the owner’s rights under this agreement”...

“subject to the booking policies approved by the Owner, free from interference, interruption or disturbance, in all matters relating to management and operation of the conference centre”

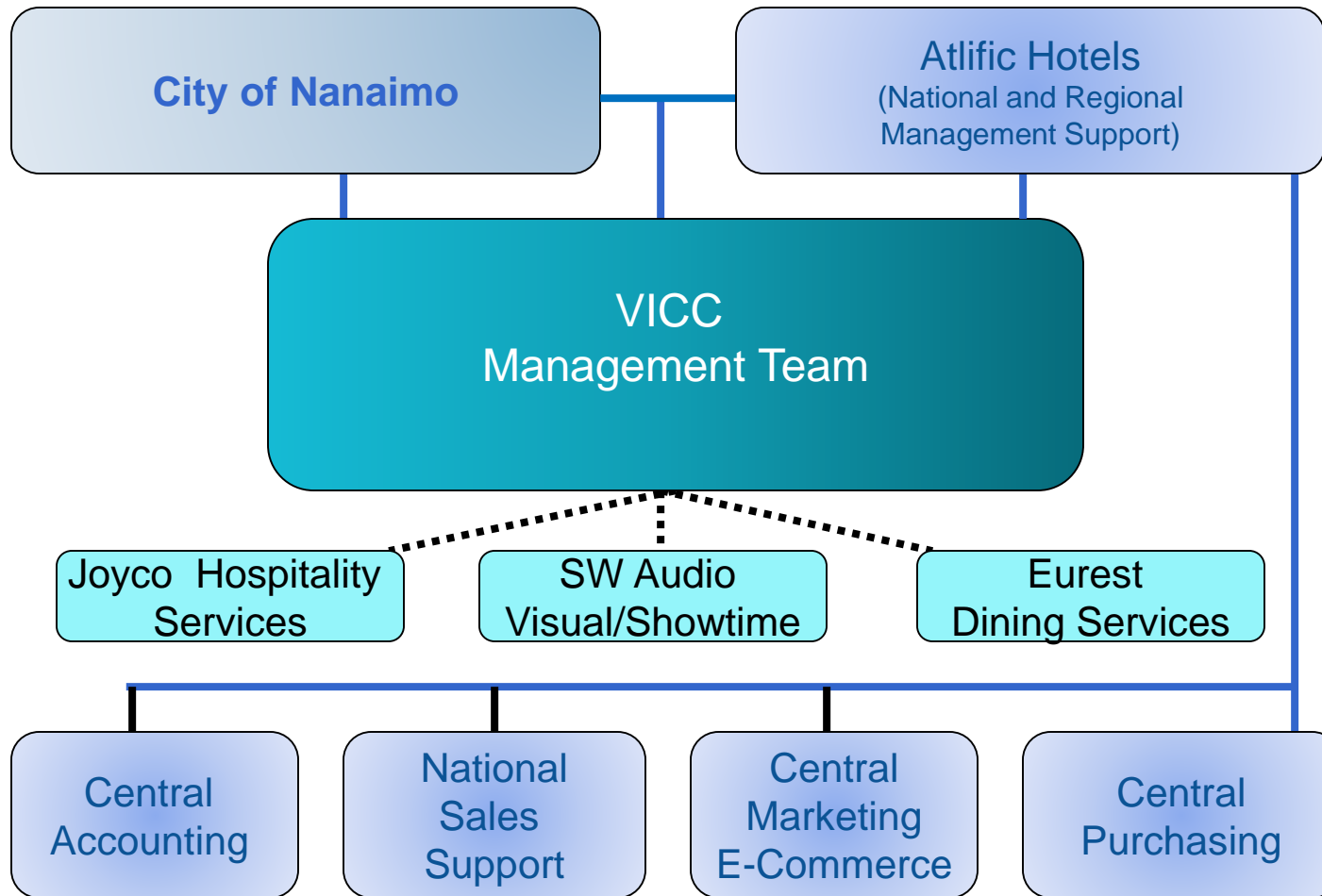
Source: Management Agreement 2007 & 2012



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VICC Model



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*“subject to the **booking policies** approved by the Owner, free from interference, interruption or disturbance, in all matters relating to management and operation of the conference centre”*

Source: Management Agreement 2007 & 2012



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Booking Policies

Event Definition	Delegate and Room Night Definition	Booking Guidelines
Multi-Day Conferences 2 or more days		
City Wide	200 + delegates, typically more than 150 guest rooms per night	Can confirm anytime into the future
Mid Size	Less than 199 delegates, typically more than 100 rooms per night	Can confirm 18 months prior to event date for all months
Small	Less than 99 delegates, typically more than 25 rooms per night	Can confirm 12 months prior to event for dates in MAR, APR, MAY, JUN, SEP, OCT, NOV Can confirm 18 months prior to event for dates in DEC, JAN, FEB, JUL, AUG

Booking Policies

Event Definition	Delegate and Room Night Definition	Booking Guidelines
Consumer & Trade Shows	Any number of delegates with or without room requirements.	<u>Can confirm 12 months</u> prior to event date during prime conference months March, April, May, June, September, October and November. <u>Can confirm 18 months</u> prior to event date during non-conference months DEC, JAN, FEB, JUL and AUG

Source: VICC Sales Policies & Procedures –July, 2007

Booking Policies

Event Definition	Delegate and Room Night Definition	Booking Guidelines
Single-Day Events with room nights Includes portion of the day and F& B only events Single-Day Events without room nights	Any number of delegates with less than 25 rooms per night Any Number of delegates without room requirements	Can confirm 6 months prior to event date for all months Can Confirm 3 months prior to the event date for all months

Source: VICC Sales Policies & Procedures –July, 2007



2017 Financials



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Revenues

	2016	2017 Budget	Variance to 2016
Room Rental	\$314,555	\$343,729	\$29,174
Food	\$911,013	\$961,788	\$50,775
Beverage	\$ 139,263	\$144,400	\$5,137
AV	\$224,531	\$237,640	\$13,109
Other Revenues 2% ADMIN, F&B SC,	\$177,922	\$185,261	\$7,339
Total Revenue	\$1,767,284	\$1,872,818	\$105,534



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Expenses

	2016	2017 Budget	Variance to 2016
Room Rental Costs	\$95,305	\$97,013	\$1,708
Food & Bev Costs	\$955,347	\$995,466	\$40,118
AV & Other Revenue Costs	\$ 151,085	\$143,004	-\$8,081
Admin & General	\$515,283	\$519,930	\$4,647
Sales & Marketing	\$249,675	\$318,431	\$68,756
Utilities	\$182,688	\$209,163	\$26,475
Property & Ops	\$582,059	\$564,593	-\$17,466
Total Expenses	\$2,731,442	\$2,847,600	\$116,158



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Bottom Line

	2016	2017 Budget	Variance to 2016
Total Revenues	\$1,767,284	\$1,872,818	\$105,534
Total Expenses	\$2,731,442	\$2,847,600	\$116,158
Museum & Retail Revenues	\$49,746	\$49,964	\$218
Subtotal Loss	\$915,412	\$924,817	\$9,405
Management Fee	\$89,049	\$84,000	-\$5,049
Total Loss	\$1,003,460	\$1,008,818	\$5,356



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Delegate Days

Room Night

Delegate Day



Delegate Day



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Delegate Days = (Non-resident delegates)

Participant Days = (All traffic)



Delegate Days

Delegate Days = All non resident guests who attend a conference or multi-day meeting and spend non-resident dollars per day during their time period.

Formula for Delegate Day= The value of spend per day (\$315) multiplied by the duration of actual conference (+) plus 2 travel days

Conference Name	Dates	Calculation of del days			# of attendee s	Total del days	spend	Economic Impact
RAIC-Architect Conference	June 7-11 2016 (5 days)	5	+ 1	=6	X 350	2100 Delegate Days	X \$315	= \$ 661,500 EI

VICC factors (1) delegate day either side



Participant Days

Participant Days = All traffic, day or evening meetings, consumer shows, conferences, trade shows , council meetings, single day events to include weddings, galas, and proms.

- Is not a published number for Delegate Days
- Does not include traffic for art gallery viewing





2017 Pace



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Delegate Days

At Sept 15 2015

2016	Jan	Feb	Mar	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Totals
Multi-day Non Resident		2		7	2	2				3	1		17
Single Day Events	4	5	1	8	5	2	1	1			1	3	31
Consumer/Tradeshows	1			1				1					3
Current Annual Projected Delegate Days		955		4602	975	3700				4140	5296		19668
Economic Impact in Year	0	300,825	0	1,449,630	307,125	1,165,500	0	0	0	1,304,100	1,668,240	0	\$ 6,195,420.00
Economic Impact Total since Inception (forecast)													\$51,369,885.00
Participant Days (all guests- actuals per month)	3280	853	300	2691	699	1010	30	125		1520	1522	1340	13370
													0

At Sept 15 2016

2016	Jan	Feb	Mar	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Totals
Multi-day Non Resident		2	1	6	1	2			2	5	3	1	23
Single Day Events	37	38	34	41	38	39	9	15	28	24	40	22	365
Consumer/Tradeshows	1	1	2	2	1	2				1	1		11
Current Annual Projected Delegate Days (including non-conf)	194	1586	500	4111	1042	3750	75	16	2760	4680	6336	240	25290
Economic Impact in Year	61,110	499,590	157,500	1,294,965	328,230	1,181,250	23,625	5,040	869,400	1,474,200	1,995,840	75,600	\$ 7,966,350.00
Economic Impact Total since Inception (forecast)													\$52,990,245.00
Participant Days (all guests- actuals per month)	3871	2434	1713	4948	3679	6994	689	1306	2485	3389	5589	3102	40199
													0



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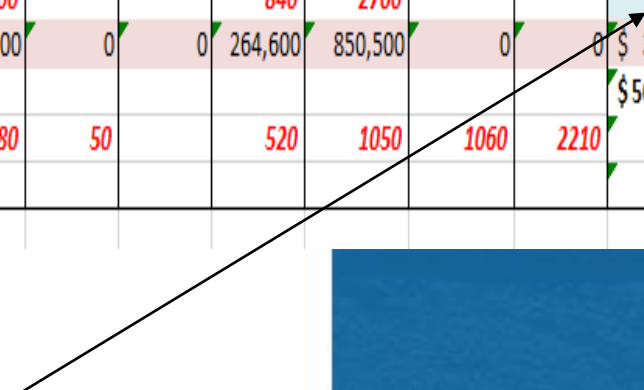
Delegate Days

13														
14	2016	Jan	Feb	Mar	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Totals
15	Multi-day Non Resident		2	1	6	1	2			2	5	3	1	23
16	Single Day Events	37	38	34	41	38	39	9	15	28	24	40	22	365
17	Consumer/Tradeshows	1	1	2	2	1	2				1	1		11
18	Current Annual Projected Delegate Days (including r	194	1586	500	4111	1042	3750	75	16	2760	4680	6336	240	25290
19	Economic Impact in Year	61,110	499,590	157,500	1,294,965	328,230	1,181,250	23,625	5,040	869,400	1,474,200	1,995,840	75,600	\$ 7,966,350.00
20	Economic Impact Total since Inception (forecast)													\$52,990,245.00
22	Participant Days (all guests- actuals per month)	3871	2434	1713	4948	3679	6994	689	1306	2485	3389	5589	3102	40199
23														0
14														
15	2017	Jan	Feb	Mar	April	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Totals
16	Multi-day Non Resident	1	3		3		1			1	2			11
17	Single Day Events	7	2	2	9	9	6	1		1		3	4	44
18	Consumer/Tradeshows	1			1		1				1			4
19	Current Annual Projected Delegate Days (including r	2800	2510		2745		600			840	2700			12195
20	Economic Impact in Year	882,000	790,650	0	864,675	0	189,000	0	0	264,600	850,500	0	0	\$ 3,841,425.00
21	Economic Impact Total since Inception (forecast)													\$56,831,670.00
23	Participant Days (all guests- actuals per month)	2597	970	155	3537	970	1880	50		520	1050	1060	2210	14999
24														0
25														



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2017 Pace at Sept 2016



Delegate Days VS Market 2016 vs 2017

	2016	2017	Variance
Nanaimo	(Pace was 19,668 at Sept 15 2016) 25,290	12,195 otb + 30% + 5000 bt group 20,853	-4,437
Victoria	104,000	94,000	-10,000
Prince George	10,750	13,250	+2,500
Penticton	41,298	52,787	+11,489



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Loyalty & Retention

Business & SMERF Markets

- Corporate Business Groups
- Proms/Graduations/Convocations
- Christmas Parties
- Weddings
- Conferences



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Discount Pricing

“VICC will not allow discount on published prices that cover goods and services that the Center is contracted to supply.

An event or part of an event can be sponsored by an organization and this Sponsorship will be contracted separately by the VICC in order to cover the actual cost or portion thereof of the event.

In a highly competitive climate, VICC may be directly sponsoring an event for promotion purposes or for the purpose of securing new business with the intent of attracting organizations presently using established centers in other destinations.”

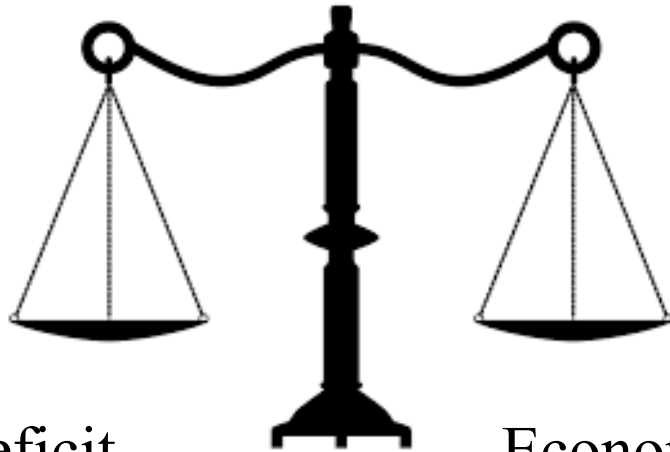
Source: VICC Sales Policies & Procedures –July, 2007



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Priorities of the VICC



Annual Deficit

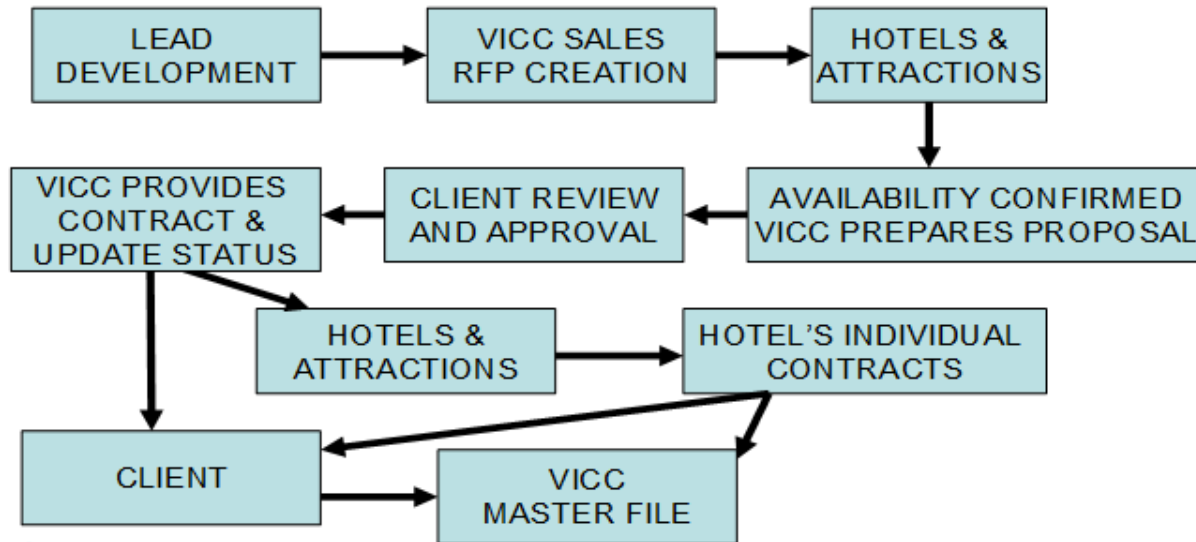
Economic Impact



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RFP (Request for Proposal) Process



Source: VICC Sales Policies & Procedures –July, 2007

2016 Feasibility Study

Room Nights

“Approximately 43% of all M&C room night demand generated in 2015 (10,500 room nights) was self-generated by individual hotels holding meetings at their properties while 57% (14,000 room nights) of Nanaimo’s M&C demand was generated by events held at the VICC in 2015”

Source: CBRE Feasibility Study May 2016 pg. 21



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Other Options

AIR B&B as at September 28th - I searched March 3 & 4 2017 (1 guest 1 room)

Air B&B: 253 rentals (Entire Home 112) (Private Room 138)

Booking.com: 45 properties

Hotels.com: 105 Hotels and brought in Parksville to Duncan

Drill down Nanaimo 45 properties

Expedia: 100 Hotels and brought in Parksville to Duncan

Drilled down Nanaimo 63 properties and still brings up Parksville



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2016 Feasibility Study

2014 Costs

“In 2014 The City of Nanaimo provided an annual operating subsidy of \$1.2 million to the subject VICC, which is approximately \$345k above average subsidy of \$813,500 amongst comparable set.....

“The VICC generated event revenues of \$1.6 million in 2014 or an estimated \$42 per square foot, in comparison to the industry average of \$53 per square foot”

Source: CBRE Feasibility Study May 2016 pg. 64



2016 Feasibility Study Rates

“When compared to other Tier 3 Centres in B.C., the VICC’S rental rates tend to be higher with prices at about \$0.05 more per square foot for ballroom space and \$0.14 higher for meeting function space.”

Source: CBRE Feasibility Study May 2016 pg. 36



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2016 Feasibility Study Positioning

“The VICC tends to be competitively priced with Convention Centres in Whistler and Victoria, and above rental rates charged at venues in Penticton and Prince George.”

Source: CBRE Feasibility Study May 2016 pg. 37



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2016 Feasibility Study

Lost Business

“Over the past 5 years insufficient hotel rooms contributed to a loss of 18 events with a total of 7700 delegates, spanning 56 days with lost room rental revenue of \$82,300 and lost food and beverage revenue of \$310,500”

Source: CBRE Feasibility Study May 2016 pg. 23



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2016 Feasibility Study Capacity

“Given Nanaimo’s current hotel room inventory and meeting space capacity, the City is largely restricted to hosting groups of less than 250 delegates/attendees in size from a functional capacity perspective”

Source: CBRE Feasibility Study May 2016 pg. 28



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Feasibility Study Take-Away

“There is no collaborative destination marketing plan that exists between Nanaimo Tourism, the VICC and its hotel partners”

Source: CBRE Feasibility Study May 2016 pg. 14



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Core Review Take-Away

“The City design clear and accountable guidelines to effectively partner with community organizations and agencies to provide specialized services”

Source: City of Nanaimo CORE Services Review Final Report –WMC- May, 2016. Pg. 130



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Vancouver Island Conference Centre

2017 Sales, Marketing & Revenue Strategies

➤ Marketing Brand



➤ Sales

➤ Community Awareness

➤ Advertising/ Publications/Memberships





Extraordinary events. Impeccable service.

From small intimate gatherings to grand conferences, tradeshows or weddings of up to 1,300 guests, the Vancouver Island Conference Centre is your answer for flawless, memorable events. Vancouver Island's finest full-service conference centre is located steps away from the scenic Nanaimo Harbour in the heart of a walkable downtown.

We make every event extraordinary.



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101 Gordon Street
Nanaimo, British Columbia

Call today to book a tour **1.866.430.6338**
View our video online at **viconference.com**



Thank you



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