Phase 4 Report

Alternate Facility Options for the Jack Byrne Arena

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Executive Summary:

After a cursory examination of the population dynamics of the north-north east Avalon region and subject to the completion of a series of interviews and the analysis of both the meetings and conventions market and the entertainment industry markets it appears that the most pressing need in the area is for an integrated sports recreation and lifestyle centre – one that can meet the needs of a rapidly growing, increasingly active, some hat younger and somewhat younger population base – with an increasing number of residents over aged 60.

While the meeting s and convention market in this region is growing and occasionally affords the Jack Byrne Arena with incremental revenue for its existing facility, it does not appear that there is sufficient market potential – in either the entertainment or meeting & convention business to warrant a purpose built extension of either of these latter types at this time.

However, recent provincial and federal government initiatives in the areas of physical health and lifestyle enhancement, the current population profile of the north-north east Avalon region, and the current absence of an integrated lifestyle centre with a capacity to deliver a wide range of fitness and active living options for area residents suggests that the development of such a facility should be a priority for the region.

While the inclusion of the town of Portugal Cove-St. Philips in the current arena funding group will serve to increase the population of the catchment area – from 13,250 area residents – to over 20,000, the current area resident profile is sufficient to warrant the development of such a facility. In fact, at the present time there a least two other regional lifestyle centers operating in Newfoundland and Labrador, in areas that have a 7,500 person catchment area (Bay Bulls and Happy Valley Goosebay).

A recent inventory of the recreation and leisure type facilities in the catchment area suggests that, all of the recreation facilities in the region would be considered as municipal – as opposed to regional – and none of these have the capacity to meet the needs of the region – presently or in the future.

In addition there are at least 5 provincial sport governing bodies that are interested in the development of long-term rental agreements for space in such a facility – should a decision be made to proceed with such a facility. It is the ability to attract long-term users on a consistent basis that has proven to enhance the sustainability of such facilities and where possible every effort should be made to attract and sign such groups prior to the approval of any development proposal.

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Introduction:

The primary objective of the fourth and final phase of this report is to conduct a preliminary investigation of the future expansion and development options for the Jack Byrne Arena complex. Key areas of investigation include: 1) the proposed development of a second ice rink surface to be attached in some manner to the existing facility; 2) the proposed addition of space and infrastructure to the existing facility to allow it to further penetrate into the entertainment industry – either for concerts, award shows or competitions; 3) the proposed addition of space and infrastructure that would allow the facility to compete in the meetings and conference market; and 4) the addition of alternate recreation infrastructure and facilities that would allow the JBA to position itself as a regional lifestyle centre for the north-north east region.

To help facilitate this analysis, a series of in-depth meetings/interviews were conducted with knowledgeable industry professionals in the entertainment industry and the hospitality industry, as well as the sport, recreation, fitness and lifestyle industries. In each case respondents were asked a series of questions related to the current utilization of existing facilities with which they were familiar. They were also asked about their perception of the current and future needs of present and future user groups with which they were familiar. These interviews formed the basis of the commentary which follows. Our analysis begins with an examination of the broader recreation infrastructure and fitness needs of the existing region, including a brief description of the recreational infrastructure that presently exists within the region and a commentary on recent development proposals and anticipated infrastructure enhancements that are scheduled to be completed in the near future (2018). We then consider the current market conditions and options available in both the entertainment and hospitality industries. Our report concludes with a review of the relative merits of each option, based on anticipated market needs, the existence of existing and planned competitive offerings and current municipal, provincial and federal government priorities in the region.

Section 1.0 Alternate Recreation Facilities and Services – A Regional and CMA Perspective:

When conducting an examination of the recreational facility development options that might be considered as part of the range of development alternatives for the JBA, one must first consider each of the factors that might serve to influence demand for one or more of these options. These factors include: 1) the current rental profile of the existing JBA facility (the available time and space); 2) the current availability of and demand for existing (alternate) recreational space in the north-north east region; 3) any new (proposed) recreational facilities within the broader Census Metropolitan Area of St. John's and the impact which they establishment of these facilities might have on the JBA – in its present form or with one or more additional facilities built to complement the existing facility; and 4) the facility or infrastructure gaps that may still exist even after all of the facilities that are under construction gaps or planned have been completed (including the demographic and lifestyle changes that might be anticipated within the region – particularly as 'city dwellers' continue to move to the somewhat more rural areas that are included in the current JBA catchment area.

At the present time, there appears to be a shortage of non-hockey related recreational facilities in the North-northeast Avalon region. That Is not to imply that no such facilities and services exist, but rather to suggest that the majority of these services operate at the individual community level – as opposed to at the regional level.

In addition, many of these facilities are available as secondary-use facilities, having been established as schools (with gymnasiums) or as town halls, or other multi-use, multi-purpose municipal buildings. As a result, individual communities are limited by their overall size (and associated revenue base) to able to establish the type of municipal recreation infrastructure that residents expect in 2015.

Looking across the region, while we see some well-designed, well used and well maintained facilities, including the Kinsmen Centre in Torbay and the Justina Centre in Logy Bay–Middle Cove–Outer Cove (LB-MC-OC), these are primarily used by local area residents and were not really designed as regional facilities. Nor have they been established in locations that are easily accessible by residents of the surrounding communities.

By contrast the current location of the Jack Byrne Arena is such that it is easily accessible by residents of the towns of Torbay and LB-MC-OC. In addition, the recent completion of the Torbay Bypass Road has made access to the Jack Byrne Arena site much easier for the residents of the communities of Flatrock, Pouch Cove and Bauline.

The following Table outlines the current recreational and lifestyle facilities that are available within the current catchment area for the Jack Byrne Arena.

Table 1: Recreation and Lifestyle Facilities in the North-Northeast Avalon Region

Facility	**Location**	**Description**
Kinsmen Community Centre	8 Kinsmen Place, Torbay	A multi-purpose Facility that is available for conferences, weddings birthday parties etc.
Kinsmen Ball Field	8 Kinsmen Place, Torbay	Softball Field
Soccer Field	Torbay	A soccer filed located adjacent to Holy Trinity Elementary School
Justina Centre	LB-MC-OC	A multi-use facility with a community hall and separate meeting rooms.
Kelly Park	LB-MC-OC	A multi-sport facility with softball and soccer fields as well as tennis and basketball courts and a children's' play area.
Flatrock Community Centre	Flatrock	A regional community centre offering limited floor space for recreational activities such as Zumba fitness
Pouch Cove Recreational	Pouch Cove	

When evaluating the future recreation needs of the area, a number of key demographic factors come to mind. These include: 1) the aging of the population and the impact which a dramatic increase in the number of area residents in one or more demogrpahs might have on the demand for recreational services; 2) the increase in the number of individuals aged 0-19 and the impact which this increase might have on the demand for year round recreational facilities for sports such as soccer, basketball and volleyball, which have become increasingly popular as year round sports (both within the boundaries of the JBA supporting towns and across the St. John's CMA); and 3) the impact which recent government initiatives designed to get people active and keep them active might have on the recreational infrastructure needs of this and other regions.

In recent years the Government of Newfoundland has embarked on a regional recreational infrastructure program designed establish a network of regionally located recreation and lifestyle centers – particularly in areas where recreation infrastructure is underdeveloped presently, and where there is a sufficiently large and growing population to sustain such facilities for a generation or more.

To date, regional lifestyle facilities have been developed in such regions as: the Southern Shore (Witless Bay), Harbour Grace, New World Island and Marystown, with as many as eight such regions having been identified and included in the planning activities of the Department of Business, Tourism, Culture and Regional Development.

While the towns of the north-northeast Avalon are not currently in the consideration set for such a facility, a cursory examination of the population dynamics of the region, coupled with anecdotal evidence about the current usage levels associated within existing recreation and leisure facilities within the region, suggests that the demand for such services in this area is greater than the current supply of (quality) facilities (See Table 1, page 2).

At the same time, while the supply of recreational facilities across the St. John's CMA is better than it has ever been, the demand for recreational facilities across the St. John's CMA region also appears to be at an all-time high.

While the City of St. John's has made some impressive steps to enhance its recreational infrastructure – particularly in recent years - via the expansion of its facility in Wedgewood Park in the east end of St. John's, the proposed replacement of the Mews Centre facility in the city centre and a proposed new facility for the west end of St. John's, the recent migration of Newfoundland and Labrador residents to the CMA has resulted in increased demand levels – even in the face of fairly dramatic infrastructure enhancements.

In fact, conversations with Troy Croft of Sport NL and Rod Snow of the NL Provincial Training Centre, as well as Jim Buckingham of the Techniplex, suggest, that while demand continues to increase for facilities such as the Provincial Training Centre and The Techniplex, the current development models do not afford the kind of financial return required by private equity funders. As a result, the current situation sees us with more demand than there is supply but only as long as prices are at least partially subsidized. That is, most industry experts suggest that in the absence of significant government support, most of the current facilities could not sustain themselves at private sector pricing levels – as most associations and their members cannot afford (or will not pay for) such facilities at full market prices. Jim Buckingham (2015) suggested that The Techniplex, while heavily booked from 4:00 p.m. – 10:00 p.m. daily and all day and evening on weekends, is not really generating sufficient funds to allow for the effective management of this asset in the long term. That is, it is essentially breaking even or generating 'some' profit while the facility is relatively new, that model will not work as the facility ages and requires upgrades and renovations. He suggested that once significant repairs and maintenance are required, the economics of such a facility will change and the facility will become a marginal enterprise – in the absence of large-scale price increases. It should be noted that current rental rates at this facility are already considered to be high in the range of expected prices – even compared to ice hockey – a sport that has traditionally been viewed as the most expensive participation sport in Canada.

From a demand perspective, it should be noted that at the present time at least three of the largest participation sports in Newfoundland and Labrador (Basketball, Volleyball and Soccer) consider themselves to be in a deficit situation with respect to the availability of playing space. In addition, a number of outdoor summer sports have suggested that they would be interested in the acquisition/use of an additional indoor field turf facility (ideally with a running/walking track) for their rather long off-season(s) (October – May). These sports include: Athletics, Soccer, Rugby, Baseball, Softball and Ultimate Frisbee, among others.

It is also important to note that at this time a number of these sports appear to be moving in the direct ion of hockey – in terms of their approach to personal player development. Like hockey, basketball and soccer in particular are witnessing the emergence of the high-performance development camp and development leagues, where participants and or their parents appear willing to pay large sums of money to enable their children to participate in elite level development camps. Such camps and their associated pricing structures have become important contributors of operating capital to such facilities as capital Hyundai Arena and The Techniplex, in particular.

Section 1.2 A Regional Demographic Profile:

As can be seen in Table 1 below, the population of the north-north east Avalon is significantly younger than the NL average, with 28 percent of area residents aged 0-19 as of the 2011 census. And as noted in phase 1 of this series of reports the trend for 20111-2015 suggests that as of 2016 more than 30 percent of the population of the region will be under age 20 – this is almost 40 percent higher than the provincial average of 21 percent – suggesting that, if anything, there will be increased pressure on the region to develop additional recreation and leisure space.

Table 2: Demographic Profile of Individuals aged 0-19 and 60+ on The North-north East Avalon

Town	Area Residents Aged 0-19 (#)	Population Individuals Aged 0-19 (%)	Area Residents Aged 60+ (#)	% of Area Residents Aged 60+ (%)
Torbay	2.045	(2,045/7,400) = 28%	1,130	1,130/7,400=18%
LB-MC-OC	500	(500/2250) = 22%	420	420/2250=19%
Flatrock	348	(348/1,455) = 24%	166	166/1,455=11%
Pouch Cove	461	(461/1,865) = 25%	383	383/1,865= 21%
Bauline	100	(100/395) = 25%	65	65/395=17%
Portugal Cove – St. Philips	1,810	(1,810/7365) = 25%	1,145	1,145/7365 = 15.5%
Total	5,264	(5,264/19,730) = 28%	3,309	
Provincial Mean		21%		21%

Section 1.2 Conclusions and Implications re Recreational Infrastructure Needs (Supply and Demand) on the North-north East Avalon: The increase in the area population aged 0-19, the increase in the proportion of individuals in the area aged 60+, coupled with the increase in housing starts in the area, collectively suggests that from a demographic perspective, there will be a significant increase in the demand for recreational facilities in the North-north East Avalon region. If Government programs designed to increase the level of physical activity among existing area residents is successful, these demands will be even more significant.

At the present time, the existing recreation facilities in the region are best described a local in their orientation – having been designed to meet the needs of individual towns – as opposed to being regional facilities – designed to meet the needs of a broader geographic and a wider demograph.

These recreational infrastructure needs coupled with those of the wider CMA suggests that the development of a regional lifestyle centre be seriously considered at this time. Given the central location of the Jack Byrne Arena, this area presents itself as an obvious location – assuming all land use studies etc. support its utilization.

The following sections of this report examine the possible uses for the Jack Byrne Arena (as is or as reconstituted) as an entertainment facility or as a hospitality/meeting/conference facility. Section 2.0 deals with opportunities and challenges in the entertainment industry, section 3.0 examines the prospects in the hospitality industry – notably in the meeting/conference sub-sector.

2.0 Music Industry Opportunities & Perspective: The Canadian Entertainment industry continues in a period of transition that was first evidenced in the late 2000's. The ability of end users to download music (at little or no cost) has caused a dramatic reduction in record sales and royalty revenues and has resulted in a dramatic shift in power within the industry. The once powerful record companies have witnessed a dramatic decline in sales and profits and the royalty revenues that once accrued from these producers to their contract artists (the singers and songwriters) has all but dried up.

To compensate for this decline in revenue some entertainers have 'hit the road' in an attempt to generate much needed revenue from a familiar source. While this is particularly true for the high profile international acts that stand to benefit the most from large-scale touring events that often attract crowd sin excess of 15,000 people and which often pay such acts in excess of $750,000 USD per night/appearance, the same cannot be said for the regionally based recording artists.

So, in effect, at both ends of the performing artist spectrum there a very different business model is emerging – one that is very different from the one that existed even ten-fifteen years ago. At that time promoters were happy to break-even on a road trip; the prevailing logic being that ‘touring’ drove record sales, with the overall impact which touring had on record sales being a positive one.

In 2015, ‘touring’ has become (by necessity) a means to generate much needed cash and profit. This orientation towards tour profitability has lead promoters to seek out larger venues with proportionately higher gross gate receipts per event. Examples include the large-scale outdoor summer concerts at Magnetic Hill, in Moncton, N.B. Citadel Hill in Halifax, N.S. as well as the Exploits Valley Salmon Festival in Grand Falls, N.L. The most recent and newest examples being the East Bound Hoedown in Avondale, N.L. and The Confederation Hill Concert in St. John’s – an event that, in spite of attracting 13,000-15,000 fans, likely did not meet the promoters revenue expectations.

As a result of this trend toward a reduced number of larger concerts - designed primarily to maximize revenue and minimize concert dates, the mid-sized arenas and stadiums in Canada (i.e. buildings with a seating capacity of 6,000 to 7,500) in particular, find themselves challenged to attract the type of acts that routinely toured Canada in venues of that size in years past. (Note: The larger NHL and mid -sized arenas continue to attract international recording artists and high-profile national acts, as their seating capacity limits allow for maximum revenues, with fewer concert dates being required – for each of the aforementioned groups of artists).

Recently, the owners of (arguably) one of the most remotely located mid-sized entertainment centers in Canada, St. John’s Sports and Entertainment, undertook an analysis of the market and facilities in Atlantic Canada and beyond. Their goal at the time was to develop of a better understanding of the market dynamics that were at play in the entertainment industry in Canada and at the same time assess the overall market potential for a facility such as Mile One Centre.

The highlights of that report suggest that from a facility supply perspective, the total entertainment market can be subdivided into a number of distinct tiers – each with its own unique set of market dynamics.

> **Tier 1** consists of the largest indoor entertainment venues in Canada and includes such facilities as: Scotia Bank Place (Ottawa – capacity 18,500); the Air Canada Centre (Toronto – capacity 19,850); the Bell Centre (Montreal – capacity 21,000); G. M. Place (Vancouver – capacity 18,500); the Scotiabank Saddle Dome (Calgary – capacity 18,000); and Rexall Place (Edmonton – capacity 18,500) and the Canadian Tire Centre (Ottawa – 18,000). Each of these venues is capable of housing the biggest names in contemporary music and routinely delivers 12 or more such concerts annually. Acts that appear in such venues include high profile international recording artists such as Elton John. Ticket prices for such events typically range from $100 - $125 per seat. (In addition, each of these venues is home to either an NHL or an NBA franchise – or both).
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> **Tier 2** consists of those Canadian venues that can hold approximately 10,000 patrons for entertainment events. These include: The John Labatt (Budweiser) Centre (London, Ontario – capacity 10,250); The MTS Centre (Winnipeg – capacity 10,000) and the Scotiabank Centre (Halifax – capacity 10,000). These acts can also attract well known international recording artists and appear to be positioned geographically (in some cases) so as to ‘fit in’ to the touring schedules of those acts that are routinely considered

to be a part of the top tier. At the present time there are relatively few 10,000 seat venues in Canada. These venues typically attract 8 – 12 entertainment acts (as noted for this market tier), annually.

Tier 3 consists of those entertainment facilities (and hockey rinks) that have building capacity in the 6,000 – 7,500 seat range. These appear to be able to attract well known national acts (Blue Rodeo, Great Big Sea), aging international acts and acts that have a cultural affinity to a particular region (i.e. Irish entertainers in Atlantic Canada, country and western entertainers in western Canada). For the most part these venues also house teams that are affiliated with either the CHL or the AHL and rely on the 35 to 40 nights associated with such leagues to help meet their annual revenue and occupancy objectives. These venues typically attract 6-10 entertainment events (as noted in this market tier), annually.

Tier 4 consists of the hundreds of arenas across Canada that have a seating capacity of 1,000 – 4,000, having been designed for Canadian Hockey League (Junior Hockey) or local senior hockey markets that attract sufficient fans to justify the building of arenas in this size range. Examples include: The Pepsi Centre in Corner Brook, The Gander Community Centre and The Clarenville Events Center. These latter two facilities being named in a manner that suggests they would like to attract the same kind of diverse event programming also envisioned by the Board of Directors of the Jack Byrne Arena.

In general, at the present time it would appear that the promoters for those aging international recording artists who frequent the mid-sized arenas in Canada as well as the more successful national acts that frequent such buildings, appear less willing to come to regional facilities such as Mile One Centre and are even less likely to come to arenas such as the Jack Byrne Arena or The Pepsi Centre. Beyond the obvious economic challenge associated with pricing such an event in a building that holds 2,000 people, there is also the consideration of risk. In this industry, as the venue decreases in size the ticket price rises and the willingness for the promoter to assume the promotional and entertainment contract risk decreases – sometimes causing the building to consider entering into a co-promote contractual relationship – where the building assumes some of the contract risk – a difficult spot to be in these days.

That being said, the real potential for facilities such as the Jack Byrne Arena, if any, may lie within the entertainment market for established regional acts, for emerging national artists and lastly, with those existing national artists that are now at the tail end of their respective careers and as a result can only fill a 2-3,000 person facility. While such opportunities/acts or events might have at one time included artists such as: Hey Rosetta, The Once, The Ennis Sisters and other similarly high profile regional groups, today these artists appear to be gravitating to smaller, more intimate facilities.

After a cursory examination of the recent rental history of a number of the mid-sized arenas across Newfoundland and Labrador and in-depth interviews with the CEO of Mile One Centre and The Pepsi Centre, it has become clear that that very few concerts are being booked in either the Tier 3 or Tier 4 buildings (as described above) by these higher-profile regional artists. In fact, if anything these groups appear to have retreated to smaller venues, choosing instead to deliver an increasing number of smaller concerts, in more intimate settings such as the small regional theatres (such as The Holy Heart Theatre & The LSPU Hall in St. John's, the various Arts &

Culture Centres across NL) and in an increasing number of cases, proportionately smaller venues, such as the Cochrane Street United Church, the Anglican Cathedral and the Gower Street United Church. An examination of the year-long booking history of these facilities suggests that this is indeed the case.

Lastly, it is important to note that the large-scale open air summer time concert appears to have displaced the summer building tour that we have witnessed in the St. John's Census Metropolitan Area (CMA) in the past. A secondary effect of this phenomenon is that this has opened up spots on the undercard of these events for groups such as The Once and hey Rosetta.

Conclusion 1: The only way to enhance the chances of attracting a lower tier (4) act to the region may be to pool our collective marketing and logistical experiences with other venues in the region Corner Brook, Gander and Clarenville, in order to present a more complete package to promoters that will deliver 10,000 tickets in 3-4 venues over a 7-10 day period.

Once again, this still presents a challenge for the JBA, as a promoter might argue that the additional 2,000 seats at the JBA or Corner Brook could be offset by a night in Sydney and (if required) a night in Charlottetown – with a significantly lower transportation cost and no ferry issues!)

It should be noted that with respect to large-scale open air concerts, St. John's has managed to attract big crowds to big name acts in the past (Rod Stewart), with questionable recent success. IF the Board of the JBA was to contemplate such a move, it would essentially be seen as a new venture – as opposed to an initiative designed to maximize or improve the current performance or utilization of the existing facility.

Conclusion 2: The most sensible approach here is one-on-one marketing with individual, local and regional promoters who are looking to move up from the big clubs to the small arenas, or to speak with the managers of those few established acts that still tour in cities and towns with arenas the size of the JBA.

3.0 The Regional Exhibition, Meetings and Conventions Market:

Understanding the Newfoundland and Labrador Meetings and Conventions and Exhibitions/Trade Show Market:

The process of establishing the market potential for a product or service offering like a meeting or conference facility typically begins with an examination of the various factors which might serve to positively or negatively influence the demand for the existing (or proposed) product or service at a specific point in time – or in to the future.

The overall market potential for the Meetings and Conventions market in Newfoundland and Labrador is defined by a number of factors. These include:

1) The size and number of organizations that are mandated to, or choose to, hold regularly scheduled, small to mid-sized annual general meetings, conferences and/or conventions;
2) The location of these meetings, relative to the head offices of the organization holding the meeting;
3) The geographic location of the majority of the members of a given organization relative to the location of the proposed meeting;
4) The financial health and stability of the prospective organization (the ability to afford to host such a meeting);
5) The predisposition of the members of these associations and groups to attend such sessions including such factors as
    a. Program Attractiveness and Quality;
    b. Access to videoconferencing;
    c. Availability of a Post-Conference Proceedings Package including video proceedings;
    d. The Conference or Meeting cost (in time and money);
    e. The availability of continuing education credits for attendance (for selected professions);
    f. The conference duration and specific attendance requirements; and
    g. The travel distance from their regular location to the meeting site, including the requirement for air travel (and the associated cost)
6) The uniqueness and overall attractiveness of the Conference/Meeting location.

Broadly-based NL Meeting & Conference Market Trends and Observations: At the present time, the Newfoundland meeting and conference market appears stable, in that those groups and associations that have held annual meetings and conferences in recent years continue to do so.

However what has been observed is that the continued urbanization of the population in Newfoundland appears to be having an effect on the location selection decision for at least some of the planners and organizers of this province's mid to large-scale meetings and conventions. That is not to say that the location of these events does not continue to rotate

from region to region, but rather it appears that the pattern of rotation now includes St. John's (or another Avalon or Eastern region location) more frequently than in the past.
For example, if in the past an organization would alternate its meeting location choices between an Eastern, Central and Western region location every three years with an occasional foray into Labrador (once every ten years or so). Today two in five such events are typically located in the Eastern region while only one in four, or one in five, such events is now scheduled in the western or central regions of the province annually.

Numerically, this suggest that while the probability that such an event would be held in the Eastern Region (Avalon Peninsula) would typically have been considered to be 25 percent, that probability has now likely increased to between 33-40 percent.

However, it is important to note at this juncture that this review was not specifically designed to track such behaviour over time and as such is not longitudinal in nature, it is important to note that in the process of reviewing the recent meeting history of many of the associations and groups in this sample. That being said, it was apparent that over the past 5 years many of these groups held at least two of their annual meetings in Eastern Newfoundland (primarily in St. John's).

> Note: While these results may not be statistically significant, as the margin of error on a sample this size is too great, it is important to take note of exactly what has been observed. Furthermore, detailed examination of the meeting notes of recent annual meetings and in-depth interviews with selected associations has confirmed these observations to be well founded. In addition, it appears as if those organizations that have a higher than average concentration of members that are drawn from rural Newfoundland constituencies continue to adhere to a meeting schedule that allows for the easiest access to the highest proportion of their members and as a result continue to the majority of their meetings in locations that are outside the Avalon Peninsula region of the province of Newfoundland and Labrador.

While on the surface this appears to be a positive development and indicative of a measure of stability in the market, at least one additional trend has also been observed in relation to the impact of geography and cost on such meeting location decisions. Certain associations and groups, in particular those with a geographically diverse membership base (such as the Fisherman Food and Allied workers Union and Hockey NL) have in recent years opted for a long term relationship with one centrally located town and one specific venue.

> Note: When asked specifically about the logic behind such decisions, this decision, event planners typically noted reflected on their desire to achieve a balance with respect to participant cost – both in terms of time and money – so as to increase the chance that members will participate in such events.

Synopsis of Findings: At the present time, the small to mid-sized meeting and conference market in Newfoundland and Labrador is best described as stable, with those organizations that presently hold such conferences and meetings generally continuing to do so. However, what is perhaps more relevant in this instance is the changing nature and geographic orientation of these sessions.

In recent years there has been relatively little growth in this market and at the same time, for some of the groups that hold such meetings, there has been a move towards the (geographic) centralization of meeting locations. Where possible, organizers are attempting to select meeting locations which reflect the geographic orientation of their membership within the province of Newfoundland and Labrador.

Organizations and Associations with smaller membership bases (50-250) are often challenged to offer annual provincial meetings and exhibitions in professional accommodations and where possible typically attempt to use schools and university facilities and accommodation sin an attempt to lower the expenses associated with such meetings. As such this group does represent a market opportunity for the Jack Byrne Arena – as it is presently configured or as it might be re-configured in the future – assuming that it is price competitive as well as being properly configured.

The business exhibition and trade show market appears to have stabilized in recent years and for the most part appears to be associated with established hotels or convention/meeting space locations. Examples include the Petroleum Show, the Heavy Civil Association (Holiday Inn), and the larger Craft Development Association shows (The Glacier).

The opportunities for local or regional facilities such as the JBA appear to be in those meetings, exhibitions and trade shows that are targeted toward a local or regional audience and as a result do not need to be close to hotel accommodations as is the case with larger meetings and exhibitions and trade shows. Rather, these require easy highway/road access open spaces, that can easily be re-configured, and ample parking for both exhibitors and patrons. Examples include but may not be limited to: Craft Fairs, Dog Shows, Recreation Equipment Trade Shows, Car Shows, and unique exhibitions that have arisen in recent years such as the Sport Expo – which requires a large amount of floor and parking space and a facility with the ability to put 100's of visitors through such a program in relative ease and comfort.

In recent years large-scale retailers have also taken to holding 2-3 day mega sales events or stadium sales, with the objective of clearing inventory and generating a buzz in the marketplace by offering consumers a unique opportunity to see their products in a controlled environment. Once again logistical issues dominate the location decision including, traffic flow, access to sufficient parking and having a 'known' location – an issue that Hickman Motors once encountered when the used the Techniplex in Pleasantville.

There appears to have been relatively little growth in this sub-market in recent years, suggesting that retailers have either become comfortable with their existing arrangements or they may not have been approached or targeted by such venues. (Note: very often such retailers may have to be approached with a packaged concept that offers the full suite of required service at a competitive price before contemplating a change in how they currently operate. A cursory examination of the current list of upcoming trade shows and exhibits reveals no new or unique market opportunities.

In fact if there is one consistent observation it is that there has been some amalgamation in the meetings market in particular, where associations are merging (for meeting purposes) in an attempt to attract larger audiences.

From a demand and infrastructure perspective these developments also have interesting implications. With both sub-groups at this meeting size (under 250 and 250-500) experiencing stable, if not declining market conditions, and with most groups and associations increasing the frequency at which they meet in the St. John's CMA, one would expect that there would be an increase in the overall market potential for such meetings and events in the St. John's CMA.

While this statement is generally true of the demand side opportunities, the same cannot be said
of the supply side – as there has been a dramatic increase in the supply and quality of meeting space in the St. John's CMA in recent years – particularly in the Northeast area of the St. John's CMA. Examples of recent or new additions include: The Hampton Inn on Aberdeen Avenue, The new Holiday Inn Express at the St. John's Airport, the expanded St. John's Convention Centre and the Delta Conference Centre, the soon to be open Memorial University Gardiner Centre facility at the Battery site, and the recently proposed but not yet approved wedding and meeting facility in Logy Bay – Middle Cove – Outer Cove.

Give this rather dramatic increase in the supply of meeting space in the North- northeast area in particular, and in the St. John's CMA in general, one wonders if there is any meaningful market potential left for a non-traditional market offering of the type that could be proposed/developed by the Jack Byrne Arena group.

Appendix 3 includes a broadly based assessment of the large and mid-sized meetings market in NL and Appendix 4 includes an outline f recently opened or proposed meeting facilities on the north east Avalon.

In order to answer these questions, it is perhaps useful to examine the detailed characteristics of the sub-markets within this group of above average sized meetings and conferences that emerged from the analysis that was conducted for purposes of this report.

What can generally be observed from this analysis is that there is a relatively small number of newfoundland-based groups and associations that host over 200 or more members at their annual meeting or conventions. While the number of smaller 50-200 person meeting sis much larger, so too is the competition for these meetings – form both traditional and non-traditional (i.e. golf courses, universities and colleges, small hotels, Bed & Breakfast facilities and a host a small meeting centers that have opened in the region in recent years

Conclsuion1: While the demand for meetings and small conferences on the Northeast Avalon has increased, so too has the supply – both in number and quality. As a result any moves by the jack Byrne Arena into this market place will have to be carefully considered and sported by a specific and detailed market analysis designed to ascertain if there is any support for such a facility in the region.

Appendix 1

Table 1: Recreation and Lifestyle Facilities in the North-Northeast Avalon Region

Facility	**Location**	**Description**
Kinsmen Community Centre	8 Kinsmen Place, Torbay	A multi-purpose Facility that is available for conferences, weddings birthday parties etc.
Kinsmen Ball Field	8 Kinsmen Place, Torbay	Softball Field
Soccer Field	Torbay	A soccer filed located adjacent to Holy Trinity Elementary School
Justina Centre	LB-MC-OC	A multi-use facility with a community hall and separate meeting rooms.
Kelly Park	LB-MC-OC	A multi-sport facility with softball and soccer fields as well as tennis and basketball courts and a children's' play area.
Flatrock Community Centre	Flatrock	A regional community centre offering limited floor space for recreational activities such as Zumba fitness
Pouch Cove Recreational	Pouch Cove	

Appendix 2:

Table 2: Demographic Profile of Individuals aged 0-19 and 60+ on The North-north East Avalon

Town	Area Residents Aged 0-19 (#)	Population Individuals Aged 0-19 (%)	Area Residents Aged 60+ (#)	% of Area Residents Aged 60+ (%)
Torbay	2.045	(2,045/7,400) = 28%	1,130	1,130/7,400=18%
LB-MC-OC	500	(500/2250) = 22%	420	420/2250=19%
Flatrock	348	(348/1,455) = 24%	166	166/1,455=11%
Pouch Cove	461	(461/1,865) = 25%	383	383/1,865= 21%
Bauline	100	(100/395) = 25%	65	65/395=17%
Portugal Cove – St. Philips	1,810	(1,810/7365) = 25%	1,145	1,145/7365 = 15.5%
Total	5,264	(5,264/19,730) = 28%	3,309	
Provincial Mean		21%		21%

Appendix 3:

Table 3 Sample Characteristics of the Large and Mid-sized Meetings & Conventions market in Newfoundland and Labrador (2014).

Market Characteristics	**Distribution of Meetings & Conferences**	**Additional Conference Details**
Top Tier: 15-20 Associations & Groups; 500+ membership base; Stable market with few new associations and groups of this size being created; some merging of mid-sized group might see one or two new large-sized groups emerge; Province Wide Rotation of Meetings.	12/15 (80%) Rotate Meetings and Conferences on a regular, prescribed (often mandated) basis.	Require large meeting space for delegate business meetings and conferences; Central NL meetings almost always in Gander; Western NL meetings almost always in Corner Brook.
	3/15 (20%) Do not have a specific meeting rotation protocol; unbalanced rotation in favour of St. John's (CMA).	Absence of rotation almost entirely due to the industry concentration effect. Association staff and industry workers located primarily in one region of province (often St. John's CMA).
Middle Tier: 50-100 Associations & groups; 200-500 membership base; Also a stable market with relatively few new market entrants; Some growth in selected areas and disciplines (i.e. Pharmacy and Physiotherapy) may result in new mid-sized entrants emerging; Assumes current association growth rates and market trends continue.	30/50 (60%) Rotate meetings due to regional distribution of association and group members group. Rotation less likely to be mandated. Cost of meetings outside St. John's always an issue – as is attendance. Many association headquartered in St. John's	Often require meeting space that can be accommodated by larger hotels in each region – especially in St. John's and Gander (less so in Corner Brook);
	20/50 (40%) Less likely to rotate meetings and conferences as association size and budget cannot support regular rotation; Industry and population concentration (Avalon Peninsula) influences options	Absence of rotation almost entirely due to the industry concentration effect. Association staff and industry workers located primarily in one region of province (often St. John's CMA).

Appendix 4

Table 4: Recently Opened Meeting Facilities in the St. John's CMA

Facility	**Description**	**Location**
Hampton Inn		Aberdeen Avenue
Holiday Inn Express		St. John's Airport
St. John's Convention Centre	Designed specifically for 75- - 1,500 person national and international conventions. It is unknown at this time if the facility plans to open its doors to smaller meetings during the slow season for national and international meetings and conventions	Gower Street
The Delta St. John's Conference	Designed for the mid-sized meeting and convention market, this facility can host up to 800 meeting/conference participants	Gower Street
The Gardiner Centre	Primarily designed as a training centre, it is unknown at this time if the facility will be available for 'outside' meetings.	Signal Hill Road
JB-RC Wedding and Conference Centre	Overlooking Outer Cove, this facility is proposed to accommodate meetings of 100 or so individuals	Logy Bay-Middle Cove-Outer Cove
Fairfield Inn and Suites		Kenmount Road