

March 2, 2015

Mayor and Members of Council  
City of Hamilton  
71 Main Street West  
Hamilton, Ontario

Care Of: Ms. Stephanie Paparella for distribution – [stephanie.paparella@hamilton.ca](mailto:stephanie.paparella@hamilton.ca)

Dear Mayor Eisenberger and Members of Council:

On behalf of Vrancor Group and the 40 Associates here at Homewood Suites by Hilton Hamilton, we are writing to encourage the adoption of the Recommendations which will be presented on March 4<sup>th</sup>, 2015 with respect to the Tourism Strategy and Five Year Action Plan designed to advance a more robust Tourism economy here in Hamilton.

Ontario's tourism industry, at \$23.6 billion, contributes more to the province's economy than the mining and supply industry (\$5.6 billion), pharmaceuticals and biotechnology (\$5.4 billion), advanced medical technology (\$3.6 billion) and aerospace (\$6.5 billion) sectors combined (1). Developing the sector and supporting its growth contributes to the viability and diversity of local economies and to the creation of employment opportunities.

In Hamilton, Tourism is becoming increasingly important to the economic health of the city and is a platform for building further economic growth. Its role in job creation is significant at a time when unemployment has risen to 7.2% (2). Today approximately 2,300 residents are employed in the Hospitality sector. The city attracts over 4.5 million person visits annually and these visitors spend an estimated \$359.5 million per year (3) & (4). Tourism operators and small businesses throughout Hamilton benefit directly from visitor expenditure, and the economy overall is further stimulated from the ripple effect of new money entering the community.

In addition to the economic benefits, Tourism provides an opportunity to share the city's distinctive cultural and natural assets with visitors (5) and to strengthen the economic and social value of these assets. Hamilton's location by the Niagara Escarpment and Lake Ontario offers a unique setting and a wide array of nature and water-based activities, while the community's rich heritage and burgeoning cultural scene are increasingly regarded as key elements of the Hamilton visitor experience. Developing and promoting these assets not only increases the competitiveness of Hamilton as a visitor destination, but it also contributes to the quality of life and well-being of local residents (6). Indeed, the value of tourism to Hamilton extends well beyond these benefits, as the industry has the potential to change traditional perceptions of the city and its industrial legacy. A strategic approach to developing unique visitor experiences and repositioning the city will play a significant role in raising the profile of Hamilton both as a visitor destination and as *a prosperous and healthy community...a great place to live, work, play and learn* (7).

Vrancor Group affirmed its commitment to Hamilton by relocating its Headquarters to Hamilton in 2011. Against the identified destination weakness of not having enough quality hotel rooms available to attract conventions, Vrancor has concentrated its effort to remove this barrier through a number of initiatives that include:

2008 – Acquisition and Renovation of Sheraton Hamilton Hotel

2012 – New build Staybridge Suites Hamilton – Downtown

2014 – New build Homewood Suites by Hilton – Hamilton

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2014 - \$10 million renovation to Sheraton Hamilton, including a new build Starbucks in lobby

These efforts have been acknowledged on many occasions as a recipient of numerous industry and community awards of excellence. These include "Developer of the Year" awards from Hilton Worldwide and InterContinental Hotels Group and the Outstanding Business Achievement Award (Large Business category), Hamilton Chamber of Commerce. Now that 600+ high quality guestrooms and suites, represented by globally recognized Brands, are in place, it is essential to properly fund and lead expanded sales and marketing efforts by Tourism Hamilton to fully leverage this competitive advantage.

Another essential element to create a vibrant, appealing visitor destination is the development of high-quality residential accommodations to bring life to the streets of our city. Vrancor has taken a lead role in the urban renewal of downtown Hamilton by leading a number of exciting new developments including the redevelopment of the former Federal Building within the 150-unit 150 Main West Condominium complex and construction of the new 322-unit Bella Tower Luxury Apartment development, set to open in 2015.

With the change to appoint an independent operator of the Hamilton Convention Centre, formerly operated at a loss by the City of Hamilton, it is our hope and suggestion that a portion of tax payer savings be redirected to ensure the success of this facility, moving forward. A viable, competitive, updated Convention Centre, with a developed reputation for excellence in service and food & beverage abilities is, without question, central to the future success of Hamilton in the meetings and convention arena. One only needs to look at Convention Centre expansion in competitive markets including Ottawa and Niagara Falls to see how critical this element of infrastructure is in order to win future convention bids.

There is wide consensus that "the time is now" to benefit from the engaging consultation process that has taken place with Industry Partners, Tourism Hamilton and City of Hamilton representatives over the past year. A path to success has been developed to effectively capture Hamilton's fair share of the tourism economy in Ontario. City of Hamilton support is integral for Hamilton to compete in the years and decades ahead.

Thank you for your consideration and support of the recommendations relating to the development of the Tourism Strategy and Five Year Action Plan.

Sincerely,

Olivera Radisic  
General Manager

  
cc: Peter Tosh, Director of Operations, Vrancor Group

- (1) Tourism Industry Association of Ontario, April 2013, *Tourism = Economic Growth & Jobs for Ontario*.
- (2) Statistics Canada reported an unemployment rate of 7.2% for Hamilton in June 2014 – an increase of 1.4 points over June 2013.
- (3) City of Hamilton Tourism Strategy *Background Paper*, June 2014 – based on the analysis of Statistics Canada micro data which contain anonymised data collected in the Travel Survey of Residents of Canada and the International Travel Survey. All computations on the micro data were prepared by the Ontario Ministry of Tourism and Culture.
- (4) At a regional level, tourism contributes \$261 million in wages, \$341 million in GDP, with a total economic output of \$761 million. Source: InterVistas, 2014, *John C. Munro Hamilton International Airport – 2013 Economic Impact Study* – statistics used in this report relate to the RTO 3 region for 2011 and the analysis is based on data from the same source as referenced in Footnote 3.
- (5) Culture is seen as a cornerstone of Hamilton's identity and 82% of local residents believe that it attracts tourists and visitors to the city (City of Hamilton, 2013, *Cultural Plan 2013: Transforming Hamilton Through Culture*).
- (6) "The City acknowledges that tourism brings concrete economic benefits to the City of Hamilton and that a strong tourism industry in the City also contributes leisure, entertainment, cultural, recreational, and hospitality services for residents and helps attract new residents, businesses and industry to relocate to the City of Hamilton." (Section 3.1.8, *Urban Hamilton Official Plan*).
- (7) *The City of Hamilton Strategic Plan 2012-2015* – Strategic Priority # 1.