

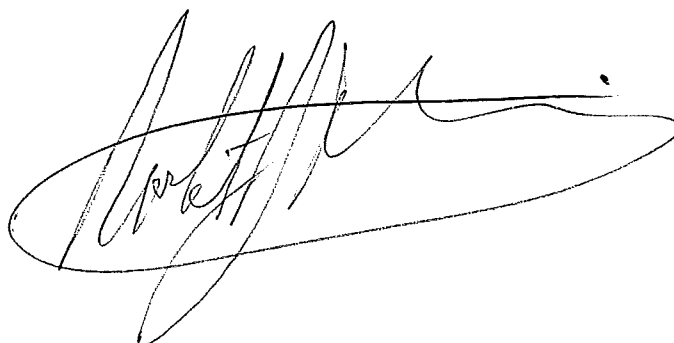
Presentation Regarding Convention and Tourism in Hamilton

Prepared for

The City of Hamilton General Issues Committee

Presented February 6, 2013

Prepared and presented by;

A handwritten signature in black ink, appearing to read 'Robert J. Moscardini', enclosed within a large, loopy oval flourish.

Robert J. Moscardini

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Thank you all for this opportunity to appear before you.

My intent is to share some possibly unknown facts regarding the hospitality industry in Hamilton with you. I hope they will assist you in making some informed common sense decisions that will help this industry now and in the future.

First, a little background. I have lived in 5 neighbourhoods of Hamilton.

Caroline and Barton, Locke & Aberdeen, Young & Catherine, Upper James & Limeridge, and now in the Sans & Scenic area of the west mountain.

Yes, along with my wife, we lived and worked downtown.

As a family we have been involved in 3 businesses in Hamilton with physical structures.

Artistic Memorials at John & Cannon was the first. A founding business of The Hamilton Gallery of Distinction.

Limeridge Variety, at what is now the west bound off ramp of the Linc at Upper James.

In the mid 80's, the 3rd was PJ's Scoreboard Restaurant at the corner of Queen & Peter. Around the same time the Sheraton Hotel opened. Both on the promise of a NHL team by the then council and economic development department. In fact, I was told the empty lot across the street from PJ's was to become the city's 4-6 level parking structure for Copp's Coliseum.

At that time, city council and staff had been experimenting with restaurant patios. The law at that time dictated you had to be a hotel to have a patio. Almost 5 years had been spent on this study and experiment by staff. Staff were recommending to council to change the laws allowing restaurants to have outside patios.

After much presentation and some heated debates, councilors on the committee wanted to table the recommendation for further study.

I can tell you that my frustration immediately exploded into a verbal condemnation of that suggestion. Fortunately, my point was heard.

So today, when you relax on a patio at a restaurant within the city of Hamilton, you have me in part to thank.

In the mid 90's I was hired as a consultant by Commonwealth Hospitality for a project at the Holiday Inn on King St.

Around the same time, Mr. Matt Costanza was brought in to the Royal Connaught which was coming out of receivership and changing to a Howard Johnson.

My task at the Holiday Inn on King was straight forward but not simple. I was to reduce the \$1.5 million annual losses being incurred on the approx. \$7 million in revenue posted, find and convince another operator to take over the hotel and change it to a Ramada.

I immediately became a member of the Convention & Tourism Committee. We would travel and pitch for conventions by offering Hamilton as a hub.

Lacking anything viable to offer for entertainment, we presented that we could entertain your convention guests by taking them to St. Jacobs, Toronto or Niagara, all in less than an hour.

Another stumbling block was the number of hotel rooms we had to offer within the downtown core. Yes, we had rooms on the outskirts of the city but not enough in the core.

The most common reaction we received then was as follows.

You want us to bring our convention to your downtown, so you can transport our guests on a one hour there and back road trip, stay in hotels that are a 20 minute drive away from the convention centre, and pay for this experience? I think not!

Today, Commonwealth Hospitality and the original owners of the Sheraton have pulled out of our community. I also understand that the operator who I convinced to take over the Ramada almost lost everything in a very short time.

This means that hotel management companies with national and international contacts are no longer here to promote our venues abroad and bring in outside business. This means the city has less proper hotel rooms available in the core.

This means anyone trying to make it in the convention and tourism industry in our city core has more of a challenge than we did almost 20 years ago.

Exactly what we warned would happen if this city did not change the way it viewed this industry and did not make the tough decisions it needed to improve.

An interesting point here is that a short time later I brought Matt Costanza in on a project I took on for the new owners of the Valhalla in Kitchener. A hotel that had been operated by the receivers for over 2 years and was losing money.

We completed the first full year under new ownership posting almost \$15 million in revenue and \$1.5 million net profits at the bottom line. At that time, the Holiday Inn Burlington was posting approx. \$18 million in revenue. A big difference to what hotels in Hamilton were doing.

I have heard many people say that the core is coming back, that there are many positives happening and planned. In my 54 years in Hamilton, I have heard this many times only to see the progress fizzle out because other projects the investors were counting on never happened, such as the NHL team.

So today I am also before you to insure you are aware of the positive opportunity that exists to keep the momentum going, improve the landscape of the core, improve the economic position of our community, and give convention and tourism the much needed boost it has been waiting for, for over 30 years.

This is not about gambling or not gambling. This is about becoming a destination with entertainment and hotel rooms to draw and facilitate an increase in convention and tourism.

An opportunity to increase the number of proper hotel rooms in the core. An opportunity that will increase the entertainment value of our city by way of acts, concerts, and more.

That a casino is part of this opportunity should really be viewed as a small but integral part of the opportunity, a necessary component to its success and financial viability.

The Carmen's group will soon have operating control of the convention centre, a major investment risk given its history. They also have a major investment of \$30 million plus in a banquet centre and hotel complex on the east mountain.

If the Carmen's group is successful in putting a \$200 million plus entertainment, gaming and hotel package in the core, they alone will have the most to lose if it does not bring in the convention and tourism needed to support it.

Carmen's will have no choice but to put people on the streets and at trade shows in other communities to sell our good city and its facilities.

I dare say this is may be your best and last chance to save and improve the convention and tourism industry in our city.

In closing I will refer to comments made here last month by Professor Hannah Holmes of McMaster.

A casino environment that does not bring in new transient business such as tourism and conventions, will only see local gamblers and not receive an increase of outside money. This is exactly what will happen if the casino goes to Flamboro.

However, Professor Holmes indicated that a casino environment that brought in tourism and conventions saw an increase in outside money coming into the local economy and an improvement in the local economy.

Isn't this exactly what the Carmen's group is proposing?

Please make the tough decision, do not take the easy way out of this situation. The Hamilton my children and grandchildren inherit is in your hands.

I will pray for all of you to do the right thing.

Thank you and God Bless.