



## Committee Report

**To:** Warden Mitch Twolan  
Members of the Planning and Development Committee

**From:** Kara Van Myall  
Director of Planning and Development

**Date:** July 9, 2020

**Re:** South Bruce Peninsula's Accommodation Feasibility Study

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### Staff Recommendation:

That \$5,000 from the Economic Development budget to support the South Bruce Peninsula's Accommodation Feasibility Study, be approved.

### Background:

Recognizing that tourism is a strong economic driver in the Peninsula, the Town of South Bruce Peninsula identified the need to investigate the potential for a large-scale accommodation provider in order to further develop the area as a four-season destination. Large scale accommodations are difficult to attract without the required data to support such a large investment. The Peninsula could benefit from an accommodation / resort attraction that helps to increase appeal and number of visitors.

As a result, the Town has begun the process to undertake a "Mixed-use Resort/Hotel/Commercial Feasibility Study" to solidify what a sustainable, profitable business model for a specific area or site might entail. The Feasibility study does this by considering viability related to market, location, costs, and financing. A feasibility analysis is a crucial step for South Bruce Peninsula to attract outside investment and secure the appropriate accommodation to advance tourism development. It will also provide the quantitative data that the municipality needs to ensure it is focusing its efforts on the right investment attraction opportunities.

Accommodation investors from brands associated with many typical hotel/motel chains across the Country consider multiple locations as they develop and grow their enterprises. Potential investment areas are more appealing when they have completed the necessary feasibility assessment. A study of this nature includes such things as:

- An Economic and Tourism Review
- Stakeholder consultation
- Historic Market Performances - Identification of a regional competitive market

- Facility Type Recommendations - facilities most suitable for development and potential brands
- Site Selection Criteria - qualitative factors that developers consider for site selection
- Market Projections - annual supply growth projections for competitive markets
- Property Market and Operating projections - the potential property market growth and estimated average daily rate (ADR)
- Preliminary Assessment of Economic Viability - indication of investment for a proposed hotel
- Reporting/Accommodation Needs Study - Complete study report and executive summary for investment attraction

In the event the study results deem the area is not able to sustain a profitable business model for a large-scale accommodation development, recommendations on how the Town could leverage non-traditional accommodation assets such as Airbnb, lodges and B&B's will be presented as part of a cohesive approach to grow overnight stays.

The cost associated with this study is \$36,400. A successful application to the Ontario Tourism Development Fund (TDF) and project partners can fund the project up to a \$31,400 shared contribution resulting in a shortfall of \$5,000. The County is being approached to contribute \$5,000 towards this work to address the shortfall.

#### **Financial/Staffing/Legal/IT Considerations:**

To support the study and help advance the region as a complete four-season destination, aligns well with the "Find Yourself In Bruce County Economic Development Strategy". \$5,000 can be allocated from the Partnership / Community Development lines within the Economic Development budget.

There are no legal or IT considerations associated with this report.

#### **Interdepartmental Consultation:**

None

#### **Link to Strategic Goals and Elements:**

Goal #3 - Find creative new ways to engage our public

Goal #6 - Stimulate and reward innovation in Economic Development

Written by: Jill Roote, Manager of Economic Development, Planning and Development

**Approved by:**



Sandra Datars Bere  
Chief Administrative Officer