

OMAFRA RED FUNDING

Background Information

The Municipality of North Huron and Blyth BIA submitted an application to the Ontario Ministry of Agriculture Food & Rural Affairs RED Fund. The purpose of the application was to receive funding to facilitate an accommodation feasibility study for the Village of Blyth.

The Village of Blyth has a population of 1005 people and is situated in the Township of North Huron in the County of Huron.

The Village is currently experiencing unprecedented economic growth as a result of the following three projects:

1. Renovations to Blyth Memorial Hall (home of the Blyth Festival)
2. The development of Cowbell Brewing Co., Canada's first destination brewery
3. The Canadian Centre for Rural Creativity

All of the aforementioned projects will directly result in increased visitors and short-term residents to the area every year. Renovations to Memorial Hall will allow for an enhanced visitor experience at the Blyth Festival as well as the possibility of an extended theatre season. Cowbell Brewing Co. is a 26,000 square foot destination brewery that will open in August 2017. The fully accessible state-of-the-art brewery will have seating for hundreds, featuring closed-loop brewing technology, a retail store, restaurant and 111 acres of special event grounds. The brewery will host major on-site attractions including concerts, music festivals and major sporting events. The Canadian Centre for Rural Creativity is a multi-disciplinary arts and culture hub that will offer several courses including but not limited to fashion design, documentary filmmaking, photography and GIS mapping. Students, instructors and visitors from across Canada will visit the Centre for Rural Creativity.

These three key projects will result in several more visitors and short-term residents to Blyth throughout the year. The drastic increase in visitor traffic will require that the Village have ample overnight accommodations available to guests. In an effort to encourage and attract hotel investment and development in Blyth, it is necessary to conduct a hotel feasibility study for potential investors.

North Huron participated in the OMAFRA led Huron County-wide Economic Development Strategic Planning Process via the Train the Trainer program. Every municipality in the County of Huron developed their own economic development strategic plan. Key themes from municipal strategic plans were then incorporated into the Huron County Economic Development Strategic Plan.

North Huron's Economic Development Strategic Plan identifies "Business Attraction and Retention" as a key goal. Conducting an accommodation feasibility study will have a direct impact on North Huron's ability to attract new development in the municipality.

On July 31, 2017, the Municipality received confirmation that their RED Funding Application was approved.

Project Timeline

Date	Description of Activities
August 10, 2017	Develop project RFQ (Blyth BIA)
August 14-18, 2017	RFQ Response & Submission Review
August 21, 2017	Commence Study
October 31, 2017	Present findings to Council & BIA

Accommodation Feasibility Study Details

The Accommodation Feasibility Study to be funded will conduct a Phase 1 Analysis. A Phase 1 Analysis contains the following components:

Project Start-up:

- Ensure there is a mutual understanding of goals, objectives, reporting dates, and deliverables.
- Receive any relevant background information on the community to be provided by the Blyth BIA
- Receive any relevant information on the potential/proposed sites.

Site Evaluation

- At the commencement of our fieldwork the consultant would visit any identified sites in Blyth and the surrounding area and conduct an evaluation as to the suitability of each for the proposed accommodation development. The consultant would also provide generally commentary on the factors to consider when selecting an accommodation facility location.
- Review of each potential site's characteristics (access and egress, visibility, parking, landscaping, presence of excess land etc.).
- Assessment of neighbourhood characteristics, accessibility to regional highways, accessibility to public transit, surrounding land uses, and proximity to demand generators and support amenities.
- Provide a recommendation for the most suitable site or location for a hotel development.

Economic and Tourism Review

The consultant will provide a brief review of the economy which influences the various segments of accommodation demand for hotels in Blyth and the surrounding area. The consultant will:

- Assess current economic factors that may impact a hotel development including local economic factors such as nature of business in the community, rate of development, and projections for future industrial, residential, and retail growth.
- Review data such as building activity reports, employment and population growth, and levels of commercial, industrial, tourism and leisure/recreation growth.
- Review the existing and future inventory of local tourism infrastructure such as attractions, parks, and recreational opportunities.
- Review of tourist arrival statistics and projections for future growth, where available.
- Review previous studies and plans as they relate to tourism and accommodations (where available); and
- Identify/review complementary businesses, attractions, local features and events that may facilitate or support overnight accommodations.

Stakeholder Consultation

The consultant will undertake stakeholder consultation in the market area, consisting of in person and telephone interviews with operators or managers of key demand generators, and persons familiar with development patterns within the local market. The purpose of these interviews would be to better understand the ability to attract corporate/commercial business, meetings and conferences, tourist/leisure demand, and government/other demand to the proposed hotel. Interviews would also be conducted with representatives in comparable “theatre” markets to gain a deeper understanding of typical short-term accommodation needs driven by this sector.

Interviews will be conducted with the following and more:

- Representatives knowledgeable about the developments proposed for the area immediately surrounding the subject site;
- Owners, managers and developers of existing accommodation facilities, including B&Bs, resorts, lodges, and transient hotels/motels;
- Municipal planners and/or other government officials responsible for zoning, development and transportation;
- Representatives of demand generators such as local or regional industries, recreational facilities, and cultural and heritage attractions, as well as major event organizers;
- Theatre directors/managers and local stakeholders in comparable theatre driven destination markets in Ontario.
- Key representatives of major businesses in the area.

Historic Market Performance

- Selection of an appropriate competitive set for the proposed area
- Review of the existing properties in the competitive market
- Review of the most recent 5-year performance of the market

Facilities Recommendations

Based on the foregoing research the consultant will recommend what they believe to be the most appropriate facilities mix for the proposed hotel or accommodation facility.

- Provide a recommendation for a proposed hotel facility program and make recommendations on the most appropriate facilities mix for the proposed hotel based on the results of stakeholder interviews and our analysis of the competitive market.

Market Projections

- Projection of annual supply growth for the market over the projection period based on a review of potential/proposed/under construction hotel properties in the competitive market
- Projection of annual demand and Average Daily Rate (ADR) growth on a segment by segment basis for the competitive market based on market research and information gathered from interview with municipal officials and existing hotel operators

Subject Property – Top Line Projections

- Projection of the proposed property's occupancy and ADR penetration levels on a segment by segment basis to determine the occupancy and ADR level for the property over the projection period

Reporting

- Preparation of a summary report providing market and asset top line projections

Financial Breakdown

Description of Activities	Cash Contribution	In-kind Contribution
Develop project RFQ (Blyth BIA)		\$500
RFQ Response & Submission Review		\$3000
Commence Study	\$15,000	
Present findings to Council & BIA		\$500

Project Funding

The project requires \$15,000 cash. The following partners will contribute to the total amount required.

Organization	Cash Contribution
Blyth BIA	\$3750
North Huron	\$3750
OMAFRA RED FUND	\$7500
TOTAL	\$15,000

Project Commitment

The Municipality of North Huron and Blyth BIA will receive a complete copy of the finished study for review and for final submission to the Ontario Ministry of Agriculture, Food and Rural Affairs.