2015

Cobourg Tourism Investment Opportunities Study

The Economic Planning Group of Canada
Tourism Consultants

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July 6th, 2015

Erin Wakely
Tourism Coordinator
Business and Tourism Centre
Town of Cobourg, ON

Dear Erin,

We are pleased to provide the Town of Cobourg with this final report – Cobourg Tourism Investment Opportunities Study. It explores potential tourism investment opportunities for Downtown Cobourg and assesses potential sites so as to identify a preferred location.

We would like to thank you and the other members of the Steering Committee for the input provided during the course of our work.

Thank you for the opportunity of working with you and the Town of Cobourg.

Yours truly,
THE ECONOMIC PLANNING GROUP

Susan Mathieu

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Partner

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1. INTRODUCTION

Study Objectives

In 2013, Cobourg adopted a "Cobourg Downtown Action Plan" with a new vision for the downtown. Tourism-related activities within the downtown study area fall within this vision, which states:

"Downtown Cobourg is Ontario's foremost cultural and recreational small town destination forged from a beautifully preserved historic community on the waterfront. As the economic hub of Northumberland County, it will deliver accessible experiences and opportunities generated from local agriculture, environmental consciousness and active, health-centred living".

The Downtown Cobourg Action Plan includes 14 major projects; this study is part of a greater Master Plan for the downtown area.

The overall objectives of this project were:

- To screen and assess the investment readiness of tourism sites/properties in the Downtown study area. The sites to be considered were identified by the Town.
- Define preliminary tourism project development concepts for the highest potential opportunities, describing the opportunities and the challenges in realizing the investment.
- Identify the potential economic impacts that might be associated with the highest potential opportunities.
- Prepare a marketing/sales document for the selected priority opportunities.

The Work Program

Work on this project was undertaken in two phases.

Phase 1 included:

- Inventory of tourism assets in Cobourg and area.
- Review of current markets and market trends and their implications, drawing on secondary research material.
- Interviews with Tourism Cobourg and several downtown business owners.
- Identification and screening of potential tourism investment opportunities for Downtown Cobourg.
- Preliminary evaluation of sites identified by the Town to ascertain which were preferred for the tourism investment opportunities.
- Recommendation as to the priority tourism investment opportunities.
- Preparation of preliminary development concepts for the highest potential opportunities including an initial site plan.

Phase 2 included:

- Preparation of a draft marketing/sales document on the identified tourism development opportunity.
- Estimate of potential economic impacts resulting from implementation.

This process did not take into account public or Council points of view since this was not asked for in the Request for Proposals. The focus was on identifying potential tourism development opportunities and determining the best sites for the selected opportunities.

The consulting team reported to, and took direction from, a committee established by Cobourg's Economic Development office.

Caveats

This project involved identifying potential tourism investment opportunities and a preliminary evaluation of sites identified by the Town of Cobourg to determine which would be preferred for the selected tourism opportunities.

A preliminary assessment of potential tourism investment opportunities was undertaken to select a short list of projects. The work did not include a market and feasibility study of the identified tourism investment opportunities; such detailed analysis will be the responsibility of future work by developers and investors.

As well, the process did not include a detailed evaluation of possible sites to assess issues such as servicing, zoning or flood plain issues. Preliminary information on these issues was provided by the Town of Cobourg for the identified priority sites.

2. SITUATION ANALYSIS

This section addresses the current situation with respect to tourism in Cobourg and area, drawing from available information on both assets and markets. It looks at market trends and the implications of these trends on tourism, and at the competitive situation. Drawing on this information, this section goes on to identify tourism market and investment opportunities for Cobourg.

First, though, it is important to have a common definition of a tourist. The accepted definition used across Canada is that a tourist includes the following:

- A visitor staying overnight in a community or destination, including those visiting for pleasure, to stay with friends and family or for business.
- A visitor on a day trip and travelling at least 40 km one way for any reason other than regular trips. So, those that are commuting to work or coming to Cobourg every couple of days to do grocery shopping don't count as tourists but someone travelling 50 km for a day trip to visit friends or go to the beach, do.

Visitors staying overnight, particularly those staying in commercial accommodation, tend to have a much more significant economic impact since they stay longer and spend more money at the destination.

Tourism Assets

Tourism assets include the experiences and facilities that appeal to visitors – the things that they can see and do while at the destination. Some tourism assets are significant or unique enough to draw visitors – they generate demand. Others are things that visitors do while they are in town; they help to extend the visitors' stay and spending.

Cobourg has a number of important tourism assets, (called USPs or unique selling propositions), that other communities either do not have or at least not to the same extent. These include:

- Victoria Beach – not only is this one of the best beaches on Lake Ontario, it is close to Cobourg's downtown core
- Victoria Park
- Victoria Park Campground – right on the beach
- Victoria Hall
- Waterfront trail and boardwalk
- Cobourg Marina

One of Cobourg's big assets from a tourism perspective is its proximity to the Greater Toronto Area (GTA), which is within 1 – 1.5 hours by car. Downtown Cobourg is only minutes from Highway 401 and, there is VIA rail access directly from downtown Toronto.

Cobourg's other tourism assets include:

- Festivals and events
- Art gallery
- Historic community
- Sports centre and YMCA
- Community theatre and other live performances
- Heritage downtown with shopping and dining

The town is also home to 2 or 3 'destination' accommodation properties – properties which can, because of what they offer, attract visitors. These properties (e.g. Woodlawn Inn, Breakers-on-the-Lake) cater to markets travelling for vacations, getaways, meetings, cuisine and special interest packages.

As well as the assets within Cobourg itself, other parts of Northumberland County offer a range of assets that appeal to visitors such as Rice Lake for fishing, boating and cottaging, Ganaraska Forestry Centre, scenic touring for cars and motorcycles and cycling routes including the Waterfront Trail which passes through Cobourg.

Appendix 1 provides a list of the tourism assets in Cobourg.

Tourism Markets

There is very limited statistical data available on the level of tourism activity in Cobourg or the spending of visitors who come now. Ontario's Ministry of Tourism, Culture and Sport compiles data on tourism activity by tourist region (e.g. Kawarthas-Northumberland or RTO 8) and it is possible to get data by county, but not by municipality. The data originates with Statistics Canada and is usually several years behind current dates.

Northumberland County overall had some 1.3 million person trips[1] by tourists in 2011, representing 1% of all person trips in the province. As illustrated in the data below, these visitors are coming primarily on same-day trips, to visit friends and relatives, primarily during the summer months, and they are generally from fairly close by. The visitors also have lower than average spending levels, which is likely directly related to the high proportion who are on visiting friends and relatives trips.

- 83% were from Ontario; 11% from USA; 6% from other parts of Canada and overseas
- 65% were on same day-trips; 35% on overnight trips to the area, staying 3.2 nights on average
- Purpose of trip:
    - Visiting Friends and Relatives: 64% (1/3 more than the provincial average)
    - Pleasure: 26%
    - Business and personal reasons: 10%

[1] One person visiting the area once is a person trip. If a person visits the area four times, they are counted 4 times in the data.

- Season of visit:
    - Jan to March: 12%; (for all of Ontario: 20%)
    - April to June: 32%; (for all of Ontario: 26%)
    - July to Sept: 42%; (for all of Ontario:30%)
    - Oct to Dec: 13% (for all of Ontario: 23%)
- Those visiting Northumberland Country from elsewhere in Ontario were from close-by:
    - Durham: 34%
    - Trenton to Cornwall: 19%
    - Toronto: 16%
    - Kawarthas/ Northumberland: 13%
- Household Income:
    - Over $100,000: 31%
    - $75,000 - $100,000: 20%
    - Less than $50,000: 38%
- Spending (Ontario data in brackets):
    - Average Per Person: $108 ($150)
    - Average Per Overnight Visitor: $208 ($273)
    - Average Per Same Day Visitor: $54 ($83)
- Spending Per Person (average, all markets, same day and overnight) :
    - Accommodation: $20
    - Food & Beverage in Restaurants: $27
    - Retail: $14
    - Recreation & Entertainment: $7.50
    - Transportation: $29
    - Food & Beverage in stores: $10

As the largest community and primary service centre in Northumberland County, Cobourg undoubtedly gets a significant proportion of these visitors. A special analysis of available 2007 data[2] concluded that Cobourg had about 500,000 person-trips that year. However, methodologies for collecting this data have changed since that time and this is not comparable to the 2011 data for Northumberland County as a whole.

From the little data that is available, our discussions with tourism staff and our knowledge of the tourism industry, we have concluded that Cobourg's existing visitor markets are as follows:

- Families:
    - Coming for the beach, festivals
    - Primarily on day trips, some transient trailer camping & overnight stays
    - Regional market – from Durham, GTA, Northumberland

[2] Research Resolutions, The Importance of Tourism in the Town of Cobourg and Municipality of Port Hope: An Analysis of Tourism Volume, Value and Economic Impact in 2007, August 2009

- Boaters:
  - Transients en route to/from Toronto; 1-2 night stays
  - Toronto boaters who keep their boats in Cobourg
- Touring markets (auto, motorcycle) – visiting Cobourg while on a tour of Kawarthas/ Northumberland County
- Cyclists on the Waterfront Trail and the new Greenbelt Route
- Visitors on getaways/packages associated with spa/wellness, special interests, events/theatre
- Some small meetings
- Some sports tourism
- People visiting friends and family

Tourism Trends and Implications

Tourism is one of those sectors that is impacted by a wide variety of trends – in demographics, lifestyles, economics and technology to name a few. Some of the key trends impacting tourism and their implications for travel are described here.

Socio Demographic Trends

Trends impacting tourism include:

- Aging population;
- Fewer young people and young families;
- Growing proportion of population in large urban centres;
- Higher proportion of Canadians are visible minorities and new Canadians;
- Growing importance of younger travellers – the Millennials and other markets under 40.

Implications for Travel

Aging Boomers:

- Have more time for travel; some have less money;
- Are interested in 'soft' outdoor travel;
- Offer potential for longer stays; off-peak travel;
- Higher interest in culture/heritage, artisans, learning new hobbies, gardens Experiential travel, travel focused on wine and cuisine;
- Spend less $ on consumer items – more on dining, spas, etc.;
- Accessibility is becoming important as this segment ages and has more mobility issues;
- Have a 'Bucket list' for travel – a wish list of destinations to visit while they are still able to.

- Desire by urbanites to get "out of the city"
- New Canadians have different interests, more family and VFR (visiting friends and relatives) travel

Lifestyle and Economic Trends

Trends impacting tourism include:

- Time poverty for working consumers:
  - More time working and linked to work
  - More commuting
  - Over-programmed kids
  - Sandwich generation–kids/aging parents
  - Economic pressures and volatility

Implications for Travel

- More short & spontaneous trips – and short booking time: special offers can work;
- Value/price relationship is important;
- Ease of getting information, booking and travel is critical – convenience, hassle free, easy to find/participate/ experience are all important;
- Increasing wish to 'get away' from it all;
- Markets are seeking meaningful and memorable experiences;
- More Intergenerational travel and special occasion travel (e.g. family reunions, destination weddings).

- Society generally, and particularly younger generations, have increasing concerns about the environment.
- There is a growing interest in everything local, particularly food.

Technology Trends

The shift to a connected world, whether through the web or on social media, on desktop or mobile devices, has had a dramatic impact on the tourism sector. It has changed how people research and learn about their travel options, how they book them and how they share them. Key trends in technology include:

- Massive growth in use of the Web for travel-related activities. This includes:
  - More virtual travel – surfing the web to explore travel destinations;
  - Growing importance of peer reviews, e.g. Trip Advisor;
  - Price comparison across numerous options has been made easy;
  - Many 'travel deal' websites;
  - On line booking & purchasing is now the norm;
- Similar growth in the use of social media means that people are connected and sharing, all of the time, particularly those under 40.
- Growth in use of mobile technology (smart phones, tablets):
  - It is becoming a primary platform;
  - While there is lower use by older markets, bookings using mobile technology are forecast to reach $40 billion in 2015, up from $2 billion in 2011.
- The Internet has levelled the playing field – small businesses are now able to reach national and international markets, whereas this was not an option fifteen years ago.

Implications for Travel

- It's critical for destinations and tourism businesses to maximize their use of the web, mobile platforms and social media in their marketing.
- Competition is global destinations, not just Ontario.
- Businesses need to be on top of trends and booking platforms and make sure their technology is up-to-date.
- Niche markets can be targeted much easier than in the past through the Web and careful use of SEO (Search Engine Optimization).
- Negative reviews spread – very quickly!

Consumer Interests and Expectations

Along with these other trends, consumer interests are changing. Some of the shifts include:

- Higher expectations – for service, facilities, experiences;
- Growth in niche markets – wellness, cuisine, film, theatre, golf, special interest, hobbies, etc.

Implications for Travel

- Experiences and activities are key – location is secondary.
- Food, wine and beer are increasingly reasons (or a big part of the reason) for travel.
- Creativity in programming and packaging can pay off.
- Quality customer service is critical.
- Flying is of declining appeal to some due to the hassles.

- Demand for experiences and memories;
- Authenticity is important – people want to experience the real thing;
- Growing importance of the environment and buy/eat local;
- Growth in soft adventure activities such as cycling, hiking/walking

The Competitive Situation

There is fierce competition within Ontario for travel markets. Many of Ontario's travel regions and communities are targeting residents of the province, particularly the Greater Toronto Area, with a wide array of offers and experiences, and investing significantly in their efforts to attract visitors. And, Ontario's residents are also target markets for sun destinations and cruises as well as 'bucket list' destinations (e.g. Italy, France, New Zealand) and the emerging destinations of Asia, South America and places like Dubai. There is lots of choice and lots of deals, and the Web and social media makes it easier and easier to get the information necessary to make a travel choice.

This situation has significant implications for a small destination like Cobourg. These small destinations need to:

- Have offers/experiences that are competitive for the market being targeted.
- Set themselves apart – make it worth a trip or repeat visit; don't be "same old, same old".
- Not oversell – better to exceed expectations than fall short.
- Recognize that 'Word of Mouth' (and reviews) is very important.
- Have USPs (unique selling propositions) - they can't just be same as everyone else.
- Recognize that price/value is critical for most market segments.
- Know your markets and customers and target them effectively.

Table 1 on the next page identifies some of the Ontario communities Cobourg competes with and provides some basic information on their markets and the key reasons people visit them, in summer and in winter.

Target Markets for Cobourg

Tourism markets were traditionally segmented by geography (where people lived), demographics (primarily age group), and /or purpose of trip (pleasure, business, visiting friends). In today's marketplace, where customers are diverse and very much focused on the types of experiences available to them, market segmentation focuses more on the lifestyle position (e.g. families with children) and on the experiences and activities of interest. The Ontario Ministry of Tourism, Culture and Sport has identified a number of these market segments for Ontario; three of them present opportunities for Cobourg:

- Family Memory Builders
    - Families with children under 18 (Gen X – life built around children)
    - Below average travel budget; seek basic experiences
    - Primarily summer travel; some weekends and school breaks
    - Look for major attractions, beach, shopping, play

Table 1
Some Competitive Tourism Destination Communities

Location	Market Size (Residents, Regional Tourism)	Key Demand Generators: Spring, Summer, Fall	Key Demand Generators – late Fall, Winter
Niagara-on-the-Lake	NOL: 15,000 Niagara Region: 430,000 Tourism in Niagara Region: 11.5 million visits annually	Shaw Festival Destination inns, B&Bs Wineries Shopping (incl. factory outlet mall) Regional cuisine/dining Niagara Falls	Mostly weekends: Destination inns, B&Bs Wineries Special events – e.g. ice wine festival Dining, shopping
Picton, Bloomfield & Wellington	The County 24,000 residents; lots of seasonal residents & campers Tourism: 543,000 (2010)	Beach Wineries Local food & cuisine Festivals/Events Cycling	Wineries – some open on weekends
Port Perry	Local Pop'n: 9,000 Tourism: N/A	Shopping Service centre for cottages	Limited
Lakefield	Local Pop'n: 2,800 Peterborough CMA: 120,000 Lots of cottages Tourism: N/A	Shopping Service centre for cottages Boating Cycling	Limited
Collingwood	Local Pop'n: 19,000 Simcoe & Grey Counties: 540,000 Tourism: Grey County: Approx. 2 million	Georgian Bay & related activities Golf; Resorts Blue Mountain Village Cycling Scandinavian Spa	Downhill skiing;
Cobourg	Local Pop'n: 18,000 Northumberland County: 82,000 Tourism: Northumberland County: 1.3 million	Beach Boating Special events/festivals Cycling	Limited

- Connected Explorers
  - Young couples under 40 (Gen X and Y), with and without children
  - Deep seated need to travel and get exposure to new experiences
  - Travel about expanding horizons, look for fully packed schedule of activities; want local and real
  - Authenticity, diverse cultures, above average for museums, galleries, shopping, culinary, spa, beach
  - Above average travel budget; tend to luxury
- Mellow Vacationers
  - Above 40 (more above 55), travel without children
  - Look for home away from home – relax at cottage or vacation home
  - Leisurely sightseeing and shopping
  - Want R&R – find it amongst nature
  - Museums, history, galleries, food
  - Chance to visit family and friends

COBOURG'S MARKETS OF OPPORTUNITY

Given Cobourg's location, tourism assets, existing patterns of tourism activity and the market segments listed above, we identified the markets of opportunity for tourism in Cobourg as follows:

- Families:
  - Summer, school holidays, possibly weekends
- Getaways – wellness/spa, special interest/learning, cultural events, general leisure, food & wine
  - All year
- Sports events
  - All year
- Meetings
  - September to June
- Outdoor activities (in region) - touring, fishing, cycling
  - Spring, summer, fall, some winter (X country, Devil's Elbow)
- Day trippers
  - Spring, Summer, Fall
- Festivals and events
  - All year though primarily spring, summer, fall
- Culinary tourism
  - All year but primarily summer and fall
- Cultural tourists
  - All year – driven by the performance/show/event
- Visiting Friends and Relatives
  - All year

3. TOURISM INVESTMENT OPPORTUNITIES FOR COBOURG

Overall Goal and Some General Strategies

The overall goal identified for the ultimate outcome of achieving new tourism investment in Cobourg is to generate more business for Downtown Cobourg throughout the year from visitor markets.

To achieve this goal, Cobourg needs a combination of:

- More visitors overall – in summer, spring, fall and in winter;
- More overnight visitors – since overnight visitors stay longer, they have more time to go downtown, visit local businesses and spend money;
- More existing visitors to go downtown and spend money;
- More day-trippers who get out of their cars in Cobourg and find their way to local businesses;
- More markets with a greater propensity to spend money on eating out, shopping, entertainment;

Prior to looking at specific tourism investment opportunities, we identified some more general strategies that could help achieve the foregoing:

1. There needs to be more reasons for people to come to Cobourg. This could include a combination of:
   - More festivals and events (including theatre, music) – particularly in spring, fall and winter to generate demand;
   - Increased programming and packaging;
   - More activities, e.g. bike and other recreational equipment rental;
   - Public/not-for-profit development such as:
     - Expanded marina – more overnight boaters means more people downtown
     - Year round farmer's market – could generate regional market traffic downtown in winter

2. Improved connections from the waterfront/beach area to downtown would help encourage people visiting Victoria Beach and the waterfront to go downtown. These connections could include signage as well as visual links.

3. A Cobourg visitor map that provides a better illustration of downtown and what it has to offer, and its proximity to the waterfront, would make it easier for visitors to understand what is available as well as how close the waterfront and downtown are.

4. An expanded marketing effort including:
   - Increased marketing aimed at the target segments identified earlier
   - Increased marketing activities generally
   - An expanded visitor survey to get a better handle on current markets

Possible Tourism Investment Opportunities

Building on the situation analysis and the tourism markets potentially available to Cobourg, we identified a list of possible tourism investment opportunities for the downtown area that could help achieve the overall goal of generating more business for Downtown Cobourg. The possible opportunities included:

- Outdoor water park
- Indoor water park with hotel
- Boutique waterfront inn and suites (with restaurant, spa, small meeting rooms)
- Hotel/conference centre
- Campground/trailer park (new, expanded)
- Waterfront restaurant (stand-alone)
- Lake Ontario boat tour
- Mini-golf attraction complex
- Craft brewery

Preliminary Screening of the possible tourism investment opportunities

To identify a short list of the best potential tourism investment opportunities to achieve the overall goal, we conducted a preliminary evaluation of these ideas, considering the following criteria:

- Market Potential (incl. fit with trends)
- Competitive Position/USP
- Potential Impact on Downtown Retail/Restaurants
- Potential for Year Round Impact
- Potential for Resident Support

This evaluation drew on the market assessment, knowledge of the competitive situation and our consulting team's knowledge about the list of opportunities and the types of markets they might attract.

Based on this evaluation, the conclusions were:

- Best Possible Opportunities
  - Boutique waterfront inn/suites with restaurant, spa, meeting space
  - New Campground/Trailer Park
  - Waterfront Restaurant (could be combined with the inn)
  - Mini-golf attraction complex
- Other Possibilities
  - Outdoor water park
  - Craft brewery (could be combined with the restaurant and/or waterfront inn)
- Not Worth Considering Further
  - Indoor waterpark - the market is much too small, too much space needed for parking, not likely feasible, existing competition in Niagara (Great Wold Lodge) and there has been a proposal for one in Toronto.

- Hotel/conference centre - the marketplace is very competitive, conference centres are not economically viable, earlier studies have shown insufficient market to support a full-scale hotel.
- Boat tour - limited market appeal, tough regulations, cruise along Lake Ontario has limited scenic appeal.

4. PREFERRED SITES FOR THE IDENTIFIED TOURISM INVESTMENT OPPORTUNITIES

Possible Sites

With a short list of potential tourism investment opportunities in hand, the next task was to 'match' these opportunities with the sites available and determine which sites were preferred.

Town of Cobourg staff provided a plan identifying the possible downtown sites that were to be considered for potential tourism investment opportunities. Some of these sites were Town properties; others were identified as areas of interest.

The sketch on the next page illustrates all of these sites. A number were eliminated from consideration early in the process largely due to their small size or location which made them unsuitable for the types of investment opportunities being considered. These sites are marked with a large X.

The other sites, numbered 1 through 8 on the sketch, were assessed to determine which fit best with the investment opportunities still being considered.

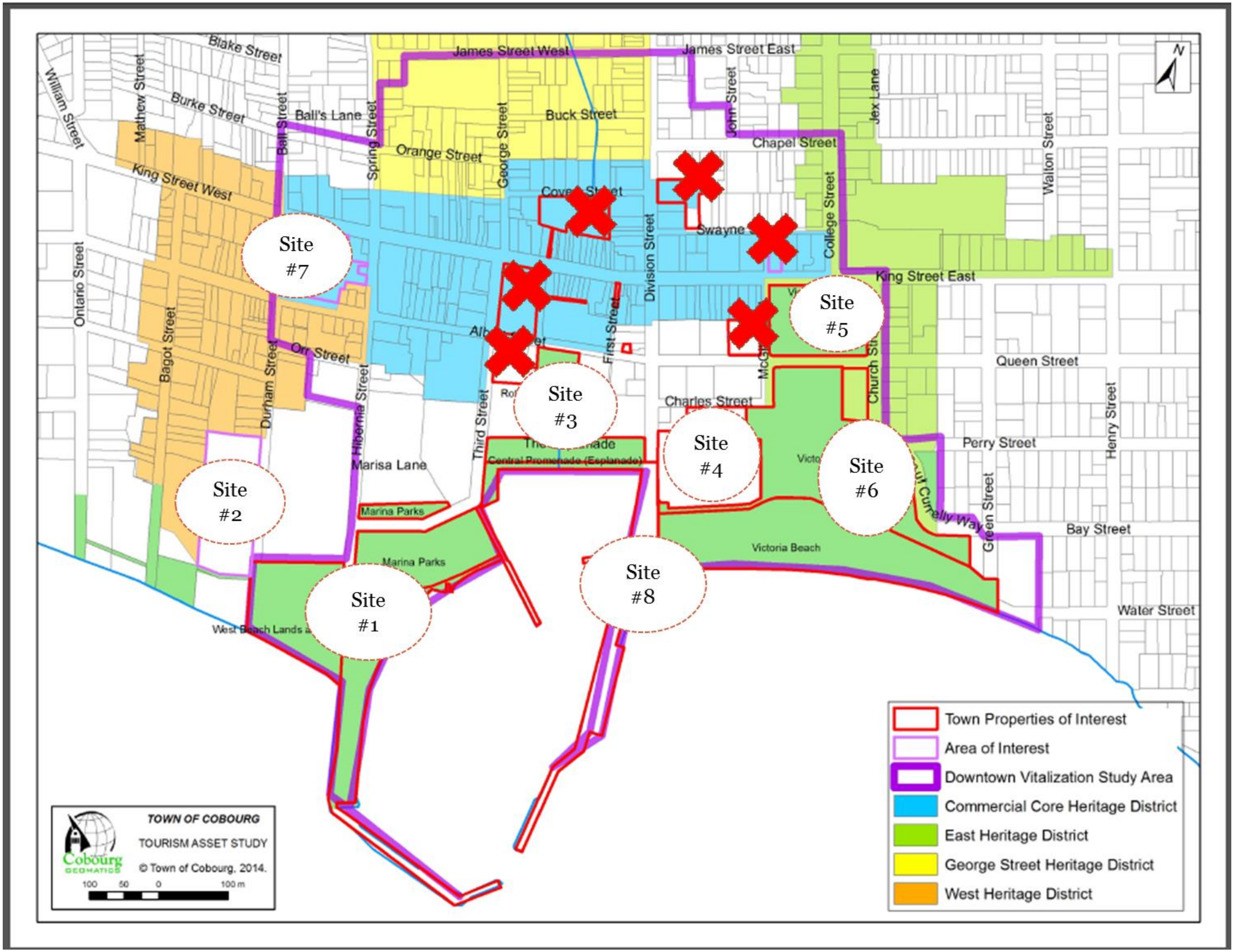
Evaluation of Possible Sites

The site evaluation was preliminary in nature, designed to identify unique properties that had four season-potential and would be suitable for one or more of the best opportunities and other possibilities from the list on page 12. The evaluation considering the following factors:

- Adjacency/proximity to water
- Water views
- Sufficient land
- Conflict with/complementary to adjoining uses
- Proximity/ease of access to downtown
- Overall suitability of location

Our evaluation did not take into account possible Council or community acceptance or otherwise of these types of developments on the sites being considered since this type of investigation was not part of this study. As well, the evaluation did not consider what might be required to obtain site plan approval (e.g. rezoning in some cases; potential flood plain mitigation for some sites) or the availability of services.

The evaluation of Sites #1 to #8 for each of the six possible investment opportunities is described in Table 2.



Blake Street
William Street
Mathew Street
Burke Street
Ball Street
Ball's Lane
Spring Street
James Street West
James Street East
Orange Street
George Street
Buck Street
John Street
Jex Lane
Chapel Street
Walton Street
King Street West
College Street
Swayne
Division Street
King Street East
Ontario Street
Bagot Street
Durham Street
Orr Street
Hibernia Street
First Street
Third Street
Queen Street
Charles Street
Church St
Henry Street
Perry Street
Marisa Lane
Central Promenade (Esplanade)
Marina Parks
Green Street
Bay Street
Victoria Beach
West Beach Lands
Water Street
Site #1
Site #2
Site #3
Site #4
Site #5
Site #6
Site #7
Site #8
Town Properties of Interest
Area of Interest
Downtown Vitalization Study Area
Commercial Core Heritage District
East Heritage District
George Street Heritage District
West Heritage District
TOWN OF COBOURG
TOURISM ASSET STUDY
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Table 2
Site Evaluation and Matching with Tourism Investment Opportunities

	Site #1 (West Beach/ Marina Parks)	**Site #2** (High School Track)	**Site #3** (Esplanade Rotary Park)	**Site #4** (Victoria Park Campground & Adjoining)	**Site #5** (Victoria Park N of Albert)	**Site #6** (Victoria Park S of Albert)	**Site #7** (High School)	**Site #8** (East Pier)
Waterfront Inn & Spa	✓ (conflict with marina)	✓	✓ Space?	✓✓✓	X (not on waterfront)	✓✓	X (not on waterfront)	X (No space)
Campground/ Trailer Park	✓✓ (conflict with marina)	✓	X	X No space for expansion	X	✓✓	X	X (No space)
Waterfront Restaurant	✓✓	X	✓✓	✓✓✓	X	✓✓	X	✓✓
Outdoor Water Park	✓✓ (conflict with marina)	X	X	X Not enough space	X	✓	X	X (No space)
Mini-Golf Attraction	✓ (✓✓ if camping on this site)	X (✓if camping on this site)	X	✓✓	X	✓✓	X	X (No space)
Craft Brewery (with inn/restaurant)	✓	✓	✓	✓✓	X	X	✓	✓

Legend:
✓: Positive **X: Negative or not suitable**

Discussion of Site Evaluation

Site #1: West Beach/Marina Park
Part of this site is green space and a natural area with water-frontage on the inner harbour and Lake Ontario. The balance of the site is currently occupied by boat storage space, the Yacht Club and the Cobourg Marina. At the time this evaluation was completed, a planning process was underway looking at the expansion of the marina but no details were available.

This site would be suitable for any of the tourism investment opportunities but the existing marina, yacht club and boat storage (and potential expansion thereof) takes up much of the land available. The large area dedicated to boat storage is not complementary to a high quality waterfront inn.

The green space/natural area could potentially be used although the beach and swimming are not of great quality.

The connections to downtown from this site, particularly the West Beach portion of the site, are not nearly as strong as other sites.

Site #2: High School Track Site
This site might possibly work for the waterfront inn and or a campground/trailer park but it is far from ideal. Its linear shape means that there would only be limited waterfront views for the inn and there is no adjacent beach. It is not large enough for an outdoor water park. If there were camping on this site, a mini-golf attraction would be a good complementary opportunity but, again, space is limited (particularly since the mini-golf attraction would require parking). The space available might permit a slightly larger camping facility than currently exists at Victoria Park Campground.

Connections to downtown from this site are weak. Since this site is surrounded on three sides by residential development, there are likely to be conflicts between these adjoining uses and any of the investment opportunities being considered.

Site #3: Esplanade Rotary Park
Space on this site is also very limited – insufficient for a campground, water park or mini-golf attraction and likely also for a waterfront inn. The site could be a good location for a stand-alone waterfront restaurant, and possibly a craft brewery. It is close and very accessible to downtown.

However, given the close by residential development, there is likely to be conflicts between any of the tourism investment opportunities and adjoining uses.

Site #4: Victoria Park Campground
This site receives the highest evaluation for both the waterfront inn and restaurant. It would also be a good location for a mini-golf attraction, craft brewery. There is sufficient space for all of these investment opportunities but insufficient space for a waterpark or expanded campground.

This is a unique and special site given that it is immediately adjacent to Victoria Beach and has great views of Lake Ontario. This site is very accessible to downtown.

The adjoining land uses are primarily open space and/or recreation so there would be limited conflicts; in fact the adjoining land uses are very complementary.

Site #5: Victoria Park North of Albert
Although not far from Lake Ontario, this site is not on the waterfront and has limited waterfront views so is not suitable for the waterfront inn or restaurant. There is insufficient space for the other identified investment opportunities.

Site #6: Victoria Park South of Albert
This site would be suitable for most of the identified investment opportunities. It is on the waterfront, appears to have sufficient space for most of them and is easily accessible to downtown.

However, it is arguably Cobourg's premier piece of parkland and for this reason was removed from further consideration.

Site #6: High School
The old high school site on King Street was identified as an area of interest. However, this site is not on the waterfront. It is also located some distance from other tourism infrastructure such as the beach and boardwalk and is not a suitable location for the investment opportunities being considered.

Site #8: East Pier
This is a small site with limited space available for development. As such, it would not be suitable for the identified investment opportunities other than a waterfront restaurant or craft brewery. It is well located for these two opportunities with good waterfront views and proximity to complementary uses such as Victoria Beach and the marina.

Overall Conclusions

Based on this evaluation, our conclusion is that using the Victoria Park Campground site for a Waterfront Inn and Restaurant is by far the best 'match' between the sites and the list of tourism investment opportunities being considered.

Other possible opportunities based on the analysis completed would appear to be:

1. An expanded campground on either Site #2 (High School Track Site) or Site #1 (West Beach/Marina Parks).
2. A stand-alone waterfront restaurant on either Site #1 (West Beach/Marina Parks), #3 (Esplanade/Rotary Park) or Site #8 (East Pier).
3. An outdoor water park on Site #1 (West Beach/Marina Parks).
4. A mini-golf attraction on Site #4 (Victoria Park Campground).

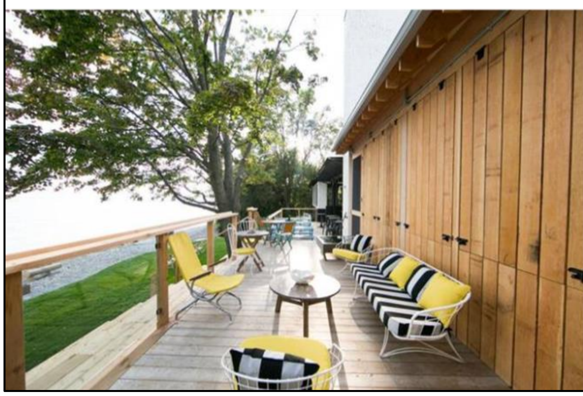
Going back to the overall goal - to generate more business for Downtown Cobourg throughout the year from visitor markets - #1, #3 and #4 on this list (expanded campground, outdoor water park and mini-golf attraction) were eliminated from consideration since they are seasonal businesses only.

In discussion with the Project Committee it was concluded that a waterfront restaurant (and possibly a craft brewery) should be considered as an integral element of the waterfront inn rather than stand-alone investment opportunities.   The concept of a waterfront inn and restaurant, located at the Victoria Park Campground site was selected for further analysis and consideration.

The waterfront inn, spa and restaurant is envisioned to be of high quality, similar to properties such as the recently opened Drake Devonshire Inn in Wellington, Prince Edward County or St. Anne's Spa in Grafton. These properties are illustrated below and on the next page.

Drake Devonshire Inn cont'd

" It's a kind of style that blends hip with nostalgia, the contemporary with the comfortable…"



Ste. Anne's Spa

Ste. Anne's voted favourite spa in country for ninth year in a row

5. A WATERFRONT INN AND SPA FOR COBOURG

The Concept

A boutique waterfront inn/mini-resort and spa, open year round and providing high quality facilities, services and visitor experiences catering to getaway and vacation markets as well as meetings and special events.

The proposal is for a small inn, initially 35 – 40 units with space in reserve for approximately 16 additional units in a second phase. Rooms are proposed to be oversized with sitting areas and kitchenettes, with some 1 and a few 2 bedroom suites so as to create a quality destination property suitable for short and week-long stays. The rooms will be in a two storey building (with elevator); some will have beach/waterfront views, others will view the town and the inn's outdoor recreation area. All units will have decks or patios.

The inn will feature a restaurant and lounge with an expansive deck and waterfront views. This waterfront dining space will be open to the public and feature regional cuisine and a top quality chef; it is intended to become a destination in its own right.

Meeting/banquet space and adjoining multi-purpose space will also have waterfront views and decks with capacity for up to 180 (banquet style). This quality setting will be ideal for small meetings, weddings and special events.

An adjoining building will provide spa facilities, fitness facilities and a plunge pool and sauna. This latter space will be designed to "open up" in summer months to a patio space and the inn's outdoor landscaped recreation area.

The inn is intended to be a high quality property. This is essential if the property is to establish a strong market position.

The Cobourg Waterfront Inn and Spa will have a number of strong USPs (unique selling propositions):

- Waterfront location directly on Lake Ontario;
- Proximity to Cobourg's Victoria Beach and waterfront trails, parks and natural areas;
- Close to the Greater Toronto Area (GTA) and easily accessible by car or by VIA train service;
- Restaurant and lounge overlooking Lake Ontario;
- Meeting and small wedding facilities with waterfront views;
- Easy walking access to shopping, local theatre, entertainment, and a variety of dining experiences;
- Easy access to regional appeals including cycling routes, culinary and agri-tourism experiences, Ganaraska Forest, scenic touring, Prince Edward County wine country.

Market Positioning

Cobourg's Waterfront Inn and spa should be positioned as a mini-resort, offering quality facilities and exceptional customer service in a waterfront setting that is easily accessible by auto and train from downtown Toronto.

The property is envisaged as a year-round getaway destination – a stress free break for urban markets. The on-site experiences of a boutique inn and spa with great dining and entertainment will be complemented by the appeals of historic downtown Cobourg – shopping, theatre, arts and culture, entertainment and cuisine.

Target Markets

Target markets for Cobourg's waterfront inn will include:

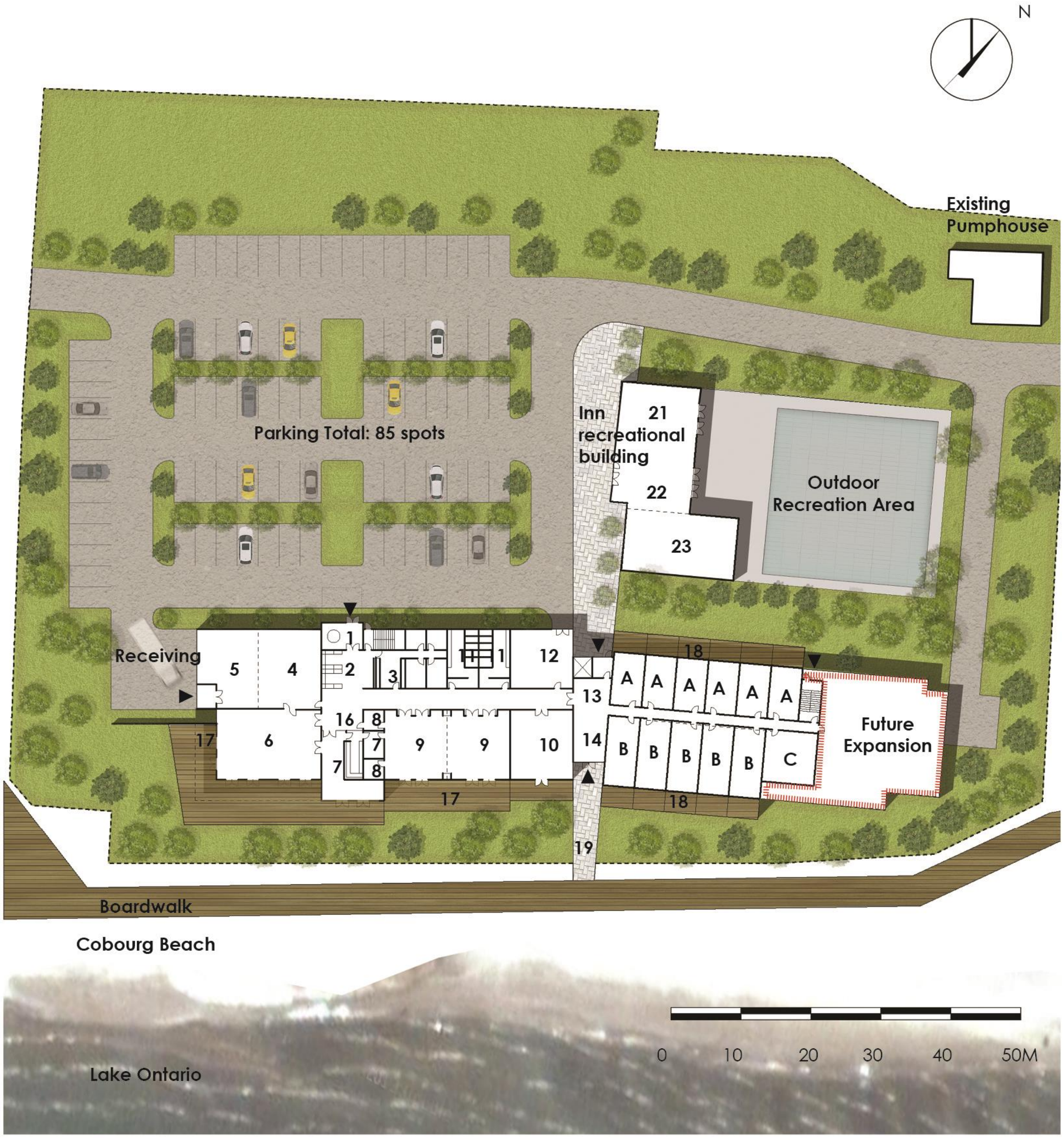
- Toronto urbanites for vacations and getaways including:
    - Connected Explorers (Couples under 40; with and without children)
    - Families (Summer beach vacations close to home)
    - Mellow vacationers (Mature, travel without children)
- Small meetings (from the region, eastern and central GTA)
- Niche markets such as foodies, cyclists, spa goers, cultural tourists (theatre, music, arts events) and special interest markets attracted by packaging and programming at the inn
- Special events – weddings, family reunions, girl's getaways, community festivals/events, etc.
- Touring markets (Northumberland County, other Eastern Ontario)
- Local and regional residents for dining and entertainment

Preliminary Concept Plan

A preliminary conceptual plan for the first floor of an initial phase (36 units) of the Waterfront Inn on the Victoria Park Campground site is illustrated on the following page. The legend for the numbers is found in Appendix II.

Not shown on the concept plan is the option of adding up to 50 inn units or some 'inn' residences – apartment condominiums with Lake Ontario views and access to the services of the luxury inn. One option: add 16 inn units (giving 52 in total) and up to 16 condominium residences using the three storeys available for development.

Our analysis has not assessed the economic feasibility of the project for a developer or operator of the inn. This research and analysis would be up to the investor/developer. However, the addition of a number of 'inn' residences may enhance the overall viability of the investment opportunity.



+VG ARCHITECTS
THE VENTIN GROUP LTD
Cobourg Waterfront Inn & Residences on the Beach
March 2, 2015

Potential Tourism and Economic Impacts

The tourism and economic impacts of Cobourg's Waterfront Inn will include both qualitative and quantitative impacts.

Qualitative Tourism Impacts

Qualitative tourism impacts will include:

- Helping to position Cobourg as an overnight destination;
- Bringing new visitors to Cobourg throughout the year;
- Creating new and expanded markets for Cobourg's downtown business and services, including retail outlets, restaurants, entertainment and culture, spa services, etc.
- Increasing the appeal of Cobourg to new market segments such as Connected Explorers.

As well, opportunities will be created for spin-off impacts. The inn is intended as a luxury property and would therefore attract well-off guests. While the level of off-site spending is unlikely to be sufficient, on its own, to support new businesses, there is likely to be interest from the guests in visiting businesses offering these types of items/experiences:

- Regional cuisine
- Wine tasting
- Theatre, music and other entertainment
- Health and wellness services
- Coffee bars
- Bakery
- Bookstore
- Specialty retail – clothing, gifts, household items
- Sports/outdoor activity clothing, equipment

Quantitative Economic Impacts

Three types of economic impacts will occur with the development and operation of a waterfront inn:

1. One-time capital impacts resulting from construction.
2. Annual impacts from the operation of the facility.
3. Annual impacts from the off-site spending of visitors to the Inn.

Each is addressed separately below. These impacts will occur in Northumberland County as a whole. The economic impact analysis (jobs, labour income and GDP) has been estimated using the Ministry of Tourism, Culture and Sport's TREIM (Tourism Regional Economic Impact Model).

One- Time Capital Impacts (Inn and Spa only)

- Capital investment: $14.8 million
- Jobs: 86 (includes direct jobs (60), indirect and induced jobs)
- Labour Income: $6.2 million (includes direct labour income $4.55 million), indirect and induced labour income

- Gross Domestic Product (GDP): $8.65 million (Includes direct GDP ($6.14 million), indirect and induced GDP

Annual Impacts from Operations (36 unit inn)

- Jobs: 33 (includes direct jobs (24), indirect and induced jobs)
- Labour Income: $ 1.5 million (includes direct labour income $0.9 million), indirect and induced labour income
- Gross Domestic Product (GDP): $1.75 million (includes direct GDP ($0.93 million), indirect and induced GDP

Annual Impacts from Off-Site Visitor Spending

- In addition to spending money at the inn itself, guests staying at the Waterfront Inn will also spend money elsewhere – on restaurants, retail items, recreation and entertainment, food & beverage in stores and transportation (gas, car, train, etc.). A significant portion of this spending is likely to occur in Cobourg.
- Drawing from the limited data available[3], we have estimated this off-site spending to be in the range of $800,000 - $1 million per year. This level of off-site spending is estimated to have the following economic impacts:
    - Jobs: 7 (includes direct jobs (6), indirect and induced jobs)
    - Labour Income: $ 330,000 (includes direct labour income $215,000), indirect and induced labour income
    - Gross Domestic Product (GDP): $0.5 million (includes direct GDP ($330,000), indirect and induced GDP

The analysis of economic impacts has not considered any revenue from the sale or lease of the Town-owned property for this development. Neither has it considered impacts that would be lost with the removal of the campground from this site. (If the campground were relocated to another site close to the waterfront, these impacts would continue to a large extent.)

Identified Challenges in Realizing the Investment

The challenges that have been identified in realizing the investment in a Waterfront Inn in Cobourg include:

- The overall economic viability of the project
- Obtaining municipal approval to use the Victoria Park Campground site for an inn and transfer/sell the land to a private developer
- Finding a developer with the appropriate vision and financial capacity

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[3] There is no actual data available on the off-site spending of persons staying in commercial accommodation. We have estimated this spending based on data on the average spending of visitors to Northumberland County and a number of assumptions. The base data includes a high proportion of same day visitors and visitors who stay with friends and relatives or in cottages. Actual spending levels will depend on a variety of factors including the appeal of the goods and services offered.

- Obtaining the necessary zoning
- Getting site plan approval
- Finding an operator for the inn and key staff (particularly a quality chef)
- Building market demand for the inn as a year round property

6. NEXT STEPS

The next steps in this process would be as follows:

- Include Victoria Park Campground as a potential development site in the Downtown Master Plan, pending informed public debate.
- Informed public debate on the potential uses for Victoria Park Campground.
- Council decision on whether or not to proceed with a Request for Proposal for development of Victoria Park Campground.

APPENDIX I
COBOURG TOURISM ASSETS & MARKET DATA

Table I-1
Cobourg and Area Tourism Assets

Tourism Asset	Information and Notes
The Beach	Best beach between Toronto and Presqu'ile Provincial Park; adjacent splash pad/play area; Popular weekend day trip destination for families from eastern GTA One food concession Varied reports on cross-visitation to downtown
The Marina	Close to 200 slips; at capacity; master plan for expansion has been recently completed
The Waterfront & Boardwalk	Walking, cycling East Pier has some commercial usage now
Waterfront Trail	Cycling connection from Toronto and east to 1000 Islands; runs right through Cobourg Future connection to new Greenbelt Cycling Route
Victoria Park Campground	Trailer park (seasonal and transient) Some tenting sites, support facilities
Culture & Heritage	
Victoria Hall	Historic Site
Victoria Hall – Concert Hall	Home to live theatre and events including Northumberland Players , Victorian Operetta Society and touring shows and performances; also available for rent
Northumberland Art Gallery	Located in Victoria Hall
Other Cultural Events	Music at local pubs/restaurants
Festivals & Events	
Regular Events – Spring, Summer, Fall	Farmers Market Movies on the Beach Sweet Water Country Music Concert Band at Victoria Park Band shell
Short-Term Festivals/Events – Spring, Summer, Fall	Music Experience Weekend (mid-May) Downtown Busker/Street Festival (mid June) Waterfront Festival (July 1 weekend) Highland Games (late June) Sandcastle Festival (early August) Driftwood Theatre (August) Ribfest (mid-August) Vintage Film Festival (October)

Table I-1 Cobourg and Area Tourism Assets	
Tourism Asset	**Information and Notes**
Winter	Christmas Magic
Downtown Cobourg	Shopping, dining, entertainment
Destination Accommodation	
Woodlawn Inn	Fine Dining 20 rooms (some suites, oversize, some with Jacuzzis, fireplaces) 3 boardrooms – up to 24 (High quality, summer prices $160- $250, TA – Excellent reviews, great food and service)
Breakers on the Lake	10 motel rooms; 3 – 2 br housekeeping units, 1, 1 cottage, 1 house Directly on lake with private lake front grounds Can accommodate small meetings (but need to be catered) Open all year Summer weekends busy (Basic, relatively low prices, TA great reviews and good service)
Inn by the Mill	1 B&B room; indoor pool Open year round (Getaway/retreat, $140 per night for 2)
Best Western Plus Cobourg Inn and Convention Centre	87 rooms; 3 suites Indoor pool Restaurant/bar Exercise room, hot tub 11,000sq.ft. of meeting/function space
Other Assets	
Spa/Wellness – Day Facilities, golf courses, Cobourg Community Centre, YMCA	
Nearby Appeals	
Northumberland County Drives & Rides	Scenic touring – auto, motorcycle, cycling
Agri Tourism	
Ganaraska Forestry Centre	Treetop Trekking; Mountain biking, ATV Hiking, Horseback riding,
Northumberland Forest	Trails – hiking, horseback riding, cross country skiing, snowmobiling
Rice Lake	Fishing, Boating
Special events	Studio Tour
St. Anne's Spa, Grafton	Destination spa and retreat

Table I-2
Tourism Market Data: Northumberland County (2011)

Characteristic	Northumberland County	Ontario
Total Visits	1,300,000	138,800,000
Same Day Percent	65%	65%
Overnight Percent	35%	35%
Average Stay of Overnight Visitors	3.2 nights	2.9 nights
Trip Purpose		
Pleasure	26%	31%
Visiting Friends & Relatives	63%	46%
Business	8%	10%
Season of Trip		
Jan to March	12%	20%
April to June	32%	26%
July to September	42%	30%
October to December	13%	23%
Origin		
Ontario	83%	85%
Other Canada	2%	5%
US	11%	8%
Overseas	4%	1.5%
Ontario Origins		
Region 6 (Oshawa, Durham, York)	36% (Durham- 34%)	
Region 9 (Trenton to Cornwall)	19% (Lennox & Addington- 10%)	
Region 5 (Toronto)	16%	
Region 8 (Kawarthas Northumberland)	13%	
Household Income		
Less than $50,000	38%	
$50,000 - $75,000	11%	

Table I-2
Tourism Market Data: Northumberland County (2011)

Characteristic	Northumberland County	Ontario
$75,000 - $100,000	20%	
$100,000 +	31%	
Age		
15-24 years	12%	16%
25 – 34 years	20%	17%
35 – 44 years	13%	16%
45 – 54 years	21%	18%
55 – 64 years	22%	15%
65+ years	11%	12%
Average age	44.8	
Visitor Spending		
Average Per Person	$108	$150
Average /Overnight Visitor	$208	$273
Average/Overnight Visitor/Day	$65	$94
Average Per Same Day Visitor	$54	$83
Allocation of Visitor Spending		
Transportation	27% ($29)	35% ($52)
Accommodation	19% ($20)	15% ($22)
Food & Beverage in Restaurants	25% ($27)	21% ($31)
Food & Beverage in Stores	9% ($10)	7% ($10)
Recreation & Entertainment	7% ($7.50)	8% ($12)
Retail and Other	13% ($14)	13% ($19.5)
Total Spending	**$141 million**	**$20,802 million**

Source: Ministry of Tourism, Culture and Sport, Tourism Research, Special Analysis

APPENDIX II: LEGEND FOR INN CONCEPT SKETCH

Cobourg Waterfront Inn (Victoria Park Campground Site)

Inn Building

1	Main Entry Vestibule and Display
2	Main Lobby and Waiting Area
3	Info Desk and Administrative Offices
4	Kitchen Area
5	Receiving and Kitchen Support Area
6	Restaurant / Bistro (80 – 90 people)
7	Bar area and bar storage (approx. 40 seats)
8	Meeting Room's Storage & Staging
9	Meeting Rooms / Banquet (120 people total)
10	Multi/Purpose Space (approx. 60 seats)
11	Male and Female public washrooms
12	Facility Services (Note 2)
13	Elevator Lobby
14	Small Lounge, Reading Room (1 on each floor)
15	Main Corridor and Banquet crush space
16	Restaurant and Bar Lobby
17	Exterior Decks
18	Private patios at grade
19	Pedestrian connection to the beach

Inn Recreational Facility

21	Spa
22	Fitness
23	Plunge Pool, Change Rooms, Showers