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OTTAWA CONVENTION CENTRE CORPORATION

ANNUAL BUSINESS PLAN 2015/16 – 2017/18

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1. EXECUTIVE SUMMARY

As the Ottawa Convention Centre (OCC) enters its 5th full year of operations, we are confident in the knowledge that we have earned a strong reputation in both the convention and local market places for hosting outstanding events and providing exceptional customer service to our clients. With this reputation, along with rising business confidence in the convention and meetings market, we anticipate that this will result in increased convention and local bookings. Our state of the art facility continues to offer cutting edge technology in a modern and attractive setting in the heart of the nation's capital and our management and staff continue to deliver exceptional customer service on a daily basis.

In the following pages, we lay out our detailed plans for the coming fiscal year, as well as our forecast for this three year planning cycle.

2014/15 Results

The fiscal year 2014/15 proved to be a challenging period in terms of convention volumes and revenues. Despite that, the OCC surpassed budgeted revenue of \$14.6M by over \$750k and contributed over \$75 million in economic impact to the city of Ottawa and the province of Ontario. This increase is attributable to an increase in the food and beverage spend of our convention clients. At 35 conventions, 2014/15 produced the lowest number of conventions since our opening in 2011, when the OCC hosted 56 conventions. The decrease in convention business is attributable to weak booking pace figures for both 2014/15 and 2015/16, caused primarily by a lack of international conventions taking place in Ottawa during these years, and a disproportionately strong number of Canadian conventions during our inaugural years of 2011/12 to 2013/14.

In 2014/15, OCC added \$6.8M in future convention bookings to our booking pace for the years 2015/16 to 2019/20, representing 37 conventions. OCC also signed two very significant conventions in 2014/15; One Young World (International) for October 2016, and a large Canadian corporate convention for February 2016. These two conventions alone are expected to bring in \$1.3M to the centre and an estimated economic impact of over \$10.0M.

Additionally, in October 2014, we entered into a 10 year agreement with Shaw Communications for the exclusive facility naming rights of the building.

We are also very proud of the fact that the Ottawa Convention Centre was named a runner-up for the title of "World's Best Convention Centre", by the International Association of Convention Centres (AIPC) in July 2014, solidifying our place on the world's stage.

Additionally, in 2014/15, Ottawa Tourism and OCC launched the Capital Host Club which underlines the value of the business events sector to local stakeholders while promoting Ottawa on the global meetings stage.

OCC continues to minimize our impact on the environment, which is a key priority at the OCC. One of the ways we accomplished this was through the use of ORCA, (Organic Refuse Conversion Alternative) a waste management system which breaks compost waste down into environmentally safe grey water, greatly reducing our requirement for green bins. In 2014, we diverted 65% of our waste from the landfill and are targeting a 80% waste diversion rate for 2015/16. In 2014/15, our recycling efforts saved 842 mature trees and 491,105 gallons of water.

The Year Ahead

The 2015/16 Financial Budget reflects an operating surplus of \$116,000 on revenues that are generally flat to the previous year of \$15 million. The 2015/16 fiscal is the last year of a two-year period of soft convention volumes; we are forecasting 35 conventions, the same number as the previous year. We anticipate business generated by the convention centre to contribute approximately \$75 million in direct economic impact to the region and province.

Our booking pace figures are strong beyond 2015/16, and suggest that our convention volumes will rebound significantly during the 2016/17 to 2018/19 period, primarily as a result of an increased awareness of Ottawa and enhanced marketing efforts within the international convention market. OCC's combined definite and tentative convention revenues for the period of 4 years out (2016/17 to 2019/20) are the highest for any comparable future booking period since our opening in 2011. This level of booking success, combined with anticipated booking growth from the UK and European markets over the next 3-5 years, is a positive indicator for the future. OCC will continue to expand upon its strong partnership with Ottawa Tourism (OT) in attracting domestic, national and international conventions to the city. Along these lines, OCC and OT have launched a full time research/lead generation position dedicated to the convention segment. The researcher's main role is to find and qualify potential new convention business that otherwise would go under-researched.

Fiscal year 2015/16 will mark our first full year as the Shaw Centre. This critical revenue stream enables us to produce a modest operating surplus during an otherwise soft year, and maintain a positive monthly cash flow throughout the year, despite having to invest over \$300,000 in capital renovations throughout the facility.

In consultation with the Ministry of Tourism, Culture and Sport, OCC will continue to develop a debt management strategy which will guide operations in the coming years.

This three year business plan and its achievements will guide our efforts in 2015/16. Although we remain confident in this plan, inherent in our business are risks and challenges as we compete for business on the domestic and international stage. The risks and challenges, and how we intend to mitigate them are detailed throughout our plan.

Our colleagues continue to impress clients as is evidenced in our client surveys and our vision and mandate are clear to all our staff – producing economic impact to the City of Ottawa and the Province of Ontario.

2. MANDATE AND VISION

VISION

Inspired people creating extraordinary events.

CORE PURPOSE

We are Canada's Meeting Place. The Shaw Centre provides the stage where Canadians and guests from around the world come together in Ottawa, our Capital, to learn and grow by sharing their knowledge, views and practices.

ECONOMIC MANDATE

The Shaw Centre operates profitably and generates positive economic impact for the National Capital Region, the Province of Ontario and its industry partners.

CULTURE CREED

The Shaw Centre Culture is defined by a singular focus on realizing our Vision of "Inspired people creating extraordinary events"...and by living our Shared Commitments whereby the full potential and ambitions of our colleagues and guests are achieved. The hallmarks of our culture are strong and responsible leaders, empowered colleagues and loyal guests.

SHARED COMMITMENTS

WE always treat our colleagues with respect and fairness

WE are deeply passionate about making it happen for our guests

WE always demonstrate a pig-headed resistance to mediocrity

We strongly encourage innovation, and provide opportunities for growth and learning

We accept risk, recognize success and celebrate our wins

WE recognize and act upon our responsibility to our community, the environment and our industry

We practice open communication and encourage feedback

WE are professional and we are accountable

WE act with integrity and honesty and do what's right

We are a team; each member contributes to our shared success.

LEGISLATIVE AUTHORITY AND MANDATE

OCC is an Agency of the Government of Ontario governed by the Ottawa Convention Centre Corporation Act (1988). OCC is operated by a twelve member Board of Directors with nine provincial and three municipal appointees. The Centre opened in 1983, was demolished in 2008 and re-opened in 2011. Its legislated mandate is to “operate, maintain and manage an international-class convention centre in a manner that will promote and develop tourism and industry in Ontario”.

OCC is an operational enterprise agency of the Ministry of Tourism, Culture and Sport. The OCC is committed to providing excellent, high calibre bilingual customer service, and to ensuring that services are timely, responsive, accessible and accountable.

The Memorandum of Understanding (MOU) between the OCC and the Ministry of Tourism, Culture and Sport, provides an accountability and governance framework, including the following accountability relationship:

- a) The Minister is accountable to the legislature and Management Board for the Centre’s fulfillment of its mandate, its compliance with government and Ministry policies and for reporting and responding to the Legislature on the Centre’s affairs.
- b) The Chairman is accountable to the Minister and the Board for the performance of the Centre in fulfilling its mandate for carrying out the roles and responsibilities assigned to the Chair by the governing Act, Management Board directives and the MOU.
- c) The Deputy Minister is accountable for carrying out the roles and responsibilities with respect to the Board assigned to the Deputy Minister by the Minister, Management Board directives, the Act and the MOU.
- d) The President & CEO is accountable to the Chairman and the Board for the management of the Centre, the supervision of the Centre’s staff, and for carrying out the roles and responsibilities assigned by the Board, Management Board directives, the Act, other relevant legislation and the MOU.
- e) Staff of the Centre is accountable to the President & CEO for carrying out the roles and responsibilities as assigned to the staff by the President & CEO.

3. ENVIRONMENTAL SCAN

GENERAL OBSERVATIONS

The overall business of convention sales has and will continue to improve over the next year. Recent surveys have shown positive feedback from the convention planner industry. In the latest “American Express Meetings & Events 2014 Global Meetings Forecast” nearly half of North American planners surveyed reported they expected an increase in meetings of about 1.5% and of attendees, 0.6%. This trend, based on anecdotal evidence and client feedback, should continue through 2015.

"Heading into 2014, meetings and events will likely continue to remain critical drivers for organizations to align on strategic business objectives and effectively communicate with employees, customers and partners worldwide," said Issa Jouaneh, Vice President and General Manager, American Express Meetings & Events. "In an environment where budgets are expected to be challenging and the approval process for meetings will likely continue to be stringent, companies across all regions are re-examining their meetings strategies in order to achieve meeting objectives, increase efficiency and control costs."

The International Association of Convention Centres' (AIPC) 2014 annual member survey indicates that growth remains steady as it has for the last two years, in the 2 to 2.3% range. Government cutbacks have had an impact on meetings, however, corporate and association conventions have maintained their pace. 79% of the members surveyed state they show a moderate to strong growth over the last three years.

Technology will also continue to play an increasing role in meetings and conventions. The subject of technology is now being discussed at the same level and intensity as that of space rates, and food and beverage offerings within the planner environment. The fear of online streaming of meetings replacing face to face meetings has proven not to have happened to any great extent, however new & enhanced convention apps are growing in demand and functionality. Planners are relying more and more on these apps and social media as ways of streamlining costs and saving precious time. Planners see these technologies as a compliment to their convention or meeting and as being the best way to communicate with their delegates before, during and after the convention. The recent IMEX/Quickmoblie global survey reported that 60-63% of respondents had reported using a mobile app for at least one event in the last two years. AIPC's annual 2014 member survey also states that 92% of its clients are concerned with having more technology services and bandwidth. Shaw Centre along with Freeman AV's service partnership is well positioned to continue to provide leadership in these offerings providing clients and delegates with robust WIFI, internet and communications offerings including client-ready designs to support event sponsored apps or provide apps tailored to a

convention need. As a technology leader, Shaw Centre is adapting and using this expertise to our strategic advantage. High speed WIFI remains the most important technology concern of planners. Although more and more centers look to offset this cost, planners are pushing back and look to have this service offered complimentary.

Meeting planners continue to anticipate budget concerns, meeting relevance, travel costs and destination attractiveness as issues that will be top of mind over the next year. There is also a trend towards using unique trendy venues for meetings and conferences, moving away from traditional hotels and “box style” convention centers. The Shaw Centre plays well into this trend with its new state of the art design, manageable size and downtown location. Conventions are easily accommodated in the Shaw Centre as our modest size and manageable delegate flow allows conventions of any size to feel as if they “own the centre”. As a general observation, convention centres strive to be more flexible in their way of doing business. Planners want to be able to adjust their meetings toward a new and younger audience who view meetings differently from the past. Venues must be flexible with unique offerings, such as trendy settings and healthy food and beverage offerings and creative destination activities. Meeting space demands are also changing. Clients are turning what was once pre-function space into meeting areas, meeting rooms into more casual living room type meeting space and even looking for innovative “outside the box” space to create a unique event experience. The Shaw Centre is poised to meet those trends. Alongside our destination partner Ottawa Tourism, we are working to ensure clients are aware that Ottawa can fill this need by offering unique spaces, inside and outside by utilizing the magnificent spaces in our “backyard”, such as the Rideau Canal or various attractions and parks that only the nation’s capital can offer. Food and beverage options must also be innovative. Healthy alternatives are now the norm, remote multi-choice food and beverage pods are growing in popularity, with setups becoming ever more appealing to the eye and as well as the palate.

Safety and security is an ongoing consideration for planners and will likely continue to grow in importance as recent world events continue to make the news. Even though it is not the main reason for or against a destination, it does nonetheless play an ever increasing element in the overall decision making process. Destinations and centres must be delicate in the way they promote safety and security. Promoting it outright may raise concerns rather than provide relief; however, underplaying it may be an issue of concern for certain groups, such as US associations. This can be a strategic advantage for destinations such as Canada and Ottawa when competing against worldwide destinations. In general Ottawa is considered a safe, secure and clean destination. The tragic events of this past fall at the National War Memorial and on Parliament Hill have not tarnished this image of Ottawa. Our reaction and handling of the event was viewed positively and comforted those who may be concerned about our ability to handle emergencies.

There are several Canadian convention centres scheduled to open or expand in the next few years, increasing the overall convention options within the country. Some of these, Halifax and Winnipeg in particular, will come into direct competition with the Shaw Centre as far as the

Canadian association market is concerned. Other possible expansions, Montreal, Calgary Stampede (BMO Centre) and Toronto are being studied but no official announcements have been made as of yet. Halifax has recently announced a one year delay in their opening date which may benefit Ottawa in the short to medium term. The following chart outlines the inventory landscape in 2017, based on today's information. AIPC also states in its 2014 member survey that 71% of the membership has some sort of renovation, expansion or new build project underway or project planned in the works. Because of this, convention centres are considering more and aggressive incentives, and/or commissions to attract association executives and meeting planners. This is further evidenced by the same survey which states that 55% of these centres worldwide are providing more incentives to book. Specifically North American centres report only 30% of them offering more incentives.

CANADIAN CONVENTION CENTRES INVENTORY BY 2017 - TIER 1 & 2				
	Total		Meeting	Total Overall
	Exhibit Space	Ballroom	Space	Space
	(sq.ft.)	(sq.ft.)	(sq.ft.)	(sq.ft.)
TIER 1				
Metro Toronto Convention Centre	442,000	28,000	96,817	566,817
Vancouver Convention Centre	311,705	69,292	84,191	465,188
Possible BMO Centre Expansion	300,000	30,000	32,500	362,500
Palais des Congres de Montreal	183,437	69,707	66,655	319,799
Total Tier 1	1,237,142	196,999	280,163	1,714,304
TIER 2				
New Winnipeg Convention Centre	135,500	45,600	31,766	212,866
Le Centre de Congres de Quebec	75,000	34,500	93,427	202,927
Shaw Convention Centre - Edmonton	95,749	-	37,652	133,401
Shaw Centre - Ottawa	57,740	19,032	46,459	123,231
Scotiabank Convention Centre Niagara Falls	81,140	16,955	25,000	123,095
New Halifax Convention Centre	40,000	30,000	50,000	120,000
Calgary Telus Convention centre	47,046	19,234	32,091	98,371
TCU Place - Saskatoon	18,825	22,400	28,431	69,656
Victoria Conference Centre	14,689	25,000	9,929	49,618
Total Tier 2	565,689	212,721	354,755	1,133,165
Total	1,802,831	409,720	634,918	2,847,469

** The above table does not take into consideration pre-function space as centres do not all have the same definition of pre-function space. Calgary BMO Centre is presently in the board and financing approval stage.*

4. OVERVIEW OF CURRENT AND FUTURE PROGRAMS AND ACTIVITIES

The Shaw Centre has put together a variety of program activities in order to support its mandate of operating, maintaining and managing an international-class convention centre in a manner that will promote and develop tourism and industry in Ontario.

BENEFITS TO THE COMMUNITY/AWARDS

The Ottawa Convention Centre averages approximately 43 conventions per year, including 7 city-wides. This represents approximately \$6.7 million in convention revenue. At the time of writing, we have 81 pending conventions on the books for the five-year booking pace period.

OCC has had a positive economic impact on the Province of Ontario and the City of Ottawa from the construction phase of the new Centre through to present day. Job creation in the construction, hospitality, hotel and restaurant industries were all affected in a positive manner. After generating economic impact of \$261 million in the first three years following redevelopment, the OCC continues to be a major contributor to the economy, through hosting national and international events and increasing hospitality revenues through attendee and visitor spending. The Centre also generates incremental economic benefits from visitors which support other government programs via income and sales taxes. The OCC is an integral part of all tiers of government, promoting visitor/business attraction which translates in economic growth.

While also impacting the local economy, OCC has enjoyed many of its own successes. On top of having one of the best DMO/Convention Centre relationships in the industry supporting our strategic growth in Canadian and International markets, we've achieved AIPC Quality Standards Gold Certification, received LEED Gold certification from the Canada Green Building Council and finished in a tie for second place for the title of World's Best Convention Centre, an award handed out on July 1st 2014 by the International Association of Convention Centres.

We've also been awarded several multi-year contracts which speaks volumes to our client satisfaction, which sits at a comfortable 4.6 out of 5 in our surveys.

Our mandate is to operate profitably and in cooperation with our industry partners to generate positive economic impact for the City of Ottawa, the province of Ontario and the Government of Canada. Our goal is to be a key partner in attracting conventions to the city by continuing to provide great experiences to our guests and to achieve \$20 million of overall revenue by 2020.

We are strong advocates for the respect, conservation and sustainability of the environment. Operating responsibly and minimizing our environmental footprint is part of our culture. LEED

GOLD certified, the centre is a green building and a visible landmark for sustainability in Ottawa with its low mercury lamps, green housekeeping, and water efficiency strategy.

All these successes are the foundation on which we will build our future and reach the objectives of our five year plan.

ACTIVITIES PLANNED AND HOW THEY IMPACT CURRENT/FUTURE REVENUE

With the goal of increasing awareness as well as informing and educating future prospects, the OCC, along with OT, has hired a researcher dedicated to uncovering viable leads for both organisations. Most of the prospecting work will be done by the researcher who will have the best insight to provide our sales account managers. This will give us the chance to engage prospects much sooner in the sales cycle, armed with targeted information for their specific needs. Memberships to several lead generating databases are also being purchased to provide the researcher with the proper resources and tools to enhance their research potential, such as Knowland Group, ZoomInfo and DMAI-Mint.

Overall, Ottawa is not yet recognized as a major destination for international conferences and events, often overshadowed by Toronto, Montreal and Vancouver. As the primary Convention venue in Ottawa, we will continue to implement a collaborative sales and communication approach to target national and international conventions, alongside Ottawa Tourism and Invest Ottawa. We will also be targeting specific sectors, such as Technology, Science, Medical, which are all already well-established sectors in Ottawa.

Ottawa is home to the largest concentration of national associations in Canada, thus providing ready access to clients for the OCC sales team. Our sales strategy will be to ensure that these decision makers are aware of our capacity and capabilities to host association events.

We need our target market to identify with OCC's personality and values in order to have them become receptive to what we offer. The more people are aware of us, the stronger our reputation is, the greater our profit potential and overall brand value will be. We need to build our brand awareness through repeated exposure and consistent delivery of good product and service.

5. RISK ANALYSIS AND MITIGATION

Risk category: Operational	
Risk factor #1: Economic Climate	
Description	North American economic outlook has experienced signs of improvement however recovery is far from certain. The strengthening of the US dollar against its Canadian counterpart is a good sign for Canadian convention businesses, especially those who rely on exports and the North American markets. The strengthening of the US dollar is also a positive motivator for US business travel into Canada. However the economic situation is far from ideal for Canadian destinations, such as Ottawa and many US convention destinations remain desperate for business and are highly incenting conventions to shop & stay “at home”.
Related strategic priority	Financial Sustainability.
Impact and scope	Medium. We will be required to assume increased risk or shared risk on incoming contracts, for example adjusting cancellation or attrition schedules.
Mitigation	In the event of continued economic uncertainty and revenue declines, the OCC will re-deploy marketing funds as needed to add support to the current customer centric business process, targeting specific vertical segments such as Technology, Security or Health. Realigning the messaging to each segment and using language that resonates drives behavior, relationship building, loyalty and retention. OCC will also look at incubation events and B2B trade show which may benefit from the intellectual knowledge Ottawa has. Additionally, the OCC would implement cost control/elimination strategies. The OCC has also adopted an attrition and cancellation adjustment strategy to reduce the liability and risk for clients hesitant to sign agreements for future years.

Risk category: Operational	
Risk factor #2: Non-Competitive Convention Development Fund (CDF)	
Description	Having a Convention Development Fund that is not competitive negatively impacts Ottawa’s competitiveness both domestically and internationally. The CDF was established in 2010 in order to incent convention clients to Ottawa and to help the OCC compete financially with other Canadian destinations. OCC, OT and OGHA all contribute \$75,000 annually to the fund and are not able to increase this amount to compete with larger centres and destinations, due to lack of funds.
Related strategic priority	Financial Sustainability.
Impact and Scope	Medium. We experience this issue periodically however our destination does a good job at managing this resource by prioritizing requests which will offer the largest economic impact to the city. The growth of the CDF is not likely as this amount is the result of fixed contributions from 3 sources. The sources of funding do not have the resources to increase funding.
Mitigation	We will continue to offer incentives to book off-peak/non-traditional times and work with hotels to have them provide room caps. If the CDF were to become no longer functional, OCC would redeploy existing funding dollars to provide direct client incentives.

Risk category: Operational	
Risk factor #3: Lack of brand awareness for Ottawa	
Description	Ottawa ranks 5 th as a city of choice in Canada according to a 2013 PKF study. Internationally, Ottawa ranks well behind other Canadian destinations which have been marketing internationally for many years before us. Ottawa's brand remains solid in its messaging of safe, clean, etc.; however it could require an enhanced image of fun, young, innovative and international.
Related strategic priority	Financial Sustainability.
Impact and Scope	Medium. OCC would not fully realize International convention revenues which could impact OCC's financial sustainability and the economic impact to the City and Province.
Mitigation	OT and OCC have collaborated on a 5-year strategic plan which includes a comprehensive brand strategy for Ottawa. This plan aims to maintain consistent in-market presence in Europe utilizing resources supplied by OT. These resources are supported by OCC through in-market US and international sellers, in addition to our aggressive sales activity.

Risk category: Operational	
Risk factor #4: Increased Convention Competition	
Description	There are several convention centres scheduled to open or expand in the next few years including Halifax and Winnipeg. Tier 1 cities are attracting new mega hotels with large convention space which will also compete with our markets. AIPC's market research indicates 71% of its membership will be embarking on renovations and expansions in the future. The ability for OCC to generate enough surplus to fund future refurbishments remains a challenge.
Related strategic priority	Financial Sustainability
Impact and Scope	Medium. More and more convention centres are providing deeper space rental discounts, with some centres providing complimentary space rental.
Mitigation	Enhance our product offering through incentives and innovative product offerings. Heightened sales activity at all levels of the organization to play part in the overall strategy to increase sales. Review current sponsorship agreements in place since opening with potential to secure new strategic partners to broaden our reach and messaging.

Risk category: Operational	
Risk factor #5: Convention Business Potential cannot be Maximized Due to Lack of Affordable Hotel Room Blocks	
Description	Limited hotel room inventory negatively impacts Ottawa's overall convention destination offering, negatively impacting convention sales. Ottawa needs at least one new convention hotel in proximity to OCC to ensure appropriate bedroom blocks can be secured for the larger programs OCC can now accommodate. Without the announcement of additional hotel room inventory, the ability to secure the required bedroom blocks at a set price, which meeting planners are prepared to accept, will continue to pose a significant problem.
Related strategic priority	Financial Sustainability
Impact and Scope	Medium. Although this issue remains important, the destination has been able to manage it, by offering convention groups multiple hotel room group rates within reasonable distance. Some clients are not in favour of this and when that is the case, the destination will work with headquarter hotels to secure as large a room block as possible and or provide services to assist such as shuttle services.
Mitigation	Continue to work with City of Ottawa's Economic Development Office who is continuing to make contact with various hotel brands and groups. Through Ottawa Tourism's Convention Committee, encourage current hotel partners to provide competitive rates for desirable city wide business.

Risk category: Operational	
Risk factor #6: Emergency Preparedness	
Description	A major destination strength has been and continues to be the safety and security of the asset, contents and most importantly guests and personnel. In spite of recent world and local threats, the Centre's clients remain committed to this belief. Nonetheless, it is incumbent upon the Centre to maintain a safe and secure environment by ensuring the facility and its personnel can react & respond to a wide array of emergencies.
Related strategic priority	Client Satisfaction
Impact and Scope	Medium. It is impossible to predict an emergency, however planning and preparation to manage an issue is important in order to minimize the threat, the extent and to ensure business continuity.
Mitigation	In house & external emergency preparedness and response procedures have been developed however reviews, tests and drills are an important element to crisis management. Assessments and readiness reviews of current emergency management programs, plans and procedures, including responsibilities of organizational structures have been undertaken. The result has been and will continue to be hazard specific and or event specific table top exercises, incident command and related training, joint planning, security assessments. Such programming and training options are ongoing and will be scheduled to fit into budget allocations and operational resource allowances.

6. ANNUAL GOALS & METRICS

In the upcoming year, OCC will focus on five strategic priorities as outlined below. The Executive Leadership Team (ELT) has identified strategies and performance measures to achieve these goals. The ELT meets on a weekly basis to review financial goals as well as client satisfaction and human resources updates.

Strategic Goal #1: Financial Sustainability	
Goal	<p>OCC's long range financial imperative is to generate the revenues to support a surplus, service debt repayments and maintain cash flow sufficient to drive operating surpluses that provide for lifecycle requirements and debt servicing repayments while maintaining a positive cash flow. In that regard, the OCC is developing a debt management strategy to guide operations in the coming years for discussion with the ministry.</p> <p>OCC's mandate is to generate economic benefits to the City of Ottawa and the Province of Ontario.</p> <p>OCC will generate the following financial results in 2015/16:</p> <ul style="list-style-type: none"> • Gross revenue of \$ 15.4M; • Economic impact of \$ 75.0M; • Booking pace target of \$ 16.6M; and (year-end) • Net operating income of \$116k <p>OCC will secure additional sponsorship agreements for a minimum of \$100,000 per annum.</p>

<p>Strategies</p>	<p>OCC will manage financial targets in accordance with the Board approved budget. Our strategy will focus on revenue generation. Several areas we will continue to explore include working in partnership with new event operators to create new events, work at securing additional Federal government business, and finding additional ancillary revenue sources and sponsorship agreements worth at least \$100,000 per year.</p> <p>OCC & OT now share a Research Manager whose primary responsibility is researching qualified convention prospective clients and generating convention leads for business development necessary to achieve our objectives.</p> <p>OCC's newly appointed CEO and her management team have a renewed focus on marketing and driving revenue by getting as much business in the building as possible, and improving working relationships with our partners.</p>			
<p>Performance measures</p>	<p>OCC will monitor progress utilizing financial statements and internal reports which are reviewed with senior management on a monthly basis and with the Audit & Finance Committee of the Board of directors quarterly.</p>			
<p>Description</p>	<p>Actual 2014-15</p>	<p>Budget 2015-16</p>	<p>Forecast 2016-17</p>	<p>Forecast 2017-18</p>
<p>Economic impact (\$M's)</p>	<p>75.3</p>	<p>75.0</p>	<p>82.5</p>	<p>87.0</p>
<p>Gross revenue (\$M's)</p>	<p>15.4</p>	<p>15.4</p>	<p>16.9</p>	<p>18.6</p>
<p>Net operating income (\$M's)</p>	<p>(0.5)</p>	<p>0.1</p>	<p>0.5</p>	<p>1.3</p>
<p>Booking pace (\$M's)</p>	<p>14.0</p>	<p>16.6</p>	<p>18.0</p>	<p>18.5</p>

Strategic Goal #2: Occupancy		
Goal	<p>We finished the 2014/15 fiscal year with an occupancy rate of 38%. Based on business confirmed for next year and the anticipated size of the conventions we are hosting, we are expecting an occupancy rate of 38% again in 2015/16.</p> <p>Occupancy is based on the number of square feet sold compared to the number of square feet of available space in a given year. No allowance has been made for holidays or down periods between events.</p>	
Strategies	<p>Improving our occupancy can be achieved by pursuing all market segments so we can fill in the shorter and smaller availabilities with shorter term business. Our focus continues to be on large convention business.</p>	
Performance measures	<p>Occupancy is tracked for each event, then summarized and reported quarterly.</p>	
Description	Actual 2014-15	Budget 2015-16
Occupancy rate	38%	38%

Strategic Goal #3: Improving Client Satisfaction				
Goal	<p>Maintain or improve client satisfaction score from previous year of 4.5 or better.</p> <p>Our forecast for client response rate is 40% as we are anticipating client fatigue with response rates, with many of our clients now being repeat clients.</p>			
Strategies	<p>We will continue to ensure adherence to exceptional service in all phases of the sales and service cycle by initiating and engaging client focus groups, employing impromptu inspections and providing uncompromising leadership, training and coaching to all OCC colleagues.</p> <p>OCC will utilize in-house leaders to ensure standards are met and coaching is enforced. OCC will also make use of in-house and service partner expertise to deliver training and coaching.</p>			
Performance measures	<p>Client satisfaction surveys are sent electronically following each event in the building. Results are reviewed by the General Manager and Director of Events and then circulated to the management team at the weekly operations meeting for review and action as required.</p>			
Description	Actual 2014-15	Budget 2015-16	Forecast 2016-17	Forecast 2017-18
Overall satisfaction	4.6	4.5	4.6	4.6
Response Rate	41%	40%	40%	40%

Strategic Goal #4: Improve Partner Performance	
Goal	<p>Maintain or improve partner’s client satisfaction score from previous year.</p> <p>OCC works very closely with our service partners to ensure customer service remains high and to also ensure product quality and pricing competitiveness exceed industry standards and client demands.</p>
Strategies	<p>Continue to work with our partners to provide seamless quality service. Our major effort to ensure these principles are adhered to is captured in our Service Partner Program. This Service Partner Program was initiated in early 2013 with the primary objective of improving client service and client satisfaction survey scores.</p>
Performance measures	<p>Performance is measured through client surveys which are reviewed by the operations team as they come in and then by the Senior Vice-President, Sales & Client Service. Any issues are flagged and discussed with the client and partner.</p> <p>OCC sets performance measures for its service partners as part of ongoing contract management.</p>

Strategic Goal #5: Improved Colleague Satisfaction				
Goal	OCC colleagues continually provide exceptional customer service which is evidenced through our client satisfaction scores. OCC is committed to working with our colleagues to provide the best work environment and tools necessary to help them succeed within their roles. Our goal is to see our colleague satisfaction scores grow each year, alongside our client satisfaction scores. This outcome will ensure the financial success of OCC going forward with a high number of return clients and new bookings through word of mouth praise.			
Strategies	<p>The results of the colleague surveys are reviewed by ELT who then meet with department heads to discuss strategies and follow up. Working groups consisting of colleagues from various departments are struck with the goal of addressing all concerns and recommendations. OCC management is committed to providing effective leadership, training and coaching to colleagues.</p> <p>The colleague survey has been moved for 2015/16 to the month of May when a larger employee engagement is possible.</p>			
Performance measures	Colleague surveys are conducted annually by a third party service provider.			
Description	Actual 2014-15	Budget 2015-16	Forecast 2016-17	Forecast 2017-18
Overall satisfaction	19/24	19/24	19.5/24	20/24
Response rate	29%	75%	75%	80%

Strategic Goal #6: Corporate Social Responsibility	
Goal	<p>OCC recognizes the role we play in the life and economy of our host community and that the community plays in supporting and enhancing the event experience of our clients. In doing so, we undertake to demonstrate ongoing corporate responsibility and maintain a positive community interface.</p> <p>Additionally, OCC will continue to grow our presence in the community through volunteerism.</p> <p>In 2014, OCC successfully diverted 67% of waste from landfills. Our target for 2015/16 is 80% waste diversion.</p>
Strategies	<p>OCC uses ORCA (Organic Refuse Conversion Alternative) which greatly reduces our requirement for green bins. ORCA takes all organic waste and breaks compost waste down into environmentally safe grey water, which then flows out to the sewage system.</p> <p>OCC will continue to organize volunteer opportunities at various times throughout the year for colleagues. Colleagues will also be given the opportunity to participate in various community events, such as the food bank and snowsuit collection programs. We will encourage colleague participation in Earth Day 2015 (April 22nd) by holding challenges for travelling to work, provide information on recycling and highlighting OCC's year-round green initiatives by internal and external newsletters.</p>
Performance measures	<p>OCC participates in a very rigorous food waste management program that consists of monthly food quality audits whereby the entire kitchen area is critiqued and scored based on pre-determined values. The score is then reviewed by senior executives.</p> <p>Waste diversion reports are produced and reviewed monthly and any anomalies are addressed immediately.</p> <p>Organize at least two volunteer opportunities and frequent collections programs and ensure participation from a considerable number of colleagues. On Earth Day, colleagues will be asked to participate in an "environmental challenge" by taking a photo of themselves doing something eco-friendly.</p>

Description	Actual 2014-15	<i>Budget</i> 2015-16	Forecast 2016-17	Forecast 2017-18
Waste diversion	65%	80%	80%	85%

7. BUDGET SUMMARY

STATEMENT OF OPERATIONS

	Actual 2013-2014	Forecast 2014-2015	Budget 2015-2016	Strategic Plan 2016-2017	Strategic Plan 2017-2018
Food & Beverage	9,546,867	9,804,536	9,634,900	10,673,700	11,753,352
Facility Rental	4,044,709	3,797,933	3,802,900	4,072,350	4,528,758
Commissions	1,293,786	1,222,492	1,159,189	1,343,860	1,480,953
Advertising	196,837	340,320	643,250	677,288	707,922
Other Income	305,405	208,007	193,000	189,000	190,845
TOTAL GROSS REVENUE	15,387,604	15,373,288	15,433,239	16,956,197	18,661,830
Revenue Growth	-4.57%	-0.09%	0.39%	9.87%	10.06%
COST OF SALES	6,966,765	7,137,195	7,036,774	7,689,841	8,334,377
NET REVENUE	8,420,839	8,236,093	8,396,465	9,266,357	10,327,452
Net Revenue Growth	-1.41%	-2.19%	1.95%	10.36%	11.45%
NET REV PERCENTAGE	54.7%	53.6%	54.4%	54.6%	55.3%
EXPENSES					
Facilities	4,318,873	4,338,762	4,277,455	4,515,967	4,730,299
Utilities	1,015,788	958,763	1,010,106	1,030,308	1,056,066
Sales & Marketing	1,135,936	1,225,257	1,399,285	1,455,383	1,491,767
General & Administration	1,578,357	1,818,281	1,593,043	1,751,852	1,795,648
TOTAL EXPENSES	8,048,954	8,341,063	8,279,889	8,753,510	9,073,781
PERCENTAGE			53.6%		
OPERATING SURPLUS	371,885	-104,970	116,576	512,847	1,253,672
PERCENTAGE	2.42%	-0.68%	0.76%	3.02%	6.72%
Naming Rights Expenses		-310,000			
NET OPERATING SURPLUS (LOSS)	371,885	-414,970	116,576	512,847	1,253,672
PERCENTAGE	2.42%	-2.70%	0.76%	3.02%	6.72%
Interest Expense	1,970,838	2,104,378	2,192,362	2,277,756	2,373,276
Surplus (deficit) after Interest Expense	-1,598,953	-2,519,348	-2,075,786	-1,764,909	-1,119,604
Contributions to Capital Reserve Fund	0.00	0.00	0.00	0.00	0.00

Statement of Financial Position					
	Actual as at	Forecast as at	Budget as at	Forecast as at	Forecast as at
ASSETS	Mar 31, 2014	Mar 31, 2015	Mar 31, 2016	Mar 31, 2017	Mar 31, 2018
Current					
Cash	1,422,935	1,848,000	181,800	676,600	1,200,000
Accounts receivable	330,231	334,800	478,200	451,400	500,000
Prepaid expenses	82,423	90,000	93,900	98,200	100,000
Total Current Assets	1,835,589	2,272,800	753,900	1,226,200	1,800,000
Property, Plant & Equipment	166,008,121	160,734,721	156,131,021	150,827,321	145,523,621
Total Assets	\$167,843,710	\$163,007,521	\$156,884,921	\$152,053,521	\$147,323,621
LIABILITIES & NET ASSETS					
Current					
Accounts payable and accrued liabilities	1,668,662	1,895,000	1,415,200	1,559,300	1,700,000
Deferred revenue and customer deposits	1,767,626	2,297,000	1,956,900	1,894,900	2,200,000
Current portion of long term debt	134,288	140,700	147,400	154,500	161,800
Total Current Liabilities	3,570,576	4,332,700	3,519,500	3,608,700	4,061,800
Construction holdback payable	-				
Deferred revenue and deposits	302,214	275,000	300,000	325,000	340,000
Long-term debt	44,972,690	46,988,600	49,091,700	51,286,900	53,584,600
Deferred Contribution - capital assets	113,461,773	110,248,773	107,035,773	103,822,773	100,609,773
Total Liabilities	158,736,677	157,512,373	156,427,473	155,434,673	154,534,373
Net Assets (deficit)	5,536,457	1,162,448	(3,062,052)	(6,989,852)	(11,272,552)
Total liabilities and net assets	\$167,843,710	\$163,007,521	\$156,884,921	\$152,053,521	\$147,323,621

CAPITAL INVESTMENT

With the redevelopment of our centre, reopened in April 2011, we have a new facility and state of the art equipment. Our facilities and equipment are still quite attractive and well maintained which helps us market our facility and maintain our existing clients by offering outstanding guest experiences in a stunning environment. Our facilities and equipment are monitored and maintained monthly by both our staff and through a comprehensive maintenance program. We continue to monitor and assess the condition of our assets, asset failures and any health and safety concerns.

Although the majority of our facility was redeveloped, part of the structure is the original build, and requires upgrading. For 2015/16, OCC will complete upgrades to the loading dock roof at a projected cost of \$340,000. OCC plans to use operating cash flow to fund this project.

8. HUMAN RESOURCES

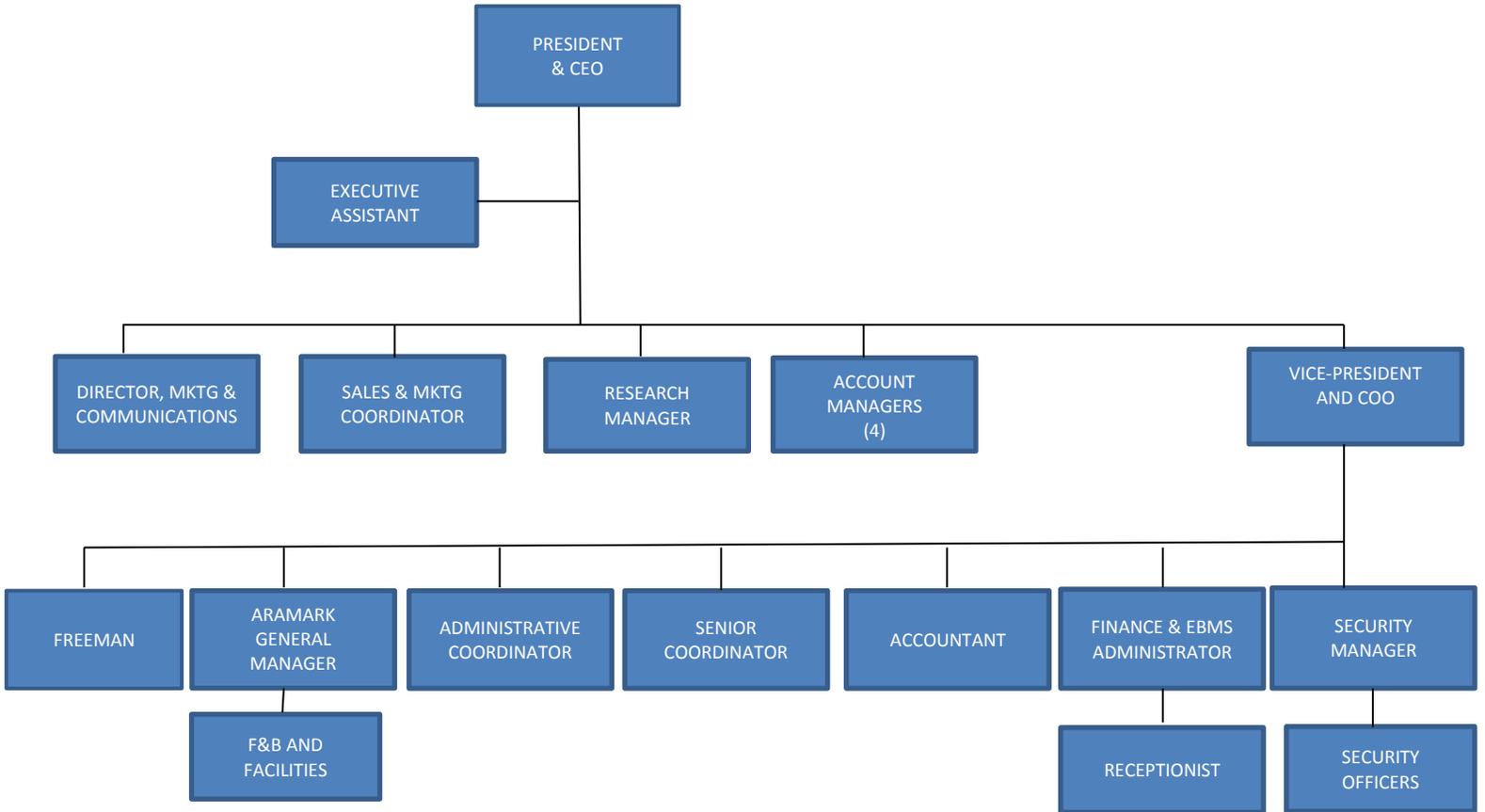
SUMMARY OF STAFF NUMBERS

With exception of management and administration staff, OCC has been unionized since December 1995, represented by the United Steelworkers of America (Locals 8327 and 5297). The collective agreement for local 8327 was ratified in October 2013 and is in place for four years. The collective agreement for local 5297 was ratified in April 2014 for a three year period. Local 8327 represents service personnel and reports to the Facility Services Provider, ARAMARK. Local 5297 represents security personnel and reports to OCC. Following is a current overview of personnel as of December 1, 2014. We expect the staffing numbers to stay static for the foreseeable future.

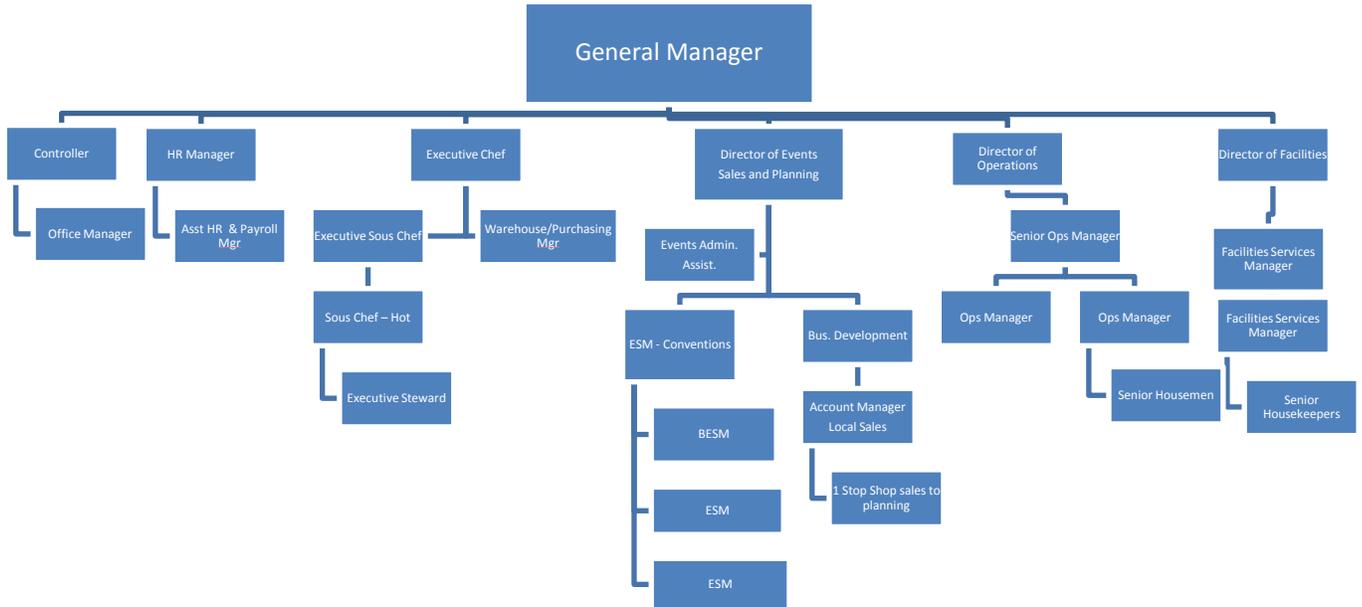
CLASSIFICATION	OCC	ARAMARK	TOTAL
Fulltime union	8	67	75
Part time union	3	90	93
Casual union	8	152	160
<i>Subtotal Union personnel</i>	<i>19</i> <i>(Local 5297)</i>	<i>309</i> <i>(Local 8327)</i>	<i>328</i>
Fulltime non-union	16	33	49
Part time non-union	0	7	8
<i>Subtotal non-union personnel</i>	<i>16</i>	<i>42</i>	<i>59</i>
TOTAL	35	351	386

Our compensation and benefit strategy for our non-union workforce is established based on industry comparatives in the Ottawa market place and relevant experience. We have a grid structure on job skill classifications and band ranges.

OTTAWA CONVENTION CENTRE ORGANIZATIONAL STRUCTURE



OCC FACILITY SERVICES PROVIDER ORGANIZATIONAL STRUCTURE



9. INITIATIVES INVOLVING THIRD PARTIES

STRATEGIC PARTNERSHIP WITH OTTAWA TOURISM

OCC will continue to expand upon its unique and strong partnership with our destination marketing organization (DMO), Ottawa Tourism (OT), in attracting domestic, national and international meetings and conventions. This will be achieved through programs currently underway and via new initiatives set to launch over the next fiscal year.

SHAW CENTRE AND ARAMARK – FACILITY SERVICE PARTNERSHIP

Shaw Centre and ARAMARK are entering into our 5th year of a multi-year partnership in April of 2015. Year over year, the Shaw Centre's reputation as a world class convention centre is strengthened by our extraordinary customer service delivery and exceptional product offerings. A key metric in monitoring this outcome is our customer service survey. The Shaw Centre has held steady year over year at 4.6 out of 5 on our key client survey responses related to overall satisfaction and loyalty. With an average response rating of roughly 40%, Shaw Centre steadily delivers quality and consistency in an industry held to exacting standards. Our challenge will be to maintain these scores and to also ensure a high degree of survey response as the trend is for client survey response submissions to drop off after a few years of operation. Our objective will be to maintain a high level of client survey input by employing the use of survey incentives and to conduct person to person interviews to ensure we properly gauge and assess our client's experiences.

A testament to our success as a client-focused world class convention centre came as a result of the Shaw Centre being named runner-up for AIPC's APEX award, given to the world's best convention centre. Although our goal was to have been named the winner, our achievement of runner-up status against world-wide competition is a significant testament to the success of our Centre after only three years of operation. The nomination and evaluation of the APEX award is based solely on client interviews and responses from local, national and international convention & event clients and this result provides evidence that our investments and efforts in delivering a superior world class convention experience are being acknowledged internationally.

FREEMAN – AUDIO VISUAL, INFORMATION & COMMUNICATIONS TECHNOLOGY & SHOW SERVICES PARTNER

Freeman Group of Companies provides the primary event service offerings for our events, including audio visual (AV), information, communications and technology (ICT), decorator and materials handling, rigging and temporary electrical services. Critical factors in securing conventions are as follows: Space, location, hotels, pricing, services, and technology. Technology is extremely competitive and is a high demand requirement to obtaining bookings. Freeman provides a

turnkey service the importance of which is identified in our customer satisfaction surveys, and in our negotiated bookings.

NAMING RIGHTS PARTNERSHIP WITH SHAW COMMUNICATIONS

On October 16th, 2014, The Ottawa Convention Centre and Shaw Communications Inc. announced a naming rights agreement. Together with renaming the facility as the Shaw Centre, the partnership also provides the opportunity to showcase Shaw Communications products, such as WIFI to clients and guests. This relationship will help position the Shaw Centre and our city for continued growth in the lucrative national and international meetings and conventions marketplace.

10. COMMUNICATIONS STRATEGY

The 2015-2016 marketing and communication strategy is heavily focused on achieving convention and local sales objectives, brand awareness, as well as maximizing return on investment via targeted direct sales events, content marketing and online marketing. The ensuing marketing mix promotes both keeping our existing clients and acquiring new business, at the local, national and international levels. This allows us to be flexible and adjust our messaging quickly to ensure the marketing tactics are producing the desired results: sales and revenue growth, larger customer base, penetration of new markets, increased repeat customers and return on investment.

The overall direction and goals are two-fold, focussing on convention sales while also promoting the message we are not too big for local smaller-scale events.

In order to support the sales plan, the marketing and communications plan will focus on realigning our offerings with the changes in consumer behaviour and needs through carefully thought out messaging. We also want to maximize the reach and frequency using a combination of a few select print and online initiatives.

The highest level of brand awareness is top of mind awareness, when customers think of you first when they need to make a purchase within your product category. You can build top of mind awareness through repeated exposure and consistent delivery of a good product or service over time. This is a huge advantage in the market when customers enter a buying situation and your brand immediately comes to mind first. This is why instead of doing a little in several mediums, we will be concentrating our efforts on targeted direct sales efforts, online marketing and content marketing, building loyalty and turning our clients into brand ambassadors.

PUBLIC RELATIONS

The OCC will continue to sponsor not-for-profit events hosted onsite when they promote elements of Ottawa's visitor economy, underscore our commitment to environmental sustainability, and advance or enhance our community and destination awareness. While accommodating conventions is our primary mandate, the Centre is meant to be enjoyed by locals as well.

Demand for tours from the public and special interest groups are always accommodated. This goes a long way to maintain a positive interface with the local community, and provides an opportunity to communicate our sustainable initiatives and economic impact at the local level. The OCC will continue to participate actively in our local business community by attending meetings of business improvement areas (BIAs) in our precinct, Chamber of Commerce,

Regroupement des gens d'affaires, and by taking a leadership role on the boards of community organizations.

A newsletter will be issued on a weekly basis to our local media partners, giving them insight into what is happening at the Centre as well as a contact person, should they wish to cover it. We will also support the Trees of Hope and Toy Mountain, as well as engage colleagues to do volunteer work for several organizations throughout the year.

Timely press releases will be issued whenever relevant content needs to be shared.

SOCIAL MEDIA

In 2015-2016, social media remains a great vehicle to directly engage with our customers, build brand presence and ultimately, increase our sales. Social media is a complex tool that can be used for marketing, communication/public relations and sales purposes. All three have different approaches. Social media will be used from a marketing perspective as generic messaging promoting the following:

- Events happening at the OCC.
- Retweets/share events in Ottawa that promote an image of a desirable city to visit – source is usually OT, OCC or other channels that provide information on events taking place in Ottawa
- OCC news/fun facts
- Marketing uses all these subject matters along with hashtags to provide relevant information to columns that people follow such as #Ottawa, #weddings, #PCMA, #MPI
- This is also combined with @ messages to direct the message to certain people. @JeffHunt or @OttawaTourism with the concept that they would retweet to their followers.
- Marketing also patrols tweets and social media postings to gain consumer feedback and monitor stakeholder interactions as it relates to the OCC – complaints/compliments etc... Depending on the post it is either passed on or addressed from an operations perspective:

In addition to its Facebook, Twitter and LinkedIn pages, OCC now has an active Instagram page, both for the Centre and our Executive Chef, Geoffrey Morden. We will have all of our account managers attend a social media seminar to learn how to leverage all different platforms so they can become effective sales tools. From personal interactions with clients or leading up to events, Account Managers can connect with prospective clients and share social /industry or event related information that is interesting to those contacts.