



P.O. Box 1749  
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**Item No. 11.1**  
**Community Planning and Economic**  
**Development Committee**  
**February 23, 2017**

**TO:** Chair and Members of Community Planning and Economic Development

Original Signed

**SUBMITTED BY:**

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Maggie MacDonald, Managing Director, Government  
Relations and External Affairs

**DATE:** January 4, 2017

**SUBJECT:** Destination Halifax Update

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**INFORMATION REPORT**

**ORIGIN**

September 20, 2016: MOVED by Councillor Mosher, seconded by Councillor Nicoll THAT Halifax Regional Council:

1. Approve the amending agreement attached to the May 24, 2016 staff report and updates to Schedule A of the current Services Agreement with Destination Halifax; and,
2. Increase its operational support to Destination Halifax to \$386,600 to correct a \$104,500 discrepancy in HRM's approved 2016-17 Operating and Capital Budget with funding from Q328 – Operating Surplus Reserve. MOTION PUT AND PASSED UNANIMOUSLY.

**LEGISLATIVE AUTHORITY**

The Halifax Regional Municipality Marketing Levy Act, 2001, c. 51, s. 1 confers legislative authority to impose a levy, to be known as a marketing levy, upon a person who, for a daily charge, fee or remuneration purchases accommodation in the Municipality. The levy collected shall be used by the Council to promote the Municipality as a tourist destination.

The Halifax Regional Municipality Charter 2008, c. 39, s. 1. (the HRM Charter) confers legislative authority to enter into a contractual relationship with the Destination Halifax for the purposes of delivering services as specified in Schedule A to the agreement.

**BACKGROUND**

**Tourism in Halifax**

Tourism can be defined as the activities of people traveling to and staying in places outside their usual environment for leisure, business or other purposes for not more than one consecutive year. From a policy perspective, tourism development entails governments', communities' and the private sector's efforts to increase tourist visitation and spending, thereby growing jobs, increasing wages and realizing other community benefits. Conventions, festivals, sporting events, cruise ships, air travel, out-of-province marketing, local tours and other assets and efforts play a role in attracting tourists to Halifax.

The Halifax Regional Municipality (HRM) is a significant tourism stakeholder in Halifax. It owns the Scotiabank Centre, a concerts, sports, and special events venue in downtown Halifax with a 10,000+ seating capacity; and, it provides operational funding to Trade Centre Limited which manages Scotiabank Centre and the World Trade & Convention Centre. HRM also has a one-third stake in the construction of the Halifax Convention Centre, and a 50% interest in the crown corporation tasked with operating it. In addition, Furthermore, HRM provides approximately \$2.9 million in annual tax relief to the Halifax International Airport Authority which operates the Halifax Stanfield International Airport; and, through Parks and Recreation, HRM provides funding to attract and host exceptional large-scale sporting and tourism events that create significant economic impacts, promote Halifax as a multi-experiential event destination, and attract tourists to HRM for multi-day visits. Finally, HRM provides operational support Destination Halifax to promote the municipality as a year-round destination of choice for business and leisure travelers.

**The Role of Destination Halifax**

The primary purpose of any Destination Marketing Organization (DMO) is to attract visitors to its locale for the purpose of enhancing the local economy through purchase of room nights, food and beverage, retail items, transportation and other goods and services.

Halifax's DMO, Destination Halifax, was created in April 2002 as a partnership between the Province of Nova Scotia, HRM, the Hotel Association of Nova Scotia (HANS) and participating industry members. Its Board of Directors includes a staff representative of HRM's Chief Administrative Officer, an elected representative of Council and the Mayor or designate, all of whom are voting members.

The organization receives the majority of its funding from HRM, which is provided through an annual operating grant and 60% portion of the Marketing Levy, a percentage assessment levied on the rental of certain hotel rooms in HRM. The operational grant has remained at \$386,600 +HST per year since at least 2013-14. The levy disbursement to Destination Halifax in 2016 was approximately \$2.1 million. HRM's levy disbursement and operational grant to Destination Halifax account for approximately 89% of Destination Halifax's budget.

**Destination Halifax's 2016 Revenue Streams**

Proportional Share of the Marketing Levy	\$2,091,582.45
HRM Supplementary Grant	\$386,600.00
Other Revenues	\$302,000.00
Total	\$2,780,182.45

On March 4th, 2014 Halifax Regional Council endorsed a Services Agreement with Destination Halifax effective on the date of execution. The body of the Services Agreement outlines the longer-term parameters of the HRM-Destination Halifax relationship, including: general services to be provided; audit

and record keeping obligations; the disbursement of the HRM grant; HRM membership on the Board of Directors; the term of the agreement and termination provisions; and, insurance requirements.

Schedule A of the Services Agreement outlines shorter-term deliverables and targets and are subject to periodic review. The current Schedule A, approved by Regional Council in October 2016, is intended to complement, and advance where applicable, the objectives of Halifax's new economic strategy, the *Halifax Economic Growth Plan 2016-21* (Economic Growth Plan).

## **DISCUSSION**

### **Tourism Sector Performance**

According to Tourism Nova, Nova Scotia is on pace to have had its busiest tourism season ever. Total tourism revenues for August 2016 were estimated to be \$406 million with year-to-date (YTD) revenues of \$1.7 billion. It is forecasted that total tourism revenues for 2016 will be \$2.6 billion, an increase of \$100 million compared to 2015.<sup>1</sup> Halifax represents a substantial portion of the provincial industry with 54% of tourism revenues coming from HRM.

It was a strong year for the industry in Halifax in particular. The number of room nights sold, the best indicator of tourism trends, has grown in each of the past three years. In December 2016, room nights YTD increased 3.8%, almost double the provincial average. Three-year cumulative growth is 11.9%, outpacing the Maritime market at 7.6%

Local tourism infrastructure investments in 2016 included the ongoing construction of the twenty-storey hotel within the Nova Centre complex and the Marriott Hotel in Dartmouth Crossing; and, major upgrades have been completed or are scheduled at the Holiday Inn Express (Bedford), Holiday Inn (Dartmouth), Ramada Inn (Dartmouth), and the Weston Hotel (Downtown Halifax).

In 2016, major events hosted in the municipality included the Canadian Figure Skating Championships, Canadian Sprint Canoe Kayak Championships, Davis Cup, Royal Nova Scotia International Tattoo, Halifax Jazz Festival, and Hal-Con Sci-Fi Festival.

Halifax continued to benefit from unpaid media exposure as well. The ten articles showcasing Halifax that had the biggest impact (by circulation and advertisement value) were:

- Huffington Post, [Top 11 destinations for making friends when you travel](#);
- BuzzFeed: [15 Of The Coolest Wedding Venues In Canada](#);
- Business Insider, [The 10 best airports in North America, ranked](#);
- USA Today, [Happy in Halifax: Top spots for a spring trip](#);
- National Geographic, [Aquatic Adventures in the Maritime Provinces](#);
- Huffington Post Canada, [Least Snobby Cities In The World Include Halifax](#);
- Huffington Post Canada, [Halifax Library Named In List Of 10 Most Beautiful Libraries On Earth](#);
- Matador Network, [Canada's 10 Best Summer Experiences](#);

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<sup>1</sup> Tourism Nova Scotia News Release, "[September Tourism Numbers Show Continued Growth for Nova Scotia](#)."

- National Post, [Top five things to do in Halifax](#); and,
- The Loop: [25 things about the Maritimes that make the rest of Canada jealous](#), features Halifax

In its 2017 Outlook (updated in December 2016 and included as Attachment 1), Destination Halifax forecasts that gains achieved over the past three years will be held with additional growth in room nights in the 0.5% to 2% range.

### Destination Halifax Activities

Since its last [update](#) to the Community Planning and Economic Development Standing Committee in July 2016, Destination Halifax:

- **Launched a new marketing campaign.** The organization has determined that, in the leisure travel segment, its marketing dollars are best spent targeting Maritimers to visit Halifax because Maritimers account for the largest segment of leisure travelers to the municipality, they are more likely to visit again, and this segment is the most cost-effective to reach. Destination Halifax is working with Tourism Nova Scotia who will take the lead on marketing the province in Montreal, Quebec, Toronto, Northeastern United States, Germany, United Kingdom, and China.

To increase Maritimer visitation to the municipality, Destination Halifax created a signature video series and launched new television and online commercials with a total reach of 252 million impressions. Organizational re-structuring enabled Destination Halifax to increase its number of sales positions from 2.5 to four and to double its on-screen advertising. In December 2016, its website traffic year-over-year increased 10%, its social media reach grew 61%, and its paid campaigns grew 493%. In 2016, the organization also hosted 33 travel media writers to build destination awareness in its top markets.

- **Continued to secure meetings and conventions.** In 2016, Destination Halifax generated 168 meeting and convention leads representing a total of 52,430 delegates and 100,274 room nights. It secured 96 meetings and conventions representing 24,426 delegates, and it helped secure 49,131 meetings and conventions' (M&C) room nights sold in Halifax last year. To grow the meetings and conventions segment of its business, Destination Halifax also hosted a familiarization tour with 23 existing and potential clients and 36 client site inspections. Several conferences held off their regular scheduled events in 2016 so that they could be held in the new Halifax Convention Center, now scheduled for December 2017.
- **Were participants in an HRM-led stakeholder working group to assess Halifax's approach to major events.** In September 2016, HRM's Parks and Recreation Business Unit launched a project to identify the roles and responsibilities of Halifax's key major events stakeholders and to develop a more strategic approach to event development and staging. Destination Halifax participated in two HRM-led major events stakeholder sessions in September and October 2016. Quarterly meetings will be held in 2017. A staff report outlining stakeholder feedback and next steps will be presented to Regional Council in the coming months.

Attachment 2 outlines Destination Halifax's work on the activities (as of December 21, 2016) outlined in Schedule A of its services agreement with HRM.

### FINANCIAL IMPLICATIONS

This report has no financial implications.

**COMMUNITY ENGAGEMENT**

There was no community engagement in the preparation of this report.

**ATTACHMENTS**

ATTACHMENT 1: 2017 Outlook: Destination Halifax

ATTACHMENT 2: Destination Halifax Report on Schedule A Activities

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Jake Whalen, Senior Advisor, Economic Policy & Development, 902-490-2349

Original Signed

Report Approved by:

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Maggie MacDonald, Managing Director,  
Government Relations and External Affairs, 902-490-1742

**ATTACHMENT 1:**  
**2017 Outlook: Destination Halifax<sup>1</sup>**

<sup>1</sup> Please note: In the report, “ADR” refers to average daily rate and “RevPar” means revenue per available hotel room.

# 2017 Outlook

## Destination Halifax

The aim of this report is to provide guidance on key market trends and variables that contribute to overall room night visitation in Halifax for the remaining 2016 and for the full year in 2017. The focus of this report is specifically on demand for properties with over 20 rooms and does not consider the B&B Market. It should be noted that a large number of variables impact overall visitation and although the conclusions may be quantitative, the analysis is based on a review of qualitative variables with a significant amount of speculation and uncertainty. It should also be noted that this report provides only a measure of room nights and not visitation. Actual visitation far exceeds room sales (after including 1.7 people per room, the B&B market, camping, visiting friends and relatives, and day trip visitation).

# 2017 Outlook

## Destination Halifax

### Demand: Markets Segments

The historical demand for room nights in Halifax can be broken down into five primary markets; Pleasure, Visiting Friends and Relatives (VFR), Meetings & Conventions, Business, and Other. Although some fluctuations do occur from year to year, these segments remain relatively proportionate from year to year. See Figure 1 for a breakdown of visitation by purpose of travel.

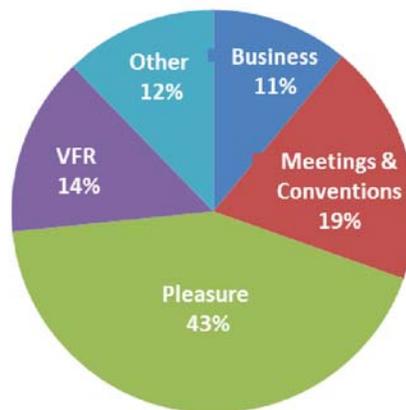


Figure 1: Room nights by purpose of travel

### 2016 Year End Forecast

Although 2016 Q1 started in negative territory, demand quickly accelerated bringing the 2016 outlook into positive territory. As of the end October, room sales totaled 1,224,770 up 45,220 or 3.8% YTD. This increase is a significant increase over the forecast which was originally estimated to be a drop in occupancy of 5.6% for the year.

In terms of M & C business booked by Destination Halifax, both 3rd and 4th quarters 2016 are pacing lower than that of 2015 (Q3 - 9,010 room nights in 2016 compared to 14,433 in 2015) (Q4 - 3,737 in 2016 compared to 4,666 in 2015).

## Halifax Market at a Glance



Halifax currently has 46 properties meeting the criteria of greater than 20 rooms in size. The total number of rooms available in Halifax is 5,632 resulting in an annual supply of just over 2 million room nights.

In 2015 the occupancy rate was 66%, with the room demand for the year being 1,362,356 room nights. 2017 is on pace to exceed this by 3.8% or 51,800 room nights.

Halifax is currently in its third consecutive year of growth and overall room nights are up 13% since 2013.

### Five year averages:

- Occupancy = 66.7%
- ADR = \$130.61
- RevPar = \$87.07

## 2017 Outlook



With most conferences being booked 2-4 years in advance, a major reason for the decline in 2016 was due to several conferences holding off their regular scheduled events in 2016 until the opening of the new Convention Center in 2017.

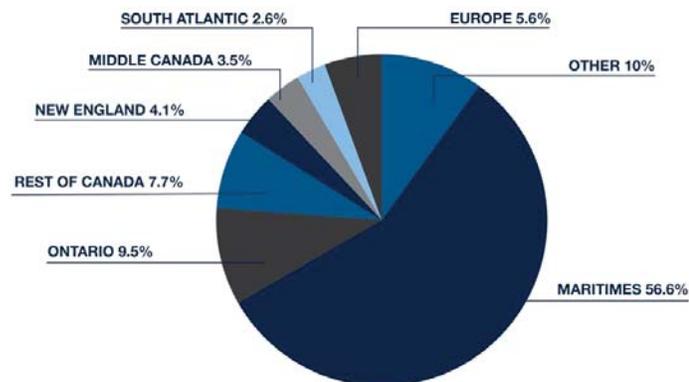
Although the pace is down for these periods, July was a strong performing month for M & C (5,800 compared to 3,924 in 2015). This however declines again in August (956 compared to 4,563), September (2,254 compared to 5,946), and October (2,618 compared to 3,266).

Notwithstanding the lag in pace for Meetings and Conventions, the overall trend from Leisure and Business travel is estimated to hold overall room nights in positive territory for the end of the year in at 3.8%

## 2017 Outlook

### Pleasure Segment

Accounting for 43% of the total room nights annually in Halifax, the pleasure segment is over two times the size of the next largest segment, Meeting & Conventions. Consequently, the success of this segment has a significant impact on overall room nights in Halifax. Moreover, within this segment, visitation from Maritimers represents 56% of this visitation and Canadians account for over  $\frac{3}{4}$  of the leisure market.



Important factors influencing these segments include the US dollar (making Canadian travel more attractive for Canadians), the overall economy, and the weather. Moreover, with 76% of Halifax's visitation arriving via automobile, the price of gas is believed to have a large impact on visitation.

Looking beyond economic factors; festivals, events, and activities play a large role in overall room nights, particularly those from near markets. In addition to the annual signature events hosted in Halifax each year, 2017 will also include Tall Ships Rendezvous, Canada 150 celebrations, and commemorative events for the 100<sup>th</sup> Anniversary of the Halifax Explosion. These events, along with the additional advertising and awareness should help to increase leisure visitation to Halifax in 2017.

One of the constraining factors in this segment is the supply of overall rooms available. With many weekends in 2016 reaching full occupancy, growth in peak days and weeks will be constrained in 2017.



This may be further compounded by renovations scheduled with two properties should renovations extend into the summer season.

### *Visiting Friends & Relatives (VFR)*

Although many VFR visitors choose to stay with friends and relatives, 8-12% of these visitors choose paid accommodations during their visit. Given the significant size of this segment, VFR is estimated to account for 14% of overall room nights in the Halifax region. With 51% of these visitors indicating that leisure activities were important factors in their decision making process, many of the favorable variables expected to drive leisure visitation are also expected to help improve the visitation from the VFR market in 2017.

### *Meetings and Conventions*

Accounting for 19% of our historical room nights, the M&C segment is an important determinant in overall annual room demand. It should however be noted that 80% of this segment arises from smaller business meetings not booked through conference hotels or the DMOs. The remaining 20% however represents “Meetings & Conventions” and represents approximately 50,000 room nights each year, with approximately 33% of this total coming from the Convention Center and the remaining 67% from other conference center properties.

As a result of the 2016 backlog and new conferences planning for the new Convention Center, “Meetings & Conventions” pacing forecast for 2017 is positive with M & C room nights booked by Destination Halifax and the Convention Center nearly double that of 2016 (57,603 compared to 30,006 S-T-L-Y).

**SPECIAL NOTE UPDATE (December 2017):** *Subsequent to the writing of this report, the announcement of the delay in opening the convention center is expected to result in necessary adjustments to the above forecast. Although it is not yet certain specifically which events will be canceled or postponed, this estimate is being revised from 35,700 to 23,000 tentative and definite room nights associated from the convention center. It should be noted however that a significant number of additional M&C events in other conference properties are not affected by the delay.*

### *Business*

Historically, business travel has accounted for 11% of the overall room night sales for the Halifax Region. Perhaps the most important variable to consider in this segment is the state of the overall economy and more specifically the Halifax economy.



## Bank of Canada Business Outlook Survey

*“The summer Business Outlook Survey indicates that overall business sentiment is subdued. The boost from foreign demand remains insufficient to outweigh the continued drag from commodity-related activity combined with modest domestic demand.”*

- *Forward-looking indicators of sales suggest soft business activity ahead, featuring prominent divergences: prospects remain dim among firms hit most directly by the oil price shock, but are more solid outside the affected regions and sectors. Firms in service sectors are generally more optimistic. ↘*
- *Firms continue to take advantage of business opportunities in foreign markets, supported by US growth, while expectations for sales growth within Canada are more subdued following weak past sales. ↘*
- *Investment plans remain cautious, with many firms tied to the energy sector budgeting for further cuts. Plans to increase capital expenditures are more widespread among service-oriented firms. Hiring intentions remain modest overall. ↘*
- *Capacity pressures edged down in light of weak demand. Firms still see substantial slack in labour markets. ↘*
- *Growth in both input and output prices is expected to stabilize, reflecting competitive pressures and diminishing exchange rate pass-through. Medium-term inflation expectations remain concentrated in the Bank’s inflation-control range. ↘*
- *After a net tightening in the spring survey, credit conditions moved toward an easing*

## Halifax Economy:

Although the national economy is described as “subdued, the Halifax economy is ahead of the pack. According to the Conference Board of Canada:

*“The city’s manufacturing sector has been thriving ever since Irving Shipbuilding started work on the \$3.5 billion contract under the National Shipbuilding Procurement Strategy to build combat ships for the Royal Canadian Navy. This massive project is forecast to lift output in Halifax’s manufacturing sector by 10.6 per cent in 2016. Moreover, the construction industry is also expected to post output growth of 7.3 per cent this year, with work underway on projects, such as the Nova Centre, the replacement of the suspension spans on the MacDonald Bridge, and the multi-year upgrade to Pratt and Whitney’s engine blade manufacturing facility near the Halifax airport. The booming manufacturing sector will, in turn, help boost transportation and warehousing output, forecast to grow by 4.7 per cent in 2016. On the other hand, resources, agriculture and utilities output is expected to contract for a second year in a row, in line with lower offshore production of natural gas at Deep Panuke. In all, Halifax’s real GDP is forecast to rise by 2.9 per cent in 2016”.*

According to the Royal Bank of Canada:

*Economic growth is set to accelerate this year as exports continue to benefit from a lower dollar and as shipbuilding and construction activity continue to ramp in Halifax. Our forecast calls for real GDP*

## 2017 Outlook



growth to quicken to 1.3% in 2016 before slowing to 1.1% in 2017 as construction projects wind down.  
Full report here: <http://www.rbc.com/economics/economic-reports/pdf/provincial-forecasts/ns.pdf>

For a complete analysis of Major Projects, Please see the presentation from Patrick Brannon,  
Director, Major Projects, APEC - [Presentation File - NS](#)

As evident in the reports above, the Halifax economy is set to outperform the national average in 2017. The question, “will Halifax outperform itself in 2017 compared to 2016” is however uncertain and we are therefore recommending a modest approach to forecast business travel in 2017 equal to 2016.

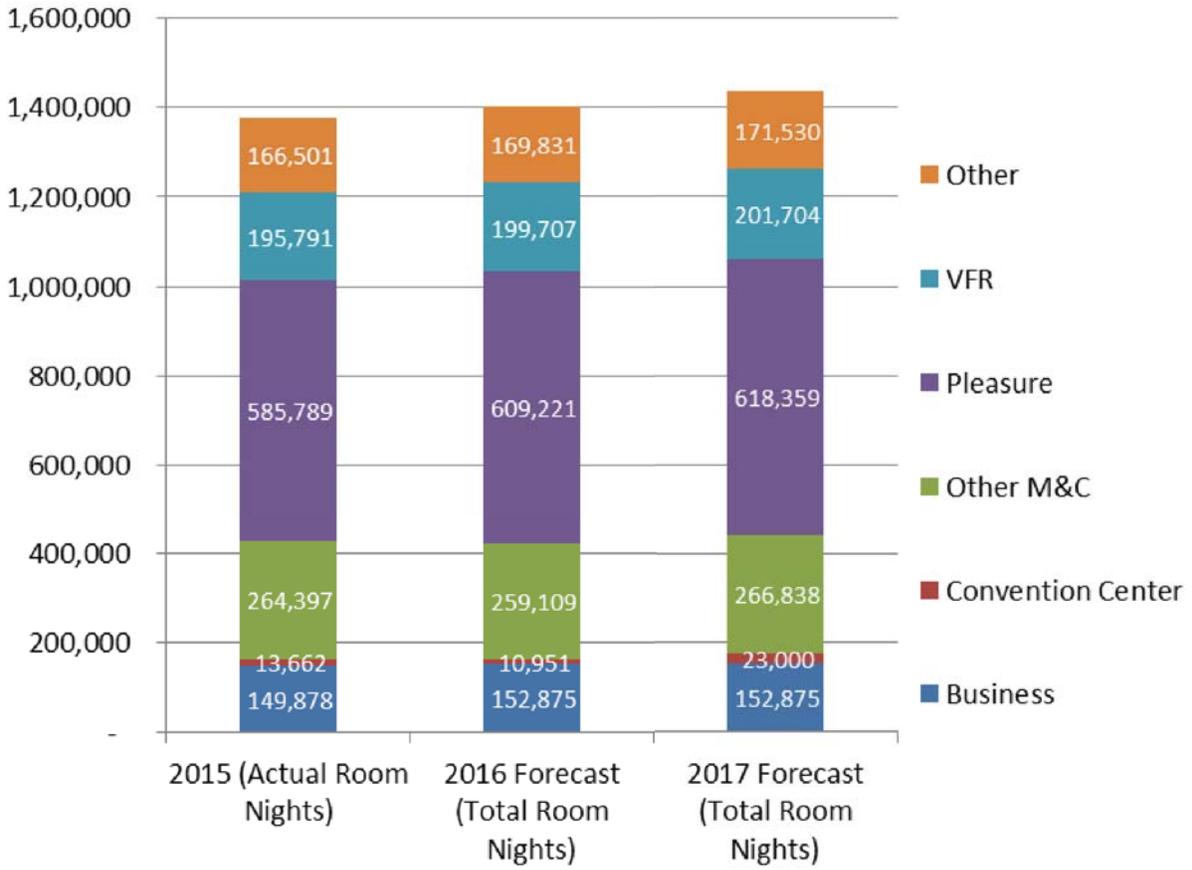
## Conclusion

Halifax is currently in its third consecutive year of growth and overall room nights are up 13% since 2013. In consideration of the variables discussed in this analysis, we are predicting the gains achieved over the past three years will be held with additional growth in room nights in the 0.5% to 2 % range.

		Business	Conventions	Pleasure	VFR	Other	Total
2015	2015 (Actual Room Nights)	149,878	264,397	585,789	195,791	166,501	<b>1,362,356</b>
	2016 (Growth Rate Assumption)	2%	-2%	4%	2%	2%	<b>2%</b>
2016	2016 Forecast Growth	2,998	- 5,288	23,432	3,916	3,330	<b>28,387</b>
	2016 Forecast (Total Room Nights)	152,875	259,109	609,221	199,707	169,831	<b>1,390,743</b>
	2017 (Growth Rate Assumption)	0%	3%	1.5%	1%	1%	<b>1%</b>
2017	2017 Forecast Growth	-	7,729	9,138	1,997	1,698	<b>20,562</b>
	2017 Forecast (Total Room Nights)	152,875	266,838	618,359	201,704	171,530	<b>1,411,305</b>
<b>2 Year Growth Rate</b>		<b>2%</b>	<b>1%</b>	<b>6%</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>



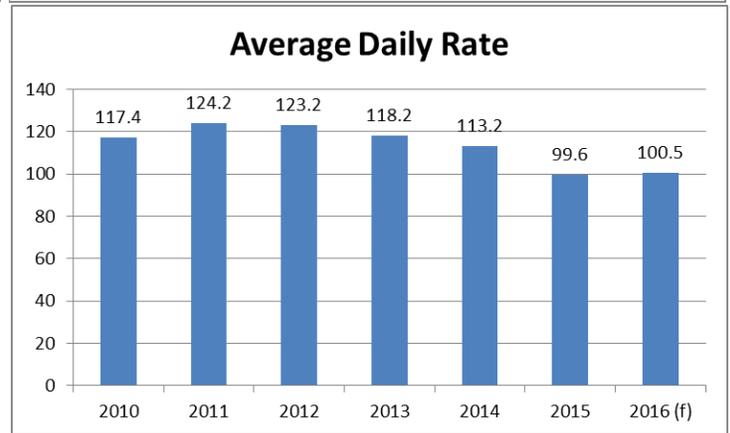
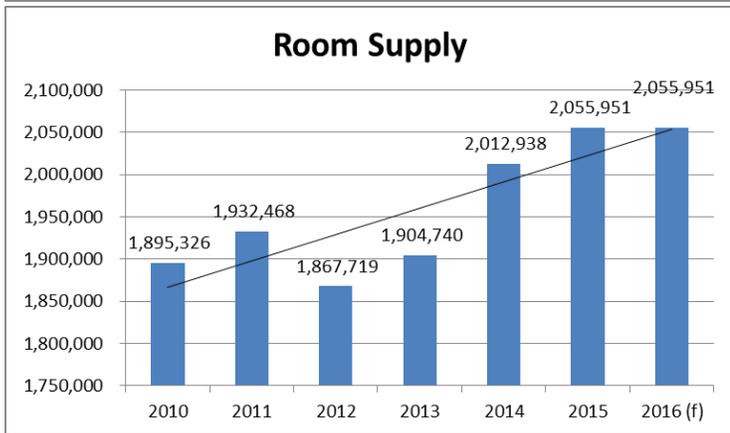
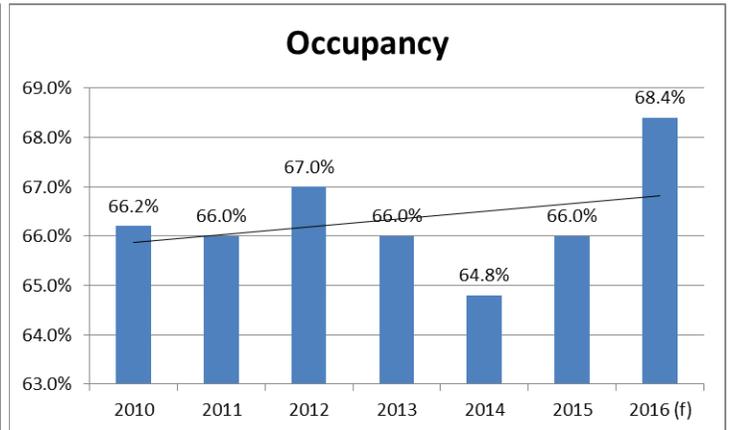
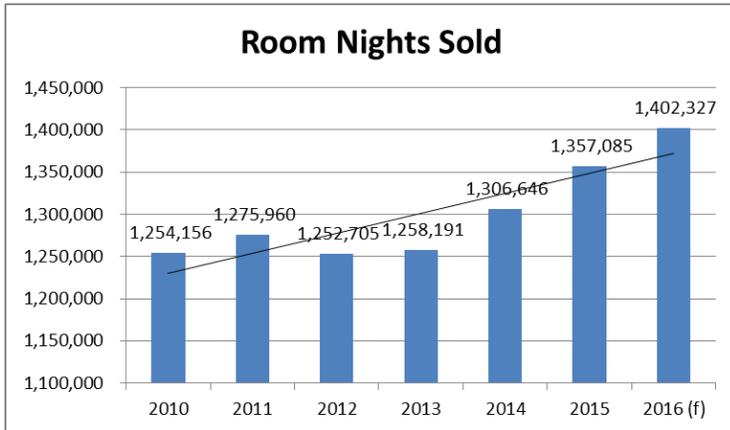
## Total Room Nights by Segment



\* Segments Based on Stats Canada Historical Data. (Convention Center Data actual)



## Historical Analysis





## Appendix - List of Accommodations Providers (>20 rooms)

Name of Establishment	Area	Aff Date	Open Date	Rooms	STR Reporting
Hilton Garden Inn Halifax Airport	Enfield, NS	Dec 2005	Dec 2005	145	Y
Holiday Inn Express & Suites Halifax Airport	Enfield, NS	Apr 2008	Apr 2008	119	Y
Ascend Collection Inn On The Lake	Fall River, NS	Dec 2009	Jun 1972	39	Y
Alt Hotel Halifax Airport	Enfield, NS	Jun 2013	Jun 2013	169	Y
Quality Inn Halifax Airport Goffs	Goffs, NS	Jul 2007	Jun 1978	156	Y
Lake City Motel	Dartmouth, NS	Jun 1968	Jun 1968	31	
Hearthstone Inn Halifax Dartmouth	Dartmouth, NS	Dec 2014	Jun 1972	54	Y
Travelodge Suites Dartmouth	Dartmouth, NS	May 2011	Oct 1990	75	Y
Concorde Coastal Inn	Dartmouth, NS			56	
Comfort Inn Dartmouth	Dartmouth, NS	Aug 1994	Jun 1984	80	Y
Holiday Inn Halifax Harbourview	Dartmouth, NS	Jul 1965	Jul 1965	196	Y
Hampton Inn Suites Halifax Dartmouth	Dartmouth, NS	Apr 2009	Apr 2009	162	Y
Burnside Hotel	Dartmouth, NS	Sep 1997	Jun 1972	96	
Ramada Plaza Dartmouth Park Place	Dartmouth, NS	Jun 2004	Jun 1991	178	Y
Best Western Plus Dartmouth Hotel & Suites	Dartmouth, NS	Apr 2011	Sep 2008	121	Y
Westin Nova Scotian	Halifax, NS	Aug 1996	Jun 1928	310	Y
Atlantica Hotel	Halifax, NS	May 2009	May 1974	232	Y
Courtyard Halifax Downtown	Halifax, NS	Jun 2007	Jun 2007	125	Y
The Halliburton	Halifax, NS	Jun 2000	Jun 1985	28	
Delta Hotel Halifax	Halifax, NS	Jun 1999	Jun 1973	295	Y
DoubleTree Suites The Hollis Halifax	Halifax, NS	Dec 2014	Apr 1996	120	Y
The Waverley	Halifax, NS			34	
Residence Inn Halifax Downtown	Halifax, NS	Sep 2004	Sep 2004	92	Y
Hampton Inn Halifax Downtown	Halifax, NS	Jun 2014	Jun 2014	181	Y
Homewood Suites Halifax Downtown	Halifax, NS	May 2014	May 2014	135	Y
Garden South Park Inn	Halifax, NS	May 1998	May 1998	23	
Lord Nelson Hotel & Suites	Halifax, NS	Jun 1928	Jun 1928	262	Y
Marriott Halifax Harbourfront Hotel	Halifax, NS	Mar 2006		352	Y
Delta Hotel Barrington	Halifax, NS	Jun 1980	Jun 1980	200	Y
The Prince George Hotel	Halifax, NS	Jun 1997	Jun 1986	201	Y
Cambridge Suites Hotel Halifax	Halifax, NS	Jun 1987	Jun 1987	200	Y
Four Points by Sheraton Halifax	Halifax, NS	Sep 2001	Sep 2001	177	Y
Commons Inn	Halifax, NS	Jun 1989	Jun 1989	38	
Chebucto Inn	Halifax, NS			32	
Wedgewood Motel	Halifax, NS	Dec 1999		40	
Comfort Inn Halifax	Halifax, NS	Jun 2007	Jun 1973	63	Y
The Bluenose Inn & Suites	Halifax, NS	Oct 2015	May 1960	52	Y
Ascend Collection Chateau Bedford	Halifax, NS	May 2015	May 1995	98	Y
Quality Inn & Suites Bayer's Lake Halifax	Halifax, NS	Sep 2005	Sep 2005	113	Y
Best Western Plus Chocolate Lake Hotel	Halifax, NS	Apr 2011	Jun 1962	142	Y
Seasons Motor Inn	Halifax, NS	Aug 1965	Aug 1965	37	
Coastal Inn Halifax	Halifax, NS	Mar 2014	Jun 1999	64	
Comfort Inn Hotel Bayer's Lake	Halifax, NS	Mar 2011	Mar 2011	73	Y
Future Inns Halifax	Halifax, NS	Jun 2005	Oct 2002	132	
Oceanstone Seaside Resort	Indian Harbour, NS			25	
Esquire Motel	Bedford, NS	Oct 1955	Oct 1955	28	
Stardust Motel	Bedford, NS	Dec 1969	Dec 1969	51	
			46	5632	

**ATTACHMENT 2:**

**Destination Halifax Report on Schedule A Activities**

## Schedule A - Update on Service Agreement Deliverables (Destination Halifax)

### Service Level Agreement Area

Objective(s)	Actions	Status
3.02 (a) Advice & (b) Strategy	<ol style="list-style-type: none"> <li>Attend meetings and provide reports to Council, Standing Committees and HRM's Senior Management Team as requested.</li> <li>Produce by fiscal year-end of each year, a report outlining the state of the municipality's tourism industry.</li> <li>Develop an annual business plan.</li> <li>Implement a comprehensive five-year marketing strategy for the leisure market.</li> <li>Implement a comprehensive five-year strategy for the group market.</li> <li>Align performance management to strategies and desired outcomes.</li> <li>Align strategy and service delivery with partners, including TNS, HCCC, HRM Civic Events, Waterfront Development Corp, and the Halifax Partnership.</li> <li>With HRM, articulate the Municipality's role and approach to tourism, festivals and special events (in alignment with the <i>Halifax Economic Growth Plan 2016-21</i> Year 1-2 Action -- "7.1. Articulate HRM's role and approach to tourism, festivals and special events.")</li> <li>Improve a program-wide Return on Investment in Group Sales.</li> </ol>	<p>Periodic meetings with Senior Management conducted throughout the year with Standing Committee meeting planned for January 2017</p> <p>Pending year end</p> <p>Complete</p> <p>Complete 2016</p> <p>Complete 2016</p> <p>Scheduled completion Q1 2017</p> <p>Completed sales and marketing strategies in consultation with key partners and in alignment with Tourism Nova Scotia's strategy. Entered into an amended services agreement with HRM which was approved by Regional Council in October 2016.</p> <p>Work in progress with key stakeholders. Staff note: report to CPED pending.</p>
3.02 (c) Benchmarking	<ol style="list-style-type: none"> <li>Maximize advertising investments.</li> <li>Undertake a process review for major processes.</li> <li>Participate in leading DMO benchmarking programs.</li> <li>Acquire daily and monthly tourism data to inform decision-making.</li> <li>Complete Destination Marketing Association of Canada's annual benchmarking exercise.</li> <li>Host familiarization tours and site inspections for meetings and conventions.</li> <li>Grow meetings and conventions delegate nights (domestic).</li> <li>Grow meetings and conventions delegate nights (international).</li> <li>Increase overnight leisure visitation.</li> <li>Improve access to and the quality of information to visitors who are in-market planning a visit to Halifax.</li> <li>Grow and maintain the Maritime Overnight Leisure market.</li> <li>Obtain Halifax's market share of visitation from "in market planners".</li> <li>Target Ontario and Western Canada Leisure Market Share.</li> <li>Execute 2016 Leisure Campaign in Maritime Market (media impressions target).</li> </ol>	<p>Several continuous improvement initiatives underway including a recent restructuring of office positions resulting in a significant reduction in administration costs. The restructuring also provided needed investment leading to the creation of a new sales person in the Toronto Market.</p> <p>Several continuous improvement initiatives underway including a recent restructuring of office positions resulting in a significant reduction in administration costs. The restructuring provided needed investment leading to a doubling of "on screen" advertising.</p> <p>Complete</p> <p>Complete</p> <p>Complete</p> <p>Complete</p> <p>Hosted one M &amp; C familiarization trip @ 23 clients, 36 site inspections</p> <p>30,030 definite room nights</p> <p>9,360 definite room nights</p> <p>Overall room night visitation is up 3.8% YTD or 46,220 room nights over 2015 2017 objectives</p> <p>Overall room night visitation is up 3.8% YTD or 46,220 room nights over 2015</p> <p>2017 SEM intercept campaign generated 29,141 website visits</p> <p>Ontario Market: 7.16% increase in website traffic (88,416 visits)</p> <p>Complete - Campaign generated 39 million impressions</p>

<p>To market the Municipality as a world class-community in which to visit, live, work and conduct business.</p> <p>To market the Municipality as Atlantic Canada's preeminent location for meetings, conventions and major events; marquee part of call; hub for year-round individual travel itineraries and experiences; and, hub for group tour travel itineraries and experiences.</p> <p>To undertake sales activities for Group Sales including Meetings &amp; Conventions.</p>	<p>24. Increase visitor spend with members through improved visitor information.</p> <p>25. Realign media assets owned by Destination Halifax (e.g. website, sales materials) to strategy.</p> <p>26. Realign earned media (media and content not controlled by Destination Halifax) with leisure strategy.</p> <p>27. Design and implement a pre-post and spousal marketing campaign for meeting delegates (in alignment with <i>Halifax Economic Growth plan 2016-21 Year 1-2 Action -- '09</i>. With economic development and tourism partners, present trade and investment opportunities, as well as tourism offerings to conference delegates.").</p> <p>28. Support Halifax Port Authority marketing to cruise lines.</p> <p>29. Develop and implement a search engine optimization strategy for "in market visitors".</p> <p>30. Implement a travel media program.</p> <p>31. Host familiarization tours for travel writers.</p> <p>32. Target media coverage value.</p> <p>33. Target qualified media stories.</p> <p>34. Implement Social Media Program.</p> <p>35. Develop a signature video series to be used for Halifax's future campaigns.</p> <p>36. Capture a series of signature and supporting photography aligning with the new strategy.</p> <p>37. In consultation with HRM, develop a consumer facing logo for Halifax.</p> <p>38. Implement a "cross sales" training program between DH and Halifax Partnership sales teams.</p>	<p>2017 Project</p> <p>Two major projects completed in 2016 including the capture of significant b-roll video and photography of Halifax.</p> <p>Media assets captured from 2016 are actively shared with key stakeholders including Tourism NS, Halifax Partnership, Waterfront Development, and within our earned media channels</p> <p>Complete</p> <p>Complete and ongoing</p> <p>Complete and ongoing</p> <p>Total ad value: \$2.3 million, Reach: 252 million (Q1-Q3 2016)</p> <p>Hosted 33 travel media writers</p> <p>Total ad value: \$2.3 million</p> <p>1,940 qualified stories</p> <p>Complete: Total reach 12,906,596 (111% increase YOY)</p> <p>Complete</p> <p>Complete</p> <p>In progress with expected completion Q1 2017</p> <p>Discussions undertaken with additional opportunities being sought in 2017</p>	<p>Curated websites for all conferences along with additional marketing tactics are now employed. Additional components are scheduled for design in 2017</p> <p>Work in progress</p> <p>Scheduled in 2017</p> <p>For review in 2017</p> <p>Outbound clicks: 236,501 26% increase vs. 2016</p> <p>Membership plan in review for 2017 with the objective of increasing membership across all regions in HRM.</p> <p>Regular communications are undertaken with HIAA in regards to growing air access.</p>	<p>Regular communications are undertaken with key stakeholders in regards to product development</p> <p>TBD</p>
<p>3.03 (a) Marketing</p>	<p>39. Implement an Attendance Building Program (including spousal program).</p> <p>40. Undertake a market potential review for select visitor information publications and services.</p> <p>41. Add enhanced visitor planning tools on website.</p> <p>42. Develop a visitor guide model.</p> <p>43. Grow total website referrals to members.</p> <p>44. Support tourism development in rural HRM (in alignment with <i>Halifax Economic Growth Plan 2016-21 Year 1-2 Action -- '33</i>. Assess the feasibility of a rural action committee to foster rural economic development.".)</p> <p>45. Support Air Access Development (in alignment with <i>Halifax Economic Growth Plan 2016-21 Year 1-2 Actions -- '17</i>. Assess the role the Municipality could play in a potential air route development fund to open direct commercial and passenger routes to other destinations." &amp; "18. Produce a 5-year Strategic Growth Plan for the Halifax Gateway.".)</p> <p>46. Support major tourism infrastructure product development.</p> <p>47. Support project development of Georges Island.</p>	<p>Work in progress</p> <p>Scheduled in 2017</p> <p>For review in 2017</p> <p>Outbound clicks: 236,501 26% increase vs. 2016</p> <p>Membership plan in review for 2017 with the objective of increasing membership across all regions in HRM.</p> <p>Regular communications are undertaken with HIAA in regards to growing air access.</p>	<p>Regular communications are undertaken with key stakeholders in regards to product development</p> <p>TBD</p>	<p>Regular communications are undertaken with key stakeholders in regards to product development</p> <p>TBD</p>
<p>3.04 Sector Development</p>	<p>To provide visitors and site selectors with appropriate, timely and convenient destination information.</p> <p>To provide a platform through which industry stakeholders can advance individual business priorities and work collaboratively to grow the tourism sector.</p> <p>To stage relevant and effective professional development programming for the tourism sector.</p> <p>To foster marquee festivals and events that will provide an increased opportunity for destination animation</p>	<p>Discussions undertaken with additional opportunities being sought in 2017</p>	<p>Regular communications are undertaken with key stakeholders in regards to product development</p> <p>TBD</p>	<p>Regular communications are undertaken with key stakeholders in regards to product development</p> <p>TBD</p>

<p><i>and draws tourists to the Municipality.</i></p> <p><i>To support HIAA with the continued development of Air Access.</i></p> <p><i>To provide advice on major tourism</i></p>	<p>48. Undertake a review of the current membership design and develop a membership strategy.</p> <p>49. Increase member participation in Show Your Badge Program to increase conference delegate spending on local goods and services.</p> <p>50. Develop a Stakeholder Communications Plan.</p> <p>51. Implement an Industry Communications Plan.</p> <p>52. Undertake a membership pricing and structure review.</p>	<p>Work in progress with expected model complete in 2017</p> <p>38 participating members: 90% increase YOY</p> <p>Pending 2017</p> <p>Pending 2017</p>
<p>3.05 (c) Leveraged Funding</p> <p><i>To leverage the Municipality's investment in Destination Halifax by partnering with the private sector and other levels of government to fund Destination Halifax's activities.</i></p>	<p>53. Develop a program of marketing partnerships with key membership segments.</p> <p>54. Grow membership.</p> <p>55. Deliver membership revenue.</p> <p>56. Deliver leveraged funding (excluding levee) measured as % of budget.</p>	<p>Work in progress with plan development expected in Q2 2017</p> <p>Work in progress with key partnerships planned in 2017</p> <p>Membership review scheduled in 2017</p> <p>Membership review scheduled in 2017</p> <p>Membership and partnership plan to be executed in 2017</p>
<p>3.05 Reporting</p> <p><i>To prepare and present regular reports to the Standing Committee and Council on the status of Destination Halifax activities and initiatives.</i></p> <p><i>To produce an annual business plan and budget consistent with the terms of this Agreement and in conjunction with Municipal staff.</i></p>	<p>57. Develop quarterly status reports for the CAO.</p> <p>58. Develop a bi-annual Service Agreement Report for CPED and Regional Council.</p>	<p>Submission scheduled for January 2017</p> <p>Submission scheduled for June 2017</p>
<p>New</p> <p><i>To pursue an organizational culture of excellence and client focus.</i></p>	<p>59. Develop and implement a training development program for employees.</p> <p>60. Reduce administration expenses.</p>	<p>Ongoing</p> <p>5 year target of 10% reduction in Administration expenses substantially achieved. A total of \$205,000 in administration costs have been found through a reorganization project and a review of major contracts. Further estimated savings expected from IT Shared Services delivery from HRM.</p>