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Item No. 9.1.1
Special Events Advisory Committee
January 11, 2017

TO: Chair and Members of Special Events Advisory Committee

SUBMITTED BY: **ORIGINAL SIGNED**

Brad Anguish, Director, Parks & Recreation

DATE: January 4, 2017

SUBJECT: **2018 Canadian Sport Tourism Alliance Sport Events Congress Event
Hosting Fee**

ORIGIN

August 11, 2016 Application submitted to host CSTA Sport Events Congress (Attachment 1).

LEGISLATIVE AUTHORITY

- *Halifax Regional Municipality Charter*, Section 79 (1) The Council may expend money required by the Municipality for:
 - l) advertising the opportunities of the Municipality for business, industrial and tourism purposes and encouraging tourist traffic, with power to make a grant to a non-profit society for this purpose;
 - m) promotion and attraction of institutions, industries and businesses, the stabilization and expansion of employment opportunities.
- Reserve Business Case Community and Events Reserve, Q621.
- *Halifax Regional Municipality Charter*, Section 35(2)(d)(i) states the CAO may “make or authorize expenditures, and enter into contracts on behalf of the Municipality for anything required for the Municipality where the amount of the expenditure is budgeted or within the amount determined by the Council by policy, and may delegate this authority to employees of the Municipality”.

RECOMMENDATION

It is recommended that the Special Events Advisory Committee recommend that Halifax Regional Council:

1. Authorize the CAO to negotiate and execute an agreement with the Canadian Sport Tourism Alliance for hosting the 2018 Sport Event Congress outlining key terms and conditions;
2. Approve funding up to a maximum amount of \$150,000 from the Community and Events Reserve, Q621, to host the 2018 Sport Events Congress conditional on Halifax securing the Congress and securing funding towards the hosting fee from the Province of Nova Scotia; and
3. Direct staff to continue to explore additional funding from Province of Nova Scotia and other potential sponsors.

BACKGROUND

On September 20, 2016 Regional Council approved a new financial reserve strategy that provided 20 Reserve Business Cases. Relevant to this request for funds is the newly created Community and Events Reserve, Q621. Its purpose is to provide 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 multiple day visits.

The Canadian Sport Tourism Alliance (CSTA)

The CSTA is a member based organization that represents over 400 members including 142 municipalities, 200+ national and provincial sport organizations and a variety of product and service suppliers to the sport tourism industry. The CSTA leverages its expertise and leadership as a catalyst to grow the \$5.2 billion a year sport tourism industry in Canada promoting the development of partnerships between events rights holders and host cities. Other activities of the CSTA include sharing best practices, measuring the economic impact of sport events and enhancing the profile of sport tourism.

Sport Events Congress Host Opportunity

CSTA is located in Ottawa and holds the three day "Sport Events Congress" in Ottawa every second year. The year the event is not held in Ottawa, a Call for Proposals to Host the event is released to cities within Canada every two years. The Sport Events Congress 2017 and 2019 are confirmed to take place in Ottawa. The purpose of the Congress is to share best practices, provide events' rights holders the opportunity to meet potential host cities and enhance the profile of sport tourism. Over the past years the Congress has been held in Toronto, Richmond, British Columbia and Edmonton, however, the event has never been held in Atlantic Canada. The Congress is held in March (defined as a low season for tourism in Halifax) and typically after March Break. The average number of attendees to the Congress ranges from 350 to 400 persons staying for 3 nights in the host city.

In June 2016, staff assessed the potential impacts of hosting this event with staff from the Province of Nova Scotia, Sport Nova Scotia, Scotiabank Centre, Nova Center and past host cities. All parties agreed this opportunity provides positive impacts to increase sport tourism through hosting opportunities for the Municipality. As a result, HRM submitted an application with a proposed Congress itinerary for March 7 - March 9, 2018. The submission included proposed keynote speakers and two hospitality events, one which coincides with the CIS Men's Basketball Final 8 event, held from March 7-11, 2018 at the Scotiabank Centre.

On November 3, 2016, staff received further notification that the CSTA wished to proceed with formal discussions to enter into an agreement to host the 2018 Congress in Halifax.

DISCUSSION

In March 2015, HRM became a member of CSTA to increase networking opportunities with industry-related organizations and within the sport community and profile Halifax as a preferred sport tourism destination for hosting international and national sporting events.

Municipal and Provincial hosting programs recognize the growing interest in hosting sporting events not only as a stimulus to sport development, but also as an economic and community development tool. CSTA supports a strategic approach for bidding and hosting sporting events in order to maximize resources build capacity for Canada's sport system and optimize the benefits (social, economic, cultural) derived from hosting sport events in Canada.

Alignment with Current Municipal Projects

Hosting the CSTA Sport Events Congress strategically supports the current work staff has undertaken in both the sports and event hosting areas. In summer 2016, staff launched a project to identify the roles and responsibilities for the major event sector in Halifax. The outcome is to establish a model upon which partners can work together proactively with a focused approach to all elements of event hosting and staging. Discussions were held on a variety of issues including identifying ownership of the bid process,

providing financial guarantees and post event legacy projects such that Halifax maximizes the impact of each event and the grows this industry segment. Representatives included in the project are Events Nova Scotia, Halifax Partnership, Destination Halifax, Restaurant Association of Nova Scotia, Scotiabank Centre, Halifax Convention Centre, Hotel Association of Nova Scotia, Halifax Chamber of Commerce, Mayor's Office, and HRM Government Relations & External Affairs (GREA). The discussions were both collaborative and constructive despite the complexity of issues. The consensus was these meetings were a positive first step and the group voiced an interest for further discussion to determine credible and realistic outcomes.

Concurrently, staff is working with stakeholders to establish an Informal Sports Council which can serve as a centralized mechanism to gather information from the sport community to support HRM planning and decision making. Both event and sport groups advocate exploiting opportunities which showcase HRM as a leader in attracting sports tourism events and agree that the Congress is a key impetus to build on the current framework and processes. As well, the Congress will increase the profile of HRM in sport tourism which will provide additional opportunities in sport event attraction, including national and world championships.

In addition, HRM staff will work with CSTA to design a "municipal centric" Sport Tourism Economic Analysis Model (STEAM). This will provide accurate and relevant data for event funding assessments for consideration by both the Special Events Advisory Committee (SEAC) and Regional Council.

CSTA Event Details

Go Congress!

CSTA's Go Congress! program offers the opportunity for representatives from various Canadian sport organizations to attend Sport Events Congress on a complimentary basis. At minimum, the host must commit to fully subsidizing all travel costs and hotel accommodations for approximately 60-70 people representing 50+ national sport organizations (NSOs) who are events rights holders with events open for bid.

Costs such as transportation, hotel accommodations, ground transportation and Congress registration fees are covered by the host city. Participation in the Go Congress! program is offered by invitation only and is limited to representatives from sport organizations who will participate as events rights holders in the Sport Events Exchange element of the Congress. The cost for this element of the host fee is \$72,000.

Event Budget

The CSTA event budget includes funding for the Go Congress! commitment, along with the host fee, social events and HRM travel to the 2017 event to showcase HRM. Budget amounts will be further refined as details are finalized. The current budget estimate which is required to be covered by the host city includes:

Hosting Fee	\$25,000
Go Congress! Commitment	\$72,000
Event Receptions & Site Visits	\$20,000
Administrative Costs (coordinator, mailouts, site visits)	\$18,000
Participation in 2017 Congress	<u>\$15,000</u>
	\$150,000

The budget includes:

- The city chosen to host SEC 2018 must ensure that representatives attend SEC 2017 (Ottawa) as conference delegates at its cost to ensure that host city staff have a complete hands-on understanding of the Congress requirements;

- The successful host of SEC 2018 will be required to purchase a sponsorship package at SEC 2017 valued at a minimum of \$7,000 with the intent of profiling the destination to Congress delegates and promoting participation of delegates at the Congress in 2018 in Halifax;
- The successful host will be required to pay a Hosting Fee in the amount of \$25,000 payable to CSTA. In return, CSTA will provide the host community with visibility as a partner/sponsor of the Congress and will incorporate local community/destination branding into marketing materials;
- The successful host of SEC 2018 must commit to participate as a partner with CSTA in the Go Congress! program designed to help off-set or fully subsidize travel costs for members of the national sport community to attend the Congress;
- The host will be required to help cover contract fees for a part-time CSTA contractor who will coordinate the logistical requirements for travel for delegates who are part of the Go Congress! program. This person will work within the parameters and budgets set by the host city thus removing this time-intensive task from the responsibility of the host city; and
- All costs associated with providing two off-site hospitality events that would be staged during Sport Events Congress for up to 400 guests.

Economic Impact

Statistics provided in the table below indicate hosting the Sport Events Congress offers a significant economic impact for the host community.

Table One Economic Impact of Hosting Sport Events Congress

	Average Length of Stay	Average Spending	Provincial GDP Impact	Total Economic Activity
Edmonton SEC 2014	3.3 nights	\$991 per person	\$673,000 (Alberta)	\$1.35 million
Toronto SEC 2015	3.3 nights	\$304 per person	\$774,000 (Ontario)	\$1.63 million
Ottawa SEC 2016	3.1 nights	\$312 per person	\$565,000 (Ontario)	\$1.07 million

Provincial Funding Requirement in Sport Events Exchange

A key component of the Congress event is the business-to-business marketplace which provides an opportunity for events rights holders and municipalities to meet one-on-one to explore sport event hosting opportunities. As part of the application process, a financial investment is required by the provincial government or the provincial sport organization (PSO) governing body to support the participation of PSOs who are unlikely to be able to participate without some financial support. Committed funds will be used to off-set registration fees for PSOs or offer partial or full subsidies for their travel or accommodations expenses.

On October 6, 2016, confirmation was received from the Province of Nova Scotia (Attachment 1) for funding up to a maximum of \$30,000. This amount is in line with the provincial support in past host cities such as Toronto. However, as the budget associated with hosting the event outside Ottawa is higher due to additional travel costs, the Municipality recently approached the Province to determine if there was an opportunity for additional funding based on the provincial sport mandate, respective shares of the economic spin off and to reflect a cost sharing model that is typical for host fees at this level. Confirmation of additional funding was not possible to meet the deadline of this report. Staff from both levels of government will meet soon to review in more detail.

FINANCIAL IMPLICATIONS

The additional event grant would be funded as a withdrawal from the Community/Events Reserve (Q621). With the approval of the 2016/17 budgeted withdrawals, the funding is available in the Community and Events Reserve (Q621) with no additional increased withdrawal required.

Budget Summary: Opportunity Reserves – Community and Events Reserve, Q621

Balance in Reserve, at November 30, 2016	\$ 2,708,623
Pending Revenue to March 31, 2017	\$ 289,241
Pending Withdrawals/Commitments:	
Allocated to specific events	\$(2,177,740)
Unallocated to specific events	<u>\$ (248,300)</u>
Projected net available balance, March 31, 2017	\$ 631,824 (as at November 30, 2016)

Opportunity Reserve – Community and Events Reserve, Q621

This reserve is to receive funds from an annual transfer of the Provincial Hotel Sales Tax (Marketing Levy; transfers from fiscal services, amounts transferred as approved by Council, and may be withdrawn for the Marketing Levy grant program, cultural and heritage projects, significant community infrastructure and public art. The allocation of \$150,000, per recommendation, will not have a negative impact on the projected March 31, 2017 balance, as there is currently \$248,300 of approved withdrawals that have not been allocated to a particular event. With the approval of this report, the unallocated amount will be reduced by the \$150,000.

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this Report. The risks considered rate Low. To reach this conclusion, consideration was given to financial, operational and reputational risk.

COMMUNITY ENGAGEMENT

The stakeholder working groups includes members of the public.

ENVIRONMENTAL IMPLICATIONS

None identified

ALTERNATIVES

Alternative 1: SEAC could choose to recommend that Regional Council not authorize the CAO to negotiate and execute the agreement to host the CSTA Sport Events Congress in Halifax in 2018.

Alternative 2: SEAC could choose to recommend that Regional Council amend the amount approved from the Community and Events Reserve, Q621, to host the CSTA Sport Events Congress in Halifax in 2018.

ATTACHMENTS

Attachment 1: Provincial Letter of Confirmation of Funding

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: Elizabeth Taylor, Manager, Culture & Events, 902.490.4387

ORIGINAL SIGNED

Report Approved by: _____
John Traves, Q.C., Director - Legal, Insurance and Risk Management Services,
902.490.4226

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Financial Approval by:

Amanda Whitewood, Director of Finance and Information Technology/CFO, 902.490.6308

Attachment 1



**Communities, Culture and Heritage
Office of the Minister**

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File Number:
5004821

OCT 06 2016

Mayor Mike Savage
Halifax Regional Municipality
P.O Box 1749
Halifax, NS B3J 3A5

Dear Mayor Savage:

I am pleased to advise you that your recent submission for funding has been approved. The Department of Communities, Culture and Heritage will invest a total of \$30,000 towards the hosting of the 2018 Sport Events Congress.

The funding will be subject to the Halifax Regional Municipality being granted the hosting rights for the Congress as well as an agreement on terms and conditions that supports the initiatives and priorities of the province.

The Nova Scotia Government recognizes the value of events and initiatives that foster creative and sustainable economic development. Initiatives such as this showcase the province's culture and heritage to a national and international audience and help to build our event hosting reputation.

Neal Alderson, Manager, Events, will be in touch with you to finalize a Terms and Conditions document should the Halifax Regional Municipality be awarded the hosting rights for the 2018 Sport Events Congress. Mr. Alderson can be reached at Neal.Alderson@novascotia.ca or 902-424-6010.

We look forward to partnering with you and wish you the very best of success in the final bid phase for the Congress.

Sincerely,


Tony Ince
Minister

cc: Elizabeth Taylor, Manager, Events & Culture
Neal Alderson, Major Events Manager, Communities, Culture and Heritage