

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 7.3.1
Regional Council
May 26, 2020

TO: Mayor Savage and Members of Regional Council

SUBMITTED BY:

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: May 8, 2020

SUBJECT: Discover Halifax 2019 Year-End Updates

ORIGIN

Discover Halifax's regular update report to the Standing Committee of Council as per Section 3.05 of the current service agreement.

Typically, this report would be presented as an information report to Community Planning and Economic Standing Committee. With the ongoing COVID-19 situation, standing committees of Council meetings have been suspended. As a result, this report is being presented to Regional Council.

LEGISLATIVE AUTHORITY

Community Planning & Economic Development Standing Committee Terms of Reference section 6 (b) which states: "The Community Planning and Economic Development Standing Committee shall have an active interest in the Agencies and Initiatives that support Community and Economic development throughout the municipality by engaging, at a governance level, the agencies, boards and committees funded by the Municipality and under the mandate of the Standing Committee to ensure they meet community needs and expectations including:

- i. the Greater Halifax Partnership,
- ii. Destination Halifax,
- iii. Trade Centre Limited,
- iv. Community Boards and Arts Boards and the broader Arts Community,
- v. HRM Business Districts and organizations, and
- vi. others as identified by the Committee and approved by the Council or
- vii. others as identified by the Council".

RECOMMENDATION

It is recommended that Halifax Regional Council suspends the rules of procedure under Schedule 3, the Community Planning and Economic Development Standing Committee Terms of Reference, of Administrative Order One, the *Procedures of the Council Administrative Order* to accept the annual Discover Halifax update.

BACKGROUND

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 Nova Scotia. It owns the Scotiabank Centre, a concert, sports, and special events venue in downtown Halifax with a 10,000+ seating capacity. 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 diverse event destination, and attract tourists to HRM for multi-day visits as well as local community and cultural events. In a partnership between HRM and Province of Nova Scotia, through its operator Events East, the Halifax Convention Centre attracts tens of thousands of convention attendees each year, many of which take advantage of HRM's and Nova Scotia's tourism offerings. Finally, HRM provides operational support to Discover Halifax to promote the municipality as a year-round destination of choice for business and leisure travelers.

The Role of Discover Halifax

The primary purpose of any Destination Marketing Organization (DMO) is to attract visitors to its locale to enhance the local economy through purchase of room nights, food and beverage, retail items, transportation and other goods and services. Halifax's DMO, Discover Halifax (previously 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 much of its funding from the municipality, which is provided through an annual operating grant and a 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 2013-14. The levy disbursement to Destination Halifax in 2019 was approximately \$2.5 million. HRM's levy disbursement and supplementary funding grant to Discover Halifax accounts for approximately 83.6% of their budget.

Discover Halifax 2019 Revenue ¹

Proportional Share of the Marketing Levy	\$2,492,679.00
HRM Supplementary Funding	\$386,600.00
Other Revenue	\$564,261.00
Total	\$3,443,540.00

On March 4, 2014, Halifax Regional Council endorsed a Service Agreement with Discover Halifax effective March 21, 2014. An amended Schedule A was approved by Regional Council on September 20, 2016. The Service Agreement outlines the HRM-Discover Halifax relationship including: general services to be provided; audit and record keeping obligations; the disbursement of the Supplementary Grant and proportional share of the hotel levy; membership; and terms of the agreement.

The amended 2016 Schedule A outlines the expected actions of Discover Halifax to compliment the overall objectives of the service agreement and supports HRM's economic strategy, *The Halifax Economic Growth Plan 2016-2021* (Economic Growth Plan).

At the December 3, 2019 meeting², Regional Council endorsed and approved a \$50,000 contribution to produce Discover Halifax's Regional Destination Development plan. This plan will document the current

¹ 2019 Calendar Year – pre-audited amounts

² Item 15.3.1 – Halifax's Regional Destination Development Plan

state assessment of the municipality as a destination, a market-based opportunities assessment, articulate the destination vision and strategic goals, and outline a five-year implementation, monitoring and evaluation plan. Work initiated in 2019 and will continue into 2020.

DISCUSSION

Tourism Sector Performance

This report is presenting information on the 2019/20 fiscal year. When COVID-19 hit Nova Scotia in mid-March, the reporting year and data collection was essentially complete. Therefore, the impacts of COVID-19 are not reflected in this update but will be in the next annual report.

In 2019, tourism in the municipality experienced an upswing in many sectors with overnight room bookings, cruise visitations, air passenger traffic and rooms for meetings and conventions seeing boosts last year. Specifically:

- 1.465 million traditional hotel room nights sold translated in a 4% increase over 2018 adding to the 18% growth since 2013;
- Increase in cruise ship visits by 2% adding over 6,850 visitors to the port of Halifax; and
- Halifax Stanfield International Airport welcomed over 4.19 million visitors, a 3% decrease.

Shared economy rooms have grown from virtually 0 (zero) properties in 2013 to 442,867³ room nights in 2019 constituting approximately 30% of all room nights sold in HRM.

Festivals, events and activities also play a large role in overall visitation and room night stays, particularly visitors from near markets. Major events hosted in the municipality in 2019 which contributed to the increase in room night stays included Royal Nova Scotia International Tattoo, Halifax Jazz Festival, Halifax Comedy Fest, and the 2019 Memorial Cup.

The municipality continues to benefit from media exposure. A selection of articles showcasing various areas of the municipality include:

- Bon Appetit, [Where the Waves Are Fast and the Food Is Slow](#)
- Budget Travel, [5 things to Do in Halifax, Nova Scotia](#)
- The Globe and Mail, [Off the Beaten Track in Nova Scotia](#)
- Hand Luggage Only, [12 Best Things to do in Nova Scotia](#)

Discover Halifax Activities

Since the April 18, 2019 update to the Community Planning and Economic Development Standing Committee, Discover Halifax has been focusing on the following objectives:

- Grow leisure visitation
 - Paid Media
 - Two (2) campaigns launched: Handpicked Halifax, Stop-Over Program (with HIAA)
 - Total Reach – 52.8 Million Impressions. 11% growth over 2018 campaign
 - Owned Media
 - Social Media – 13% annual growth
 - Earned Media
 - Est. Ad Value - \$4.1 million - 2% decrease
- Grow group visitation
 - Tentative room nights – 185,337 – 12% increase
 - Secured definite room nights – 80,137 – 3% decrease
 - Tentative bids – 250 – 10% decrease
 - Exhibits at major trade shows (conventions)

³ Page 11 (Room Demand 10-Year Trend) - Attachment 1: 2019 Year-End Key Performance Indicators

- Grow visitor spend with members
 - Membership – 471 – 18% increase
 - Service leads issued to members – 552 – 245% increase
 - Five (5) digital kiosks distributed throughout HRM
- Improve financial position and leverage funding
 - Membership revenue – \$200,776 – 19% increase
 - Marketing partnership revenue - \$61,665 –9% decrease
 - Sales Partnerships revenue - \$130,955 – 10% increase
- Innovation, process improvements and Align Strategies with Partners
 - Projects complete – 6 - 45% decrease. Achieved target.
- Right people in the right place, develop skills, manage and reward
 - Employee training & development – 2.5 day/employee – 17% decrease

The 2019 Year-End Key Performance Indicators for Discover Halifax (Attachment 1) contains additional detail on the above noted items.

FINANCIAL IMPLICATIONS

This report provides an update on the initiatives of Discover Halifax and related data and therefore has no financial implications.

RISK CONSIDERATIONS

There risks associated with this report rate low. To determine this, consideration was given to financial and reputational risks.

COMMUNITY ENGAGEMENT

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

ENVIRONMENTAL IMPLICATIONS

None

ALTERNATIVES

Regional Council could choose to not suspend the rules of procedure and refer the report back to Community Planning and Economic Development Standing Committee when meetings resume.

ATTACHMENTS

Attachment 1: 2019 Year-End Key Performance Indicators

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Lori McKinnon, Coordinator – Director's Office, Parks & Recreation, 902.476.2324



**DISCOVER
HALIFAX**

**2019 YEAR-END
KEY PERFORMANCE INDICATORS**



	Previous Year End (2018)	2019 Target	YTD Actual (2019)	% reached of 2019 Target	% Change from Prior Year
Room Nights Sold (Traditional Hotels)	1,413,689	1,391,401	1,464,039	105%	4%
Room Nights Sold (Online Sharing Economy)	322,596	440,000	442,867	101%	37%
Combined Overnight Room Sold	1,736,285	1,831,401	1,906,906	104%	10%
Daily Hotel Rooms Supply (measuring growth in new traditional hotels)	5,545	5,860	5,887	100%	6%
Cruise Visitation	316,859	320,000	323,709	101%	2%
Airport Enplaned / Deplaned Passengers	4,316,079	4,316,079	4,188,443	97%	-3%

Trends and Notes:

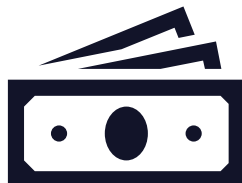
- 7th year of growth in traditional hotels (up 18% since 2013)
- Room sharing economy continues to grow (up 511% since May 2016)
- Opening of 3 new hotels in the municipality

INDUSTRY KEY PERFORMANCE INDICATORS





BALANCED SCORECARD FOCUS AREAS



Customer

- Grow Leisure Visitation
- Grow Group Visitation
- Grow Visitor Spend with Members

People

- Right People in Right Roles
- Support Training & Skills
- Manage and Reward

Innovation

- Align Strategy with Partners
- Invest in Technology
- Improve Processes

Financial

- Leverage Funding
- Improve ROI
- Grow Investment



Goal #1 – Grow Leisure Visitation

	Previous Year End (2018)	2019 Target	YTD Actual (2019)	% reached of 2019 Target	% Change from Prior Year
Total Impressions From Campaigns	47,511,579	47,000,000	52,809,242	112%	11%
Total Website Visits	1,092,640	1,200,000	1,275,517	106%	17%
Social Media Followers	161,487	173,000	182,873	106%	13%
Travel Media Ad Value	\$ 4,182,947	\$ 4,300,761	\$ 4,089,050	95%	-2%

Special Projects Undertaken

- Launched Handpicked Halifax Campaign including new section on website
- Partnership programs with Attractions, Dartmouth and Tourism Nova Scotia
- Launch of Stop-Over Program in partnership with HIAA

FOCUS AREA - CUSTOMER



Goal #2 – Grow Group Visitation

	Previous Year End (2018)	2019 Target	YTD Actual (2019)	% reached of 2019 Target	% Change from Prior Year
Direct Economic Impact from Confirmed Conferences and Groups	\$ 76,832,000	\$ 76,832,000	\$ 57,668,403	75%	-25%
# of Conferences and Groups Confirming Halifax (Discover Halifax Supported)	119	119	122	103%	3%
Rooms Nights from Confirmed Groups (Discover Halifax Supported)	82,688	55,000	80,137	146%	-3%
New Tentative Bids (event count)	279	279	250	90%	-10%
New Tentative Bids (room nights)	165,154	130,000	185,337	143%	12%
Client Site Inspections Held	47	30	33	110%	-30%
Services - Delegate Websites Created	20	20	24	120%	20%

Special Projects Undertaken

- Exhibited at all major trade shows (Conventions), hosted key sales calls and activities in Toronto and Ottawa
- Promotions and Sales in partnership with Business Events Canada
- Hosting of major Familiarization Tour for Key Accounts

FOCUS AREA - CUSTOMER



Goal #3 – Grow Visitor Spend with Members

	Previous Year End (2018)	2019 Target	YTD Actual (2019)	% reached of 2019 Target	% Change from Prior Year
Membership Count	398	481	471	98%	18%
Hotel Leads Issued	1,768	1,800	2,311	128%	31%
Service Leads Issued to Partners	160	160	552	345%	245%
Member Referrals Made to Clients	112	112	180	161%	61%
Visitor Guide & Maps Distribution	145,000	202,000	210,000	104%	45%
Kiosk and Wi-Fi Channel Sessions	120,000	120,000	123,231	103%	3%
Membership Satisfaction	69%	70%	58%	83%	-16%

Special Projects Undertaken

- Additional digital kiosks distributed to key locations in the HRM. Kiosks are located at Airport, Convention Centre, Cole Harbour Place, Cruise Terminal, Halifax Marriott Harbourfront & Sou'Wester Gift Shop in Peggy's Cove
- Exclusive distributor of Halifax Highlights Visitor Guide in over 1,500 hotel rooms in the HRM, representing five geographical regions of the municipality

FOCUS AREA - CUSTOMER



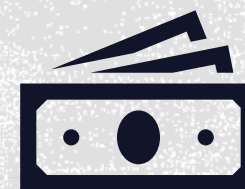
Goal #4 – Leverage Funding and Improve Financial Health

	Previous Year End (2018)	2019 Target	YTD Actual (2019)	% reached of 2019 Target	% Change from Prior Year
Revenue from Members	168,149	243,000	200,776	83%	19%
Revenue from Marketing Partnerships	67,775	87,500	61,665	70%	-9%
Revenue from Marketing Partnerships (Non-P&L)	55,000	90,000	110,000	122%	100%
Revenue from Sales Partnerships	119,429	114,500	130,955	114%	10%
Total Leveraged Revenue (non levy or HRM grant)	426,779	535,000	528,220	99%	24%
Investment In Tourism Sector - (Per-Room Benchmark - Quartile)	Bottom 10%	Middle Quartile	Bottom 10%	Unchanged	Unchanged

Special Projects Undertaken

- Tourism Master Plan got underway with funding from ACOA and the HRM
- Successful programs in partnership with Tourism Nova Scotia and Halifax Port Authority
- More Partners seeing higher value in our programs; reflected by increased participation and Group Sales revenue

FOCUS AREA - FINANCIAL



Goal #5 – Innovation, Process Improvements & Align Strategy with Partners

	Previous Year End (2018)	2019 Target	YTD Actual (2019)	% reached of 2019 Target	% Change from Prior Year
Process Improvement, Innovation, or Six-Sigma Projects Completed	11	6	6	100%	-45%
Estimated Annual Cost Savings from Process Improvement Initiatives (2018 YE Cumulative from 2016)	\$ 285,700	\$ 10,000	\$ 10,000	100%	-

Special Projects Undertaken

- New IT Support Services contracted resulting in annual savings
- Sales Playbook created and implemented resulting in increased productivity and efficiencies
- Refresh and modernization of IT equipment for staff
- Created and implemented new receivables processes
- Streamlining of membership offering

FOCUS AREA - INNOVATION



Goal #6 – Right People in Right Place, Support Training, Manage & Reward

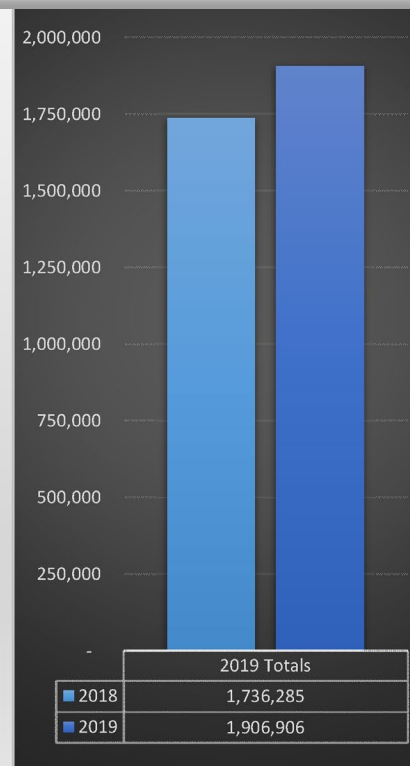
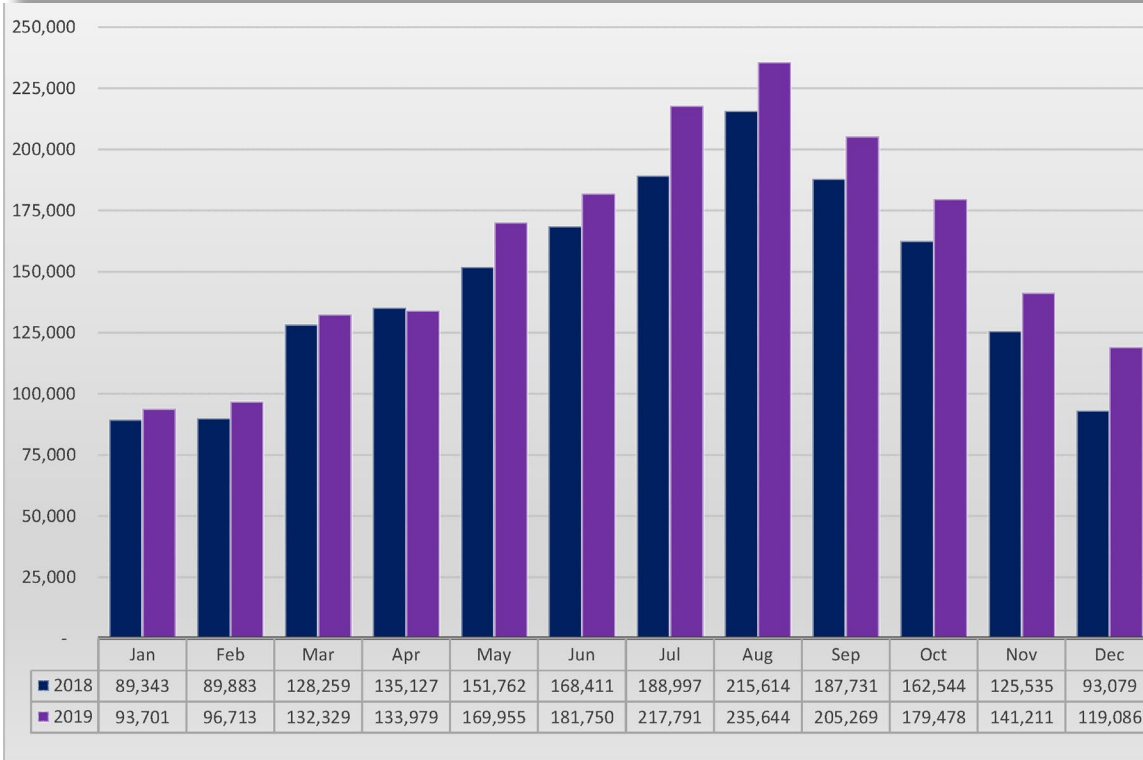
	Previous Year End (2018)	2019 Target	YTD Actual (2019)	% reached of 2019 Target	% Change from Prior Year
Employee Satisfaction Survey	New KPI 2018	N/A	N/A	N/A	N/A
Employee Training & Development (training days/employee)	3	3	2.5	83%	-17%

Special Projects Undertaken

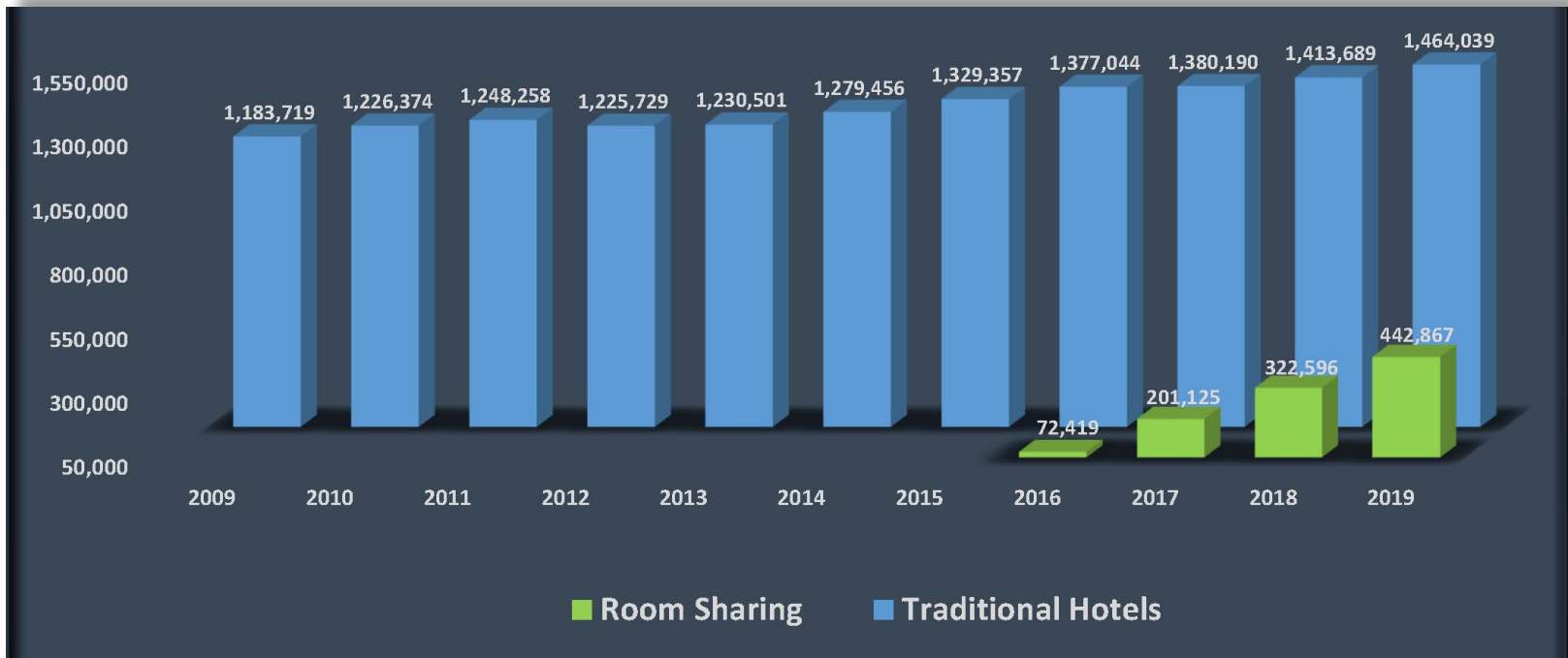
- Hiring of Vice President, Sales
- Hiring of Communications Director
- Hiring of Sales Director
- Development of staff skills and abilities: Project Management, iDSS, Design Thinking, Office365 Sharepoint, Incentive Travel Education, Microsoft Excel

FOCUS AREA - PEOPLE





ROOM NIGHTS SOLD (TRADITIONAL HOTELS & SHARING ECONOMY)



ROOM DEMAND 10-YEAR TREND

Contracted	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Convention	4,225,848	241,435	7,154,021	9,554,659	3,602,702	3,867,220	2,319,796	3,630,884	1,813,473	2,832,709	1,119,719	3,662,147	44,024,613
Meeting	220,168	3,755,072	102,481	232,325	1,637,085	215,980	53,014	106,310	71,674	67,098	83,953	172,286	6,717,445
Special Event	0	0	0	0	0	3,331	0	0	0	0	3,970,622	0	3,973,952
Tour & Travel	0	18,214	0	0	0	6,588	0	904,136	0	0	0	0	928,938
Contracted	4,446,016	4,014,721	7,256,502	9,786,983	5,239,787	4,093,119	2,372,809	4,641,329	1,885,147	2,899,807	5,174,293	3,834,433	55,644,948

Definite	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Convention	3,471,374	2,665,008	11,801,488	3,549,025	4,186,444	2,523,153	704,627	6,424,324	1,588,819	6,544,677	6,959,451	85,431	50,503,821
Meeting	255,983	95,254	58,946	263,480	0	131,687	71,674	0	315,598	89,731	0	635,938	1,918,292
Special Event	0	0	0	0	5,246,291	0	0	0	0	0	0	0	5,246,291
Definite	3,727,357	2,760,262	11,860,435	3,812,505	9,432,735	2,654,840	776,301	6,424,324	1,904,417	6,634,408	6,959,451	721,369	57,668,403

Tentative	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Convention	17,556,984	4,905,356	18,819,775	7,437,768	10,721,520	12,675,803	10,688,121	2,901,924	2,709,798	3,013,363	12,578,599	4,145,970	108,154,980
Meeting	122,028	232,325	277,643	0	243,961	318,720	1,498,317	129,245	72,480	297,206	950,485	6,721	4,149,130
Special Event	0	0	0	5,246,291	3,331	0	6,291,894	0	0	0	0	354,624	11,896,140
Tour & Travel	0	18,214	0	0	6,588	904,136	0	0	20,066	18,397	0	0	967,400
Tentative	17,679,012	5,155,894	19,097,419	12,684,058	10,975,399	13,898,659	18,478,332	3,031,169	2,802,344	3,328,966	13,529,084	4,507,315	125,167,651

ECONOMIC IMPACT BY EVENT TYPE

Contracted	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Convention	4,122	500	6,807	7,875	3,418	6,130	4,323	6,891	2,757	3,772	1,985	5,563	54,143
Meeting	296	3,392	231	340	80	455	30	242	152	77	120	343	5,758
Special Event	0	0	0	0	0	10	0	0	0	0	2,800	0	2,810
Tour & Travel	0	50	0	0	0	22	0	350	0	0	0	0	422
Contracted	4,418	3,942	7,038	8,215	3,498	6,617	4,353	7,483	2,909	3,849	4,905	5,906	63,133

Definite	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Convention	4,226	3,659	14,976	3,556	8,270	4,818	1,093	7,405	2,963	11,132	9,969	170	72,237
Meeting	290	215	130	415	0	296	152	0	657	50	0	1,395	3,600
Special Event	0	0	0	0	4,300	0	0	0	0	0	0	0	4,300
Definite	4,516	3,874	15,106	3,971	12,570	5,114	1,245	7,405	3,620	11,182	9,969	1,565	80,137

Tentative	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Convention	21,153	6,540	30,851	9,764	13,430	21,264	17,778	5,087	4,664	7,247	21,574	6,362	165,714
Meeting	255	340	561	120	495	350	3,396	289	27	485	1,519	42	7,879
Special Event	0	0	0	4,300	10	0	6,060	0	0	0	0	630	11,000
Tour & Travel	100	50	0	0	22	350	0	0	47	50	0	0	619
Tentative	21,508	6,930	31,412	14,184	13,957	21,964	27,234	5,376	4,738	7,782	23,093	7,034	185,212

REQUESTED ROOMS BY EVENT TYPE

Contracted	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Convention	6	3	15	10	7	15	5	5	6	5	3	8	88
Meeting	9	3	3	2	1	4	2	4	1	3	3	1	36
Special Event	0	0	0	0	0	1	0	0	0	0	1	0	2
Tour & Travel	0	1	0	0	0	1	0	7	0	0	0	0	9
Contracted	15	7	18	12	8	21	7	16	7	8	7	9	135

Definite	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Convention	10	10	22	6	4	4	5	11	6	12	11	1	102
Meeting	3	2	1	2	0	2	1	0	3	2	0	2	18
Special Event	0	0	0	0	2	0	0	0	0	0	0	0	2
Definite	13	12	23	8	6	6	6	11	9	14	11	3	122

Tentative	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Convention	23	15	22	13	16	18	18	14	7	14	20	9	189
Meeting	5	1	6	1	3	2	8	6	2	3	3	2	42
Special Event	0	0	0	2	1	0	1	0	0	0	0	1	5
Tour & Travel	2	1	0	0	1	7	0	0	2	1	0	0	14
Tentative	30	17	28	16	21	27	27	20	11	18	23	12	250

NUMBER OF EVENTS BY EVENT TYPE