

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: August 12, 2020

SUBJECT: **Canoe '22 Society – Funding Request**

ORIGIN

1. January 28, 2020 Regional Council Meeting:

Motion MOVED by Councillor Austin, seconded by Councillor Mancini.

THAT Halifax Regional Council:

1. Direct the Chief Administrative Officer to plan for the parkland improvements as outlined in the November 13, 2019 staff report in support of the 2022 ICF Canoe Sprint World Championships (Canoe '22) and general public parkland use; and
2. Assess the need for a new Master Plan for Lake Banook, that would include all stakeholders, after Canoe '22.

MOTION PUT AND PASSED

2. Request from Canoe '22 Society/Atlantic Division Canoe Kayak Canada

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter (Charter)

Section 79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes

- (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality.

Administrative Order 2020-009-ADM, the COVID-19 Administrative Order

- 3 Notwithstanding any other policy of Council, a
 - (c) withdrawal from a reserve may be authorized by Council without the Audit and Finance Standing Committee reviewing and making a recommending on the impact to the Reserve.

RECOMMENDATIONS ON PAGE 2

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Suspend the Rule of Procedure under Schedule 2, Audit and Finance Standing Committee Terms of Reference, of Administrative Order One, the Procedures of the Council Administrative Order;
2. Authorize and approve the withdrawal of a maximum of \$700,000 for a grant to the Canoe '22 Society/Atlantic Division Canoe Kayak Canada for one-third of the requested capital funding towards the Judges Tower, Return Lane, and Accessible Docks as outlined in this report, with half of the funding (\$350,000) from General Contingency Fund Q421 and the remaining balance from the 2021/22 Operating Budget and conditional on similar funding from other levels of government; and
3. Authorize the Chief Administrative Officer to negotiate and execute a contribution agreement in accordance with the terms and conditions as outlined in Table 4.

BACKGROUND

Lake Banook is an important recreation hub and world class paddling event venue, recognized for hosting local, national and international and paddling events. In 2018, Lake Banook was selected as the venue for the ICF World Canoe Sprint and Paracanoe Championships (Canoe '22) that will be held in August 2022. The event will feature five days of formal competition with athletes and families from 70 countries along with thousands of anticipated spectators.

On January 28, 2020 Regional Council considered a staff report and directed staff to assess the need for a new Master Plan after Canoe '22 and to begin planning for parkland improvements in Birch Cove and Silvers Hill to support the event as well as for general public park use beyond the event. Subsequent to the preparation of that staff report, a request for additional capital funding was submitted by the Canoe '22 Society (Society).

The additional funding request from the Society is for \$1,800,000 for other infrastructure upgrades that it suggests would be expected of a world class international event (Attachment A), specifically for:

- a new judges tower;
- the creation of a return lane;
- an addition to the high-performance centre operated by Atlantic Division Canoe Kayak Canada; and
- accessibility improvements for para sport.

DISCUSSION

Budget Overview and New Funding Request

The Society's overall budget has anticipated operating and capital expenses of just over \$8,800,000 (Table 1). \$3,050,000 of this are capital expenses that include expenditures for race infrastructure and "back of house" elements such as facilities for spectators and athletes (tents and bleachers), medal ceremonies, concerts, TV broadcasting requirements. The additional \$1,800,000 requested from HRM, identified as "Capital Facility Enhancements" is also outlined in Table 1.

The Society is anticipating about \$2,500,000 in revenue from non-government sources such as sponsorships and participant fees. In addition, its revenue includes approximately \$1,700,000 in Provincial funding, \$800,000 in municipal funding (MLSER), and \$2,000,000 anticipated in federal funding. However, the federal and the Marketing Levy Special Events Reserve (MLSER) funding programs cannot be used for capital expenditures, which in part has led to the Society's request for additional funding.

Table 1. Summary of the Canoe '22 Society Budget (May 20, 2020)

REVENUE	
Government Funding	
Federal (Sport Canada Hosting Program - International Single Sport Event)	*\$2,000,000
NS Provincial Department Events, Communities, Culture & Heritage Grant	\$1,750,000
Municipal (MLSER)	*\$800,000
Additional Capital Funding Request - Municipal Grant	\$1,800,000
Revenues - Non-Government Funding	
Participation Fees	\$1,500,000
Private Contributions	\$1,000,000
Total Revenues	\$8,850,000
EXPENSES	
Operational	\$4,000,000
Capital	\$3,050,000
Capital Facility Enhancements	\$1,800,000
Total Expenses	\$8,850,000

* Funding is limited to non-capital expenditures

The Society has provided a prioritization of facilities with capital costs, amounts budgeted by the Society, and contributions that are being sought from the municipality which is summarized in Table 2.

Table 2. Summary of Capital Funding Priorities for Facility Upgrades

Priority	Facility	Summary Description	Capital Cost	Budgeted by the Society	Municipal Funding Request
1	Judges Tower (Renovation)	Built in 1987 and is reported to be in poor condition.	\$900,000	\$500,000	\$400,000
2	Return Lane (New Infrastructure)	Return lane and barrier for the racecourse along with accessible walkway. The docks would be made available to paddling clubs post event.	\$600,000	\$300,000	\$300,000
3	Performance Facility Expansion (Expansion/Upgrades)	Expansion of facility storage and office space along with expanded gym and upgraded washrooms.	\$900,000	\$100,000	\$800,000
4	Accessible Docks (New Infrastructure)	A separate accessible dock system for para-	\$600,000	\$300,000	\$300,000

Priority	Facility	Summary Description	Capital Cost	Budgeted by the Society	Municipal Funding Request
		athletes. These would be made available to paddling clubs post event.			
Total			\$3,000,000	\$1,200,000 (40%)	\$1,800,000 (60%)

Both the Return Lane and the Accessible Docks would be installed for the event and then disassembled and distributed to paddling clubs in the region for their use. They may also be reinstalled should there be future high-caliber competitions. The requested funding for the accessible docks is largely for upgrades to have them constructed from plastic rather than wood, thereby easing a transition between the docks and the water without possible hazards such as splinters.

The remainder of this report provides an overview of the existing municipal commitments for Canoe '22 and considers the merits of the new funding request.

Existing Municipal Commitment

The municipality has several projects and direct funding contributions in support of Canoe '22 and ongoing use of the lake a paddling venue, as follows:

- As noted in the background section, the municipality is conducting detailed design and costing for improvements to Birch Cove and Silvers Hill parks in support of Canoe' 22 and for general public use beyond the event. This design work includes improvements to seating, pathways, general access, landscaping (Silvers Hill Park), and improvements to support the athlete's village (Birch Cove Park). The current grandstand seating in Silvers Hill Park is in poor condition and needs to be replaced. Following the detailed design work, construction would commence in 2021/22 pending Council's approval of the capital budgets.
- Regional Council has approved a grant award of \$800,000 through the MLSER to the Society. This is to be paid over 3 budget cycles, pending Regional Council's approval of future budgets. The MLSER grant cannot be used for capital expenses and can only be applied to programming, operating, marketing and promotional expenses associated with the Canoe'22 event.
- The Atlantic Division Canoe Kayak Canada (ADCKC) performance centre, which operates many of the racing facilities, resides on municipal parkland and receives a less than market value lease along with a grant for municipal tax relief. The municipality also provides \$36,000 annually out of its operating budget for ongoing outdoor facility maintenance carried out by ADCKC.

Review of Request for Additional Funding

Context for Municipal Funding

The Community Grants Program is the primary means through which groups are supported with municipal funding for capital projects, but it provides a maximum contribution of \$25,000. Outside of this, Regional Council may consider funding on a case-by-case basis and through a consideration on whether an expenditure results in a benefit to citizens and is linked to Regional Council's strategic goals and priority areas. The HRM Charter permits funding to charitable or community and recreational organizations.

Evaluation

Elite level sport development is generally supported by other levels of government and is not the primary mandate of the municipality. However, support can be given to sport infrastructure that also benefits recreation use or provides other general public access. In addition, the municipality supports events that provide substantial economic benefits to the region, such as Canoe '22, that brings a multitude of visitors to the region and highlights the municipality through global broadcasting coverage. Through this lens, three elements of the Society's new funding request have merit:

- the Judge's Tower is understood to be in poor condition and is essential to the event and the continued use of the lake for competition and as a paddling venue;
- the Return Lane is essential for the event, but also has a benefit in being subsequently distributed to paddling clubs to enhance their programs and provide additional access to paddling; and
- the Assessible Docks are an important upgrade that enhances the event facilities and like the return lane, will be distributed to paddling clubs.

Although the proposed ADCKC Performance Centre expansion (Priority #3) would assist in the logistics of hosting the event, it does not have the same merit as the above infrastructure in that it is oriented to elite sport, rather than recreational usage. This building expansion is primarily for event storage and expanded office space with a desire for an expanded gym and upgraded washrooms. It is also observed that there is little existing Canoe '22 funding that has been identified for the facility, with approximately 89% (\$800,000) of the total cost (\$900,000) being requested of the municipality. Based upon these factors, municipal funding for the Performance Centre is not recommended.

Municipal Funding Contribution

Although it is recommended that funding be provided to the Society, the requested contribution from the municipality is substantial. For the Judges Tower, Return Lane, and Accessible Docks the Society has allotted \$1,100,000 which would account for 52% of the total costs, with the municipality being asked to contribute the other 48%. Consistent with the approach taken by the municipality with past shared funding projects, it is recommended that Regional Council consider funding up to a one-third capital contribution toward these capital items totaling \$700,000 with a condition that other funding be secured from other levels of government and private sector support (Table 3). It is also recommended that the funding be equally spread across two years with the second payment to be subject to Regional Council's 2021/22 capital budget approval.

Table 3. Breakdown of Recommended Funding Contribution

Recommended Capital Items	Total Capital Cost	Budgeted by the Society	Municipal Funding Request	Recommended Municipal Funding
Judges Tower	\$900,000	\$500,000	\$400,000	\$300,000
Return Lane	\$600,000	\$300,000	\$300,000	\$200,000
Accessible Docks	\$600,000	\$300,000	\$300,000	\$200,000
Total	\$2,100,000 (100%)	\$1,100,000 (52%)	\$1,000,000 (48%)	\$700,000 (1/3)

Contribution Agreement (Terms and Conditions)

Consistent with other grants from Regional Council, a contribution agreement is required between HRM and the group with terms and conditions as outlined in Table 4. This will include additional information from the Society that would be required, including pro forma financial statements, itemized cost estimates, confirmation of funding sources, and how funding sources would be specifically used.

Table 4 Contribution Agreement - Terms and Conditions

The Chief Administrative Officer (CAO) shall be authorized to negotiate and execute a contribution agreement with the following terms and conditions:	
Detailed funding proposal	HRM's funding contribution shall be contingent on an updated and detailed financial proposal from the Canoe '22 Society, in a form satisfactory to HRM, outlining specific and itemized capital costs, confirmation of funding sources, and requirements for public access.
Funding Amount and Capital Infrastructure	HRM's funding contribution shall be for a maximum 1/3 capital funding (\$700,000) contingent on confirmed funding from other levels of government and will apply only to the capital infrastructure for competition venue requirements as outlined in this report: (i) judges tower; (ii) return lane; and (iii) accessibility upgrades to docks. Funding shall be equally spread across two years (\$350,000 in this budget year) with the second payment being subject to Regional Council's 2021/22 capital budget deliberations. This is to be the complete municipal funding commitment with no supplemental and incremental funds.
Regulatory Approvals	Funding is to be contingent upon the Canoe '22 Society obtaining all regulatory approvals.
Responsibilities	HRM shall not be liable or responsible for the capital projects or infrastructure; they shall be built, owned, maintained and be the responsibility of the Canoe '22 Society and/or Atlantic Division Canoe Kayak Canada.
Non-profit Status	HRM's funding shall be contingent on the Canoe '22 Society and/or Atlantic Division Canoe Kayak Canada being a registered non-profit organization.
Purpose	HRM funding shall be contingent on the infrastructure being owned and operated by the Canoe '22 society or the Atlantic Division Canoe Kayak Canada and being used for purposes as outlined in this report including recreational usage and public benefit

Conclusion

It is recommended that Regional Council approve additional capital support of up to 1/3 funding for the Judge's Tower, Return Lane, and Accessible Docks on the basis that these facilities are essential to the success of the event and have public benefit. Funding for the performance centre expansion is not recommended as this facility is largely focused on elite level sport and a high proportion of funding requested from the municipality.

FINANCIAL IMPLICATIONS

Since HRM do not own these capital assets, they are not part of the HRM capital budget. Should Regional Council approve the request, half of the fund, \$350,000 will be made through **General Contingency Reserve Q421** as specified below in this budget year;

Budget Summary: General Contingency Reserve Q421

Projected Net Available Balance as of June / 20	\$5,229,026
Withdrawal as per recommendation #1 2020/21	\$ 350,000
Net Available Balance as of March 31, 2020	\$ 4,879,026

The balance funding of \$350,000 (50% of \$700,000) for 2021/2022 is subject to final approval of the 2021/2022 operating budget and will be made through an operating budget account.

Risk Reserve – General Contingency Reserve Q421 is to receive the annual operating surplus of the Municipality as prescribed by the Provincial Financial Accounting and Reporting Manual, and can be used to fund operating costs, offset deficits, or fund new operating and/or capital expenditures. This is an unbudgeted withdrawal from the reserve, but it will not affect the approved 2020/21 reserve budgeted withdrawals.

RISK CONSIDERATION

The following risks have been identified in this report:

- There are some risks associated with not considering additional capital funding as the Society may not be able to meet certain event hosting requirements to a level that is expected impacting the event
- There are some risks associated with future unknowns or delays related to the impacts of COVID-19 pandemic on hosting international events and how this might impact Canoe '22.

The negotiation of a contribution agreement helps to mitigate these risks.

COMMUNITY ENGAGEMENT

Staff engaged with the organizers of Canoe' 22 in the preparation of this report.

ENVIRONMENTAL IMPLICATIONS

There are no immediate environmental implications associated with this report.

ALTERNATIVES

1. Regional Council may choose to approve all of the additional capital funding requested for Canoe '22, which would total \$1.8M. This may necessitate a further staff report.
2. Regional Council may choose alternative funding allocations than those found within this report. This may necessitate a further staff report.
3. Regional Council may choose not to contribute any additional capital funding as requested for Canoe '22.

ATTACHMENTS

Attachment A Canoe'22 Budget and Funding Priorities

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: Philip Hammond, Recreation Planning Specialist 902.233.0593
Richard Harvey, Manager Policy and Planning 902.476.5822

Canoe' 22

2022 ICF World Canoe Sprint and Paracanoe Championships
Dartmouth, Nova Scotia
Canada

Canoe 22 Budget May 20, 2020

REVENUES		NOTE**
Government Funding		
Federal	\$2,000,000	1
Provincial	\$1,750,000	
Municipal	\$800,000	
Special City Request	\$1,800,000	
Non-Government Funding		
Participation Fees	\$1,500,000	
Private contributions	\$1,000,000	2
Total Revenues	\$8,850,000	3
EXPENSES		
Operational	\$4,000,000	4
Capital Costs	\$3,050,000	5
Capital Enhancements	\$1,800,000	6
Total Expenses	\$8,850,000	7

Notes:

1. Federal contribution to be applied to operational costs only.
2. Private contributions include: Sponsorships, Merchandise, Programs, Rentals and Tickets.
3. Revenue does not include in-kind contributions.
4. Operational expense includes: Administration, Sport Presentation, Transportation, Food and Accommodation and Cash Legacy
5. Capital Costs include: Additions and renovations to Back of House facilities, Facilities Fit Out, Race-Course additions and improvements, Para/accessibility additions and improvements
6. Enhancements to Four Capital projects – see Appendix 1
7. Total Expenses include contingency

Appendix 1

Canoe 22 Request for Infrastructure Grant – Priorities

Update: May 22, 2020

To: Philip Hammond,
Recreation Planning Specialist
HRM Parks and Recreation

Re: Capital Budget update

From: Frank Garner,
General Manager Canoe22

As referenced in the Letter of October 31, 2019 (enclosed below) the original Budget showed our Capital Costs as \$3,050,000 which is the bottom-line figure that the organizers believe would be spent to upgrade, set up and renovate the racecourse, back of house facilities and fit out for the structures, such as; Birch Cove set up of 90 tents, team pads, Athlete services, boat racks, repair areas and docks. As well as the Festival Area of Prince Albert Road, Mic Mac AC Parking area and Silvers Hill tents, bleacher rentals for ceremonies and spectators, concerts, Opening ceremonies, medal presentations, club(s) rentals and, TV broadcast requirements and satellite production truck rentals.

We are requesting a further \$1,800,000, captured in Capital Enhancements within the budget. This amount would be applied to the following four projects;

Finish Tower renovations - presently allotted \$500,000 includes professional fees, fit out required for structure, renovate, demo, restructure, paint, cladding and docking. With the addition of a full World Paracanoe schedule there is need to make the Finish Tower accessible. A bridge from the existing annex building to the tower would achieve this and take our structure to a world class level. Canoe22 has asked for an **additional \$400,000** to build it.

Return Lane/Channel - presently allotted \$300,000 to create a temporary floating wooden structure that will help reduce wave problems on the racecourse. At this time Lake Banook's racecourse can only be considered a "B" level World Canoe Course. With a well-built detachable return Channel/Lane made of special constructed PVC (floatable) tubing that would run 1000 metres would be needed to be a certified ICF "A" world class canoe racecourse. Canoe22 is asking for an **additional \$300,000** for this upgrade.

Docks and Docking Structures – Canoe22 is budgeting \$300,000 presently. These docks will be wooden structures and can injure Para athletes (they cannot feel slivers). We would like to purchase lower profile plastic docks (Poralu Marine) which are a safe and long-life docking system which would cost an **additional \$300,000**.

Expansion to the present Annex building is planned to offer office and medical offices for the ICF administrative and medical staff as well as additional operational space. Canoe22 has allotted \$100,000 for design and planning of this addition and is asking for an **additional \$800,000** to complete construction.

The original amounts allocated for these four projects total \$1, 200,000 and are captured in the \$3,050,000 Capital Costs. Our total additional request is for \$1,800,000, (identified as Capital Enhancements) which would be an increase to the budget and allow Canoe 22 to elevate the venue and this event to World Class level while also creating a long-standing legacy for the sport in Halifax.

Reference: Letter of October 31, 2019
Canoe'22 Infrastructure Grant Request
Supplemental to Lake Banook Racing Park Plan

Background:

The rationale for this grant request addresses a number of needs that hosting the 2022 World Paddling Championships in Dartmouth could fulfill.

The ability to host a successful world class event has been shown to ensure that the event returns on a regular basis (1997, 2009, now 2022) with demonstrable promotional and financial benefits to the city, as well as leaving lasting lake surrounding site improvements that benefit the general public as well as the paddling, rowing and water sports communities.

In order to host a top class event, improvements to the aging on lake paddling structure (finish line judges tower, docks), International Canoe Federation (ICF) event requirements (World Championships include athletes with physical challenges as well as able bodied), and ICF site rules (starting systems, officials working offices and wash prevention return lane) have to be implemented.

While the volunteer run Atlantic Division CanoeKayak Canada (ADCKC) has some of the equipment and facilities to support the event, one major shortfall is the ability to safely and securely house the volume of site equipment needed both pre and post event. The current shore-based building (34 Boathouse Lane) does not provide the office space or equipment storage capability needed for the Championships.

Priority #1: **World class and accessible Tower**

- *presently \$500,000* – **request additional \$400,000**

The current finish line judges tower was first built in 1987 and has essentially remained in its original form. While a very clearly identifiable structure of Dartmouth, it is currently suffering from age and no longer meets the requirements to hold a top-class World event. Also, the technology used for judging the racing no longer requires the height of the building. This original height has been an ongoing problem for the building maintenance. The Canoe 22 infrastructure committee has funded and brought a new design concept to the point of selecting an architect to commence the formal design. Included in the tower design is an elevated pedway between the onshore building first floor level (34 Boathouse Lane) to the first operating floor on the tower. This addresses required accessibility needs for personnel and adds most of the additional requested cost.

Priority #2: ICF requirement for a fair racecourse (return lane/channel)

- *presently \$300,000* – **request additional \$300,000**

It is an ICF requirement that the racing course for World Championships be equipped with a return lane capability. This is a line structure floating on the water surface from the finish line to ideally, the starting line (1000 metres). This structure is a barrier to wash created by boats not on the racing course from propagating onto the racing course. There has been a conceptual design provided in our original funding request letter. The concept provides a dock based walkway between the finish line judges tower and Birch Cove Park (where the athlete teams will be located). This would provide an accessible platform from which the athletes and para-athletes would view the races. These docks could be made available to Clubs and the public post event.

In 2009, 30 metres of this run starting at the finish line judges tower was constructed and was a tremendous success with the athletes, coaches and ICF.

Priority #3 – Construction building – additional operational space

- *presently \$100,000 for design and plans* – **request additional \$800,000**

The shore-based building (34 Boathouse Lane) does not provide the office space or equipment storage capability needed for the Championships. ADCKC owned expensive equipment (judge's pontoon boats and motors, and the 3 starting system structures) currently must be transported and stored off site each year which incurs deterioration and damage. The Canoe 22 event will need an increase in the amount of equipment to be used and hence storage requirements. An expansion of the "basement" part of the building would provide the onsite storage volume needed to cope with all the equipment post event.

The office space available in the current building does not provide for the needs of the ICF staff and officials. Given the communications needed between the tower judges and their staff, they would ideally be closely collocated, and the shore-based building could provide this with expansion. The footprint of the "basement" storage would provide substantial opportunity on the first floor to provide not only office space but increased gym/exercise area, locker/changing rooms that do not currently exist, and larger washrooms that would cope with increased paddling event usage. This expansion would also improve accessibility for the physically challenged and their equipment.

The Canoe 22 infrastructure committee has funded and brought a new design concept to the point of selecting an architect to commence the formal design.

Priority #4 - **To create accessible docks meeting Para (ICF) requirements**

- *presently \$300,000 budgeted* – **requesting additional \$300,000**

Accessibility has become a major thrust for the ICF in considering World Championship sites. The Canoe 22 infrastructure committee has attempted to include this requirement in the design of all of the structures for this event. In addition, the dock system needed to enter and exit the lake for para-athletes must be separate from the regular athlete docks as the time to enter and exit boats can be significant and wheelchair or perambulatory support equipment must be used and potentially left on the docks. The docks must have a very limited height between the dock deck and the water and should have boat holders attached that allow the boat to be secured while the athlete enters and exits. These docks could be made available to Clubs and the public post event.

Total request \$1,800,000