



P.O. Box 1749
Halifax, Nova Scotia
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Item No. 9.1.1
Special Events Advisory Committee
August 11, 2021

TO: Chair and Members of Special Events Advisory Committee

SUBMITTED BY: *Original Signed*

Denise Schofield, Executive Director, Parks & Recreation

Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: July 16, 2021

SUBJECT: MLSER Major Hosting Funding Request 2022 World Sailing Championships

ORIGIN

Application received pursuant to Administrative Order 2014-020-GOV - Respecting Marketing Levy Special Event Grants.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter
Section 79A

- (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if
- (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;
 - (b) the expenditure is in respect of an emergency under the *Emergency Management Act*; or
 - (c) the expenditure is legally required to be paid.

Section 7A

The purposes of the Municipality are to

- (a) provide good government;
- (b) provide services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality; and
- (c) develop and maintain safe and viable communities.

Halifax Regional Municipality Marketing Levy Act

Section 3(4) The levy collected pursuant to this Section shall be used by the Council to promote the Municipality as a tourist destination.

Administrative Order 2014-020-GOV – Respecting Marketing Levy Special Event Reserve Grants.

RECOMMENDATION ON PAGE 2

Administrative Order 2014-015 ADM - Respecting Reserve Funding Strategies.

RECOMMENDATION

It is recommended that the Special Events Advisory Committee recommend Halifax Regional Council approve an event grant in the amount of \$100,000 from the 2022/2023 Community and Events Reserve, Q621 to fund the 2022 49er, 49erFX, Nacra 17 World Sailing Championships.

BACKGROUND

In April 2021, the 2022 49er, 49erFX, Nacra 17 World Sailing Championships Host Society applied for funding to the Marketing Levy Special Event Reserve (MLSER) Major Hosting grant program for the event in August and September 2022. After staff reviewed the application and clarified the sections pertaining to attendance, room nights and event budget with the Host Society, a revised Major Hosting grant program application was submitted in May 2021.

The Major Hosting program application process is open with no intake deadline. All recommendations respecting the allocations of the MLSER are governed by Administrative Order 2014-020-GOV, Marketing Levy Special Events Reserve Grants (AO), and the Community and Events Business Case. The purpose of the AO is to direct financial support to large scale special events in the municipality that support and promote tourism and business development. The Major Hosting Event program supports national or international events that do not recur annually locally and are awarded to a host destination.

Staff undertakes the grant application and evaluation process as outlined in the AO. This report outlines the recommendation for funding for the 2022 49er, 49erFX, Nacra 17 World Sailing Championships (2022 World Sailing Championships).

Eligibility

The definition of this program states:

Events must be of a size and scope sufficient to draw tourists to the Municipality's communities, attract significant media exposure, and profile Halifax destinations nationally and globally.

The 2022 World Sailing Championships is eligible for consideration under the Major Hosting Event program of the Marketing Levy Special Events Grant program within the Community and Events Reserve.

DISCUSSION

The 2022 49er, 49erFX, Nacra 17 World Sailing Championships (2022 World Sailing Championships)

The 49er, 49erFX and Nacra 17 World Championships is held annually in a different international venue each year. In 2020 Victoria, Australia hosted the Championships, in 2019 Auckland, New Zealand hosted the event, and the 2018 World Sailing Championships were held in Aarhus, Denmark.

Taking place in Canada for the first time in its history, the world championships for three Olympic classes will be held on the waters of St. Margaret's Bay from August 31 to September 5, 2022. The Host Society, in partnership with Hubbards Sailing Club, St. Margaret's Sailing Club and Sail Canada will host the 2022 World Sailing Championships. Moderate to strong winds on St. Margaret's Bay make this location an excellent venue for the World Sailing Championships and an Olympic Qualifier. St. Margaret's Bay has hosted several national and international sailing events over the years building Nova Scotia's reputation in the sailing world as an accomplished host. The three Olympic Sailing classes included in the championships

are the 49er (2 males per boat), the 49erFX (2 females per boat) and the Nacra 17 (1 male and 1 female per boat). The competition will be held over six days and will host four hundred of the world's best sailors from over 35 countries. The International sailors will arrive in Nova Scotia for a minimum of one week up to several weeks before the competition to climatize both their bodies and boats to the weather and waters prior to racing. Olympic sailors and coaches will spend a considerable amount of time in HRM to accustom their routine prior to competition. For several days, teams will prepare with short practices and mock races on St. Margaret's Bay.

The funding request from HRM is \$150,000. The Province of Nova Scotia has confirmed funding for the event in the amount of \$250,000.

A summary of the 2022 World Sailing Championships is as follows:

- The event will attract approximately 1,300 people through the competition;
- The event will require 130 volunteers who will provide over 2,500 volunteer hours over the course of the event;
- The event guarantees that 180 hotel rooms located in HRM for 10 nights will be booked and estimates that including attendees 4,100 room nights would be generated. An additional 185 rooms are estimated to be booked in Lunenburg County and are not included in the economic activity calculations for this application;
- The event is free and open to the public to attend; and
- The estimated budget for the event is \$1,157,000.

While this report deals specifically with the request for Major Hosting event funding, it is important for context to include that there is also a request from the Host Society in partnership with The Hubbards Community Waterfront Association (HCWA) for funding from the municipality for a contribution towards upgrades to infrastructure. The total cost of infrastructure upgrades anticipated is \$1.335 million.

The HCWA, along with several other smaller locations within St. Margaret's Bay, will require funding for critical infrastructure upgrades to ensure the safety and scale that is essential to support the high-performance competitors. A staff recommendation report will be submitted to Regional Council for review in the coming weeks for consideration.

Destination International's Event Impact Calculator (EIC)

The EIC report states the direct increase in economic activity within the municipality as a result of the initial expenditures of the event would be \$3,118,925 (Attachment 1). This amount includes the impact of sales on jobs with 365 jobs supported, \$1,080,713 spent on wages and \$31,266 collected in local taxes.

Based on the room nights and economic activity, similar events have been awarded grant funding in the range of \$40-50,000. However, the recommended amount also considers the increased destination recognition for Nova Scotia and HRM, in particular rural HRM, due to it being an Olympic qualifier on St. Margaret's Bay.

Media Exposure

Sail Canada is currently in discussions with CBC regarding broadcasting the event on a national level and daily reports on CBC news. The full marketing and media plan will be formalized this fall. Promotion of the 2022 World Sailing Championships is expected through multiple media platforms such as newspaper, radio, television and social media reaching local, national and international audiences. The event will also be showcased on the landing page of the 49er's Class website for several months

Growth Potential

Nova Scotia is known for high-performance racing and training. Hosting a high calibre major sporting event that includes three (3) Olympic qualifiers will not only bring awareness across Nova Scotia to sailing, it also strongly aligns with Nova Scotia's Event Strategy. By harnessing the province's natural assets in rural HRM, the 2022 World Sailing Championships will continue to build the reputation as a world class sailing destination, while leaving a legacy of growth to host future world sailing championships.

Destination Recognition

It is expected through the international broadcasting component the municipality and Nova Scotia overall will be featured strongly both in the sailing media and social media during the event. The results of the EIC show that this event scores low in attendance due to the nature of the sport as there is little opportunity for spectators to view the race in person and professional athletes travelling from the various countries travel with their coaching staff only. However, it scores high in showcasing the region as the host of high caliber sail training and racing. Post COVID-19, funding events of international significance responds to the objective of the COVID-19 Economic Response and Recovery Plan of being "open for business" and more specifically meets the goals of the Events Recovery strategy developed by Events East Group and Discover Halifax to position Halifax nationally and internationally as "open for business". It also supports and promotes HRM's world class hosting reputation and natural resources.

For all of the above noted reasons, it is recommended that the 2022 World Sailing Championship be provided an event grant in the amount of \$100,000.

FINANCIAL IMPLICATIONS

Reserve budget, the funding available in Community and Events Reserve (Q621) with no additional increased withdrawal required.

Budget Summary: Community and Events Reserve, Q621

Net Projected Reserve Balance, as of June 30, 2021	\$ 665,472
Contribution 2022/23	\$ 1,992,000
Projected interest 2022/23	\$ 15,600
Operating Withdrawals 2022/23	\$ (1,430,900)
Capital Withdrawals 2022/23	\$ (250,000)
Projected Net Available Balance 2022/23	\$ 992,172

Operating Withdrawals of \$1,430,900 includes the \$100,000 recommended in this report.

Community and Event Reserve, Q621 is used 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. Reserve is also to provide funding to community non–profit and public institution in support of major capital initiatives by facilitating the development of significant community infrastructure in order to realize tangible cultural, sectorial and economic impacts. Funding to the reserve is 40% of Marketing Levy from Hotel Sales, and transfers from operating budget. Withdrawals are for supporting events that support tourism and economic development, cultural / heritage projects, significant community infrastructure and public art. **The recommended allocation of grants does not have a negative impact on the reserve as this allocation is within the 2022/23 approved withdrawals from reserve.**

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 and reputational risks.

A contribution agreement, using HRM's standard form of contribution agreement, will be negotiated between 2022 49er, 49erFX, Nacra 17 World Sailing Championships Host Society and the municipality prior to the release of funding. The agreement will include details regarding the rights and benefits outlined including media coverage and advertising opportunities.

COMMUNITY ENGAGEMENT

The Special Events Advisory Committee includes members of the public.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

The Special Events Advisory Committee may choose to recommend Halifax Regional Council increase or reduce the amount of the event grant.

ATTACHMENTS

Attachment 1: 2022 World Sailing Championships Economic Impact Calculation (EIC)

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.

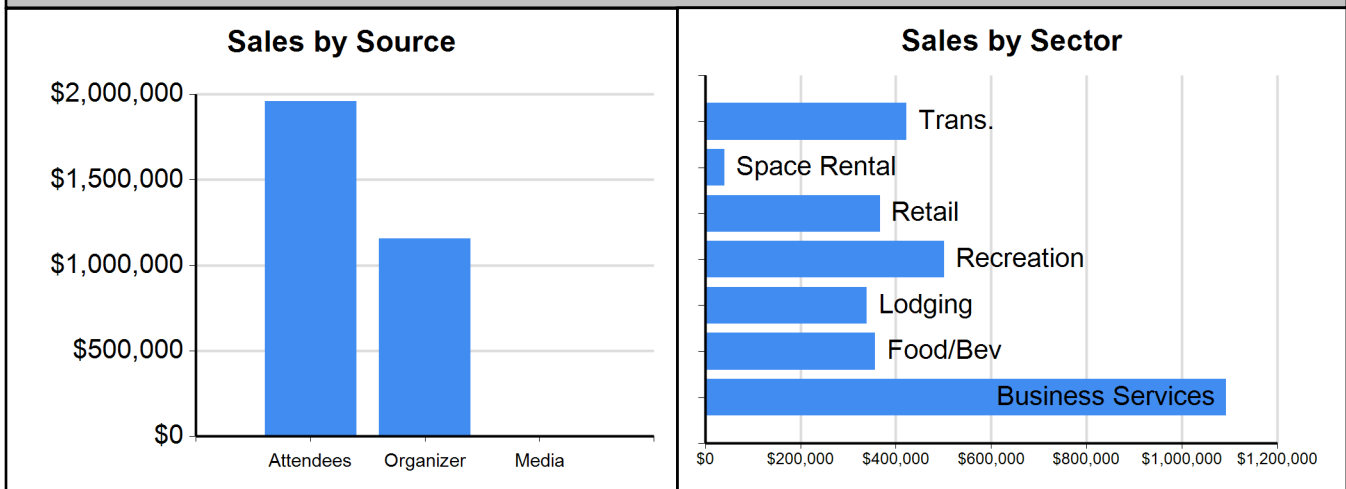
Report Prepared by: Elizabeth Taylor, Manager, Culture & Events, 902.229.7622

Event Impact Summary

Destination: Discover Halifax

Event Parameters		Key Results	
Event Name:	2022 49er, 49erFX, Nacra 17 World Sailing Championships	Business Sales (Direct):	\$3,118,925
Organization:	2022 49er, 49erFX, Nacra 17 World Sailing Championships Host Society	Business Sales (Total):	\$4,705,695
Event Type:	Championships	Jobs Supported (Direct):	365
Start Date:	8/24/2022	Jobs Supported (Total):	447
End Date:	9/5/2022	Local Taxes (Total):	\$31,266
Overnight Attendees:	698	Net Direct Tax ROI:	\$23,218
Day Attendees:	555	Estimated Room Demand:	2,259

Direct Business Sales



Industry	Attendees	Organizer	Media/Sponsors	Total
Lodging	\$338,854	\$0	\$0	\$338,854
Transportation	\$422,337	\$0	\$299	\$422,636
Food & Beverage	\$331,036	\$25,000	\$0	\$356,036
Retail	\$367,444	\$0	\$0	\$367,444
Recreation	\$501,278	\$0	\$0	\$501,278
Space Rental	\$0	\$40,000	\$0	\$40,000
Business Services	\$0	\$1,092,000	\$675	\$1,092,675
TOTAL	\$1,960,950	\$1,157,000	\$975	\$3,118,925

Event Impact Details

Destination: Discover Halifax

Event Name: 2022 49er, 49erFX, Nacra 17 World Sailing Championships 2022

Organization: 2022 49er, 49erFX, Nacra 17 World Sailing Championships Host Society

Economic Impact Details

	Direct	Indirect/Induced	Total
Business Sales	\$3,118,925	\$1,586,770	\$4,705,695
Personal Income	\$1,080,713	\$477,427	\$1,558,141
Jobs Supported			
Persons	365	81	447
Annual FTEs	26	6	32
Taxes and Assessments			
<u>Federal Total</u>	<u>\$218,445</u>	<u>\$100,142</u>	<u>\$318,587</u>
<u>Provincial/Territorial Total</u>	<u>\$342,110</u>	<u>\$105,712</u>	<u>\$447,821</u>
PST/HST	\$202,100	\$39,669	\$241,769
personal income	\$61,663	\$27,241	\$88,905
corporate income	\$15,788	\$6,975	\$22,762
hotel	\$0	-	\$0
other	\$62,558	\$31,827	\$94,385
<u>Local Total (excl. property)</u>	<u>\$23,218</u>	<u>\$8,048</u>	<u>\$31,266</u>
user fees	\$4,728	\$2,089	\$6,817
hotel	\$6,777	-	\$6,777
per room charge	\$0	-	\$0
tourism improvement fee	\$0	-	\$0
restaurant	\$0	\$0	\$0
other	\$11,713	\$5,959	\$17,672
property tax	\$27,020	\$9,217	\$36,237

Event Return on Investment (ROI)

Direct local tax ROI (net property taxes)		
Direct Tax Receipts	\$23,218	
DMO Hosting Costs	\$0	
Direct ROI	\$23,218	
Net Present Value	\$22,746	
Direct ROI (%)	-	
Total local tax ROI (net property taxes)		
Total Local Tax Receipts	\$31,266	
Total ROI	\$31,266	
Net Present Value	\$30,630	
Total ROI (%)	-	

Estimated Room Demand Metrics

Room Nights (total)	2,259
Room Pickup (block only)	180
Peak Rooms	332
Total Visitor Days	4,944