

HALIFAX

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Item No. 15.1.1
Halifax Regional Council
September 28, 2021

TO: Mayor Savage and Members of Halifax Regional Council

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

DATE: July 18, 2021

SUBJECT: Revised 2021-2022 Events East Business Plan - Halifax Convention Centre & Ticket Atlantic

ORIGIN

June 30, 2021 letter from Events East Board Chair, Nancy MacCready-Williams, requesting approval of the Revised 2021-2022 Events East Business Plan.

LEGISLATIVE AUTHORITY

Halifax Convention Centre Act, S.N.S. 2014, c. 8

Business plan

Section 29

- (1) Annually, as required by the Council and the Minister, the Corporation shall submit to the Council and the Minister for approval a detailed business plan for the following fiscal year, including estimates of budgetary requirements, for the operation of the Corporation.

RECOMMENDATION

It is recommended that, in accordance with section 29 of the *Halifax Convention Centre Act*, Halifax Regional Council approve the 2021-2022 Events East Business Plan for the Halifax Convention Centre Corporation, submitted to the municipality June 30, 2021, as set out in Attachment 1 of this staff report.

BACKGROUND

The Halifax Convention Centre Corporation, established under the *Halifax Convention Centre Act* (the Act), operates under the name Events East Group (Events East). Since April 2017, Events East has managed and operated the Halifax Convention Centre, Scotiabank Centre and Ticket Atlantic. The legislation outlines that the activities of the Halifax Convention Centre be maintained and managed in a manner that will promote and develop economic development, tourism and industry in the Province generally, and the Municipality in particular.

Nancy MacCready-Williams, Board Chair of Events East has submitted the attached business plan for the approval of Halifax Regional Council and the Minister of Inclusive Economic Growth (previously the Minister of Business). The plan was developed by Events East and has been approved by the Events East's board of directors.

The Act requires that Events East submit to Council and the Minister of Inclusive Economic Growth for approval a detailed business plan for the following fiscal year, including estimates of budgetary requirements.

DISCUSSION

On April 1, 2021, the Events East Board Chair submitted a 2021-2022 Business Plan for Events East Group as approved by the Board. The letter accompanying the business plan indicated that should there be significant changes to the circumstances related to COVID-19 and related public health restrictions, Events East would request the opportunity to revise and resubmit the business plan prior to publishing. With the COVID-19 related shut-down in late April 2021, Events East made revisions to the business plan and on June 30, 2021 submitted a revised business plan.

The 2021-22 business plan has two primary focus areas:

1. To work collaboratively with partners and industry to rebuild confidence in event hosting and ensure the facility remains active with local/regional events and strategic uses.
2. To implement a long-term event attraction strategy and work with partners to position Halifax and Nova Scotia for the future.

The plan has five strategic priorities which are summarized as:

1. **Business Growth**
Hosting strategic regional events, working with national and international clients to position Nova Scotia as a safe, accessible destination for events when travel restrictions ease, and securing new events in the international market for future years that align with sector of comparative advantage for Nova Scotia.
2. **Guest Experience**
Implementing safe hosting protocols and designing memorable events experiences with clients to align with commitment to service excellence and authentic Nova Scotian hospitality.
3. **Community Connection**
Hosting events that create energy and vibrancy throughout downtown and beyond, and delivering the Local Program, which highlights the province's diverse culture, flavours and experiences.
4. **Talent & Culture**
Fostering a diverse and inclusive workforce & creating programs and tools that ensure effective communication, engagement and training to deliver exceptional events for guests, within the new

health and safety environment.

5. Accountability & Sustained Performance

Operating the Halifax Convention Centre in a responsible and transparent manner.

Strategic alignment

In past years, staff have compared Events East's business plan against HRM strategic plans and priorities such as Council's Prosperous Growth Priority area, the Economic Growth Plan and the Halifax Regional Integrated Tourism Plan. The 2021-22 business plan aligns with these long-term strategic plans and priorities. The plan also aligns closely to Events East's five-year strategic plan approved by Regional Council and the Minister in July 2019.

As with the 2020-21 business plan, due to the focus on recovery, staff also considered this plan in light of the [Halifax COVID-19 Economic Response and Recovery Plan](#) and the [Halifax Regional Tourism Opening Plan](#) prepared for Discover Halifax.

The most relevant aspects of the Economic Recovery and Response Plan include:

- Its goal of getting back to our long-term growth trend and chart a path forward for a stronger, more resilient City.
- Guiding Principles, most especially:
 - o Follow the advice of our healthcare experts
 - o Remain in constant contact, engage and collaborate with our local stakeholders
 - o Build resiliency

As noted above, in addition to hosting strategic regional events, a specific focus of Events East is to work with shareholders and industry to develop and implement a recovery strategy to address the long-term impacts of the pandemic.

The Tourism Opening Plan developed for Discover Halifax includes four objectives that are:

1. To adopt and support public health goals aimed at protecting our community and ensuring safe travel and safe business.
2. Through the adoption of epidemiological and risk mitigation best practices, this plan seeks to maximize the economic benefits from the travel industry by expediting the reopening of safe travel.
3. To fully articulate a process (which would include a partnership between the tourism industry and public health) for re-establishing a quarantine-free travel zone between Nova Scotia and other safe markets.
4. To instill public confidence that the tourism and travel industry is being proactive as it relates to personal safety and the health of our communities.

In support of recovery for the tourism industry, it sets out the following four pillars:

1. Opening to safe travel markets
2. Creating safe spaces
3. Communication to promote safe travel and public health goals
4. Responsive design to changing epidemiology

Progress on some of the above pillars contributes towards the successful implementation of the business plan. For example, opening to safe travel markets increases the potential customer base for the convention centre. In other instances, the objectives and pillars are supported by the successful implementation of the business plan. For example, the business plan speaks to the continued development and implementation of operational event delivery standards to align with new health and safety environment, to hosting locally-focused events that strategically use the facility and further to leveraging the events hosted to create impact in the community and instill confidence within the industry. These actions, among others, support several of the objectives and pillars of the tourism opening plan and highlight the strategic alignment of the Events East business plan to the initiatives.

Business Plan Next Steps

More broadly speaking, Events East, through activities guided by its business plan, will be positioned to recover business rapidly as restrictions are lifted.

The business plan assumes the following, as it relates to the ongoing impact of COVID-19 on the Convention Centre and the events industry more broadly:

- Restrictions introduced in the Spring of 2021 associated with the third wave, including public gathering limitations, begin to ease by Summer 2021;
- COVID-19 vaccine roll-out remains consistent with the Province of Nova Scotia's public roll-out plan and timeline; and
- Border restrictions begin to ease, with regional travel permitted by the summer and domestic travel later in the year.

Employees who were redeployed to assist with the COVID-19 response will be returning to their regular full-time roles at Events East and others recalled as restrictions are eased through the re-opening phases and the business plan implemented. Provincial staff have also forwarded the business plan to the Minister of Inclusive Economic Growth for the concurrent provincial approval of the business plan.

FINANCIAL IMPLICATIONS

Annual business plans, including budget estimates, are required to be approved by Halifax Regional Council. HRM is a 50/50 partner with the Province on the Convention Centre and is responsible to contribute half of the total anticipated funding requirement which is estimated at \$4,187,000. HRM's funding for the Convention Centre is withdrawn from the Halifax Convention Centre Reserve.

Budget Summary: Convention Centre Reserve Q521

<i>Projected Net Available Balance, April 1/21</i>	\$ 3,690,194
<i>Projected Interest</i>	\$ 56,154
<i>Budgeted contribution 2021/22</i>	\$ 8,661,700
<i>Budgeted withdrawals (HCC rent) 2021/22</i>	(\$ 5,380,000)
<i>Budgeted withdrawals (Events East)</i>	<u>(\$ 4,187,000) *</u>
<i>Net Available Balance, June 30, 2021</i>	\$ 2,841,048

***\$4,187,000 withdrawals from Convention Centre Reserve – Q521 are included in approved 2021/22 budget.**

RISK CONSIDERATION

Risks associated with approval of the Events East Business Plan are low. Annual business planning and budgeting are means by which risks can be identified and mitigated.

COMMUNITY ENGAGEMENT

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

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

ALTERNATIVES

Regional Council could choose not to approve the annual business plan or to request amendments to the business plan.

ATTACHMENTS

Attachment 1 Letter of submission and revised 2021-2022 Events East Business Plan

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: Maggie MacDonald, Director, Regional Recreation Services 902.490.6252



Via Email

June 30, 2021

Minister Labi Kousoulis
N.S. Inclusive Economic Growth
1809 Barrington Street, Suite M103
P. O. Box 2311
Halifax, N.S. B3J 3C8

Jacques Dubé, CAO
Halifax Regional Municipality
P. O. Box 1749
Halifax, N.S.
B3J 3A5

Dear Sirs:

RE: Revised Events East Group 2021-22 Business Plan

This correspondence is a follow up to the Board of Directors' letter of April 1, 2021, requesting the opportunity to revise and resubmit the 2021-22 Events East Business Plan prior to publishing, should it be necessary, due to changing business conditions resulting from circumstances around COVID-19.

To that end, the Board has approved a Revised 2021-22 Events East Business Plan and respectfully resubmits the Plan for your consideration and approval. (Consent document attached).

We appreciate your consideration in this matter and should you have any questions or concerns, please let me know.

Yours truly,

Nancy MacCready-Williams
Board Chair

cc: Scott Farmer, DM, N.S. Dept. of Inclusive Economic Growth
Jennifer Church, ADM, N.S. Dept. of Inclusive Economic Growth
Mike McMurray, Exec. Dir. N.S. Dept. of Inclusive Economic Growth
Mike Queripel, Director, N.S. Dept. of Inclusive Economic Growth
Denise Schofield, Dir. Parks & Recreation, HRM
Maggie MacDonald, Mgr. Regional Recreation, Parks & Rec, HRM
Carrie Cussons, President & CEO
Suzanne Fougere, EVP, Strategy & Business Development



Events East

2021-22 Business Plan for the Halifax Convention Centre & Ticket Atlantic

*Revised Plan Approved by Board of Directors – June 28, 2021
Resubmitted for Shareholder Approval – June 30, 2021*

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A Message from the President & CEO

COVID-19 and the resulting public health measures put in place to protect Nova Scotians have had a significant impact on the events and conventions industry, as well as the ongoing operations of the Halifax Convention Centre and Ticket Atlantic. Our industry has been among the hardest hit by the pandemic and similar to the tourism industry, it will take several years to recover.

Despite this, the strength of our community has been reaffirmed and the passion of our team to create impact and drive vibrancy for Nova Scotia through event hosting has never been more clear. While there is still much work to do as we look forward to the recovery of our community, businesses and industry, there is a sense of optimism as we look to 2021-22.

Recognizing the important role events play in contributing to a vibrant tourism sector, we will continue to work with our industry partners to position Halifax and Nova Scotia as a safe, attractive event hosting destination for national and international events.

We know our clients are eager to host their events and delegates in Nova Scotia, and we know our industry and our community will be ready to welcome them.

Now more than ever, we've been reminded of the power and value of face-to-face connection and events. It is critical that we continue to have important conversations that drive us forward, connect with one another and continue to showcase Nova Scotia as a smart, thriving province with a rich culture and a strong, unique community.

While the current landscape impacts our ability to host national and international events in the short-term, we remain focused on rebuilding for the future, concentrating on our long-term event attraction efforts. In addition to hosting local/regional events this year, we will also proactively implement non-traditional, strategic use of our space to support arts and culture, public interest and health and safety initiatives.

From business meetings to cultural gatherings to public events, we know our community needs a place to resume the many activities that help to create a thriving city and province. We take great pride in our role to make Nova Scotia a great place to live and work, and as we look to the year ahead, will continue to collaborate with our partners in business, community and industry to create memorable event experiences once again.



Carrie Cussons
President & CEO
Events East

Mandate

WHO WE ARE

Events East Group is a special purpose government agency that manages and operates the Halifax Convention Centre, Scotiabank Centre, and Ticket Atlantic.

We are known for attracting and hosting the best events in the region through our commitment to event excellence. Our facilities allow us to attract new visitors and opportunities to Nova Scotia, connecting us to the world.

We were created as part of a government partnership between the Province of Nova Scotia and Halifax Regional Municipality (HRM) and we work in collaboration with them to manage our business in a responsible and transparent manner.

MANDATE

We were created in 2014 through the Halifax Convention Centre Act to operate, maintain and manage the activities of the Halifax Convention Centre in a manner that will promote and develop economic development, tourism and industry in the province generally, and the municipality.

In April 2017, our mandate expanded to include the continued management and operations of Scotiabank Centre and Ticket Atlantic.

Planning Context

This overview is presented for the management and operations of the Halifax Convention Centre and Ticket Atlantic, which are jointly owned by the Province of Nova Scotia and HRM.

The 2021-22 business plan assumes the following as it relates to the ongoing impact of COVID-19 on our business and industry:

- Restrictions introduced in the Spring of 2021 associated with the third wave, including public gathering limitations, begin to ease by Summer 2021;
- COVID-19 vaccine roll-out remains consistent with the Province of Nova Scotia's public roll-out plan and timeline; and
- Border restrictions begin to ease, with regional travel permitted by the Summer and domestic travel later in the year.

Recognizing the critical role events play in shaping our community and supporting an economy in which all Nova Scotians can benefit, we will continue to focus on rebuilding a strong mix of event activity as the meetings and conventions industry positions itself for recovery. In 2021-22, the Halifax Convention Centre has two primary focus areas:

- Working collaboratively with our partners and industry to rebuild confidence in event hosting and ensure our facility remains active with local/regional events and strategic uses.
- Proactively implementing our long-term event attraction strategy for national and international events and working with our partners to position Halifax and Nova Scotia for the future.

We expect regional events will make up the majority of activity for the year. Based on the travel restrictions in place at the time of writing, national event activity is not expected to resume until 2022.

In the long-term, there remains a strong desire for in-person events to continue within the new health and safety environment. Halifax is perceived as a safe, accessible host destination for events among our national/international clients and this positions us for a strong event calendar in future years. As we look to the future, ongoing customer research and feedback will be critical in determining how key drivers of the decision-making process have evolved for our clients in the current landscape.

Based on client feedback, and in line with our commitment to service excellence, this year we will develop a new, enhanced service model to reflect the important role technology will continue to play in shaping in-person events. This includes implementing our approach for virtual and hybrid events that will help our clients blend both digital and in-person participation from attendees, helping to further the impact and reach of the events we host.

While we remain focused on attracting and hosting events, we are also proactively pursuing non-traditional uses of the space to support our community and diversify the facility's utilization in the short-term.

Recognizing that our venue acts as a backdrop for important community conversations, we will work with our local partners to host events that create energy and vibrancy in our downtown core. This includes co-creating events that reflect our diverse culture and provide access to unique event experiences for all Nova Scotians, making our province a vibrant destination for both our local community and visitors.

Strategic Priorities & Activities

BUSINESS GROWTH

Our near-term sales strategy is focused on working with event organizers to host strategic regional events. This is balanced by our continued efforts to foster strong relationships with our national and international clients and position Nova Scotia as a safe, accessible destination for events as travel restrictions begin to ease later in the year. We will also work with our partners in business and industry to secure new events in the international market for future years that align with sectors of comparative advantage for Nova Scotia, with an emphasis on the oceans and life sciences.

Activities/Initiatives:

- Continue to implement regional sales and marketing strategy to drive event activity.
- Implement proactive sales and marketing strategy focused on national event attraction for future years.
- Activate international sector-based event attraction strategy with strategic partners.

GUEST EXPERIENCE

Agility and innovation have and will continue to be important as we evolve our approach to event hosting. This includes ongoing implementation of safe hosting protocols for our Centre that have set the standard for safe events in the region. As the volume and pace of event activity resumes throughout the year, we will design memorable event experiences with our clients that align with our commitment to service excellence and authentic Nova Scotian hospitality.

Activities/Initiatives:

- Refine our service delivery model and key offerings, including food and beverage and third-party supplier services, to adapt to the new event hosting landscape.
- Develop and implement a service model to support virtual event participation, leveraging technology to help drive attendance and enhance the overall event experience.

COMMUNITY CONNECTION

The Halifax Convention Centre is committed to ensuring our business and the events we host have a positive impact on our community. Our Centre serves as a platform for creating important connections and partnerships. As our community continues to recover, we will focus on hosting events that create energy and vibrancy throughout our downtown core and beyond, making Nova Scotia a great place to live and work. Additionally, we will continue to deliver our Local Program, which highlights our province's diverse culture, flavours and experiences to guests within our venue.

Activities/Initiatives:

- Implement our facility use strategy with a focus on non-traditional events that support our Province.
- Development of a Diversity and Inclusion framework to further define and enhance our community engagement strategy.
- Leverage the events we host to create impact in our community and instill confidence within our industry.
- In collaboration with key partners and community leaders, redesign our Local Program to focus on showcasing our local products, arts and culture.

TALENT & CULTURE

Fostering a diverse and inclusive workforce is an ongoing priority and critical to our continued success. This year, we will work with our core operational teams to create programs and tools that ensure effective communication, engagement and training to deliver exceptional events for our guests.

Activities/Initiatives:

- Redesign resourcing and training strategy to align with event mix and volume, including implementation of temporary redeployment opportunities with partner organizations.
- Continued development and implementation of operational event delivery standards to align with new health and safety environment and ensure consistency of service by all staff and third-party suppliers.

ACCOUNTABILITY & SUSTAINED PERFORMANCE

We continue to operate the Halifax Convention Centre in a responsible, transparent manner under the oversight of our joint shareholders, the Province of Nova Scotia and HRM. This includes alignment with government priorities and delivering against our key targets to ensure we meet the expectations of our shareholders, partners and community.

Activities/Initiatives:

- In collaboration with our shareholders and industry, lead the development and implementation of a recovery strategy to address the long-term impacts of the pandemic.
- Implement a framework for core social responsibility initiatives with a focus on accessibility and food sustainability.

Core Outcomes & Measures

Due to the continued restrictions in place in Nova Scotia, our traditional strategic measures including overall event mix, revenue, event attendance and economic impact will be negatively impacted this year. Our overarching focus remains on driving economic and community vibrancy for Nova Scotia through the events we host and the programs we deliver.

In 2021-22, we will monitor and measure our performance in the following areas, aligned with the recovery of our business and organization:

CORE ACCOUNTABILITY MEASURES*		
Priority	Measure	2021-22 Target
Business Growth	Number of national and international events booked for the Halifax Convention Centre for future years.	Cumulative total of 100 national and international events with an estimated 70,000 in attendance secured for 2022-23 and beyond, consistent with long-term targets.
Business Growth	Economic impact	Through the events we host this year, generate at least \$10-12M in direct expenditures.**
Guest Experience	Facility use	Host a diverse mix of activity including events, non-traditional and community use.
Community Connection	Develop diversity and inclusion framework	Framework approved.
Accountability & Sustained Performance	Financial performance	Meet approved budget targets.
Accountability & Sustained Performance	Confidence in in-person meetings and conventions	Event industry framework developed and implemented.

*Assumes the COVID-19 planning assumptions noted under Planning Context, including successful vaccine roll-out, and easing of public gathering, travel and border restrictions throughout the year.

** In a typical year, direct expenditures are \$50-55M driven primarily by national and international events. Based on restrictions, event activity this year will be primarily local/regional events.

Budget Context

Our 2021-22 budget assumes a predominantly local and regional event mix, which directly impacts revenue. In a typical year, a larger volume of national and international events would generate higher revenue.

Operations before building costs and property taxes have historically been funded through event activity. A diverse event mix with national/international clients will be critical in returning to sustained revenue generation in the long-term and therefore the historical shareholder funding position. As we continue to rebuild our event mix and transition into recovery, the shareholder investment is estimated at \$8.4M for 2021-22, which is jointly funded by the Province and HRM.

Our financial model includes both fixed and variable costs. Variable costs are associated with our operations and relate to hosting events. Certain fixed costs are necessary to support operations, irrespective of event volume. A series of cost mitigation strategies were implemented in the prior year and will continue into 2021-22 to limit financial exposure as the volume of event activity begins to rebuild.

The Halifax Convention Centre building operating costs are estimated to be \$2.9M, which includes \$330K of lease operating cost contingency. In addition, property taxes of \$2.0M are included in accordance with the Memorandum of Understanding (MOU) between the Province and HRM.

Operating Budget Summary

(For the year ended March 31)

	Budget 2021-22 (\$)	Actuals 2020-21 (\$)	Revised Budget 2020-21 (\$)
Revenues	4,414,000	236,455	860,000
Expenses			
Event Operations – Fixed Costs	1,794,000	1,883,218	1,847,000
Event Operations – Variable Costs	1,885,000	475,236	1,136,000
Salaries and Benefits	2,940,000	3,528,649	3,520,000
General Operations	920,000	682,672	865,000
Total Expenses	7,539,000	6,569,775	7,368,000
Operating Loss Before Building Costs, Property Taxes and Depreciation	(\$3,125,000)	(\$6,333,320)	(\$6,508,000)
Building Operating Costs (Note 1)	2,923,000	2,602,146	2,178,000
Operating Loss before Property Taxes and Depreciation	(6,048,000)	(8,935,466)	(8,686,000)
Property Taxes (Note 2)	2,040,000	2,030,516	2,040,000
Operating Loss Before Depreciation	(8,088,000)	(10,965,982)	(10,726,000)
Depreciation	286,000	329,923	370,000
Estimated Shareholder Investment	\$8,374,000	\$11,295,905	\$11,096,000
Investment Required from Shareholder – HRM	\$4,187,000	\$5,500,611	\$5,401,000
Investment Required from Shareholder – PNS	\$4,119,000	\$5,678,224	\$5,573,000

Note 1: Halifax Convention Centre building operating costs include the contractual lease operating costs related to the Nova Centre, including a contingency of \$330K in the 2021-22 budget. The annual contractual lease payment is the responsibility of the Province of Nova Scotia and is not reflected in the above values.

Note 2: Property taxes are calculated pursuant to the MOU between the Province of Nova Scotia and HRM.

Note 3: Revenues and expenses for Scotiabank Centre are not reflected in the values noted above. Scotiabank Centre is a facility owned by HRM. Events East operates the facility on behalf of HRM under an operating agreement. All operating income or losses generated by the facility accrue to HRM, and all capital improvements are funded by the municipality.

Note 4: The 2021-22 budget assumes the COVID-19 planning assumptions noted under Planning Context, including successful vaccine roll-out and easing of public gathering, travel and border restrictions throughout the year.

Note 5: Budget reflects approximately \$1.0M in annual salaries for resources that have been temporarily redeployed to support partner organizations.

EVENTS EAST GROUP

(HALIFAX CONVENTION CENTRE CORPORATION)

WRITTEN APPROVAL OF COUNCIL AND MINISTER

UNDER SUBSECTION 29.1 of the

HALIFAX CONVENTION CENTRE ACT

TO: Events East Group
Attention: Board Chair and Secretary

RE: Approval of Revised 2021-22 Business Plan

Clause 29.1 of the *Halifax Convention Centre Act* (the "Act") states: *Annually, as required by the Council and the Minister, the Corporation shall submit to the Council and the Minister for approval a detailed business plan for the following fiscal year, including estimates of budgetary requirements, for the operation of the Corporation.*

The Corporation is hereby seeking approval of Council for the Events East Group Revised 2021-22 Business Plan.

On _____ at the regular meeting of Halifax Regional Council, the following motion was passed by a majority vote of Council.

"That the Halifax Regional Council approve the 2021-22 Event East Business Plan for the Events East Group (Halifax Convention Centre Corporation) submitted to the Municipality _____ as set out in Attachment ____ to the _____ staff report.

Accordingly, the Revised Business Plan of the Events East Corporation for the year 2021-22, as submitted, is hereby approved.

Dated:
