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**Item No. 15.1**  
**Community Planning and Economic Development Standing Committee**  
**February 17, 2022**

**TO:** Chair and Members of Community Planning and Economic Development  
Standing Community

*-Original Signed-*

**SUBMITTED BY:**

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Jacques Dubé, Chief Administrative Officer

**DATE:** January 20, 2021

**SUBJECT:** **Hotel Association of Nova Scotia Proposal: Tourism Marketing and Event Leadership for HRM**

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**ORIGIN**

June 16, 2016: MOVED by Councillor Craig, seconded by Councillor Watts

That the Community Planning and Economic Development Standing Committee request a staff report that outlines the process and key stakeholders for articulating HRM's role and approach to tourism, festivals, and special events as outlined in Halifax Economic Growth Plan 2016-21, recently approved by Regional Council.

**MOTION PUT AND PASSED UNANIMOUSLY.**

March 1, 2017 Community Planning & Economic Development Standing Committee Motion: MOVED by Councillor, seconded by Councillor Mason

THAT the Community Planning & Economic Development Standing Committee request a staff report considering the recommendations in the letter from the Hotel Association of Nova Scotia addressed to Chair Wayne Mason on March 1st, 2017.

**MOTION PUT AND PASSED.**

September 30, 2020, approved motion

THAT Regional Council....4. Request the Mayor write a letter to the Province to request the required amendments to the Halifax Regional Municipality Marketing Levy Act to enable the Municipality to apply the marketing levy to operations consisting of less than 20 rooms or rental units.

**MOTION PUT AND PASSED.**

February 23, 2021, approved motion

That Halifax Regional Council

1. Endorse the Halifax Regional Integrated Tourism Master Plan (Attachment 1 of the staff report dated January 11, 2021) presented by Discover Halifax and the municipality's related responsibilities as noted in the body of the January 11, 2021 staff report;

...

3. direct the CAO to negotiate a new Services Agreement with Discover Halifax to reflect an expanded role for Discover Halifax that includes destination development, with the scale and scope of activity contingent on funding levels from all sources, including operational funding from HRM subject to budget approval;

**RECOMMENDATION ON PAGE 3**

4. request the Mayor write to the Province of Nova Scotia requesting amendments to the Halifax Regional Municipality Marketing Levy Act to remove the cap on the marketing levy; and

5. direct the Chief Administrative Officer to negotiate a memorandum of understanding with the Hotel Association of Nova Scotia in advance of any changes to the marketing levy.

**MOTION PUT AND PASSED.**

### **LEGISLATIVE AUTHORITY**

*The Halifax Regional Municipality Charter S.N.S. 2008, c. 39*

7A The purposes of the Municipality are to

...

(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;

75 (1) The Municipality may agree with any person for the provision of a service or a capital facility that the Municipality is authorized to provide.

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 is otherwise authorized by the Municipality...

*Administrative Order One, The Procedure of the Council Administrative Order*

s. 4(2) Notwithstanding subsection (1), any one or more of the rules of procedures contained herein except for sections 5 and 41 and subsections 12(5) and 59(3) may be suspended by Council, Committee of the Whole, Community Council or a Standing Committee by the affirmative vote of two-thirds (2/3rds) of the Members present and voting.

*The Halifax Regional Municipality Marketing Levy Act S.N.S. 2001 c. 51*

3 (1) The Council may impose a levy, to be known as a marketing levy, upon a person who, for a daily charge, fee or remuneration purchases accommodation in the Municipality.

(2) The levy shall be at such rate as may be set by the Council but shall not be more than two percent of the purchase price of the accommodation.

...

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

(5) Without restricting the generality of subsection (4) and notwithstanding any other enactment, the Council may pay such portion of the levy collected by way of a grant as determined by the Council to any organization formed to promote the Municipality as a tourist destination, whether such organization is non-profit or otherwise.

## **RECOMMENDATION**

It is recommended that Community Planning & Economic Development Standing Committee recommend that Halifax Regional Council:

1. Authorize the Chief Administrative Officer to execute a non-binding Memorandum of Understanding (MOU) with the Hotel Association of Nova Scotia (HANS), a society formed under the *Societies Act* (Nova Scotia) substantially in the form provided in Attachment 1;
2. Suspend the rules of procedure under Schedule 2, the Audit & Finance Standing Committee Terms of Reference of Administrative Order One, the Procedures of the Council Administrative Order and include funding for Discover Halifax to support the delivery of enhanced destination marketing and management programs as part of the Municipality's 2022-2023 budget planning process for consideration during the Budget Adjustment List (BAL) debate in March 2022 with a cumulative contribution to be phased over three years as follows:
  - a) \$250,000 in fiscal 2022/2023 budget;
  - b) \$250,000 in fiscal 2023/2024 budget; and
  - c) \$250,000 in fiscal 2024/25 budget
3. Subject to amendments by the Province of Nova Scotia to the Halifax Regional Municipality Marketing Levy Act (HRMMLA) respecting the cap on the marketing levy and the extension of the marketing levy to operations of less than 20 rooms or rental units, direct the Chief Administrative Officer to initiate the process to amend By-law H-400 to implement the amendments to the HRMMLA as necessary; and
4. Authorize the Chief Administrative Officer, or his designate, to negotiate and execute a Service Level Agreement on behalf of the Municipality with Discover Halifax, including the terms and conditions set out in Table 2 of the discussion section of this report, and otherwise acceptable to the Chief Administrative Officer.

## **EXECUTIVE SUMMARY**

This report responds jointly to the June 2016 motion of the Community Planning and Economic Development Standing Committee (CPED) and the March 2017 correspondence from the Hotel Association of Nova Scotia (HANS), both of which address the process and support structure by which the municipality attracts and hosts major events. Collectively, this report contemplates the future direction for event tourism in the municipality and specifically addresses the category of "major events". The report also incorporates themes and initiatives identified in the Integrated Tourism Master Plan endorsed by Council in 2021.

The background section provides the history of when the municipality received the authority to enact a municipal tourism marketing levy By-law, the establishment of By-law H-400, its increase from 1.5% to 2% and the current MOU between HANS and HRM. This section also describes the municipal role in support of major events, the development of the HRM Major Events Hosting Strategy and its implementation and early stages of discussion starting in 2016 and 2017 with HANS on event leadership and requested increases in funding. It also speaks briefly to the impacts of COVID-19 on events and the municipal response.

Section 1 of the discussion section of this report includes information on the negotiations between HANS and HRM resulting in the MOU and details of the proposed funding framework. The MOU is predicated on a principle of matching an industry supported increase to the marketing levy with funds from municipal general revenue and marketing levy funds from short term rentals in order to increase investment in events attraction, as well as destination development, destination marketing and meeting and conference incentives. The MOU proposes to provide Discover Halifax (DH) with the resources to deliver enhanced

services through destination development programs, some that are currently offered and new programs that will be implemented through a phased approach. This section describes the collective impact model proposed to be used by DH in the event leadership role. It also outlines the key terms and conditions of an updated services agreement between HRM and DH.

Section 2 of the discussion presents the process by which staff, supported by industry stakeholders, conducted an in-depth analysis of the municipality's approach to events attraction and hosting. Also presented are the results of the 2019 comparative analysis of the "Current State" of bidding and hosting and "what we learned" through the Canadian Sport Tourism Alliance's Sport Tourism Assessment Template (STAT PRO). Albeit this data was collected pre COVID-19 and any application of its recommendations will be reassessed under the reality of COVID-19 impacts on the future of major events attraction.

The report concludes with proposed next steps should the province amend the Halifax Regional Municipality Marketing Levy Act to allow collection of the levy on accommodations with fewer than 20 rooms and to enable the municipality to increase the levy to 3%.

## **BACKGROUND**

The following schedule is a timeline of the establishment of the Halifax Regional Municipality Marketing Levy Act, By-law H-400 and the marketing levy rate, the initial MOU with HANS and Council's direction on the proportional share between the Marketing Levy Special Events Reserve (MLSER) and Discover Halifax, and the Service Level Agreement with DH that is currently in place. Further background on this process may be found in the staff report at:

<http://legacycontent.halifax.ca/council/agendasc/documents/140304ca1131.PDF>.

March 2001 - The Halifax Regional Municipality Marketing Levy Act, 2001, c. 51, s. 1 enacted, conferring on Halifax Regional Municipality the authority to enact a municipal tourism marketing levy By-law.

April 2001- Halifax Regional Municipality By-law H-400, the Marketing Levy By-law came into effect, establishing marketing levy at rate of 1.5% of daily accommodation rental fee.

August 2001 - Memorandum of Understanding (MOU) entered into between the Hotel Association of Nova Scotia (HANS) and the Halifax Regional Municipality, establishing a distribution of 2/3rd of the Marketing Levy to Destination Halifax, 1/3rd of the Marketing Levy to the HRM Special Events Reserve.

January 2006 - Halifax Regional Municipality By-law H-400, the Marketing Levy By-law amendment came into effect establishing an increased marketing levy to a rate of 2.0% of daily accommodation rental fee.

March 2007 - Motion MOVED by Councillor Walker, seconded by Councillor Karsten, that Regional Council: "Distribute 60% of the Marketing Levy to Destination Halifax cost centre C711 and 40% to the Special Events Reserve Q315. "

April 20, 2010 - Motion MOVED by Councillor Uteck, seconded by Councillor McCluskey, directing staff to: "consider the optimal governance structure for agencies within Halifax Regional Municipality who are performing an economic development function in respect of the new Economic Strategy with the goal being an organizational and governance model best suited to the implementation of the Economic Strategy and that information be brought forward to Council for consideration pending Council endorsement of a 2011-2016 new Economic Strategy".

Spring 2013 - Further to recommendations made by the Municipal Auditor General, staff draft a service agreement with Destination Halifax to better coordinate the municipality's economic strategy efforts and to ensure appropriate levels of accountability with all of its economic development partners.

February 13, 2014- Motion MOVED by Councillor Mason, seconded by Councillor Watts that the Community Planning and Economic Development Standing Committee recommends that Regional Council endorse the Service Level Agreement with Destination Halifax, effective on the date of execution and continuing in force until the first occurrence of March 31<sup>st</sup> thereafter, unless terminated earlier, with provision for 36-month renewal unless otherwise terminated. MOTION PUT AND PASSED.

#### Memorandum of Understanding

In August of 2001, a Memorandum of Understanding (MOU) was entered into by HRM and the Hotel Association of Nova Scotia (HANS). The MOU outlines partnership principles for the collection and use of funds generated by a contemplated marketing levy. The MOU dealt with the creation of a Destination Marketing Organization (DMO) that was intended to incorporate the mandates and budgets of the Greater Halifax Meetings and Conventions Bureau (GHCMC) and the marketing component of HRM Tourism, Culture and Heritage. The MOU provided for a distribution of 2/3rd of the Marketing Levy to an, as-yet-unnamed, DMO and 1/3rd of the Marketing Levy to the HRM Special Events Reserve. Discover Halifax's (DH) formation, as HRM's DMO, was triggered by this MOU.

#### Historic HRM Financial Support of Destination Halifax - Supplementary Grant

Section 4.05,4.5 'Supplementary Grant' of the 2014 Service Level Agreement between HRM and DH states: *'In recognition of the Services provided by Destination Halifax the Municipality shall provide Destination Halifax with an annual Supplementary Grant'*. This annual (non levy) grant of \$393,000 is a legacy of the transfer of HRM's Tourism, Culture and Heritage staff and marketing budget to Discover Halifax and is determined by Council at such time as the Municipality's annual operating budget is approved by Council, and at any other time that Council wishes.

#### Municipal Role in Support of Major Events

As HANS has requested DH take on a leadership role in the attraction and selling of events on behalf of the municipality it is important to understand the role of HRM as it functions within the broad landscape of event tourism.

The Municipality supports two categories of externally organized special events - annual and non annual community and cultural events, and annual and non annual events that focus on tourism and economic development. The segment of events that are relevant to this report are "**major events**". These events are typically defined as "one-time" events in sport, culture or entertainment that are most often part of a competitive bid process and require the use of existing facilities. Other factors that distinguish major events from other types of events (mega events, signature events, distinguished events, emerging events) include:

- budget that is beyond the scope of community-based organizations to provide the required financial guarantees or assumption of financial risk;
- requests for funding support from all levels of government;
- sponsorship benefits or entitlements for the host city and other levels of government;
- source of community pride and improvement of the quality of life for residents of the region;
- advance Halifax's vision and the engagement of all residents; and,
- opportunity for financial and social benefits post-event.

The role of HRM as funder of major events is governed through Administrative Order 2014-020-GOV Respecting Marketing Levy Special Events Grants and the Marketing Levy Special Events Reserve (MLSER) Business Case and administered by staff through recommendations to the Special Events Advisory Committee. Staff ensure the events align with principles of both the Nova Scotia Events Strategy and the HRM Major Events Hosting Strategy and are assessed for economic, tourism and reputational impacts. In addition to support through grants, on site logistical support, the provision of municipal services estimates, and the implementation of these services are delivered through a team of experienced event professionals and the Special Events Task Force (SETF) comprised of representatives from relevant business units committed to the safe delivery of major events in the region.

The HRM Major Events Hosting Strategy (Strategy)

In 2008, the Municipality retained a consultant to undertake stakeholder consultation, identify the benchmarks and best practices in major event hosting strategies from selected municipalities, and make recommendations on the application of financial and other resources directed at major event acquisition and hosting. As stated in the Strategy the municipality's role in events attraction is to "*support organizations to attract and host large-scale special events within the Halifax Regional Municipality through grants*". When the Major Events Hosting Strategy (Strategy) was approved by Council there was no corresponding budget assigned for the implementation phase. In early 2013, after a realignment of HRM business units specific to culture and events delivery, the strategy was revisited. It was determined there were specific action items that could be completed that did not require immediate, additional budget. Between 2013 and 2017 work on the Events Strategy actions has continued. In 2016 Regional Council approved two Administrative Orders, AO 2014-020-GOV Respecting Marketing Levy Special Events Grants and AO 2014-020-GOV Respecting Regional Special Events Grants. These programs meet many of the objectives outlined in the Event Strategy and have resulted in improved timeliness and responsiveness in decision making with a more efficient application process and an improved scoring system.

Major Events Attraction Roles and Responsibilities

A key recommendation in the Strategy was to define the roles and responsibilities of all local stakeholders directly involved in event attraction and hosting. Over the years local industry stakeholders have requested that HRM develop a more formalized strategic approach to bidding and attraction. While the current process for approving event funding is nimble and Halifax has not missed out on any event hosting opportunity due to slow decision-making or lack of available funds, it is noted that the work to secure high-profile events could be even more successful if event stakeholders and partners were better coordinated under a clear and common purpose. To that end, in 2016, staff led a collaborative process with the goal to establish a foundation on which industry stakeholders could build a focused approach to event attraction and hosting. The discussions were both collaborative and constructive despite the complexity of issues. While this project was underway, in late February 2017 executive members of HANS appeared before the Community Planning and Economic Development Standing Committee (CPED) to give a presentation entitled "*Economic Growth Through Partnerships*". The HANS premise was, and remains today, that Halifax, in terms of destination marketing, is underfunded against its competitor markets and that additional funds are required to enhance the marketing of Halifax as a destination.

On March 1, 2017, correspondence was received from the President of HANS to the Chair of CPED outlining their request regarding Tourism Marketing and Event Leadership for HRM (Attachment 2). The letter outlined a number of requests, summarized as:

- HRM increase funding to DH by \$1.5M annually to support destination marketing and the creation of a lead agency for selling events in HRM;
- if HRM provides increased funding, HANS will support a 1% increase to the hotel levy from 2% to 3% and generating \$1.5M;
- that the additional \$3M be split based on the current 60/40 split between HRM and DH; and
- HRM to designate DH as the lead agency for selling events.

Currently, HRM receives 40% of the total revenue generated from the hotel tax levy for the purposes of supporting tourism and economic development by funding special events, and 60% supports the operation of DH.

The HANS letter subsequently requested that HRM and HANS craft a revised MOU to support the requested items and provided the recommended breakdown of the additional funding to establish an events office, increase funding for destination marketing, and to fund a convention incentive program. In response to the letter, a motion of CPED directed staff to consider the elements of the HANS proposal and to return with a staff report.

Over the past 5 years, there has been extensive dialogue with strategic industry partners, including HANS, DH and the Province of Nova Scotia regarding the basis of the HANS letter, however a formal response

has been delayed due to legislative complexities related to the hotel levy tax, negotiation on an appropriate funding framework and in 2018 the consideration of another prospective major initiative (stadium) carrying potential levy funding pressures.

In summer 2019, a group of industry stakeholders and staff returned to discussions regarding the strategy work HRM initiated in 2016. Executive representatives from DH, HANS, Events Nova Scotia (Communities, Culture, Tourism and Heritage (CCTH)), Events East, Canadian Sport Centre Atlantic and Sport Nova Scotia committed to meeting over a four-month period with a focussed and accelerated approach to determine the preferred operating model for major event attraction with a list of relevant priorities. As a first step, the group recommended the municipality undertake an analysis of the “Current State” of bidding and hosting through the Canadian Sports Tourism “Sport Tourism Assessment Template” (STAT). The committee encouraged staff to undertake the STAT “Pro”, an in-depth analysis typically conducted in advance of developing an event strategy so that there is a consistent way to assess the information and current performance of sports and cultural tourism programs pre-strategy development. The final report was submitted to staff in July 2019. The STAT Pro for Halifax project was jointly funded by Communities, Culture, Tourism and Heritage (CCTH) and DH and details of the findings are found in Section 2 of this report.

With the onset of COVID-19, staff and stakeholders have turned the focus to assessing the impacts of COVID-19 on tourism and event tourism and developing an Events and Programming Recovery Plan. Short-term outcomes of the plan include the COVID-19 Events Recovery grant program to cover COVID-19 compliant costs for the delivery of in-person events and the creation of two, twelve-week summer music festivals located in Dartmouth and Grand Parade. In early 2021 as Council endorsed the Halifax Regional Integrated Tourism Masterplan, the executive of HANS initiated a return to the negotiations with HRM on the MOU. Over the past months productive discussions continued, and the agreement was finalized on December 20, 2021 as per Attachment 1 for CPED’s consideration and approval.

## **DISCUSSION**

### **Section 1: Proposed MOU, Funding Framework, and Service Level Agreement**

#### **HANS Proposal**

The fundamental intent of the 2017 HANS presentation and proposal to CPED was, and remains, to increase economic activity through the strategic implementation of tourism marketing initiatives and to position DH as the navigator to drive a major event hosting strategy through increased municipal investment. HANS has encouraged its members to support the request to increase to the levy, albeit at a time the industry is experiencing significant challenges. It must be noted that HANS agreed to the terms of the MOU trusting in the fundamental collaborative nature between parties and with confidence in its partners’ accountability to deliver specific initiatives relating to destination development and event tourism to support the hotel industry.

#### **Proposed Municipal Funding Framework and the Memorandum of Understanding (MOU)**

The 2017 HANS request for a firm commitment of increased funding from HRM after which HANS would support requesting an increase to the hotel levy was predicated on the municipality providing increased operating funds at comparable levels to the increase in the levy (i.e., \$1.5 m increase to the levy matched with \$1.5m from general revenue from the municipality). Negotiations with HANS as to the level of funding to DH required to sustainably meet the financial commitment and corresponding level of activity and outcomes have evolved over several years. Through the introduction of Regional Integrated Tourism Master Plan, an increase to the annual supplementary grant to DH of \$250,000 was approved in the 2021/2022 municipal operating budget. These funds were meant as a starting point to increase annual support to DH and to begin to bring funding to levels of similar organizations in other cities, to support an emerging role for DH in destination management, as well as to support recovery from the impacts of COVID-19.

The proposed framework to match funds to the increase in the levy is identified as a cumulative approach with the provision of an increase to the supplementary grant to DH. The first increase of \$250,000 was released in the 2021/2022 fiscal. In order to deliver HRM's financial commitment the source and levels of the HRM Funds required have been identified, and are listed below, subject to annual budgetary approval by HRM Council and in accordance with the Halifax Regional Municipality Charter, (the "Charter"), and subject to the full discretion of HRM Council and their policies, procedures and processes:

- I. an increase to the supplementary grant of \$250,000 per year from general revenues for a period of four years (2021/22-2024/25) and,
- II. Funds collected under the marketing levy from non-hotel sources less any administrative costs, subject to HRMMLA Amendments and amendments to By-Law H-400.

In March 2021 the Mayor wrote a letter to the Province to request the required amendments to the *Halifax Regional Municipality Marketing Levy Act* to enable the Municipality to extend the marketing levy to operations consisting of less than 20 rooms or rental units. Work is progressing to develop the Short-Term Rental (STR) Regulation By-law. Once the consultation phase is complete staff will finalize the draft regulation by-law and land use plan amendments for review. If the proposed amendment to the Act is approved and over time implemented, a portion of those funds collected from the application of the marketing levy to these properties will contribute to the overall funding framework to both DH and the MLSER. It is anticipated STR levy would calculate to at least \$500,000 in the coming years. In 2025/26 both parties will evaluate funding levels, outcomes and needs.

The 2017 HANS proposal requests that *"the additional \$3M be split based on the current 60/40 split between HRM and DH"*. In July 2021, executive members of HANS presented staff with an 'alternative' proposal which contemplates a payment structure that directs the proposed investment of \$3M to be split with \$2.5M to DH and \$500,000 to the Marketing Levy Special Events Reserve (MLSER) for the hosting of major events, as opposed to the 2017 proposal referenced above. With the reduction of the levy due to COVID-19 impacts on tourism, the capacity to fund major hosting opportunities is limited. This circumstance will need to be monitored so that there is not too wide a disparity between support for destination development programs and an update to the HRM major events hosting strategy and additional direct funding to major events.

The March 27, 2007 motion of Council set the share of marketing levy to be split with 60% to DH and 40% to the MLSER to fund major event hosting opportunities. In order to meet the intent of the MOU that the incremental increase in the levy from the collection of the levy on accommodations with fewer than 20 rooms be entirely directed to DH for the identified purposes, it is proposed the funds be allocated in the proportion of 65% to DH and 35% to the MLSER. Applying the 65/35 split will avoid administrative challenges associated with applying different proportional splits to different components of the levy. Amendments are required to By-Law H-400 to implement any increase to the hotel levy and its application to short-term rentals, and it is recommended that any change to the split be made in tandem with the proposed amendments to By-Law H-400 once permitted by provincial legislation: until that time the split will remain at the current levels

#### Existing and New Program Investments

HANS, in collaboration with DH, has identified four key investment areas in DH's destination management portfolio: Destination Marketing (Leisure); Events (Major Sporting, Cultural Events); Destination Development and Conference Incentives. Through a phased approach, and dependant on available funding, a portion of the funding is proposed to be disbursed to core programs already operational i.e., destination sales and marketing (to which the largest investment will be expended), while other core programs are new and will be developed in addition to the current sales and attraction activities, i.e., establishing an events office, coordinating an updated events strategy and the development of a conference incentive program. Each of the programs in the portfolio will be developed with defined objectives, secondary benefits, and key performance indicators (KPIs) for accountability. Currently DH's focus is primarily on sales and marketing activities and there are no dedicated resources to lead strategic issues or to provide policy support for projects such as the Nighttime Economy Strategy, and Music City Strategy.

With the additional funds there is the opportunity leverage investment from the Atlantic Canada Opportunities Agency (ACOA), Destination Canada and Communities, Culture, Tourism and Heritage (CCTH).

The enhanced program delivery that DH proposes is contingent on Council's approval of the overall level of funding plan. Based on data from the 2016 Destination Marketing Association of Canada benchmarking survey and from the 2020 'Destination Next' Update Benchmarking Study, in comparison to its peer groups DH has been operating with a significantly lower budget and set of activities than its peers. With the impact of COVID -19 on the hotel industry and on DH with the reduction in marketing levy funds, approval of the funding plan is critical to tourism recovery in the region, and a mechanism to enable municipal support to this valued industry. Therefore, should no funding be approved from either of the requests to the Province of Nova Scotia or delayed for whatever reason (to increase the marketing levy or to permit HRM to collect the levy on accommodations with fewer than 20 rooms), it is recommended that Regional Council still approve a contribution to DH from general revenue funds as per recommendation 2 of this report for a total amount of \$1M over a four -year period.

#### Role of DH as Backbone Organization for Events Attraction and Development and Expanded Activities

The current trend in Canadian municipalities recognizes that the role of Destination Marketing Organizations should include not only destination marketing services, but also event bidding, attraction and acquisition. This is in keeping with the jurisdictional scan staff conducted in 2017 and a modified scan conducted by DH in 2019 that demonstrates in many jurisdictions, the DMO takes on the role in bidding and attracting major events and the municipality has the responsibility for hosting, providing advance and onsite logistical support as well as direction on legacy initiatives through the funding process.

In relation to the request by HANS to support the "creation of a lead agency" and supported in the MOU, DH has submitted specifics on a proposed *Events Attraction and Development Program*. It has committed to implement a bid program through a newly-created events' office. DH's preferred model of program delivery is based on the "backbone" organizational approach referenced in the Integrated Tourism Master Plan, (ITMP). DH contemplates the role of this program office is to manage stakeholder collaboration and provide overall project strategic direction, facilitate effective dialogue between partners, and manage data collection and analysis through the provision of dedicated staff to support the collective impact initiatives.

Through this collective impact model, DH, with partners, will develop an integrated events' attraction and development strategy for the region. Operating under a centralized backbone structure and following the development of a shared attraction strategy with HRM and regional partners, the events' development program will directly promote and sell the destination as a location for major events, sports, and cultural events. This premise supports the recommendation of the HRM Major Events Strategy, "*to succeed in the increasingly complex, competitive and expensive world of Major Events, the energies, expertise and resources of key stakeholders in the public and private sector must be aligned and coordinated in a systematic and ongoing manner*". In consultation with HRM, DH has outlined the level of enhanced services and the measures by which they will be accountable. In Table 1, DH's destination marketing and management portfolio objectives and core programs are shown. The first 2 programs in the table are currently operational, however would be enhanced based on funding and 3-5 are proposed programs based on funding.

**Table 1: Destination Marketing and Management Objectives and Programs**

Portfolio Name:	Discover Halifax (Destination Marketing and Management)
Portfolio Objectives:	<ol style="list-style-type: none"> <li>1. Increase the economic contribution and tax base from the tourism industry for the benefit of all citizens</li> <li>2. Maximize social and cultural benefits derived from a successful and sustainable visitation economy</li> </ol>
Core Programs in the Portfolio:	<ol style="list-style-type: none"> <li>1. Destination Marketing</li> <li>2. Visitor Experience and Information Program</li> <li>3. Meetings and Conventions Sales Program</li> <li>4. Events Attraction and Development Program</li> <li>5. Destination Development Program</li> </ol>

It is therefore recommended that funding be provided to DH based on the proposed destination marketing and management programs and services conditional upon a service level agreement with terms and conditions to be defined as per Table 2. As the programs are realized, DH will provide HRM with data to enable staff to establish refined outcome measures representative of activities and accurately demonstrate the impact in are of tourism and event tourism.

Key terms and conditions that HRM will negotiate with DH and seek to incorporate into the Municipality's standard contribution agreement include:

**Table 2: Key Terms and Conditions of the Service Level Agreement**

Key Terms and Conditions	
<b>Service Provider</b>	Destination Halifax Society, a body corporate, carrying on business as Discover Halifax
<b>Term</b>	The initial term of the proposed amended service agreement would commence on the date it is signed and would continue in force for an initial term of 3 years.
<b>Renewal</b>	HRM would be granted, at their sole discretion, two (2) further renewal options for a period of three (3) years each.

<p><b>Services</b></p>	<p>Discover Halifax shall in a professional and diligent manner consistent with industry standards and good business practice provide, undertake or maintain the following marketing and promotion services:</p> <ul style="list-style-type: none"> <li>a) Market the Municipality as:           <ul style="list-style-type: none"> <li>i. A world-class community in which to visit, live, work and conduct business;</li> <li>ii. Atlantic Canada's preeminent location for meetings, conventions and major events;</li> <li>iii. Atlantic Canada's marquee port-of-call;</li> <li>iv. Atlantic Canada's hub for year-round individual travel itineraries and experiences; and,</li> <li>v. Atlantic Canada's hub for group tour travel itineraries and experiences;</li> </ul> </li> <li>b) Provide visitors and site selectors with appropriate, timely and convenient destination information;</li> <li>c) Provide messaging and media relations support to the tourism sector;</li> <li>d) Conduct its activities in a manner that will contribute to tourism sector development in, and destination marketing of, rural, urban and sub-urban areas of the Municipality.</li> <li>e) Provide the following programs with defined objectives, secondary benefits, and key performance indicators:           <ul style="list-style-type: none"> <li>i. Destination Marketing Program;</li> <li>ii. Visitor Experience and Information Program;</li> <li>iii. Meetings and Conventions Program;</li> <li>iv. Events Attraction and Development Program; and,</li> <li>v. Destination Development Program.</li> </ul> </li> <li>f) Develop and operate a landing page that will be accessible to those who use on the Municipality's Public Wi-Fi. The landing page shall be designed and operated by Discover Halifax to the Municipality's satisfaction and, at a minimum, will include a link, as provided by the Municipality, to the Municipality's website.</li> </ul>
<p><b>Disbursement Conditions</b></p>	<p>HRM's funding under the amended service agreement will be conditional upon, among other terms of the amended service agreement, (i) Discover Halifax demonstrating, through annual reporting activities, that its operations achieve the level of service specified the amended service agreement and that its efforts lead to measurable outcomes, and (ii) Council's annual budgetary approval of contribution amounts.</p>

<b>Reporting Requirements</b>	Discover Halifax shall be required to: <ul style="list-style-type: none"> <li>• Prepare and present to Regional Council an annual business plan and budget to ensure alignment between the service agreement and HRM corporate outcomes;</li> <li>• Mandate an annual report on activities and outcomes of the service agreement and key tourism marketing performance indicators;</li> <li>• Produce audited financial statements in accordance with accounting principles established by the Canadian Institute of Chartered Accountants and be provided to HRM annually.</li> <li>• When requested, prepare and furnish to HRM, such other reports, board minutes, articles of incorporation, by-laws or statements as HRM may reasonably require.</li> <li>• Leverage the Municipality's investment in Discover Halifax by partnering with the private sector and other levels of government to fund Discover Halifax's activities.</li> </ul>
<b>Audit Rights</b>	Confer on HRM an ability to audit Discover Halifax's financial records.
<b>Insurance</b>	Discover Halifax shall be responsible for obtaining and maintaining at its sole cost and expense during the term of amended service agreement and any extensions or renewals thereof, such insurance policies in form and content acceptable to HRM, acting reasonably,
<b>Indemnity</b>	Discover Halifax would agree to indemnify and hold harmless HRM, its Mayor, Council, and Employees from and against all loss, claims, actions, damages, costs, liability and expense in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever arising from this agreement ("Losses"), howsoever caused, by Discover Halifax, its directors, or Employees, or by anyone permitted by Discover Halifax to be on premises owned or occupied by Discover Halifax, except for any Losses caused solely by the gross negligence or willful misconduct of HRM or any Employee of HRM. Such indemnity will survive the expiration of this Agreement. Should HRM be made a party to any litigation commenced against Discover Halifax, then Discover Halifax agrees to pay all expenses including legal fees incurred or paid by HRM in connection with such litigation.

## **Section 2: Analysis of the Municipality's approach to events' attraction and hosting**

### **STAT Pro Results- What We Learned**

The STAT Pro findings on Halifax as Host City can be reviewed in Attachment 3. Since the Stat Pro was completed there have been improvements within the bidding segment of the events lifecycle. Pre COVID - 19 a bid advisory committee was established with sector specific stakeholders to assess major opportunities and to strategize with regards to legacy projects. DH has partnered with the Municipality to provide an economic impact tool called the "Destination International's Economic Impact Calculator". This Calculator assesses the municipal economic revenue generated by major hosting events held in Halifax, rather than the provincial-centric Sport Tourism Economic Analysis Model (STEAM) assessment tool.

The HRM annual events funding process continues to accept program applications, although understandably few applications to the Major Events Hosting category have been received. Staff regularly consult with Canadian Sports Tourism and the Creative City Network of Canada, as both organizations are continually updating developed directional strategies on major sports and cultural events recovery. There are 49 recommendations on improvements in the areas of Event Hosting Structure and Resources, Strategy / Research / Prospecting Bid Assessments, Partnerships, Bid Coordination and Development. Some may be considered through DH's Events' Attraction program and be included in the development of an integrated

events attraction and development strategy. Others may be reviewed with industry partners who have developed their own events' attraction program to ensure cohesion in market. Others still may be actioned by HRM, in particular those related to on- site logistical event delivery and legacy development.

### **Next Steps**

The MOU, if approved, anticipates an increase to the Hotel Marketing Levy from the current 2% to *at least* 3% on each hotel room night. This change requires amendments to the *Halifax Regional Municipality Marketing Levy Act* by the Province of Nova Scotia and subsequently Bylaw H-400 as the current cap is set at 2%. There is also the request to enable the Municipality to extend the marketing levy to operations consisting of less than 20 rooms or rental units. Should the legislation be amended, staff would return to Council to amend By-law H-400 to raise the amount of the levy in accordance with any increase allowed under the HRMMLA Amendment.

### **Conclusion**

Event attraction and bidding strategies demonstrate success most commonly when work is supported by a well-resourced single entity that provides and secures the shared commitment of stakeholder champions. In recent years HRM has made great strides in delivering high-profile major events; however, competition with other regions to attract events, grow capacity and raise profile is intense. This is especially true as Covid-19 guidelines on gatherings continue and municipalities strategize how best to recover from the economic fall out within the tourism industry and the impacts to the hosting of major events. Endorsing DH to act as the backbone organisation with resources to develop new initiatives that secure a competitive advantage will begin a new phase in event hosting for the region.

### **FINANCIAL IMPLICATIONS**

Should CPED recommend to Regional Council to provide funding for this request in the form of an increase to the existing supplementary grant through multi-year payments to DH it would carry ongoing implications in the amount of \$250,000 annually to the Municipal operating budget for the duration of that term (2022-2023 to 2024-2025 budgets). The source of funding is dependent on upon Council approval and will be identified in the annual budgetary approvals. This will be a budget pressure if the direction is to support the process. The remaining \$500,000 will be contributed through a phased payment plan approved at such time as from funds are collected under the marketing levy from non-hotel sources, subject to HRMMLA Amendments to permit HRM to collect the levy on accommodations with fewer than 20 rooms. Until the amendments are approved the funding split will remain at 60% to DH and 40% to the MLSER to fund events.

<b>Fiscal Year</b>	<b>2020/21 (baseline)</b>	<b>2021/2022</b>	<b>2022/2023</b>	<b>2023/2024</b>	<b>2024/2025</b>	<b>2025/2026</b>
<b>Operating Cost Centre</b>	\$393,000	\$643,000	\$893,000	\$1,143,000	\$1,393,000	\$1,393,000
<b>Funding Increase (non-levy) Associated with MOU outcomes</b>		\$250,000	\$250,000	\$250,000	\$250,000	

### **RISK CONSIDERATION**

The assessed risks to the Municipality are largely financial and reputational.

Assessment of financial risk rates minimum. To ensure services specific to event attraction and hosting to be implemented by DH, the municipality will put in place an updated service level agreement with DH to ensure the funding is used only for the purpose identified. The agreement will include program objectives and performance measures.

Assessment of reputational risk rates minimum insofar as the reduced hotel levy fund due to COVID-19 may weaken Halifax's position with events rights holders in a competitive market whereby financial resources are a leading consideration in choosing a destination to host prestigious events. In addition, there is a risk that work committed to by DH will be constrained from a resourcing perspective due to COVID-19 and would have to be phased, deferred, or reduced in scope.

### **COMMUNITY ENGAGEMENT**

Staff have consulted with members of HANS, Canadian Sport Tourism, DH, Events Nova Scotia and a range of municipalities and DMO agencies nationally and internationally in compiling information for this report.

### **ENVIRONMENTAL IMPLICATIONS**

No environmental implications were identified.

### **ALTERNATIVES**

Community Planning & Economic Development Standing Committee may recommend that Regional Council do any of the following:

1. Decline to enter into a Memorandum of Understanding (MOU) with the Hotel Association of Nova Scotia as set out in Attachment 1 or direct the Chief Administrative Officer to negotiate different terms and return to Council.
2. Decline to include funding for Discover Halifax (DH) to support the delivery of enhanced destination marketing and management programs as part of the Municipality's 2022-2023 budget planning process for consideration during the Budget Adjustment List (BAL) debate in March 2022 or recommend a different amount of funding.
3. Fund Discover Halifax (DH) to support the delivery of enhanced destination marketing and management programs in the amount of \$250,000 from the 2021/2022 end of year surplus and include:
  - a) \$250,000 in fiscal 2023/2024 budget; and
  - b) \$250,000 in fiscal 2024/2025 budget.
4. Include different terms and conditions than set out in Table 2 for the Service Level Agreement with Discover Halifax.

### **ATTACHMENTS**

- Attachment 1 Memorandum of Understanding (MOU) with the Hotel Association of Nova Scotia, a society formed under the Societies Act (Nova Scotia) (HANS)
- Attachment 2 March 2017 Hotel Association of Nova Scotia (HANS) Letter to Chair of Community Planning and Economic Development Standing Committee
- Attachment 3 2019 CSTA Stat Pro Host City Findings (Power Point Presentation)
-

**CPED Report**  
**Hotel Association of Nova Scotia Proposal:**  
**Tourism Marketing and Event Leadership for HRM**

**February 17, 2022**

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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

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Memorandum of Understanding

Between:

**Halifax Regional Municipality**, a municipality pursuant to the Halifax Regional Municipality Charter (Nova Scotia) (hereinafter called "HRM")

and

**Hotel Association of Nova Scotia**, a society formed under the Societies Act (Nova Scotia) (hereinafter called "HANS")

WHEREAS:

1. In March 2001, with support from HRM and HANS, the *Halifax Regional Municipality Marketing Levy Act*, S.N.S. 2001, c. 51, (the "Act") was enacted by the Province of Nova Scotia, allowing a maximum marketing levy of 2% to raise funds to be used by HRM's Council to promote the Halifax Regional Municipality (the "Municipality") as a tourist destination;
2. In April 2001, HRM adopted By-Law H-400, the Marketing Levy By-law, to establish a marketing levy rate of 1.5%;
3. In 2006, HRM amended By-Law H-400, the Marketing Levy By-law, to increase the rate of the marketing levy from 1.5% to 2.0%, the maximum allowable under the Act;
4. In January 2014, HRM Council endorsed a service level agreement (the "Service Agreement") with Destination Halifax Society (now carrying on business as Discover Halifax, hereinafter called "DH"), HRM's destination marketing organization, to define the scope of activities to be undertaken by DH, and the funding of those activities, including the proportional share of the marketing levy to be allotted to DH; and
5. In 2017, HANS approached HRM through its Community Planning and Economic Development Standing Committee to discuss a potential increase in the marketing levy, as well as the allocation of additional funds generated from the marketing levy. The proposal also called for additional funds from HRM general revenue to be allocated towards destination marketing and special events;

NOW THEREFORE, the Parties have established the following principles and process for pursuing an increase to the marketing levy and the allocation of funds towards destination marketing for the Municipality:

1. Subject to Council's approval, HRM will request that the Province of Nova Scotia (the "Province") amend the Act, to permit HRM to set an increased rate of at least 3% for the marketing levy (the "HRMMLA Amendment") to be used by HRM to promote the Municipality as a tourist destination.

2. HANS will work with HRM and engage DH to support the HRMMLA Amendment, including by providing a letter of support for inclusion with any request that may be made to the Province.
3. If the Province amends the *Act*, upon the HRMMLA Amendment coming into force, HRM will initiate the process to amend By-Law H-400 to increase the rate of the marketing levy in accordance with any increase allowed under the HRMMLA Amendment.
4. If By-Law amendments are adopted to increase the rate of the marketing levy, HRM will:
  - a. subject to annual budgetary approval by HRM Council and in accordance with the *Halifax Regional Municipality Charter*, S.N.S. 2008, c. 39 (the “Charter”), and subject to the full discretion of HRM Council and their policies, procedures and processes, for the next 4 fiscal years of HRM allocate up to the amount received from the increase in the marketing levy from 2% to 3% (collectively, the “HRM Funds”) to promote the municipality as a tourist destination;
    - (I) the HRM Funds may include:
      - a. \$1,000,000 from general revenues,
      - b. Funds collected under the marketing levy from non-hotel sources less any administrative costs, subject to HRMMLA Amendments to permit HRM to collect the levy on accommodations with fewer than 20 rooms.
    - (II) HRM may phase in over 4 years funding from general revenue sources until the full anticipated annual funding level is reached.
    - (III) All parties will re-evaluate funding levels before the end of the 4 year phase in period.
  - b. subject to annual budgetary approval by HRM Council and in accordance with the Charter work with DH on continued funding under the Service Agreement for fiscal year 2025/2026 and beyond;
  - c. subject to annual budgetary approval by HRM Council and in accordance with the Charter, and subject to the full discretion of HRM Council and their policies, procedures and processes, allocate funds from the marketing levy and the HRM Funds as follows:
    - i. general revenue funds to be contributed to DH;
    - ii. funds collected under the Marketing Levy in the proportion of 65% to DH (the “DH Allocation”) and 35% to the HRM Special Event Reserve;
  - d. provide notice to DH, in accordance with the Services Agreement between HRM and DH, should HRM make a change to the DH Allocation, and will advise HANS of this change at that time;
  - e. collaborate with HANS and DH to develop a framework of the deliverables for inclusion in a service level agreement between HRM and DH, which may include:

- i. designating DH as the lead agency responsible for an overall event strategy and selling events; and
    - ii. the creation of an events office, national and/or international destination marketing, and a meetings and conventions select incentives program; and
    - iii. the coordinated management of all the elements that make up a tourism destination; and
  - f. negotiate an updated service level agreement between HRM and DH to implement the changes as outlined in this MOU and as a result of any changes made by HRM to its destination marketing strategy.
5. If the Province amends the *Act*, upon the HRMMLA Amendment coming into force, HRM will initiate the process to amend By-Law H-400 to extend the marketing levy to accommodations with fewer than 20 rooms.
6. Annual regular meetings of HRM, DH and HANS shall be held at such places and at such times as the parties may from time to time determine.
7. To facilitate the administration of this Memorandum of Understanding, the contact person for each party is as follows:
  - a. HRM: Executive Director of Parks & Recreation or his/her delegate  
PO Box 1749, Halifax, NS, B3J 3A5
  - b. HANS: President of Hotel Association of Nova Scotia or his/her delegate  
PO Box 473, Station M, Halifax, NS, B3J 2P8
8. The parties may vary this Memorandum of Understanding only by mutual agreement in writing, at any time.
9. This Memorandum of Understanding will take effect from the date on which it is signed by the last of the parties to do so, and will continue in effect until terminated by any party with three months' written notice to all other parties.
10. This Memorandum of Understanding shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein.
11. Neither this Memorandum of Understanding, nor any rights or obligations hereunder may be assigned, delegated or conveyed by any party without the prior written consent of the other parties.

12. This Memorandum of Understanding constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all previous communications, representations, understandings and agreements, either oral or written, with respect to such subject matter, with the exception of the existing Services Agreement between HRM and DH which shall continue to be in effect in accordance with its terms.
13. The parties agree and acknowledge that this Memorandum of Understanding is intended only to provide principles and process for advancing an increase to the marketing levy and destination marketing for HRM, and does not constitute a legally binding document. The responsibility for all decisions with respect to the collection, administration, and distribution of funds collected through the imposition of the marketing levy ultimately rest in the sole discretion of HRM Council in accordance with the *Act and, the Halifax Regional Municipality Charter, S.N.S. 2008, c. 39*
14. This Memorandum of Understanding may be executed in any number of counterparts and by each party on separate counterparts. Each counterpart is an original and all counterparts taken together constitute one and the same instrument. A counterpart may be delivered by facsimile, email attachment (of a PDF document), or other electronic means, which shall be as effective as hand delivery of the original executed counterpart.
15. No party shall issue or approve any news release, press release, public notice or any other public announcement concerning this Memorandum of Understanding without the prior written consent of the other parties, which consent shall not be unreasonably withheld or delayed as to the form and content of such an announcement and its release. Notwithstanding the forgoing, the parties hereby acknowledge that this Memorandum of Understanding and the subject matter hereunder may be included in a report to Council and may become a public document and that any information, document or record, in any form, provided to HRM by any party pursuant to this Memorandum of Understanding may be subject to disclosure in accordance with Part XX of the Municipal Government Act (SNS 2008 c 39) regarding *Freedom of Information and Protection of Privacy*.

For the HALIFAX REGIONAL MUNICIPALITY

Signed at Halifax, Province of Nova Scotia, this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Jacques Dubé, CAO

For the HOTEL ASSOCIATION OF NOVA SCOTIA

Signed at Halifax, Province of Nova Scotia, this \_\_\_\_ day of \_\_\_\_\_, 2022.

\_\_\_\_\_  
Per: Megan Delaney, President, Hotel Association of Nova Scotia

**Item No. 101.1**

**P.O. Box 473  
Station M  
Halifax, NS  
B3J 2P8  
Tel: 425-4890**

Executive

David Clark  
President

~  
Phyllis Stephenson  
Past President

~  
Jeff Ransome  
HAC Representative

~  
Megan Delaney  
Treasurer

~  
Kathleen O'Halloran  
Director

~  
Kathy Perrier  
Director

A member of

The Hotel Association of  
Canada



The Tourism Industry  
Association of Nova  
Scotia



and  
Destination Halifax



March 1, 2017

Councillor Wayne Mason  
Chair

Community Planning and Economic Development Committee  
Halifax Regional Municipality  
PO Box 1749  
Halifax, NS  
B3J 3A5

Councillor Mason,

Thank you and the members of the Community Planning and Economic Development Committee for the opportunity to present an enhanced partnership between the Hotel Association of Nova Scotia (HANS) and the HRM.

As outlined in our presentation, HANS strongly advocates an increased focus on Tourism marketing and Event Leadership for the HRM and proposed the following.

1. That the HRM increase funding by 1.5 million annually to support Destination Halifax for the purpose of Tourism Marketing and support the creation of a lead agency for selling Events to the HRM
2. Assuming that HRM increases their commitment the Hotel Association of NS members support a 1% increase in the Hotel Marketing Levy, generating an additional 1.5 million dollars annually and will work with the Province of NS to amend the enabling legislation to increase the current Levy cap from 2% to 3%.
3. That the additional 3 million annually in funding be split in the current 60/40 ratio between Destination Halifax and Event Funding in Reserve Q621.
4. That HRM designate Destination Halifax as the lead agency responsible for an overall Event strategy and selling events and amend the current service agreement to reflect this.
5. That HRM staff and HANS engage in crafting an MOU to reflect the above.

The additional \$3,000,000 in annual revenue would be used to strengthen the competitive positioning of Halifax in both Tourism & Convention marketing and effectively solicit and secure Events. This level of funding simply brings Halifax into a competitive alignment with other major Canadian cities.

By way of further detail, please see our proposed allocation of the additional funds.

**Additional SEAC Funding      40%                      \$1,200,000**

**Additional SEAC funding will be used to strengthen the bidding capacity for major events and allow Halifax to ensure the development of local signature events. Currently all but \$400,000 is absorbed supporting worthy local festivals and events. The new funds along with the current \$400,000 would be leveraged along with Provincial and Federal investment to secure incremental major sporting and cultural events throughout the HRM.**

**Destination Halifax              60%                      \$1,800,000**

**Events Office Creation:              550-750k**

**The Events office will be charged with the development and leadership of events for Halifax. This will include the proactive attraction of major events and support for the development of signature "home grown" events. The Events mandate will also include Partnership development, community outreach and alignment, Legacy planning along with all Sales and attraction activities. A staff composition of 2-3 people will be required, office space, and some limited program funding for supporting bid attraction and development**

**Destination Marketing (National and International) 850-950k**

**Currently, the Destination Halifax advertising budget is \$500k. This amount allows DH to market Halifax in regional markets only. Additional funding will allow DH to access leveraged funding and partnerships with Destination Canada among other partners to promote Halifax in national and select international markets.**

**Meetings and Conventions Select Incentives Program 100-200k**

**With most major cities investing in new convention centers, along with the significant increase in 3rd party meeting providers the competition in the Meetings and Conventions has increased significantly over the past number of years. In response, most major conference cities have developed incentive funds to attract conventions. In a recent national benchmarking comparison, 88% of Halifax's competitors indicated they are providing cash incentives to conference planners with 47% indicating they are regularly or always providing incentives. Destination Halifax and only one other destination indicated they have no financial incentives. Again, we wish to thank you and the committee for your interest and look forward to hearing from CPED on the next steps.**



**David Clark**  
**President**  
**Hotel Association of Nova Scotia**

# Halifax Sport Tourism Assessment Template (STAT) Pro July 2019



*Canadian Sport Tourism Alliance*



**CONSULTING  
SERVICES**



# stat pro report

Halifax, Nova Scotia

June 2019

*Canadian Sport Tourism Alliance*



*Alliance canadienne du tourisme sportif*

## CSTA

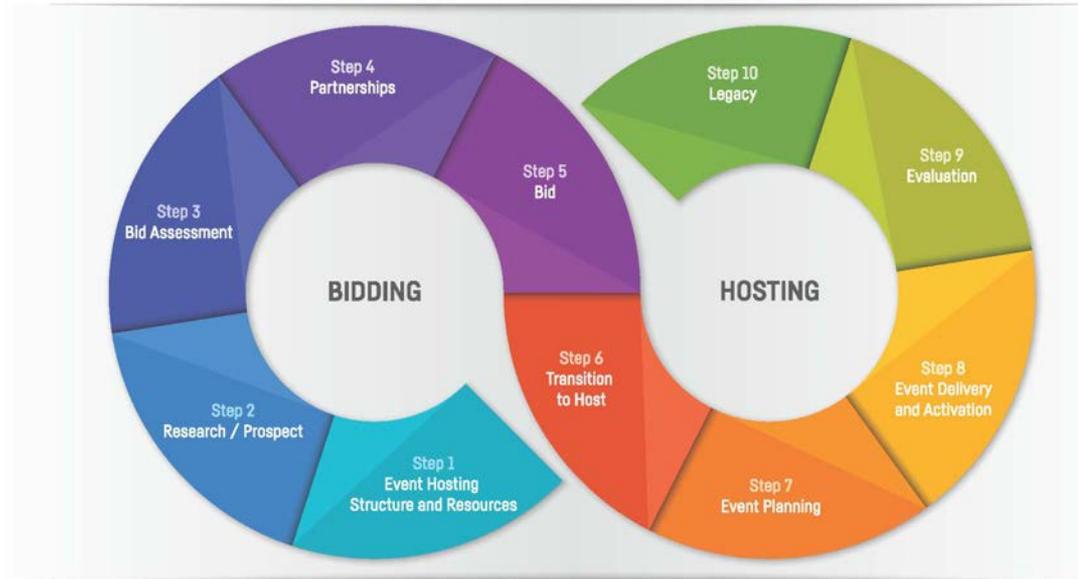
- Non-governmental, member-based, capacity building organization
- Serves over 500 members across Canada, including 150 municipalities, 300 national and provincial sport, multi-sport and major games organizations

## STAT

- Launched in 2018 as tool for communities assess current state for bidding and hosting
- Improved decision-making
- Serve as “Step 0” prior to developing event strategy

**At the request of Halifax, this report and the perspective upon which it is based, is inclusive of major sport, cultural and entertainment events.**

● CSTA SPORT TOURISM ROADMAP ●



This roadmap for bidding and hosting applies to all sectors of major events and is not exclusive to sport tourism. As this report includes sport, cultural and entertainment events, Halifax can adapt this roadmap to include the development of homegrown events in all sectors.

## Event Bidding and Hosting Structure

- Current – Shared Leadership
- Ad Hoc and Reactive
- Response Time and Creativity are Strengths

## Operating Model

- No clear mandate for one organization
- Multiple organizations involved and have resources

## Budget

- No centralized budget for event bidding
- Hosting coordination is mostly ad hoc – Province (Events Nova Scotia)
- Marketing Levy Special Event Reserve
- Financial guarantee is a gap

# Event Structure and Resources

*Overview – Halifax can be a leading event bid and host city in Canada. The bidding and hosting success for Halifax can be more planned and purposeful with dedicated resources to support event bidding and hosting.*

FINDING	RECOMMENDATION
<b>No identified lead for event bidding and hosting</b>	Establish an event / bid lead agency that ensures the full cycle can be delivered effectively
<b>No one organization is resourced nor has the required skill set to fulfill both the bidding and hosting requirements of event tourism</b>	Examine a model that divides the responsibilities for bidding and hosting prior to developing funding, structure and roles and responsibilities and takes full advantage of the current strengths of various organizations
<b>No defined roles and responsibilities for event bidding and hosting</b>	Develop a roles and responsibilities matrix with input and approval of key stakeholder groups
<b>No defined governance structure for event bidding and hosting that includes both City and stakeholder representation</b>	Determine optimal governance structure for Halifax that is representative of stakeholder landscape and linked to funding and evaluation with clear accountabilities
<b>Significant collaboration on event bidding and hosting projects</b>	Examine ways for collaboration to be built in to the event model and break down barriers for rights holders
<b>No dedicated budget for bidding and hosting</b>	Either create a funds that can be accessed by multiple organizations or have dedicated funds for an event / bid lead agency

# Existing Assets

*Overview – Halifax has good access capacity by air that is supported by its strategic location with good road access. The existing event infrastructure is good, and the hosting assets and resume can be enhanced to increase bidding readiness and competitiveness.*

FINDING	RECOMMENDATION/ACTION
<b>Halifax is an accessible event destination by road and air with existing and event-ready venues</b>	Promote the access for Halifax to key transportation links and event-ready venues with Halifax Stanfield as a key part of the asset mix
<b>There is no detailed and readily available reference document that outlines the requirements for event venues to be “event-ready”</b>	Conduct an event venue assessment on state of readiness and gap analysis for provincial, national and international events against the technical specifications by event
<b>The event hosting history for Halifax is not readily-available</b>	Research all of the intra-provincial, provincial, national and international events that have been hosted in Halifax over the past 20 years and have this available for bids and to tell the hosting story through marketing and communication channels
<b>The capacity of local organizations to play an active role in the bidding for and hosting of sport events is unclear</b>	Conduct an annual sport/cultural organization inventory based on the capacity of each to identify, lead bids, plan and execute the events from technical and volunteer perspectives

# Financial Model – Bidding and Hosting

*Overview – The Halifax funding model is more advanced than most jurisdictions in Canada with policy and guidelines to access funds from the hotel marketing levy. However, like many jurisdictions, funding can best be described as being reactive to opportunities. With a more planned and results-based funding model, the impacts realized from events will be more purposeful and predictable.*

FINDING	RECOMMENDATION/ACTION
<b>There is a municipal policy that applies to funding and hosting of events</b>	Continue to evolve the event policy to support the shifts that are made on the Halifax event bidding and hosting model
<b>The Marketing Levy Special Event Reserve does not support bid initiatives and the Province has stepped up to provide support on individual projects</b>	Develop a sustainable fund for event bidding in collaboration with tourism accommodation partners to achieve specific and planned outcomes
<b>There is no fund to address the financial risk to the rights holder and to work with local organizers to mitigate the risk through good planning and best practices</b>	Determine, in consultation with all stakeholders, the best model for Halifax to address the operational funding and financial risk associated with hosting sport tourism events and not requiring the local organizations to assume 100% of that risk
<b>There is no formal process to access discretionary funds at all levels of government for bid and hosting projects</b>	Establish the rules of engagement to determine when and how requests might be made to all levels of government and by whom

# Marketing

*Overview – With a shared leadership approach to event bidding and hosting, Halifax is lagging behind most jurisdictions on the marketing and other tools that will help to be bid-ready and to have a clear offer or event brand to take to market and engage primary customers (rights-holders), secondary customers (potential visitors and attendees) and tertiary customers (local residents and potential event spectators).*

FINDING	RECOMMENDATION/ACTION
<b>There is a sport tourism website that is part of the Discover Halifax site and is brand consistent with the tourism website</b>	Develop a marketing strategy for Halifax and the tactics and tools that will be able to be brought to market
<b>The Province of Nova Scotia, through Events Nova Scotia, has an event-focused website and tools to support the development, bidding and hosting of events</b>	Develop an aligned marketing approach for Halifax that can be both specific to the market and take full advantage of the supports offered by the Province
<b>Halifax is not active on social media channels specific to event hosting</b>	Develop a social media strategy, as part of the marketing strategy, to engage with potential customers and tell stories in a meaningful way and determine the appropriate channels to activate
<b>Halifax has no content pieces developed</b>	Conduct a content inventory that will support sales and marketing requirements for event bidding with consistent elements, look and feel and will not need to be created from scratch each event opportunity
<b>Some bid elements require an ad hoc or reactive approach</b>	Develop an event tool kit that supports local bid groups and enables them to bid with confidence and customize as needed

# Strategy/Research/Prospect

*Overview – Halifax, like most jurisdictions does not have an event strategy. The opportunity for the strategy to be linked to facility or venue master planning and building a specific event attraction strategy will strengthen event bidding and hosting for the destination.*

FINDING	RECOMMENDATION/ACTION
<b>Halifax does not have an event tourism strategy</b>	Halifax review this STAT report to develop the scope for an event strategy project that includes event bidding and hosting
<b>There is no event attraction strategy</b>	Develop a clear process for the development of new event activity that delivers against specific and measurable outcomes
<b>The Halifax Community Facility Master Plan 2 (2016) references limitations of recreation facilities and sport hosting for all sports and does not reference performance venues</b>	Ensure that any event strategy and venue inventory are aligned, and that events are one of the criteria included in future facility development for sport, cultural and performance venues
<b>There is no event attraction strategy linked to strategy and facility readiness</b>	Make decisions about the core or focus event sectors for Halifax and link bids to the event bidding and hosting strategy

# Bid Assessment

*Overview – Halifax evaluates events on a case by case basis and requires significant foundational work to establish assessment criteria and procedures.*

FINDING	RECOMMENDATION/ACTION
<b>There is no decision-support process for event bids</b>	Develop a bid assessment process linked to funding that is consistent and creates both transparency and accountability for all while including sport and cultural organizations proactively in bidding
<b>Halifax has used the Sport Tourism Economic Assessment Model (steam<sup>2.0</sup>) for economic impact forecasting</b>	Continue use of steam <sup>2.0</sup> as a predictive forecasting tool and use steam pro <sup>2.0</sup> as a post event performance analysis to arrive at an annual impact for sport tourism
<b>There is no consistent business planning model to assess costs of event execution</b>	Assess the opportunity for a consistent business planning tool for events above a specific threshold (i.e. national events and above)
<b>There is no marketing plan or consistent approach to promote events</b>	Develop a planned and consistent approach to marketing each event to the community and surrounding catchment area
<b>Budget process for bidding and hosting is ad hoc</b>	Introduce budgeting process during the pre-bid phase to ensure that staff, Council and sport/cultural organizations are able to make decisions based on good information
<b>There is not a formal capital scope of work process for international events</b>	Review the CSTA Capital Scope of Work model as a tool for requesting funds for capital upgrades associated with international events

# Partnerships

*Overview – Halifax has strong government, sport/culture and community partnerships based on the shared leadership model. Significant opportunity exists to build opportunities for local businesses to maximize the return from events.*

FINDING	RECOMMENDATION/ACTION
<b>The funding process can be complex for some and can lead to a more ad hoc and sometimes political process</b>	Develop a consistent service standard to provide to all local bid groups and rights holders to assist them in navigating the funding request process
<b>There is no consistent process to engage stakeholders or community partners</b>	Develop a process to engage stakeholders and community in a planned and repeatable way
<b>There is no formal program to engage and inform all service sectors that support the event experience</b>	Examine the potential to grow the ambassador program and shared calendar for key service sectors (airports/hotels/taxi/restaurant/retail and attractions) to elevate the participant and visitor experience
<b>With a strong event sector in Halifax, the links for corporate participation can be strengthened</b>	Examine the ways for Halifax-based companies and business to engage with and support the financial and other success factors for events

# Bid

*Overview – Halifax requires significant work to determine how it will respond to bid opportunities in a sustainable and repeatable way.*

FINDING	RECOMMENDATION/ACTION
<b>Develop a consistent “bid roadmap” for sport and bid groups</b>	Identify the Halifax bid roadmap for interested bid groups to inform and encourage them to become involved in bidding for and hosting events
<b>There is no bid or business development approach in Halifax</b>	Develop a bid or business development process and tactics as part of an event strategy

# Transition to Host

*Overview – After winning the bid, Halifax and its partners provide support services however this is not systematic which could result in inconsistent levels of support.*

<b>FINDING</b>	<b>RECOMMENDATION/ACTION</b>
<b>There is no formal process to transition from bid to organizing committee</b>	Develop a planned and consistent process to support the bid group in establishing the organizing committee
<b>There is no formal unit responsible to lead the transition process</b>	Ensure that the event bid lead agency is equipped with the resources and tools to support from bid in the transition to host and has all information and reference materials centrally housed

# Event Planning

*Overview – Halifax excels at event planning and supports local organizing committees in a number of ways. As a result of past events, there is a centralized database for volunteers.*

FINDING	RECOMMENDATION/ACTION
<b>There is municipal staff support to the local organizing committee in the planning phase through the application to the Halifax Special Event Task Force (SETF)</b>	Continue to utilize the staff support of HRM Civic Events while evaluating the human resource requirements to ensure sustainability with increased bid and host activity
<b>There is no formal event volunteer program in Halifax</b>	Develop a sustainable volunteer communication and recognition program for the event sector

# Event Delivery and Activation

*Overview – Like many host cities, the incremental benefits from each sport event in Halifax could bring more impact, awareness and recognition for the city, province and region.*

FINDING	RECOMMENDATION/ACTION
<b>There are no consistent tools or processes to activate on each event to ensure the maximum benefits are realized</b>	Develop processes and budget for a visitor “path to purchase” (build attendance, visitor packaging and experience promotion) while engaging local residents to ensure that the social benefits of each event are helping to make Halifax a better place to live
<b>There are no formal destination development actions for events</b>	Develop a range of options or rules of engagement to connect with potential visitors earlier and provide them with the information they need to choose Halifax for their event-related travel
<b>There are no identified links to leveraging events for the development of new business</b>	Identify opportunities to engage businesses to host business or other meetings or events as ancillary activity Create a portal for local companies to become aware of and bid for contracts associated with events

# Evaluation

*Overview – Halifax employs some performance measurement tools but requires development of standards to evaluate the performance of each event and the event sector annually.*

FINDING	RECOMMENDATION/ACTION
<b>There is no bid evaluation process</b>	Develop a standard process to evaluate the performance of each bid, win or lose
<b>Halifax uses steam pro<sup>2.0</sup> to evaluate the performance of sport tourism events</b>	Develop a process to identify economic impact from each event and report the annual impact of events on Halifax and the provincial economy
<b>There are no social and cultural measures identified</b>	Identify relevant social and cultural measures as part of an event strategy project
<b>There are no sustainability measures identified</b>	Identify relevant sustainability measures as part of an event strategy project

# Legacy

*Overview – Halifax does not have a consistent legacy program.*

<b>FINDING</b>	<b>RECOMMENDATION/ACTION</b>
<b>There is no formal and consistent approach to event legacy</b>	Develop legacy program and integrate it into the event strategy and actions so it begins pre-bid
<b>There is no transfer of knowledge program</b>	Develop a reference library for bids, plans and reports to ensure that best practices are shared and that it benefits local sport/cultural organizations so all are equipped to bid for and host with confidence
<b>There is no sustainability program for events in Halifax</b>	Identify the opportunity to employ tactics from the CSTA Sustainable Sport Event Template and customize them based on the regulatory and practical requirements for Halifax

# Action Plan

- 53-Point Action Plan
- Three-Year Cycle
- Budget Samples for Planning Purposes
- Lead Agency
  - Separation of Bidding and Hosting?

Thank You

**QUESTIONS**