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Halifax, Nova Scotia
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Item No. 15.1.3
Halifax Regional Council
June 6, 2023

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY:

Cathie O'Toole, Chief Administrative Officer

DATE: May 31, 2023

SUBJECT: **2023-2024 Events East Business Plan - Halifax Convention Centre & Ticket Atlantic**

ORIGIN

March 27, 2023 letter from Events East Board Chair, Nancy MacCready-Williams, requesting approval of the 2023-2024 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 2023-2024 Events East Business Plan for the Halifax Convention Centre Corporation, submitted to the municipality March 27, 2023, 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 Economic Development. 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 for approval a detailed business plan for the following fiscal year, including estimates of budgetary requirements.

DISCUSSION

On March 27, 2023, the Events East Board Chair submitted a 2023-2024 Business Plan for Events East Group as approved by the Board.

The plan has five strategic priorities which are summarized as:

1. **Business Growth**

Recognizing that the events industry has stabilized, Events East will evolve its sales and marketing strategy to meet the changing needs of current and prospective clients based on key learnings from research and feedback. With a diverse mix of events secured for the current year, efforts are focused on meeting national and international event targets for future years, with bookings focused on 2025 and beyond.

2. **Guest Experience**

Through insights from customers, Events East will identify opportunities to enhance its services and ensure it can continue to meet and exceed client expectations. This includes updating menu offerings, implementing an updated customer feedback program, and refining the operational processes required to create a seamless experience for clients at every step.

3. **Community Connection**

Events East will find new, innovative ways to demonstrate the impact of our programs, events, and industry across the province, creating a sense of community pride and optimism for the opportunities that lie ahead. It does this through the Local Program, new and existing partnerships within a diverse community, and implementing the first year of its organizational Equity, Diversity, and Inclusion strategy.

4. **Talent & Culture**

Using insights gained from the employee engagement survey, Events East will adapt internal communications and recognition programs to align with employee expectations. Recruitment and onboarding needs will be reviewed, and a formalized training program created, that will help foster a culture and workplace where employees can stay and grow.

5. **Accountability & Sustained Performance**

Operating the Halifax Convention Centre in a responsible and transparent manner with focus on the stabilization of business and the implementation of strategic programs and projects that align with the long-term strategy for Events East.

The 2023/24 business plan includes 13 actions and initiatives supporting the 5 strategic priorities noted above.

Strategic alignment

Staff have reviewed the Events East's business plan in relation to the HRM strategic plans and priorities including the Inclusive Economic Strategy 2022-2027, Halifax Regional Integrated Tourism Plan and Council's Strategic Priorities Plan 2021-25.

Notable areas of alignment between the Events East 2023-24 Business Plan and these plans include:

- Inclusive Economic Strategy 2022-2027
 - Business plan priorities align most especially to the strategic goal to promote and maximize inclusive and sustainable growth particularly the strategic objective to continue to support economic recovery and restore confidence post-pandemic; as well as the strategic goal of making Halifax a better place to live and work, the strategic objective of strengthening the dynamism of our downtowns, main streets, and rural centres.
- Halifax Regional Integrated Tourism Master Plan
 - Business plan priorities align to the Tourism Master Plan, particularly as related to the strategic themes of being vibrant and alive 365 and attracting highest yield and growth markets.
- Council's Strategic Priorities Plan 2021-25
 - Business plan priorities support Council's strategic priority related to Prosperous Economy and within that priority area the outcome of economic growth: *Economic opportunities are seized to promote and maximize balanced growth, reduce barriers for businesses, support local economies, and showcase the region's strengths to the world.*

Through the equity and diversity work identified under Community Connection and Talent & Culture strategic priorities there may be opportunities for the work of Events East to align to and connect with objectives and actions under the Road to Economic Prosperity for African Nova Scotian Communities. The plan also supports the Events East's five-year strategic plan approved by Regional Council and the Minister in July 2019.

Outcomes and Measures

The 2023-24 business plan includes core outcomes & measures associated with each of the priority areas. They show business growth recovering with target for annual direct spending, associated with conventions and events, shifting from approximately \$50M in 2022-23 to \$60M in 2023-24. Associated with this, the target number of events is targeting an increase from 120 to 150, with approximately 80,000 delegates. This marks a restoration of historical event volume and mix. Other measures include programs in place for both client and staff feedback to be received, which will support future improvements and stakeholder engagement.

Business Plan Next Steps

The business plan has been approved by the Minister of Economic Development. Regional Council approval is the final approval required for 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 \$3,250,000. HRM's funding for the Convention Centre is withdrawn from the Halifax Convention Centre Reserve.

Budget Summary: Convention Centre Reserve Q521

Projected Net Available Balance, April 1/ 23	\$ 4,777,155
Projected Interest 2023/24	\$ 75,696
Budgeted contribution 2023/24	\$ 8,502,500
Budgeted withdrawals (HCC rent) 2023/24	(\$ 5,380,000)
Budgeted withdrawals (Events East)	(\$ 3,250,000) *
Net Available Ending Balance	\$4,725,351

**\$3,250,000 withdrawals from Convention Centre Reserve – Q521 are included in approved 2023/24 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

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

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 2023-2024 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, Executive Director, Parks & Recreation 902.490.4933

March 27, 2023

Hon. Susan Corkum-Greek, Minister
N.S. Department of Economic Development
M103-1809 Barrington Street
Halifax, NS B3J 3K8

Halifax Regional Council
Halifax Regional Municipality
P.O. Box 1749
Halifax, NS B3J 2V9

Dear Minister and Council:

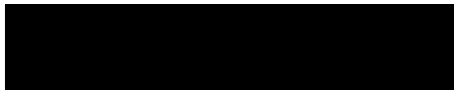
RE: Events East Group 2023-24 Business Plan

On behalf of the Board of Directors of Events East Group, please find enclosed the 2023-24 Events East Business Plan as approved by the Board at its March 22, 2023, meeting. The Board respectfully requests formal approval of the plan (consent document attached).

With a strong mix of events that will drive community and economic impact for Nova Scotia for years to come, the 2023-24 Events East Business Plan is focused on the strategies, programs and partnerships that will position us for continued success well into the future.

The Board and Executive Management Team of Events East Group appreciate your ongoing support, and if you have any questions, comments or require additional information please let me know.

Yours truly,



Board Chair

c: Scott Farmer, DM, N.S. Dept. of Economic Development
Jennifer Church, ADM, N.S. Dept. of Economic Development
Melanie Fewer, Director, Crown Relations, N.S. Dept. of Economic Development
Mike Queripel, Director, N.S. Dept. of Economic Development
Denise Schofield, Deputy CAO, HRM
Maggie MacDonald, Director, Regional Recreational Services, HRM
Carrie Cussons, President and CEO, Events East Group
Suzanne Fougere, EVP, Strategy & Business Development, Events East Group

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 2023-24 Events East Group 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 2023-24 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 2023-24 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 Business Plan of the Events East Corporation for the year 2023-24, as submitted, is hereby approved.

Dated:

Cathie O'Toole, CAO
Halifax Regional Municipality

Events East

2023-24 Business Plan

Approved by Board of Directors March 22, 2023

Draft as at March 27, 2023

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A Message from the President & CEO

We look to the upcoming years with confidence, optimism, and excitement for the many opportunities we've secured and those on the horizon.

As we celebrate the fifth year of hosting memorable events in our new Centre, it is incredible to look back on the countless experiences we have helped create together with our clients, partners and community. And we're just getting started.

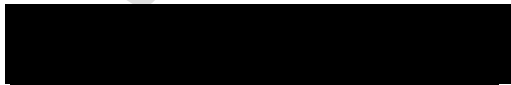
Our business and industry are thriving with a diverse mix of events, including national and international conventions, that position the strengths of our province in academia, research and innovation. These clients are continuing to choose our province and Centre to host their events and we know our community is ready to welcome them.

The anticipation of hosting an event in Nova Scotia is felt not only by attendees but by our clients who have heard about or experienced the unmatched hospitality of our local community and our willingness as a partner and industry to help them create a successful event.

With a strong calendar of convention activity secured, we are also focused on hosting important community conversations and celebrations that create opportunities for us to come together. Our

team is passionate and committed to showcasing the best of our local flavours and culture, looking for new ways to enhance the experiences within our venue while also inspiring our guests to step outside and experience the best of our province for themselves.

We have seen firsthand the impact events can have on our community, economy and the vibrancy of our streets and spaces. Now more than ever, we are committed to ensuring those impacts are felt across our province for many years to come. Through strategic partnerships, programs and new opportunities, we will continue to attract events and create experiences that generate the community pride that makes Nova Scotia the best place to live, explore and connect.



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.

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.

MANDATE

Planning Context

This business plan is presented for the management and operations of the Halifax Convention Centre, which is jointly owned by the Province of Nova Scotia and HRM. At the Halifax Convention Centre, we attract and host meetings, conferences, and conventions, with an emphasis on national and international event activity. Our focus is on events that promote economic development and tourism, driving positive impact and vibrancy for Nova Scotia.

Through the events we host, our venue provides the backdrop for important conversations and celebrations on a local, national, and international level. As we look to the year ahead, we will continue to showcase and leverage the impact of these events for our community, industry, and province.

Despite global and regional economic uncertainty, event organizers are committed to live, in-person events and continue to choose Halifax and our convention centre to host them, now and well into the future.

With historical event volume and mix restored post-pandemic, our sales and marketing efforts will be focused on ensuring we maintain and grow our presence in key national and international event markets to drive business for future years.

Working in partnership with our clients, we will continue to design and deliver services that create memorable event experiences for our guests. This includes applying key learnings from the past year while also anticipating new,

emerging trends in our industry that reinforce our venue and province as an ideal event destination.

Feedback from our clients coupled with implementation of a comprehensive research program, will allow us to respond to and anticipate clients' evolving needs, positioning us as a leader in our industry.

Continued partnership with our community and local suppliers remains critical in creating authentic Nova Scotian event experiences that differentiate us as an event destination and drive community impact, pride and vibrancy. This year we will look for new, enhanced ways to showcase Nova Scotia's unique culture while also expanding the impact of our business and the events we host. This includes continued partnership with Craft Nova Scotia and Taste of Nova Scotia along with 70+ local suppliers who support the delivery of our Local Program and menu offerings.

Our people are our strength and we are focused on nurturing a diverse, engaged workforce that is committed to delivering amazing events for our guests. Building on the success of our resourcing and retention strategy, we will look to solidify industry and community partnerships that allow us to expand our talent pool and the diversity of our workforce. At the same time, feedback from our employees will help us prioritize for the future as we continue to foster a culture of engagement and pride within our workplace.

Strategic Priorities & Activities

BUSINESS GROWTH

With a diverse mix of events secured for the current year, our efforts are focused on meeting our national and international event targets for future years, with bookings focused on 2025 and beyond. Recognizing that our industry has now stabilized, we will evolve our sales and marketing strategy to meet the changing needs of our current and prospective clients based on key learnings from our research and feedback. This includes assessing changes to key drivers of decision-making and identifying new emerging event opportunities, while also maintaining a strong presence and key relationships in established event markets. Together with our partners, we will continue to identify and attract events that showcase and align with Nova Scotia's strengths in strategic sectors including oceans and life sciences.

Activities/Initiatives:

- Meet long-term national and international event targets, including assessment of existing and emerging markets.
- Develop new sales and marketing strategy focused on national and international event attraction, rooted in insights from client feedback program and aligned with our long-term targets.

GUEST EXPERIENCE

This year we will continue our focus on delivering a diverse mix of meetings, conventions, trade shows and community celebrations for our local, national and international clients and guests. Through insights from customers, we will identify opportunities to enhance our services and ensure we can continue to meet and exceed client expectations. This includes updating our menu offerings, implementing an updated customer feedback program, and refining the operational processes required to create a seamless experience for our clients at every step along their journey with us.

Activities/Initiatives:

- Activate on insights from customer research to support key drivers of client satisfaction and enhanced customer feedback program.
- Identify and design service standards and programs to deliver our long-term service vision, including client-focused programs and a tailored service delivery model for local events.

COMMUNITY CONNECTION

We are committed to ensuring the impact of our business and the events we host can be felt across Nova Scotia. Through our Local Program, we showcase authentic Nova Scotia flavours and culture, creating a lasting impression on our guests from near and far. This year, we will look for new ways to enhance our program and create compelling options for our clients to choose local options for their events.

Further, we will find new, innovative ways to demonstrate the impact of our programs, events and industry across the province, creating a sense of community pride and optimism for the opportunities that lie ahead. We will do this through new and existing partnerships within our diverse community, implementing the first year of our organizational Equity, Diversity and Inclusion strategy. This will include defining measures of success and continued engagement with our community to foster inclusive experiences within our venues.

Activities/Initiatives:

- Continue to enhance and deliver Local Program with a focus on client marketing strategies as well as expanded partnerships and reach.
- Implement community engagement strategy to reinforce the value and impact of our business for Nova Scotia and celebrate the events we host with our community.
- Implement year 1 of our organizational Equity, Diversity and Inclusion strategy including establishing key measures of success and ongoing community engagement.

TALENT & CULTURE

Building on key learnings from our resourcing strategy in the prior year, this year we will solidify our long-term approach. This includes reviewing our recruitment and onboarding needs and creating a formalized training program that will help us foster a culture and workplace where employees can stay and grow. Through insights gained from our employee engagement survey, we will adapt our internal communications and recognition programs to align with employee expectations and create new opportunities to celebrate and engage our diverse workforce.

Activities/Initiatives:

- Design and implement long-term resourcing and retention strategy, including defining the framework, processes and training programs.
- Celebrate and nurture our diverse workforce in line with our organizational Equity, Diversity and Inclusion strategy and vision through organization-wide education program and updated policies and processes.
- Conduct organization-wide employee satisfaction survey to assess engagement among our workforce and identify opportunities for enhancement.

ACCOUNTABILITY & SUSTAINED PERFORMANCE

Together with our shareholders, the Province and HRM, we will continue to operate our business in alignment with the priorities and expectations of our stakeholders and community, while also planning for the future. We will focus on building strategies and programs that ensure we can continue to provide leadership and meaningful impact for our community and industry for years to come.

Activities/Initiatives:

- Develop multi-year accessibility plan for the Halifax Convention Centre in conjunction with Nova Scotia's Accessibility Act.
- Identify focus areas for long-term venue sustainability program, including audit of current and best practices.

DRAFT

Core Outcomes & Measures

In 2023-24, we will monitor and measure our performance in the following areas, aligned with our long-term strategy:

Priority	Measure	2023-24 Target
Business Growth	Total direct spending and economic benefit	Through the conventions and events we host at the Halifax Convention Centre, generate annual direct spending of approximately \$60M.*
Business Growth	Number of events attracted and hosted at the Halifax Convention Centre	<p>Host approximately 150 events with 80,000 delegates, including 35 national and international events.</p> <p>Secure a cumulative total of 100 national and international events with approximately 75,000 delegates for 2024-25 and beyond.</p>
Guest Experience	Client feedback	Customer feedback program successfully implemented with benchmarks established.
Community Connection	Equity, Diversity and Inclusion strategy	Successful implementation of year 1 activities; key measures established for future years.
Talent & Culture		
Talent & Culture	Employee feedback	Complete employee engagement survey and maintain an average employee engagement score of approximately 80% for core employees.
Accountability & Sustained Performance	Financial performance	Meet approved budget targets.
Accountability & Sustained Performance	Sustainability and accessibility frameworks	Approved frameworks in place to support long-term accessibility and sustainability programs.

**Direct expenditures measure the estimated impact of the events we host, using a methodology and calculation developed through analysis of historical and average attendee, exhibitor, and event planner spending.*

The calculation used to estimate direct expenditures was updated in January 2023 to reflect inflationary factors following an analysis conducted by [HLT Advisory](#), which included a review of regional market data and Statistics Canada Consumer Price Index data. As such, this updated calculation has been applied to the economic impact target and performance analyses.

Economic Impact & Budget Context

The Halifax Convention Centre is mandated to attract and host events that create economic and community benefits for Nova Scotia. As such, our business and success are reflected not only in the mix of events and number of attendees, but through the economic impact generated. Economic impact measures the benefit of new money being spent in the Nova Scotia economy as a result of the events we host. Estimated direct expenditures for 2023-24 generated by the Halifax Convention Centre is \$60M, as noted in the Core Outcomes & Measures.

The 2023-24 budget assumes that event level and event mix will continue at historical levels. Based on current event bookings and client intentions at the time of writing, we do not expect economic uncertainty to have an impact on our business in the coming year.

Operations, before building costs and property taxes, have historically been funded through event activity. A diverse event mix with national/international clients is critical to generating higher revenue and driving economic impact.

For 2023-24, Events East is estimating \$12.2M in revenues, resulting in a budgeted break-even operating income before building costs, property taxes and depreciation. The budgeted joint shareholder investment is \$6.5M, compared to the \$7.5M budgeted in 2022-23 and actual of \$8.3M. Property taxes of \$2.4M are included, in accordance with the Memorandum of Understanding (MOU) between the Province of Nova Scotia and HRM.

Economic Impact Summary*

	Target 2023-24	Forecast 2022-23	Target 2022-23
Total Events	150	150	120
Total Attendees	80,000	80,000	80,000
Total Direct Expenditures	\$60M	\$52M	\$50M

**Direct expenditures measure the estimated impact of the events we host, using a methodology and calculation developed through analysis of historical and average attendee, exhibitor, and event planner spending.*

The calculation used to estimate direct expenditures was updated in January 2023 to reflect inflationary factors following an analysis conducted by [HLT Advisory](#), which included a review of regional market data and Statistics Canada Consumer Price Index data. As such, this updated calculation has been applied to the economic impact target and performance analyses.

Operating Budget Summary

(For the year ended March 31)

	Budget 2023-24 (\$)	Forecast 2022-23 (\$)	Budget 2022-23 (\$)
Revenues	12,230,000	13,242,000	8,850,000
Expenses			
Event Operations – Fixed Costs	2,061,000	2,040,000	1,911,000
Event Operations – Variable Costs	4,937,000	5,480,000	3,899,000
Salaries and Benefits	3,802,000	3,111,000	3,111,000
General Operations	1,430,000	1,938,000	1,519,000
Total Expenses	12,230,000	12,569,000	10,440,000
Operating Loss Before Building Costs, Property Taxes and Depreciation	–	\$673,000	(\$1,590,000)
Building Operating Costs (Note 2)	3,880,000	3,784,000	3,480,000
Operating Loss before Property Taxes and Depreciation	(3,880,000)	(3,111,000)	(5,070,000)
Property Taxes (Note 3)	2,420,000	2,179,000	2,080,000
Operating Loss Before Depreciation	(6,300,000)	(5,290,000)	(7,150,000)
Depreciation	200,000	249,000	300,000
Estimated Shareholder Investment	\$6,500,000	\$5,539,000	\$7,450,000
Investment Required from Shareholder – HRM	\$3,250,000	\$2,769,500	\$3,725,000
Investment Required from Shareholder – PNS	\$3,475,000	\$2,707,500	\$3,637,500

Note 1: Halifax Convention Centre building operating costs include the contractual lease operating costs related to the Nova Centre. 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.