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Item No. 9.1.2
Special Events Advisory Committee
August 24, 2022

TO: Chair and Members of the Special Events Advisory Committee

SUBMITTED BY: - Original Signed -

Jacques Dubé, Chief Administrative Officer

DATE: August 16, 2022

SUBJECT: Major Hosting Bid - JUNO Awards 2024 Funding Report

ORIGIN

Invitation from The Canadian Academy of Recording Arts and Sciences (CARAS) to provide a proposal to host the 2024 Annual JUNO Awards celebrations.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter

Section 79A

(1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;

Halifax Regional Municipality Marketing Levy Act

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

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

RECOMMENDATION

It is recommended that Special Events Advisory Committee recommend that Halifax Regional Council approve a contribution, in the amount of \$750,000, to The Canadian Academy of Recording Arts and Sciences (CARAS) for hosting rights to host the 2024 JUNO Awards contingent on Halifax being selected as the host city.

BACKGROUND

The Canadian Academy of Recording Arts and Sciences (CARAS) mandate consists of four key pillars:

- Educate through the music education charity MusiCounts' programs and initiatives,
- Develop emerging artists through mentorship and development programs like the Allan Slaight JUNO Master Class,
- Celebrate Canadian artists through The JUNO Awards and year-round promotion, and
- Honour music industry icons through the Canadian Music Hall of Fame.

CARAS serves as an umbrella organization to:

- The JUNO Awards – Canada's Music Awards
- MusiCounts – Canada's music education charity associated with CARAS
- The Canadian Music Hall of Fame

The JUNO Awards, more popularly known as the JUNOS, were first presented by The Canadian Academy of Recording Arts and Sciences on February 3, 1964, as the Gold Leaf Awards and rebranded as the JUNOS in 1971. In May 2021, the Awards celebrated its 50th year in Toronto, Ontario. The awards are hosted annually in different cities for Canadian musical artists and bands to acknowledge their artistic and technical achievements across all aspects of music. New members of the Canadian Music Hall of Fame are also inducted as part of the awards ceremonies. JUNO Week features multiple events such as JUNO Cup, JUNO Comedy Show, JUNO Fest, JUNO Songwriters Circle, JUNO Gala Awards as well as the primary awards ceremony. In addition, numerous industry events are hosted with various music industry labels and other participants.

Halifax successfully hosted the JUNO Awards week-long celebrations in 2006. The host committee's final report provided detailed information on the development of the vision, the host committee and sub-committees' structure, the festival component, marketing, sponsorship, and includes recommendations for future consideration should Halifax host the event again.

In 2019, The Canadian Academy of Recording Arts and Sciences (CARAS) contacted Events Nova Scotia to ask if the province and the municipality would consider submitting a bid for the 2020 JUNO Awards. At that time, the province and the municipality were committed to hosting the North American Indigenous Games (NAIG) in the summer of 2020 so it was recommended that Halifax submit a bid to host the event in 2022, as Toronto had already been selected to host in 2021. A bid committee was established with representation from Events Nova Scotia, the Municipality, Music Nova Scotia, Discover Halifax, and key stakeholders in the local music industry. As work progressed on the bid process, CARAS contacted the province to inform them of the Board's decision to name Edmonton, Alberta as the host of the 2022 JUNO Awards. The reason given was that Toronto was set to host the event in 2021 and as the most expensive show to produce in order to recoup the investment the Board determined the event would benefit fiscally by being hosted in a larger populated market with maximum revenue potential. After several discussions between CARAS and funders, it was agreed that Halifax would consider submitting a bid to host in 2025 and the work that had been created for the bid was retained by Discover Halifax.

With the onset of the pandemic in March 2020, the 2020 JUNO Awards which was to be held in Saskatoon, Saskatchewan was held virtually, and in 2021 a modified show was presented in a small venue in Toronto, Ontario, observing the 50th anniversary of these awards. Toronto hosted a large-scale event in March 2022, and Edmonton will host the celebrations in 2023.

In May 2022, CARAS contacted Events Nova Scotia and Events East and requested that Halifax consider submitting a proposal to host the 2024 JUNO Awards week-long celebrations instead of in 2025. The confirmed dates are March 15-24, 2024, with the broadcast held on Sunday, March 24 at Scotiabank Centre. Hosting in 2024 was determined to be more suitable than 2025, for both the province and the municipality, building on the investment made by both levels of government to the 2023 East Coast Music Awards (ECMAS) to support and showcase the local music industry over two consecutive years. There is no information available if there are other cities being considered by CARAS to host the 2024 JUNOS.

In June 2022, a bid committee was established with members from Events East, the Province of Nova Scotia (Events Nova Scotia), Discover Halifax, the Halifax Regional Municipality and Music Nova Scotia. In mid-July, Events Nova Scotia received the Request for Partnership from CARAS outlining the requirements to host the event. In the document it states:

“CARAS would like to emphasize that this is not a standard request for proposal. It is an invitation to collaborate and build meaningful experiences for your city, its various communities, your investors, and your stakeholders - a partnership. It is an opportunity to invest in a guaranteed win. It is a request for a mutually beneficial and long-term relationship”.

DISCUSSION

As the potential host City for the Annual JUNO Awards celebration, there is a hosting fee of \$1,700,000. Information on the funding framework for the hosting fee is further reviewed in the Funding Model section.

Assessment Lens

Alignment with Council Priority Areas

Two of HRM’s Strategic Council Priorities align with hosting the Juno Awards event:

- 1) Prosperous Economy
- 2) Communities

1. Prosperous Economy

Strategic initiatives linked to the Prosperous Economy priority area include:

Economic Growth where economic opportunities are seized to promote and maximize balanced growth...support local economies and showcase the region’s strengths to the world; and Talent Attraction and Retention which fosters a welcoming community that attracts and retains the world’s talent.

The 2019 projections for the economic impact, had the event been held in Halifax in 2022, was \$6.3 Million. The total direct economic impact to the municipality to host the event in 2024 is estimated to be \$7 Million and the results of the Destination International’s Economic Impact Calculator can be found in Attachment 1. A review of the summary of the economic impact of the JUNOS hosted in London, Ontario in 2019 is helpful as there are similarities, in size and market, to Halifax. The month of March is considered a shoulder season month in the event industry and the hotel, food and beverage industry are supportive of this bid as a significant addition to low occupancy rates in late winter. With so many events associated with JUNO Week, performance venues of all sizes across the city and rural HRM would be booked for programming.

As well, aligning with both the Prosperous Economy and Communities priorities, CARAS makes a direct investment in local schools and educational institutions through the program MusiCounts. The MusiCounts Band Aid Program will be awarding \$119,000 to 12 schools in Atlantic Canada in 2022. Over the course of 25 years, MusiCounts has invested \$1,885,000 to 198 schools in Nova Scotia, Newfoundland, New Brunswick, and Prince Edward Island.

Economic Impact

- a) **Data from CARAS from the JUNO 2024 RFP** (staff note these outcomes are higher than data results from the economic indicator assessment used by CARAS):
 - Attendance for Junos 37,000
 - Expected EIC for Junos \$12 Million
- b) **Data from London JUNO 2019 Economic Assessment:** (similar size destination):
 - Direct economic impact \$7.7 Million
 - Attendees 26,000

- Tourism spending attributable to the JUNOS - \$2.6 Million
- Wages & salaries supported in London \$1.7 Million
- Increase to provincial GDP \$4.7 Million
- Taxes supported across Canada \$1.4 Million

c) **Data used for Halifax JUNO 2024 EIC:**

- Attendance (Individual attendees) 20,000
- Direct Total EIC \$7.0 Million
- Out of Town Share 30%
- Arriving by air 6,000 and 50%
- Local Share 70%
- Room Rate \$185 p/night, average 3 person p/room
- Estimated Event Budget Spend in Halifax \$2.5 Million
- Juno Room Block Required 2,225 total rooms
- Estimated Total Room Demand 9,000 Rooms over 6 nights (2000 peak)

2. Communities

Strategic initiatives linked to the Communities priority area include:

Involved Communities where *residents are actively involved in their communities and enjoy participating and volunteering in a wide range of leisure, learning, social, recreational, cultural, and civic opportunities;* and

Inclusive Communities where *residents are empowered as stewards and advocates for their communities, and work with the municipality and others to remove systemic barriers.*

One of CARAS' objectives is to highlight the local music scene and bring the music and artists to the center stage during JUNO Week. With the success of the COVID Recovery Concert series in Grand Parade (Grand Oasis stage) and the Dartmouth Summer Sunshine Series, the municipality has provided significant support to local musicians, and the talent is well recognized across the country. This summer many restaurants and bars have featured live music with a vibrant and diverse local music scene in the municipality and around the province. Hosting this event in 2024 would allow time for the industry to continue to build back to full recovery post pandemic.

Hosting the Annual JUNO Awards Celebration has also played a major role in driving forward a city's purpose and/or goal in building its music initiatives. For example:

- In 2017, the City of Ottawa utilized the JUNOS as a catalyst to further their music city strategy and the city announced funding for the Ottawa Music Industry Coalition to spearhead the development of a formal music city strategy;
- In 2018, alongside the JUNOS, the government of British Columbia announced a new music fund called AMPLIFY BC which would be administered by Creative BC; and
- The 2019 JUNO Awards in London, Ontario acted as a catalyst for economic growth in the local music industries and in November 2021, London, Ontario was named Canada's first UNESCO City of Music. This was a goal outlined by the Host City to CARAS when it was awarded the 2019 JUNO Awards.

CARAS practices principles to integrate diversity, equity, and inclusion within the hiring practices of all people, including those with disabilities, and aims to maintain an inclusive and equitable workplace where employees feel valued, respected, and supported. CARAS expects the host to encourage individuals who identify as Indigenous, Black, persons of colour, experiencing disability, and/or as a member of the 2SLGBTQ+ communities to be a part of the Host Committee and to take on paid and volunteer roles specific to the week-long celebrations.

Legacy Initiatives

In 2019, before the JUNO 2022 bid committee was established, a group of local music and tourism stakeholders had begun to meet, with some regularity, with the goal of developing a music city strategy for Halifax. This group is committed in principle to this work although no formal strategy has been developed. In early discussions with the bid committee regarding legacy initiatives it has been discussed that Halifax, like Ottawa in 2017, could use the JUNOS as a catalyst to formalize the development of a music city strategy. Legacy thoughts also under consideration are to work with ADVANCE: Canada's Black Music Business Collective to bring a highly successful education initiative around building the music industry to local schools in Halifax. The host committee, once established, would work with the funding partners to align the goals and outcomes for the local industry and Council's strategic priorities.

Volunteers

In hosting the JUNOS, a community has many opportunities to volunteer and the JUNOS enlist the help of up to 1,500 volunteers during JUNO Week. The JUNOS has evolved from an industry awards weekend to a week-long festival that encompasses public-facing fan events and networking opportunities featuring a diverse array of Canadian artists and emerging talent.

Media

The JUNO Awards are broadcasted on CBC TV, CBC Gem, CBC Radio One, CBC Music, CBC Listen, around the world at [CBC.ca/music/junos](https://www.cbc.ca/music/junos), and live streamed on CBC Music's Facebook, Twitter, and YouTube pages. Events during the JUNO week, such as the Songwriter's Circle, are live streamed on CBC Music's Facebook, Twitter and YouTube pages.

Proposed Funding Model

The Province of Nova Scotia has confirmed funding for the JUNOS in the amount of \$1 Million. The request for funding from the municipality is \$750,000. In addition to the hosting fee the host committee is expected to hold an operational budget which is the responsibility of the host society to raise and manage. This budget is managed by the host committee and covers administrative costs such as the volunteer program, the economic impact report, and any events or initiatives chosen by the committee outside of the regular JUNO Awards events. The municipality's funding of \$750,000 would include \$50,000 that would be used to offset initial host committee costs, until a corporate sponsorship program (approved in advance by CARAS) and funding from other levels of government are resourced.

Past Support

In terms of funding levels for similar sized events, the municipality has a long track record of funding major hosting opportunities like week-long, large-scale sporting events with \$800,000 for the 2022 ICF Canoe Sprint World Championships and \$300,000 for the 2019 Mastercard Memorial Cup. HRM has also funded \$250,000 for the 2008 IIHF World Hockey Championships, and \$200,000 for the 2009 ICF World Senior Canoe Championships.

While major hosting opportunities for large-scale music events may be less frequent, the municipality has provided significant support. In 2015, The Canadian Country Music Awards (CCMA) was funded in the amount of \$250,000 and in 2017 funding for the ECMAS was in the amount of \$150,000. Recently, funding of \$250,000 was approved to host the 2023 East Coast Music Awards (ECMAS). Hosting the JUNOS in 2024 would further build on that investment by encouraging the creation, development, growth, and promotion of local music industry.

Next Steps

The bid submission date is September 13, 2022. A decision by the Board of CARAS as to the host city for 2024 is expected in October.

FINANCIAL IMPLICATIONS

The recommended funding is for \$750,000; \$700,000 of which is for HRM's portion of the hosting fee of

\$1.7 Million, and \$50,000 of which is allocated for the host society committee to fund expenses and events outside of the regular JUNOS.

Budget Summary: Community and Events Reserve, Q621

Net Projected Reserve Balance, as of April 1, 2022	\$995,068
Contribution 2022/23	2,315,602
Operating Withdrawals 2022/23	(\$2,137,500)
Capital Withdrawals 2022/23	(\$250,000)
JUNO funding	(\$750,000)
Projected Net Available Balance 2022/23	\$173,170

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

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

RISK CONSIDERATION

The risks are deemed to rate moderate to high as without municipal funding the event could likely not take place. By not providing funding to the event, the risk is the loss of economic generation and legacy opportunities for Halifax taking place during the shoulder season for tourism operators. The loss could also result in significant damage to HRM's hosting reputation and the position of Halifax in the national market as a preferred event destination.

A contribution agreement, using HRM's standard form of contribution agreement, would be negotiated between CARAS and the municipality prior to the release of funding. The agreement would include details regarding the rights and benefits outlined including media coverage and advertising opportunities.

COMMUNITY ENGAGEMENT

The Special Events Advisory Committee includes members of the public.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

SOCIAL VALUE

None identified.

ALTERNATIVES

The Special Events Advisory Committee could choose to recommend that Regional Council not provide the contribution in the amount of \$750,000 for the hosting rights fee to host the 2024 JUNO Awards.

ATTACHMENT

1. Destination International Economic Impact Calculator Juno 2024 Results

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

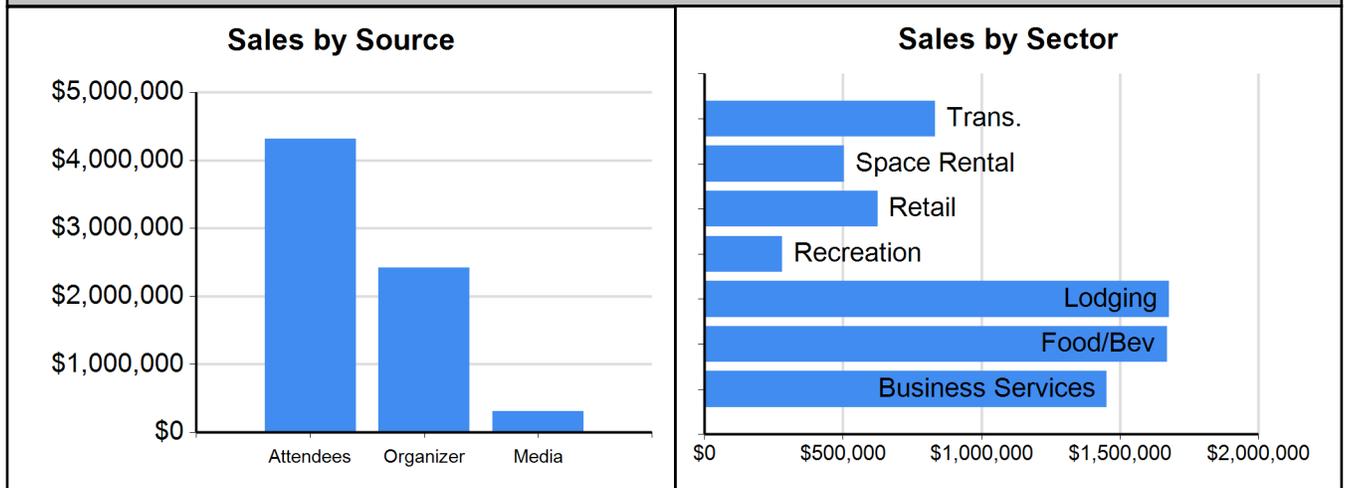
Report Prepared by: Elizabeth Taylor, Manager, Culture & Events, 902.229.7622

Event Impact Summary

Destination: Discover Halifax

Event Parameters		Key Results	
Event Name:	The 2024 Juno Awards	Business Sales (Direct):	\$7,043,201
Organization:	Cdn Acad of Recording Arts & Sciences	Business Sales (Total):	\$11,333,508
Event Type:	Performing arts (concerts, theater, dance)	Jobs Supported (Direct):	1,185
Start Date:	3/4/2024	Jobs Supported (Total):	1,477
End Date:	3/10/2024	Local Taxes (Total):	\$90,499
Overnight Attendees:	6000	Net Direct Tax ROI:	\$68,584
Day Attendees:	0	Estimated Room Demand:	9,004

Direct Business Sales



Industry	Attendees	Organizer	Media/Sponsors	Total
Lodging	\$1,665,665	\$12,649	\$0	\$1,678,314
Transportation	\$827,514	\$4,216	\$1,359	\$833,090
Food & Beverage	\$920,535	\$750,000	\$0	\$1,670,535
Retail	\$625,536	\$0	\$0	\$625,536
Recreation	\$279,215	\$0	\$0	\$279,215
Space Rental	\$0	\$500,000	\$3,833	\$503,833
Business Services	\$0	\$1,150,631	\$302,048	\$1,452,679
TOTAL	\$4,318,465	\$2,417,496	\$307,240	\$7,043,201

Event Impact Details

Destination: Discover Halifax

Event Name: The 2024 Juno Awards 2024

Organization: Cdn Acad of Recording Arts & Sciences

Economic Impact Details			
	Direct	Indirect/Induced	Total
Business Sales	\$7,043,201	\$4,290,307	\$11,333,508
Personal Income	\$2,015,954	\$1,326,458	\$3,342,412
Jobs Supported			
Persons	1,185	292	1,477
Annual FTEs	54	13	68
Taxes and Assessments			
<u>Federal Total</u>	<u>\$428,830</u>	<u>\$276,169</u>	<u>\$704,999</u>
<u>Provincial/Territorial Total</u>	<u>\$733,202</u>	<u>\$288,374</u>	<u>\$1,021,576</u>
PST/HST	\$447,455	\$107,258	\$554,713
personal income	\$115,027	\$75,685	\$190,712
corporate income	\$29,450	\$19,378	\$48,828
hotel	\$0	-	\$0
other	\$141,270	\$86,054	\$227,324
<u>Local Total (excl. property)</u>	<u>\$68,584</u>	<u>\$21,915</u>	<u>\$90,499</u>
user fees	\$8,820	\$5,803	\$14,623
hotel	\$33,313	-	\$33,313
per room charge	\$0	-	\$0
tourism improvement fee	\$0	-	\$0
restaurant	\$0	\$0	\$0
other	\$26,450	\$16,112	\$42,562
property tax	\$61,016	\$26,258	\$87,275

Event Return on Investment (ROI)			
Direct local tax ROI (net property taxes)			
Direct Tax Receipts	\$68,584		
DMO Hosting Costs	\$0		
Direct ROI	\$68,584		
Net Present Value	\$65,882		
Direct ROI (%)	-		
Total local tax ROI (net property taxes)			
Total Local Tax Receipts	\$90,499		
Total ROI	\$90,499		
Net Present Value	\$86,933		
Total ROI (%)	-		

Category	Value
Local Taxes	\$90,499
Costs	\$0

Estimated Room Demand Metrics	
Room Nights (total)	9,004
Room Pickup (block only)	0
Peak Rooms	2,000
Total Visitor Days	27,011