



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 14.3.3
Halifax Regional Council
September 20, 2016

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed

SUBMITTED BY:

Councillor Linda Mosher, Chair, Audit & Finance Standing Committee

DATE: September 12, 2016

SUBJECT: Destination Halifax Update and Amended Services Agreement

ORIGIN

July 28, 2016 meeting of the Community Planning and Economic development Standing Committee, Item No. 12.1.3

September 7, 2016 meeting of the Audit & Finance Standing Committee, Item No. 12.1.4

LEGISLATIVE AUTHORITY

Audit & Finance Standing Committee Terms of Reference section 3.8, which states “to review and make recommendations on proposals coming to Halifax Regional Council outside of the annual budget or tender process including but not limited to:

- New Programs or services not yet approved
- Programs or services that are being substantially altered
- Proposed changes in operating or budget items
- Committing of funds where there is insufficient approved budget, or,
- New or increased capital projects not included in the approved budget
- Increases in project budget due to cost sharing
- Creation or modification of reserves and withdrawals not approved in the approved budget

RECOMMENDATION

The Audit & Finance Standing Committee recommends that Halifax Regional Council:

1. Increase operational support to Destination Halifax to \$386,600 to correct a \$104,500 discrepancy in HRM's approved 2016-17 Operating and Capital Budget with funding from Q328 – Operating Surplus Reserve

BACKGROUND

A report from the Community Planning and Economic Development Standing Committee dated August 29, 2016 pertaining to an updated and Amended Services Agreement with Destination Halifax was before the Audit & Finance Standing Committee for consideration.

For further information, please refer to the attached committee report dated August 29, 2016.

DISCUSSION

The Audit & Finance Standing Committee reviewed the committee report dated August 29, 2016 and forwarded the recommendation to Halifax Regional Council as outlined in this report. Further recommendations for the consideration of Halifax Regional Council from the Community Planning and Economic Development Standing Committee are outlined in the attached committee report dated August 29, 2016.

FINANCIAL IMPLICATIONS

As outlined in the attached committee report dated August 29, 2016.

RISK CONSIDERATION

As outlined in the attached committee report dated August 29, 2016.

COMMUNITY ENGAGEMENT

The Audit & Finance Standing Committee meetings are open to public attendance, a live webcast is provided of the meeting, and members of the public are invited to address the Committee for up to five minutes at the end of each meeting during the Public Participation portion of the meeting. The agenda, reports, and minutes of the Audit & Finance Standing Committee are posted on Halifax.ca.

ENVIRONMENTAL IMPLICATIONS

Not applicable.

ALTERNATIVES

The Audit & Finance Standing Committee did not discuss alternatives.

ATTACHMENTS

1. Community Planning and Economic Development Standing Committee report dated August 29, 2016.
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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Liam MacSween, Legislative Assistant, 902.490.6521.



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Attachment 1
Audit and Finance Standing Committee
September 7, 2016

TO: Chair and Members of the Audit and Finance Standing Committee

Original Signed

SUBMITTED BY: _____
Councillor Waye Mason, Chair
Community Planning and Economic Development Standing Committee

DATE: August 29, 2016

SUBJECT: Destination Halifax Update and Amended Services Agreement

ORIGIN

Motion passed by the Community Planning and Economic Development Standing Committee at a meeting held on July 28, 2016.

LEGISLATIVE AUTHORITY

Section 6(b) ii of the Committee's Terms of Reference – 'The Community Planning and Economic Development Standing Committee shall have an active interest in the agencies and initiatives that support community and economic development throughout the Municipality by engaging, at a governance level, the agencies, boards and committees funded by the Municipality and under the mandate of the Standing Committee to ensure they meet community needs and expectations including, Destination Halifax.

RECOMMENDATION

THAT the Community Planning and Economic Development Standing Committee recommend that:

1. Regional Council approve the amending agreement attached to the May 24, 2016 staff report and updates to Schedule A of the current Services Agreement with Destination Halifax; and,
2. The Audit and Finance Standing Committee recommend that Regional Council increase its operational support to Destination Halifax to \$386,600 to correct a \$104,500 discrepancy in HRM's approved 2016-17 Operating and Capital Budget with funding from Q328 – Operating Surplus Reserve.

BACKGROUND

A staff report was provided to the Community Planning and Economic Development Standing Committee at the Committee's July 28, 2016 meeting.

DISCUSSION

The Committee considered the report and passed a motion approving the staff recommendation.

FINANCIAL IMPLICATIONS

The attached staff report addresses financial implications.

COMMUNITY ENGAGEMENT

The Community Planning and Economic Development Standing Committee is a Committee of Regional Council comprised of six Councillors. The meetings are open to the public and the Committee's agendas, minutes, and reports can be viewed at Halifax.ca.

ENVIRONMENTAL IMPLICATIONS

None.

ALTERNATIVES

The Committee did not provided alternatives.

ATTACHMENTS

Attachment 1: Staff report dated May 24, 2016

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Sheilagh Edmonds, Legislative Assistant 902.490.6520



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B3J 3A5 Canada

Attachment 1
Community Planning and Economic
Development Committee
July 28, 2016

TO: Chair and Members of Community Planning and Economic Development

Original Signed by:

SUBMITTED BY:

Maggie MacDonald, Managing Director, Government
Relations and External Affairs

DATE: May 24, 2016

SUBJECT: Destination Halifax Update and Amended Services Agreement

ORIGIN

March 4, 2014: MOVED by Councillor Nicoll, seconded by Councillor Whitman that Halifax 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 31st thereafter, unless terminated earlier, with provision for 36 month renewal unless otherwise terminated. MOTION PUT AND PASSED UNANIMOUSLY

March 4, 2014: MOVED by Councillor Nicoll, seconded by Deputy Mayor Fisher that Halifax Regional Council:

1. Endorse the remaining responses to the Auditor General's report on economic development as articulated in Attachment 11 of the February 18, 2014 staff report;
2. Accept the Statement on Economic Development in Attachment 2 of the February 18, 2014 staff report, as the overarching economic development approach in HRM;
3. Endorse the current arms-length development model approach to agencies performing economic development and tourism functions in HRM;
4. Endorse the current configuration of economic development and tourism agencies in HRM, assigning Destination Marketing Organization (DMO) functions to Destination Halifax and Economic Development Organization (EDO) functions to Greater Halifax Partnership;
5. Direct closer collaboration between the Greater Halifax Partnership and Destination Halifax as described in the discussion section of the February 18, 2014 staff report;

6. Endorse the continued oversight and governance of the Greater Halifax Partnership, Destination Halifax, and the Business Improvement Districts by means of Service Agreements, supplemented where appropriate by Memoranda of Understanding; and,

7. Endorse the continued development of outcome measures, tied to the 2011-2016 Economic Strategy, where appropriate, for agencies performing an economic development and tourism function on behalf of HRM. MOTION PUT AND PASSED UNANIMOUSLY.

July 22, 2014: MOVED by Councillor Nicoll, seconded by Councillor Karsten that Halifax Regional Council approve the amending agreement and updates to Schedule A of the Services Agreement with Destination Halifax as outlined in Attachment A of the April 17, 2014 staff report. MOTION PUT AND PASSED UNANIMOUSLY.

LEGISLATIVE AUTHORITY

The Halifax Regional Municipality Marketing Levy Act, 2001, c. 51, s. 1 confers legislative authority to 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. The levy collected shall be used by the Council to promote the Municipality as a tourist destination.

The Halifax Regional Municipality Charter 2008, c. 39, s. 1. (the HRM Charter) confers legislative authority to enter into a contractual relationship with the Destination Halifax for the purposes of delivering services as specified in Schedule A to the agreement.

RECOMMENDATION

It is recommended that the Community Planning and Economic Development (CPED) Standing Committee recommend that:

1. Regional Council approve the attached amending agreement and updates to Schedule A of the current Services Agreement with Destination Halifax; and,
2. The Audit and Finance Standing Committee recommend that Regional Council increase its operational support to Destination Halifax to \$386,600 to correct a \$104,500 discrepancy in HRM's approved 2016-17 Operating and Capital Budget with funding from Q328 – Operating Surplus Reserve.

BACKGROUND

The primary purpose of any Destination Marketing Organization (DMO) is to attract visitors to its locale for the purpose of enhancing the local economy through purchase of room nights, food and beverage, retail items, transportation and other goods and services.

Halifax's DMO, Destination Halifax, was created in April 2002 as a partnership between the Province of Nova Scotia, the Halifax Regional Municipality (HRM), the Hotel Association of Nova Scotia and participating industry members. Destination Halifax's Board of Directors includes a staff representative of HRM's Chief Administrative Officer, an elected representative of Council and the Mayor, all of whom are voting members. In 2014, Regional Council endorsed Destination Halifax's current arms-length governance model.

Destination Halifax's specific mandate is to promote Halifax as a year-round destination of choice for business and leisure travelers. To this end, it advertises in external markets and attends trade shows to

attract and secure meetings and conventions. It also provides a variety of services to its members, including professional development and the promotion of member goods and services.

The organization receives the majority of its funding from HRM, which is provided through an annual operating grant and 60% portion of the Marketing Levy, a percentage assessment levied on the rental of certain hotel rooms in HRM. The operational grant has remained at \$386,600 +HST per year since at least 2013-14. The levy disbursement to Destination Halifax for 2016-17 is forecasted to be \$1,599,000.

Destination Halifax's 2015 Revenue Streams

Proportional Share of the Marketing Levy	\$1,940,804
HRM Supplementary Grant	\$386,600
Other Revenues	\$456,252
Total	\$2,783,656

On March 4th, 2014 Halifax Regional Council endorsed a Services Agreement with Destination Halifax effective on the date of execution. The body of the Services Agreement outlines the longer-term parameters of the HRM-Destination Halifax relationship, including: general services to be provided; audit and record keeping obligations; the disbursement of the HRM grant; HRM membership on the Board of Directors; the term of the agreement and termination provisions; and, insurance requirements.

Schedule A of the Services Agreement outlines shorter-term deliverables and targets and are subject to periodic review. The current Schedule A, approved by Council in July 2014, was intended to complement, and advance where applicable, the objectives of HRM's 2011-2016 Economic Strategy.

An update on Destination Halifax's activities was provided in the form of a staff report, dated December 2, 2015, to the Community Planning and Economic Development Standing Committee for discussion on December 17, 2015. It was accepted and forwarded to Regional Council as an information report.

DISCUSSION

This staff report:

- highlights some of Destination Halifax's key activities from October 2015 to March 2016;
- provides a full listing of activities undertaken throughout 2015 and from January to March 2016 related to Schedule A of the current Services Agreement; and,
- proposes a new Schedule A of activities to replace the current Schedule A of the HRM-Destination Halifax Services Agreement.

Destination Halifax Activities

The tourism sector had a positive 2015. Overnight visitation increased 3.1% compared to the 1.8% average posted by Destination Halifax's ten benchmark cities – St. John's, Quebec City, London, Regina, Victoria, Ottawa, Winnipeg, Edmonton, Calgary, and Saskatoon. The municipality experienced increases in leisure, group tour and individual travel, as well as corporate and third-party bookings. The low Canadian dollar helped drive increases in Canadian domestic visitation.

Major events and international events held in 2015 included Canadian Country Music Week, the Nova Scotia Open, Law Games, National Aboriginal Hockey Championships, International Tree Fruit Association, International Conference on Fish Telemetry, and the International Society for Digital Earth. Meanwhile, enplanements and deplanements at the Halifax Stanfield International Airport increased 1.1%.

From October 2015 to March 2016, the following articles of note were published about Halifax:

- ABC News, [Lonely Planet's New Photo Book Takes Readers to the Farthest Corners of the Earth](#)
- MSN, [Seven of the best Canadian towns for celebrating Christmas](#)
- Huffington Post, [The Best Places In Canada For A New Year's Eve Kiss](#)
- Planet D: Canada's Adventure Couple, [Why Nova Scotia Should be Your First stop on the East Coast](#)
- BuzzFeed, [14 Of The Most Crazy Creepy Places In Canada](#)
- WestJet's Up! Magazine, [Five Ways to Experience Donair in Halifax](#)
- Toronto Sun, [New Year's Eve: How to ring in 2016 across Canada](#)
- PopSugar, [26 Magical Places to See Snow](#)
- The Weather Network, [Seven of Canada's most haunted places](#)
- National Post, [New Year's Eve: How to ring in 2016 across Canada](#)
- The Sun, [Stunning photographs show the most remote places on planet Earth](#)
- Toronto Star, A trip back to Halifax provides a refreshing new view
- Huffington Post, [Least Snobby Cities In The World Include Halifax](#)
- Cheap Flights: [Top 11 destinations for making friends when you travel](#)
- The Loop: [25 things about the Maritimes that make the rest of Canada jealous](#)
- VanCityBuzz: [10 places in Canada you need to visit this year](#)
- National Post: [March Break family fun across Canada: From Kelowna's Big White to maple brunches at Peggy's Cove](#)
- Vacay: [20 Best Places to Visit in Canada for 2016](#)
- CTV Atlantic, [Nova Scotia's award-winning wines capturing international attention](#)
- Parents.com, [Where Travel Bloggers Are Taking Their Kids On Vacation This Summer](#)
- Notable: [Canadian Music Festivals We're Looking Forward to The Most This Year](#)
- MSN Canada: [Google names 10 most romantic destinations in Canada](#)
- Flare: [30+ of the Best Date Places In Canada](#)
- BuzzFeed: [15 Of The Coolest Wedding Venues In Canada](#)
- Toronto Sun: [Top 10 Canadian Staycations in Canada](#)
- [Wheels: 7 Canadian Art Galleries to visit in 2016](#)

During the same period, Destination Halifax:

- **Continued to market Halifax and secure meetings and conventions.** Destination Halifax generated 74 meeting and convention leads representing a total of 42,727 delegates. It secured 33 meetings and conventions representing 7,528 delegates, and it helped secure 3,665 of the 53,198 meetings and conventions' (M&C) room nights sold in Halifax. It continued to partner with the Port of Halifax to present Halifax as a cruise port of call and turn-around destination, and, to these ends, showcased Halifax at the Sea Trade Cruise Global Conference and Exhibit in Fort Lauderdale, Florida, in March 2016. Attachment 1 contains a full listing of Destination Halifax's activities in 2015 and from January to March 2016 in fulfilment of Schedule A of the Services Agreement, and Attachment 2 contains Destination Halifax's Schedule of Activity Report Card for the same two time periods.
- **Developed new organizational performance measures.** In 2016, Destination Halifax adopted a set of new key performance indicators for the organization. Based on best practices and measures identified by Destination Marketing Association International, these measures establish measurements for specific results that have been clearly and significantly impacted by DMO efforts. For example, while industry performance may be measured by "overall room nights sold", DMO performance is better gauged by "booked rooms as a result of DMO efforts."

- **Developed a five-year leisure travel sales and marketing strategy.** In terms of leisure travel, the organization will focus on attracting Maritimers to visit Halifax because:
 - they account for the largest segment of leisure travelers to the municipality (56% versus the second largest segment, Ontario, at 9.5%);
 - Maritimers visiting Halifax are largely drawn to Halifax's "urban experiences", a competitive advantage over other nearby destinations;
 - there is opportunity to grow the segment since Halifax only has a 15% share of intra-Maritimes leisure travel;
 - there is a greater opportunity for repeat visitation; and,
 - this segment is the most cost-effective to reach.

To grow visitation, it will position Halifax in the minds of Maritimers as the place full of activity, enhance the Destination Halifax website, and promote specific events and activities. To these ends, this calendar year Destination Halifax will refresh its photo and video inventory.

Destination Halifax is not foregoing other geographic markets. Instead, it is working with Tourism Nova Scotia who will take the lead on marketing the province in Montreal, Quebec, Toronto, Northeastern United States, Germany, United Kingdom, and China. In these markets, Tourism Nova Scotia will promote the province's uncrowded "explorer-friendly" seacoast, while Destination Halifax will use social media and partners' communication channels to showcase outdoor activities common in rural Halifax.

- **Finalized a meetings and conventions (M&C) sales and marketing strategy.** The M&C market in Nova Scotia represents 4% of total visitors to Nova Scotia. M&C account for approximately one-quarter of all visitor spending in the city. The largest share of M&C room nights booked are for Canadian associations (45.8%) and international associations (18.9%). Destination Halifax intends to, among other things, grow the Canadian association segment by increasing sales activity in the Ottawa and Toronto regions; increase bookings by third-party planners by focusing on domestic site selection companies; extend the traditional M&C season by marketing to the SMERF (Social, Military, Educational, Religious and Fraternal Groups) Market. In many instances, Destination Halifax and the Halifax Convention Centre Corporation Centre work together to submit bids to conference planners.
- **Provided a tourism perspective in the development of HRM's new economic strategy, the *Halifax Growth Plan 2016-21*.** Destination Halifax provided a tourism perspective in the development of Halifax's new economic strategy, endorsed by Regional Council in March 2016. The *Halifax Economic Growth Plan 2016-21* includes six tourism-related actions that will be undertaken in the next 18-24 months. They are:
 - In collaboration with economic development partners, refine and amplify Halifax's value proposition to position Halifax on the world stage (Action #13);
 - Assess the role the Municipality could play in a potential air route development fund to open direct commercial and passenger routes to other destinations (#17);
 - Produce a 5-Year Strategic Growth Plan for the Halifax Gateway (#18);
 - Assess the feasibility of a rural action committee to foster rural economic development (#33);

- With economic development and tourism partners, present trade and investment opportunities, as well as tourism offerings to conference delegates (#69); and,
- Articulate HRM's role and approach to tourism, festivals and special events (#71).

Destination Halifax will have varying degrees of involvement in each of these activities.

Amended Schedule A of the HRM-Destination Halifax Services Level Agreement

The proposed Schedule A (Attachment 3) reflects current market conditions and is aligned with Tourism Nova Scotia's new organizational strategy, Destination Halifax's new key performance indicators and sales and marketing strategies, and the *Halifax Economic Growth Plan 2016-21*. The body of the Services Agreement is unchanged.

Examples of the proposed changes in Schedule A include:

- Specific reference to Year 1-2 actions of the *Halifax Economic Growth Plan 2016-21* (related to rural economic development, air route development, Gateway Council, and the articulation of HRM's approach to tourism, festivals and special events);
- Destination Halifax-Halifax Partnership sales collaboration;
- Eight activity themes, down from the previous fifteen (many have been consolidated under a new marketing theme);
- A new theme that addresses organizational development; and,
- The identification of measures for each thematic area that will track DMO and industry performance.

The new Schedule A is meant to improve Destination Halifax's reporting and accountability to Regional Council.

FINANCIAL IMPLICATIONS

HRM transfers 60% of received marketing levy revenues to Destination Halifax, as outlined in the body of the current HRM-Destination Halifax Services Level Agreement.

On March 8, 2016, Regional Council approved the 2016-17 operating and capital budget which includes a supplementary grant to Destination Halifax in the amount of \$282,100 from Cost Centre C711. This was an inadvertent mistake. Instead, \$386,600 should have been budgeted – the same amount given to Destination Halifax as a supplementary grant each year since at least 2013-14. As per the recommendation, the shortfall of \$104,500 will be funded from Q328 – Operating Surplus Reserve. This will only address the shortfall for 2016/17. In 2017/18, additional funding will need to be requested through the budgeting process. The budget availability has been confirmed by Finance.

Budget Summary, Q328 – Operating Surplus Reserve

Projected available balance March 31/17 as of June 30/16	\$1,502,850
Withdrawal per recommendation	<u>\$ 104,500</u>
Projected available balance, March 31, 2017	\$1,398,350

Operating Surplus Reserve, Q328 (March 2014) is a reserve created as required by the Provincial Municipal Financial Reporting Accounting Manual. The Financial Reporting Accounting Manual requires the Municipality to transfer its surplus funds at the end of the year to an Operating Reserve. If the Municipality ends the year in a surplus position, any portion of the surplus not allocated to other reserves would be transferred to this Reserve at year end. The business case for this reserve has not been developed and will be completed during the reserve review and brought to Council for their consideration. The approval of the recommendation does not have a negative impact on the anticipated reserve balances' ability to fund the proposed 2016/17 withdrawals.

RISK CONSIDERATION

There are no significant risks associated with the recommendation in this Report. However, there are risks associated with the alternatives listed below.

Recommendation: Regional Council approve the attached amending agreement and updates to Schedule A of the Services Agreement with Destination Halifax.

Risk	Likelihood (1-5)	Impact (1-5)	Risk Level (L/M/H/VH)	Mitigation
None	None	None	None	None

Alternative 1: Not recommend approval of the updates to Schedule A of the Services Agreement. The current Schedule A of the Services Agreement would remain in force.

Risk	Likelihood (1-5)	Impact (1-5)	Risk Level (L/M/H/VH)	Mitigation
Misalignment between HRM and Destination Halifax activities	3	2	Moderate	Clarify activities under existing Schedule A
Reduced Destination Halifax accountability to Regional Council	3	2	Moderate	Increase Destination Halifax presence at Regional Council, as currently allowed in existing Schedule A

Alternative 2: Make amendments to updates to Schedule A of the Services Agreement. The amendment Schedule A would be presented to CPED and Regional Council at a later date.

Risk	Likelihood (1-5)	Impact (1-5)	Risk Level (L/M/H/VH)	Mitigation
Temporary misalignment between HRM and Destination Halifax activities	3	1	Low	Clarify to Destination Halifax Regional Council's intention to have Schedule A amended in the near future
Temporary reduced accountability to Regional Council	3	1	Low	Increase Destination Halifax presence at Regional Council, as currently allowed in

Council				existing Schedule A
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COMMUNITY ENGAGEMENT

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

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications from this report.

ATTACHMENTS

- ATTACHMENT 1: Destination Halifax Report on Schedule A Activities for 2015 Calendar Year
- ATTACHMENT 2: Destination Halifax Report on Schedule A Activities for January to March 2016
- ATTACHMENT 3: Proposed Amending Agreement and Schedule A – Services Agreement Deliverables

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Jake Whalen, Senior Advisor, Economic Policy & Development, 902-490-2349

Report Approved by: **Original Signed by:**

Maggie MacDonald, Managing Director,
Government Relations and External Affairs, 902-490-1742

Financial Approval by: **Original Signed by:**

Jerry Blackwood, Director of Finance and Information Technology/CFO, 902.490.6308

**Attachment 1:
Destination Halifax Report on Schedule
A Activities for 2015 Calendar Year**

**HRM Service Agreement
2015 Schedule of Activity
Report Card**

Category	Activity	2015 Goal	Quantitative Measure	Achievement (YTD)				2014 Total Year
				1st QTR 2015	2nd QTR 2015	3rd QTR 2015	4th QTR 2015	
				YTD Mar 31	YTD June 30	YTD Sep 30	Total Year	
Benchmarking	Air Capacity	3% growth	2,436,075	513,022	1,149,919	1,880,804	2,462,591	2,365,121
	Air Traffic Load Factors	75%		75%	75%	76%	75%	77%
Site Selection	Business Attraction leads	2 to 3	2 to 3	0	1	1	2	0
Meeting & Convention	Room Night production	55,000	55,000	16,477	34,142	43,702	50,700	43,717
	Booking Productivity	150 bookings	150 bookings	27	61	77	94	122
	Business Mix	70%Dom/30%Intl	70%Dom/30% Intl	78%/22%	62%/38%	76%/34%	68%/32%	79%/21%
	Productivity Growth - non Domestic	25% growth	11,340	3,664	12,981	14,808	16,298	9,072
Port of Call - Cruise	Passenger Arrivals	≥10,000	228,000	0	23,787	142,322	222,309	217,940
	New Ship Arrivals- June/August	3	3	0	3	7	7	1
	Turnaround Visits	3% growth	3+	0	0	0	0	3
Individual Travel	Room Nights Sold	5% growth	275,000	54,735	118,028	213,095	264,449	261,914
Data Management	Grow (nonHfx) dh.com traffic sessions	3.50%	444,054	87,353	219,479	361,962	440,747	429,038
	Grow (nonHfx) Sociable traffic to 55% of total	55%		56%	59%	58%	56%	50%
	eHalifax newsletter open rate	22%		19%	18%	20%	28%	22%
	Convert digital traffic to member sites	13%		13%	13%	16%	14%	
Media Relations	Media site visits	40	40	8	31	69	74	94
	Weighted media cost	\$355,000	\$355,000	\$240,317	\$466,411	\$795,340	\$946,142	NEW in 2015
	Qualified media full pieces	257	257	55	119	509	1028	1495
Stakeholder Platform	Member Survey participation	40%	69	26%(43)	26%(43)	26%(43)	26%(43)	26%(45)
	Member Retention	95%	\$139,850	\$131,907.81	\$137,303.35	\$138,592.85	\$139,734.05	\$147,209.35
	Member base	175+	175+	142	152	158	159	172
	Member Satisfaction	95%	95%	95%	95%	95%	95%	95%
	Member newsletter open rate	44%	44%	44%	47%	45%	48%	48%
	Show Your Badge participation	50+	50+	21	33	37	42	NEW in 2015
Professional Development	Industry engagement (PD program)	50+ per session	50+ per session	36	27	26	27	25
	Orientation programming	6-8 sessions	6-8 sessions	2	4	5	6	5
	PD programming	4+ sessions	4+ sessions	2	6	6	9	11
	Program Satisfaction	85%	85%	86%	85%	85%	82%	87%
Leverage Funding	Funding Mix (HRM/non HRM)	82%/18%	82%/18%	81%/19%	80%/20%	85%/15%	83%/17%	83%/17%
	Private Sector investment retention	95%	\$248,628.00	\$31,294.93	\$41,265.73	\$92,718.16	\$160,170.92	\$261,713.54

2015 Schedule A – Service Agreement Deliverables (Destination Halifax)

	Key Deliverables in the Service Agreement	Measures	Year End 2015
C1.1 Advice	<i>3.02 (a) Through experienced staff, and upon request, advise the Municipality on tourism and destination marketing matters</i>	<ul style="list-style-type: none"> Attend meetings and/or provide reports to Council, Standing Committee and HRM's Senior Management Team (SMT) as requested Develop a bank of market intelligence to assist in tourism sector decision-making By fiscal year end of each year, produce an annual market overview report on the municipality's tourism and hospitality industry (inclusive of SWOT analysis) 	<ul style="list-style-type: none"> 2016 business outlook prepared and delivered July 2015 Research on core and emerging markets available on secure area of DH.com
1.2 Strategy	<i>3.02 (b) In conjunction with Partners, develop, and periodically update, a multi-year tourism and hospitality sector strategy for the Municipality</i>	<ul style="list-style-type: none"> Source research and analysis to support a tourism strategy that aligns to HRM's brand strategy Identify tourism and hospitality markets and visitor segments with high rates of return and develop approaches for capitalizing on these markets/segments Align tourism development with broader municipal economic development goals and objectives (e.g. Atlantic Gateway, infrastructure investment, quality of place and branding) Review and consider the Ivany Commission's One Nova Scotia report and, as appropriate, incorporate into decision making Engage Partners in clearly defining respective roles and responsibilities vis-à-vis strategy implementation Collaborate and integrate programming with organizations that complement tourism promotion of the destination (eg: NSTA, DEANS, Bluenose Coast, Seaside Tourism Association, St. Margaret's Bay Tourism Development Association, TCL) and others as applicable Track, monitor and report on progress toward achieving implementation of multi-year strategy's goals & objectives 	<ul style="list-style-type: none"> Participating in Pre/Post Committee along with HCC, TIANS and TNS 2015 DH Business Plan leads with HALIFAX brand strategy of Big and Bold for all initiatives Delivery of 5 year organizational strategy adopted by the DH BoD June 2015 Development of 2016 Destination Halifax Business Plan & Budget approved by DH BoD December 2015 Alignment of HALIFAX brand into DH in market messages and advertising campaigns Now or Never tourism findings assessed and used to inform DH objectives.
1.3 Benchmarking	<i>3.02 (c) In conjunction with Partners, develop efficiency metrics and outcome measures to gauge the effectiveness of Destination Halifax's destination marketing efforts.</i>	<ul style="list-style-type: none"> Source periodic best practices research on benchmark cities that engage in destination marketing No less than once every 2 years, participate with and deliver results of a destination marketing organization (DMO) Best Practices Performance Report as sanctioned by the Destination Marketing Association of Canada Develop and implement mechanisms for tracking outcome measures Benchmark DH's performance (against prior year performance and against comparable benchmark cities) 3% increase in air passenger capacity 75% air passenger arrival load factor for year end Exceed category average for leads produced for convention sales by ≥1.5X 	<ul style="list-style-type: none"> 2015 DMO Canadian Benchmarking participation Cities Project participation confirmed <p>SEE REPORT CARD ATTACHED</p>
2.1 Site Selection	<p><i>3.03 (a) Market the Municipality as:</i></p> <ul style="list-style-type: none"> <i>a world-class community in which to live, work and conduct business</i> 	<ul style="list-style-type: none"> Align destination marketing efforts with Partners' integrated media campaigns designed to promote the Municipality as a world class community; Expand scope and range of recruitment network to reach site selectors and business community "influencers" 	<ul style="list-style-type: none"> Partnered with HP on local initiatives Shared with HP a purchased list of leads -- directors from Halifax who sit on ntl/intl boards capable of influencing corporate site selection..

SEE REPORT CARD ATTACHED

2015 Schedule A – Service Agreement Deliverables (Destination Halifax)

	Key Deliverables in the Service Agreement	Measures	Year End 2015
		<ul style="list-style-type: none"> Generate 2-3 site selector leads for business attraction Partners (annually) 	
2.2 Meetings and Conventions	<p>3.03 (a) Market the Municipality as:</p> <ul style="list-style-type: none"> Atlantic Canada’s preeminent location for meetings, conventions and major events 	<ul style="list-style-type: none"> Develop and implement year round campaign using various media to promote meetings, major events and conventions travel Develop and implement a “return to Nova Scotia” program targeted to meetings and convention delegates Expand scope and range of recruitment network to reach meetings and conventions “influencers” Pursue cooperative marketing opportunities with regional, national and international meetings and conventions partners <ul style="list-style-type: none"> 55,000 room nights 150 meeting and conventions bookings (annually) 30% foreign / 70% domestic target mix for M&C bookings 25% increase in foreign (non-domestic) booking activity 	<ul style="list-style-type: none"> 146 new business leads representing 81,933 room nights and 44,160 delegates 94 confirmed bookings representing 50,700 room nights and 24,020 delegates <p>SEE REPORT CARD ATTACHED</p>
2.3 Port of Call	<p>3.03 (a) Market the Municipality as:</p> <ul style="list-style-type: none"> Atlantic Canada’s marquee port of call 	<ul style="list-style-type: none"> Develop and implement year round campaign using various media to promote cruise travel Develop and implement a “return to Nova Scotia” program targeted to cruise passengers Expand scope and range of recruitment network to reach cruise “influencers” Pursue cooperative marketing opportunities with regional, national and international port-of-call partners Promote upgrading of cruise passenger facilities Develop and implement strategy to extend the cruise season <ul style="list-style-type: none"> 228,000 in cruise ship passenger arrivals 3 additional ship arrivals during June-August period 3% increase in cruise turnaround business 	<ul style="list-style-type: none"> Fully engaged as partner with Halifax Port Authority in presenting Halifax as cruise port of call and turn around destination, partner in Cruise Arrival program and participated with itinerary partners in Cruise Shipping Miami, and Seatrade Europe Exhibitions Fully engaged as partner with Halifax Port Authority in presenting Halifax as cruise port of call and turn around destination, partner in Cruise Arrival program and participated with itinerary partners in Seatrade Cruise Global in Fort Lauderdale <p>SEE REPORT CARD ATTACHED</p>
2.4 Individual Travel	<p>3.03 (a) Market the Municipality as:</p> <ul style="list-style-type: none"> Atlantic Canada’s hub for year round individual travel itineraries and experiences. 	<ul style="list-style-type: none"> Expand scope and range of recruitment network to reach individual/leisure travel “influencers” Develop and implement year round integrated media campaign to promote individual/leisure travel (multiple mediums) Pursue cooperative marketing opportunities with regional, national and international individual/leisure travel partners Promote consistent air/ground access between the Municipality and key regional, national and international markets 	<ul style="list-style-type: none"> Partnered with TNS, and HIAA on Icelandair promotions Partnered with TNS on the hosting of Destination Canada’s Mega familiarization trip Partner programs with Tourism Nova Scotia, ACOA and Casino NS to reach

2015 Schedule A – Service Agreement Deliverables (Destination Halifax)

	Key Deliverables in the Service Agreement	Measures	Year End 2015
		<ul style="list-style-type: none"> 5% growth in leisure travel accommodation room nights sold 	<p>Niche Developmental Markets</p> <ul style="list-style-type: none"> Attracted new partners to Online Package program Attracting new partners to Online Package program <p>SEE REPORT CARD ATTACHED</p>
<p>2.5 Data Management</p>	<p>3.03 (b) Provide visitors and site selectors with appropriate, timely and convenient destination information</p>	<ul style="list-style-type: none"> Develop and implement strategies to provide content that is accessible from multiple platforms (e.g. personal computers (PCs), personal digital assistants (PDAs), cell/mobile devices etc.) Develop and implement strategies to provide content that can be integrated with multiple operating systems (e.g. distributed applications/middleware/hardware) Build awareness of DH web site and vacation planning tools Develop and implement web-based analytics to generate customer profiles/database Showcase broad range of HRM offerings across all tourism and hospitality sectors serviced by DH Develop and implement strategies to populate DH web site with visitor-contributed content Develop and implement strategies to populate DH web site with industry-partner-contributed content, including content provided by the Municipality Facilitate sales transactions with tourism operators and other tourism sector service providers Achieve increase of 3.5% in non-Halifax traffic to dh.com Achieve non Halifax user activity of 55% for Halifax Sociable traffic volume eHalifax newsletter open rate of 22% Convert 13% of digital traffic to partner (member sites) 	<p>SEE REPORT CARD ATTACHED</p>
<p>2.6 Media Relations Resource</p>	<p>3.03 (c) Provide messaging and media relations support to the tourism sector.</p>	<ul style="list-style-type: none"> Develop, evaluate and update key messages and communications strategies/deliverables for all DH markets Review/edit DH publications and internal/external communications to ensure messages are consistent, on target and brand compliant. Monitor social media usage patterns and evolve media strategy to reflect research and trends Work with industry partners to leverage their key messages, seeking opportunities 	<ul style="list-style-type: none"> Decreased bounce rate on DH.com, Increased average time on site, and increase in new visitors to site Providing coaching to industry to populate profiles and online packaging opportunities to showcase the diverse offering of Halifax region

2015 Schedule A – Service Agreement Deliverables (Destination Halifax)

	Key Deliverables in the Service Agreement	Measures	Year End 2015
		<p>for cross-promotion and collaboration on media opportunities</p> <ul style="list-style-type: none"> • Build relationships with targeted media through a variety of means (e.g. host media familiarization tours, source/write/solicit story ideas, facilitate media interview requests, attend key media events, maintain database of qualified media contacts, etc.) • Assist members with assessment of direct media inquiries to assign the best product/market match • Produce, and disseminate to industry stakeholders, quarterly media values snapshot <ul style="list-style-type: none"> • 40 site visits by targeted media • Weighted media cost of \$355,000 • Media coverage value of 1570 • 257 pieces of qualified media coverage 	<p>Travel Media Coverage of Note 2015:</p> <ul style="list-style-type: none"> • Buzzfeed, <u>25 Reasons Why You Should Absolutely Visit The Maritimes This Summer</u> • Telegraph (UK), <u>Top 10: best cities to visit and things to do in Canada</u> • ABC News, <u>Lonely Planet's New Photo Book Takes Readers to the Farthest Corners of the Earth</u> • Globe and Mail, <u>Must-sees in seven cities: How to make the best use of that stopover</u> • Huffington Post, <u>5 Reasons Why You Should Head Up to Halifax Right Now</u> • National Post, <u>New Year's Eve: How to ring in 2016 across Canada</u> • The Sun, <u>Stunning photographs show the most remote places on planet Earth</u> • Fodors, <u>5 Reasons to Go to Nova Scotia This Fall</u> • Boston Metro, <u>Touring Halifax, Nova Scotia</u> • The Guardian (UK), <u>Nova Scotia: oceans of music at the edge of the Atlantic</u> <p>SEE REPORT CARD ATTACHED</p>

2015 Schedule A – Service Agreement Deliverables (Destination Halifax)

	Key Deliverables in the Service Agreement	Measures	Year End 2015
<p>3.1 Stakeholder Platform</p>	<p><i>3.04 (a) Provide a platform through which industry stakeholders can advance individual business priorities and work collaboratively to grow the tourism sector</i></p>	<ul style="list-style-type: none"> • Develop and implement a strategy aimed at increasing the level of tourism sector engagement (e.g. member appreciation event, social media forum, partnership opportunities catalogue, peer recruitment program etc.) • Work with industry partners to capitalize on high value, high potential tourism sector investment/growth opportunities and respond to threats facing the sector • Ensure emerging needs of business are shared with economic development partners through regular meetings, electronic media or other means • Foster opportunities for collaboration among complementary industry stakeholders (cooperative marketing, bundling of experiences/products, etc.) • Broaden tourism industry representation among DH membership through targeted outreach • Increase overall satisfaction with membership benefits by facilitating active engagement (member appreciation event, social media forum, partnership opportunities catalogue, etc.) • Work with partners & contribute to a visitor survey to identify the tourism industry’s strengths, issues and challenges (Province’s Visitor Exit Survey – conducted every four years) • Build the image and influence of the tourism industry by communicating industry success stories • Forge strategic alliances with key tourism sector organizations • Promote a tourism and hospitality sector view in significant regional decisions wherever the visitors and/or operators/service providers are impacted <ul style="list-style-type: none"> • 40% membership survey participation rate • 95% membership revenue retention rate • 175+ membership base • 95% membership satisfaction rating • Show Your Badge participation rate of no less than 50 • Member newsletter open rate of 44% 	<ul style="list-style-type: none"> • 10 in-market promotional initiatives involving 138 industry partners • 1,157 packages on DH.com as presented by industry partners <p>SEE REPORT CARD ATTACHED</p>
<p>3.2 Professional Development</p>	<p><i>3.04 (b) Stage relevant and effective professional development programming for the tourism industry</i></p>	<ul style="list-style-type: none"> • Develop and deliver tourism sector training for industry stakeholders • Cross-promote tourism sector speaking engagements/training sessions hosted by Partners <ul style="list-style-type: none"> • 50+ average participant level (per session) • 85% program satisfaction evaluation • 6-8 member orientation sessions (annually) • 4+ half-day seminar/workshops with topics relevant to DH’s primary areas of market concentration 	<ul style="list-style-type: none"> • Held a full day sales training workshop with 48 participants • OpEd sessions partnered with Nova Scotia Tourism, Travel Gay Canada and ISL Digital Services <p>SEE REPORT CARD ATTACHED</p>

2015 Schedule A – Service Agreement Deliverables (Destination Halifax)

	Key Deliverables in the Service Agreement	Measures	Year End 2015
3.3 Destination Animation	<i>3.04 (c) Foster marquee festivals and events that will provide an increased opportunity for destination animation and draw tourists to the Municipality</i>	<ul style="list-style-type: none"> In Accord with HRM’s major event hosting strategy, pursue cooperative marketing opportunities with regional, national and international destination animation partners Support strategies to identify and attract large-scale/high-profile destination animation opportunities to HRM (sporting/cultural events, festivals, exhibitions etc.) In conjunction with HRM staff, support the Municipality’s major events hosting strategy Work with event hosts to increase participation rates for marquee festivals and events Provide in-kind support such as marketing, logistical and networking assistance for major events including, but not limited to, Scotiabank Hockey Day in Canada, CIS Men’s Hockey Championships (the University Cup), 2015 Ford World Men’s Curling Championship, the Web.com Nova Scotia Open, 2015 Canadian Country Music Week. 	<ul style="list-style-type: none"> DH staff member served on Country Music Week hosting committee for 2 years (held September 10 -13, 2015) Partnership with Halifax Municipality to present HRM major event in market messaging ie Men’s World Curling Championships, Nova Scotia Open, CCMA
4.1 Reports	<i>3.05 (a) In conjunction with Municipal staff, prepare and present bi-annual reports to Standing Committee and Council on the status of Destination Halifax activities and initiatives</i>	<ul style="list-style-type: none"> Quarterly status reports for the CAO Bi-annual (Q2/Q4) Service Agreement report to Standing Committee Bi-annual (Q2/Q4) Service Agreement report to Council 	<ul style="list-style-type: none"> Quarters 1, 2, 3 status reports delivered with detail and breakdown
4.2 Business Plan	<i>3.05 (b) In conjunction with Municipal staff, and following the Municipality’s business-planning time frame, produce an annual business plan and budget consistent with the terms of this agreement</i>	<ul style="list-style-type: none"> Produce business plan and budget by Feb 28th Identify/track outcome measures monthly; report bi-annually Provide quarterly review and feedback on alignment with business plan 	<ul style="list-style-type: none"> 2016 Business Plan and Budget approved by DH BoD December 2015
4.3 Leverage Funding	<i>3.05 (c) Leverage the Municipality’s investment in Destination Halifax by partnering with the private sector and other levels of government to fund Destination Halifax’s activities</i>	<ul style="list-style-type: none"> Leverage the Municipality’s grant by partnering with the private sector and the federal/provincial government 95% renewal of private sector investment Maintain an 82% (HRM) /18% (non-HRM) funding mix (expressed as a percentage of overall Destination Halifax funding) 	<ul style="list-style-type: none"> Municipal grant leveraged 83/17 YTD <p>SEE REPORT CARD ATTACHED</p>

Attachment 2:
Destination Halifax Report on Schedule
A Activities for January to March 2016

First Quarter 2016

HRM Service Agreement
2016 Q1 Schedule of Activity
Report Card

Category	Activity	Q1 2016 Goal	Quantitative Measure	Achievement (YTD)				2015 YTD Mar 31
				1st QTR 2016	2nd QTR 2016	3rd QTR 2016	4th QTR 2016	
				YTD Mar 31	YTD June 30	YTD Sep 30	Total Year	
Benchmarking	Air Capacity Air Traffic Load Factors	3% growth 75%	2,436,075	573,109 75%				513,022 75%
Site Selection	Business Attraction leads	2 to 3	2 to 3	1				0
Meeting & Convention	Room Night production Booking Productivity Business Mix Productivity Growth - non Domestic	55,000 150 bookings 70%Dom/30%Intl 25% growth	55,000 150 bookings 70%Dom/30% Intl 11,340	4,050 16 53%/47% 1,905				16,477 27 78%/22% 3,664
Port of Call - Cruise	Passenger Arrivals New Ship Arrivals- June/August Turnaround Visits	≥10,000 3 3% growth	228,000 3 3+	0 0 0				0 0 0
Room nights	Room Nights Sold			268,980				1,361,139
Data Management	Grow (nonHfx) dh.com traffic sessions Grow (nonHfx) Sociable traffic to 55% of total eHalifax newsletter open rate Convert digital traffic to member sites	3.50% 55% 22% 13%	444,054	90,260 59% 49% 12%				87,353 56% 19% 13%
Media Relations	Media site visits Weighted media cost Qualified media full pieces	40 \$355,000 257	40 \$355,000 257	3 \$737,555 339				8 \$240,317 55
Stakeholder Platform	Member Survey participation Member Retention Member base Member Satisfaction Member newsletter open rate Show Your Badge participation	40% 95% 175+ 95% 44% 50+	69 \$139,850 175+ 95% 44% 50+	N/A 134,285 148 N/A N/A 38				26%(43) \$131,907.81 142 95% 44% 21
Professional Development	Industry engagement (PD program) Orientation programming PD programming Program Satisfaction	50+ per session 6-8 sessions 4+ sessions 85%	50+ per session 6-8 sessions 4+ sessions 85%	27 3 1 98%				36 2 2 86%
Leverage Funding	Funding Mix (HRM/non HRM) Private Sector investment retention	82%/18% 95%	82%/18% \$248,628.00	79%/21% \$56,311.00				81%/19% \$31,294.93

2016 Q1 Schedule A – Service Agreement Deliverables (Destination Halifax)

	Key Deliverables in the Service Agreement	Measures	First Quarter 2016
C1.1 Advice	<i>3.02 (a) Through experienced staff, and upon request, advise the Municipality on tourism and destination marketing matters</i>	<ul style="list-style-type: none"> Attend meetings and/or provide reports to Council, Standing Committee and HRM's Senior Management Team (SMT) as requested Develop a bank of market intelligence to assist in tourism sector decision-making By fiscal year end of each year, produce an annual market overview report on the municipality's tourism and hospitality industry (inclusive of SWOT analysis) 	<ul style="list-style-type: none"> 2016 business outlook prepared and delivered July 2015 Research on core and emerging markets available on secure area of DH.com
1.2 Strategy	<i>3.02 (b) In conjunction with Partners, develop, and periodically update, a multi-year tourism and hospitality sector strategy for the Municipality</i>	<ul style="list-style-type: none"> Source research and analysis to support a tourism strategy that aligns to HRM's brand strategy Identify tourism and hospitality markets and visitor segments with high rates of return and develop approaches for capitalizing on these markets/segments Align tourism development with broader municipal economic development goals and objectives (e.g. Atlantic Gateway, infrastructure investment, quality of place and branding) Review and consider the Ivany Commission's One Nova Scotia report and, as appropriate, incorporate into decision making Engage Partners in clearly defining respective roles and responsibilities vis-à-vis strategy implementation Collaborate and integrate programming with organizations that complement tourism promotion of the destination (eg: NSTA, DEANS, Bluenose Coast, Seaside Tourism Association, St. Margaret's Bay Tourism Development Association, TCL) and others as applicable Track, monitor and report on progress toward achieving implementation of multi-year strategy's goals & objectives 	<ul style="list-style-type: none"> Participating in Pre/Post Committee along with HCC, TIANS and TNS Alignment of HALIFAX brand into DH in market messages and advertising campaigns Ensuring DMO activities align with One Nova Scotia objectives DH Five Year Marketing & Sales Strategy complete New balance score card complete Revised Schedule A proposed
1.3 Benchmarking	<i>3.02 (c) In conjunction with Partners, develop efficiency metrics and outcome measures to gauge the effectiveness of Destination Halifax's destination marketing efforts.</i>	<ul style="list-style-type: none"> Source periodic best practices research on benchmark cities that engage in destination marketing No less than once every 2 years, participate with and deliver results of a destination marketing organization (DMO) Best Practices Performance Report as sanctioned by the Destination Marketing Association of Canada Develop and implement mechanisms for tracking outcome measures Benchmark DH's performance (against prior year performance and against comparable benchmark cities) 3% increase in air passenger capacity 75% air passenger arrival load factor for year end Exceed category average for leads produced for convention sales by ≥1.5X 	<ul style="list-style-type: none"> 2016 DMO Canadian Benchmarking participation Cities Project participation <p>SEE REPORT CARD ATTACHED</p>

2.1 Site Selection	<p>3.03 (a) Market the Municipality as:</p> <ul style="list-style-type: none"> • a world-class community in which to live, work and conduct business 	<ul style="list-style-type: none"> • Align destination marketing efforts with Partners' integrated media campaigns designed to promote the Municipality as a world class community; • Expand scope and range of recruitment network to reach site selectors and business community "influencers" • Generate 2-3 site selector leads for business attraction Partners (annually) 	<ul style="list-style-type: none"> • Shared marketing lead with HP (1; Centre for Family Business and Regional Prosperity) <p>SEE REPORT CARD ATTACHED</p>
2.2 Meetings and Conventions	<p>3.03 (a) Market the Municipality as:</p> <ul style="list-style-type: none"> • Atlantic Canada's preeminent location for meetings, conventions and major events 	<ul style="list-style-type: none"> • Develop and implement year round campaign using various media to promote meetings, major events and conventions travel • Develop and implement a "return to Nova Scotia" program targeted to meetings and convention delegates • Expand scope and range of recruitment network to reach meetings and conventions "influencers" • Pursue cooperative marketing opportunities with regional, national and international meetings and conventions partners • 55,000 room nights • 150 meeting and conventions bookings (annually) • 30% foreign / 70% domestic target mix for M&C bookings • 25% increase in foreign (non-domestic) booking activity 	<ul style="list-style-type: none"> • 38 new business leads representing 28,001 room nights and 13,891 delegates • 16 confirmed bookings representing 4,050 room nights and 2,343 delegates <p>SEE REPORT CARD ATTACHED</p>
2.3 Port of Call	<p>3.03 (a) Market the Municipality as:</p> <ul style="list-style-type: none"> • Atlantic Canada's marque port of call 	<ul style="list-style-type: none"> • Develop and implement year round campaign using various media to promote cruise travel • Develop and implement a "return to Nova Scotia" program targeted to cruise passengers • Expand scope and range of recruitment network to reach cruise "influencers" • Pursue cooperative marketing opportunities with regional, national and international port-of-call partners • Promote upgrading of cruise passenger facilities • Develop and implement strategy to extend the cruise season • 228,000 in cruise ship passenger arrivals • 3 additional ship arrivals during June-August period • 3% increase in cruise turnaround business 	<ul style="list-style-type: none"> • Fully engaged as partner with Halifax Port Authority in presenting Halifax as cruise port of call and turn around destination, partner in Cruise Arrival program and participated with itinerary partners in Seatrade Cruise Global in Fort Lauderdale <p>SEE REPORT CARD ATTACHED</p>
2.4 Individual Travel	<p>3.03 (a) Market the Municipality as:</p> <ul style="list-style-type: none"> • Atlantic Canada's hub for year round individual travel itineraries and experiences. 	<ul style="list-style-type: none"> • Expand scope and range of recruitment network to reach individual/leisure travel "influencers" • Develop and implement year round integrated media campaign to promote individual/leisure travel (multiple mediums) • Pursue cooperative marketing opportunities with regional, national and international individual/leisure travel partners • Promote consistent air/ground access between the Municipality and key regional, national and international markets • 5% growth in leisure travel accommodation room nights sold 	<ul style="list-style-type: none"> • Partnered with TNS, and HIAA on Icelandair promotions • Partner program with Tourism Nova Scotia developed for Search Engine Marketing and Asset Development • Focusing leisure efforts on near market of Maritime Canada to align with 5 Year Marketing Strategy • Attracting new partners to Online

			<p>Package program</p> <p>SEE REPORT CARD ATTACHED</p>
<p>2.5 Data Management</p>	<p><i>3.03 (b) Provide visitors and site selectors with appropriate, timely and convenient destination information</i></p>	<ul style="list-style-type: none"> • Develop and implement strategies to provide content that is accessible from multiple platforms (e.g. personal computers (PCs), personal digital assistants (PDAs), cell/mobile devices etc.) • Develop and implement strategies to provide content that can be integrated with multiple operating systems (e.g. distributed applications/middleware/hardware) • Build awareness of DH web site and vacation planning tools • Develop and implement web-based analytics to generate customer profiles/database • Showcase broad range of HRM offerings across all tourism and hospitality sectors serviced by DH • Develop and implement strategies to populate DH web site with visitor-contributed content • Develop and implement strategies to populate DH web site with industry-partner-contributed content, including content provided by the Municipality • Facilitate sales transactions with tourism operators and other tourism sector service providers <ul style="list-style-type: none"> • Achieve increase of 3.5% in non-Halifax traffic to dh.com • Achieve non Halifax user activity of 55% for Halifax Sociable traffic volume • eHalifax newsletter open rate of 22% • Convert 13% of digital traffic to partner (member sites) 	<p>SEE REPORT CARD ATTACHED</p>
<p>2.6 Media Relations Resource</p>	<p><i>3.03 (c) Provide messaging and media relations support to the tourism sector.</i></p>	<ul style="list-style-type: none"> • Develop, evaluate and update key messages and communications strategies/deliverables for all DH markets • Review/edit DH publications and internal/external communications to ensure messages are consistent, on target and brand compliant. • Monitor social media usage patterns and evolve media strategy to reflect research and trends • Work with industry partners to leverage their key messages, seeking opportunities for cross-promotion and collaboration on media opportunities • Build relationships with targeted media through a variety of means (e.g. host media familiarization tours, source/write/solicit story ideas, facilitate media interview requests, attend key media events, maintain database of qualified media contacts, etc.) • Assist members with assessment of direct media inquiries to assign the best product/market match • Produce, and disseminate to industry stakeholders, quarterly media values snapshot <ul style="list-style-type: none"> • 40 site visits by targeted media • Weighted media cost of \$355,000 • Media coverage value of 1570 • 257 pieces of qualified media coverage 	<ul style="list-style-type: none"> • Decreased bounce rate on DH.com YTD, Increased average time on site, and increase in new visitors to site • Providing coaching to industry to populate profiles and online packaging opportunities to showcase the diverse offering of Halifax region <p>Travel Media Coverage of Note 2016:</p> <ul style="list-style-type: none"> • Huffington Post, <u>Least Snobby Cities In The World Include Halifax</u> • The Loop: <u>25 things about the Maritimes that make the rest of Canada jealous</u> • VanCityBuzz: <u>10 places in Canada you need to visit this year</u>

3.2 Professional Development	<i>3.04 (b) Stage relevant and effective professional development programming for the tourism industry</i>	<ul style="list-style-type: none"> • Develop and deliver tourism sector training for industry stakeholders • Cross-promote tourism sector speaking engagements/training sessions hosted by Partners • 50+ average participant level (per session) • 85% program satisfaction evaluation • 6-8 member orientation sessions (annually) • 4+ half-day seminar/workshops with topics relevant to DH's primary areas of market concentration 	<ul style="list-style-type: none"> • Held a full day sales training workshop with 55 participants <p>SEE REPORT CARD ATTACHED</p>
3.3 Destination Animation	<i>3.04 (c) Foster marquee festivals and events that will provide an increased opportunity for destination animation and draw tourists to the Municipality</i>	<ul style="list-style-type: none"> • In Accord with HRM's major event hosting strategy, pursue cooperative marketing opportunities with regional, national and international destination animation partners • Support strategies to identify and attract large-scale/high-profile destination animation opportunities to HRM (sporting/cultural events, festivals, exhibitions etc.) • In conjunction with HRM staff, support the Municipality's major events hosting strategy • Work with event hosts to increase participation rates for marquee festivals and events • Provide in-kind support such as marketing, logistical and networking assistance for major events including, but not limited to, Scotiabank Hockey Day in Canada, CIS Men's Hockey Championships (the University Cup), 2015 Ford World Men's Curling Championship, the Web.com Nova Scotia Open, 2015 Canadian Country Music Week. 	<ul style="list-style-type: none"> • Partnership with Halifax Municipality to present HRM major event in market messaging Skate Canada
4.1 Reports	<i>3.05 (a) In conjunction with Municipal staff, prepare and present bi-annual reports to Standing Committee and Council on the status of Destination Halifax activities and initiatives</i>	<ul style="list-style-type: none"> • Quarterly status reports for the CAO • Bi-annual (Q2/Q4) Service Agreement report to Standing Committee • Bi-annual (Q2/Q4) Service Agreement report to Council 	<ul style="list-style-type: none"> • Quarter 1 status reports delivered with detail and breakdown
4.2 Business Plan	<i>3.05 (b) In conjunction with Municipal staff, and following the Municipality's business-planning time frame, produce an annual business plan and budget consistent with the terms of this agreement</i>	<ul style="list-style-type: none"> • Produce business plan and budget by Feb 28th • Identify/track outcome measures monthly; report bi-annually • Provide quarterly review and feedback on alignment with business plan 	<ul style="list-style-type: none"> • 2016 Business Plan and Budget implementation • DH Five Year Marketing & Sales Strategy Development underway
4.3 Leverage Funding	<i>3.05 (c) Leverage the Municipality's investment in Destination Halifax by partnering with the private sector and other levels of government to fund Destination Halifax's activities</i>	<ul style="list-style-type: none"> • Leverage the Municipality's grant by partnering with the private sector and the federal/provincial government • 95% renewal of private sector investment • Maintain an 82% (HRM) /18% (non-HRM) funding mix (expressed as a percentage of overall Destination Halifax funding) 	<ul style="list-style-type: none"> • Municipal grant leveraged 79/21 YTD • Leveraged TNS partnership programs to the tune of \$100,000 for 2016 <p>SEE REPORT CARD ATTACHED</p>

Attachment 3:
Proposed Amending Agreement
and Schedule A -- Service
Agreement Deliverables

AMENDING AGREEMENT

BETWEEN:

HALIFAX REGIONAL MUNICIPALITY, a body corporate
(hereinafter referred to as "HRM")

OF THE FIRST PART

and -

DESTINATION HALIFAX SOCIETY, a body corporate
(hereinafter referred to as the "Destination Halifax")

OF THE SECOND PART

WHEREAS HRM and Destination Halifax are parties to a Services Agreement dated 21 March 2014 (as amended);

AND WHEREAS Section 2.01(h) of the Services Agreement contemplates HRM and Destination Halifax agreeing, by mutual consent, to amend key deliverables, as particularly described in Schedule A of the Services Agreement;

AND WHEREAS the parties wish to amend the Services Agreement on the terms and conditions set out in this Amending Agreement.

NOW THEREFORE in consideration of the mutual covenants and promises herein contained and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each of the parties) the parties agree as follows:

1. New Schedule A

Schedule A of the Services Agreement (as amended) be and hereby is deleted in its entirety and is replaced with a new Schedule A attached hereto.

2. Confirmation of Agreement

This Amending Agreement shall, on the date of its execution, be read and construed with the Services Agreement (as amended) and be treated as part thereof, and for such purpose insofar as may be necessary to effectuate this Amending Agreement the Services Agreement is hereby amended; and the documents as so amended, together with all the covenants and provisos thereof, shall remain in full force and effect and the parties will observe and perform all of the covenants, conditions and provisos contained in the Services Agreement as hereby amended.

3. Successors and Assigns

This Amending Agreement shall enure to the benefit of and be binding upon each of the parties and their respective successors and permitted assigns.

4. Governing Law

This Amending Agreement and its application and interpretation shall be governed by and construed in accordance with the laws prevailing in the Province of Nova Scotia.

IN WITNESS WHEREOF the parties have executed this Amending Agreement to take effect on the ____ day of _____, 2016, the date on which the Mayor and the Municipal Clerk affixed their signatures hereto.

HALIFAX REGIONAL MUNICIPALITY

Witness

Per: _____
Mayor

Witness

Per: _____
Municipal Clerk

Destination Halifax Society

Witness

Per: _____
President and Chief Executive Officer

Witness

Per: _____
Chair of the Board
(I have authority to bind Destination
Halifax)

Proposed 2016 Schedule A - Service Agreement Deliverables (Destination Halifax)

Service Level Agreement Area	Objective(s)	Actions	Measurement (and Measurement Type)
3.02 (a) Advice & (b) Strategy	<i>Advise HRM on tourism and destination marketing matters.</i> <i>To drive alignment in strategy with other tourism and economic development partners with respect to tourism development.</i>	<ol style="list-style-type: none"> 1. Attend meetings and provide reports to Council, Standing Committees and HRM's Senior Management Team as requested. 2. Produce by fiscal year-end of each year, a report outlining the state of the municipality's tourism industry . 3. Develop an annual business plan. 4. Implement a comprehensive five-year marketing strategy for the leisure market. 5. Implement a comprehensive five-year strategy for the group market. 6. Align performance management to strategies and desired outcomes. 7. Align strategy and service delivery with partners, including HRM, TNS, HCCC/TCL, Waterfront Development Corp, and the Halifax Partnership. 8. With HRM, articulate the Municipality's role and approach to tourism, festivals and special events (in alignment with the <i>Halifax Economic Growth Plan 2016-21</i> Year 1-2 Action -- "71. Articulate HRM's role and approach to tourism, festivals and special events.") 	Qualitative Information
3.02 (c) Benchmarking	<i>To benchmark against leading DMOs at a minimum bi-annually.</i>	<ol style="list-style-type: none"> 9. Improve a program-wide Return on Investment in Group Sales. 10. Maximize advertising investments. 11. Undertake a process review for major processes. 12. Participate in leading DMO benchmarking programs. 13. Acquire daily and monthly tourism data to inform decision-making. 14. Complete Destination Marketing Association of Canada's annual benchmarking exercise. 15. Host familiarization tours and site inspections for meetings and conventions. 	Benchmarking reports
3.03 (a) Marketing	<p><i>To market the Municipality as a world class-community in which to visit, live, work and conduct business.</i></p> <p><i>To market the Municipality as Atlantic Canada's: preeminent location for meetings, conventions and major events; marquee port of call; hub for year-round individual travel itineraries and experiences; and, hub for group tour travel itineraries and experiences.</i></p> <p><i>To undertake sales activities for Group Sales including Meetings & Conventions.</i></p>	<ol style="list-style-type: none"> 16. Grow meetings and conventions delegate nights (domestic). 17. Grow meetings and conventions delegate nights (international). 18. Increase overnight leisure visitation. 19. Improve access to and the quality of information to visitors who are in-market for planning a visit to Halifax. 20. Grow and maintain the Maritime Overnight Leisure market. 21. Obtain Halifax's market share of visitation from "in market planners". 22. Target Ontario and Western Canada Leisure Market Share. 23. Execute 2016 Leisure Campaign in Maritime Market (media impressions target). 24. Increase visitor spend with members through improved visitor information. 25. Realign media assets owned by Destination Halifax (e.g. website, sales materials) to strategy. 26. Realign earned media (media and content not controlled by Destination Halifax) with leisure strategy. 27. Design and implement a pre-post and spousal marketing campaign for meeting delegates (in alignment with <i>Halifax Economic Growth plan 2016-21</i> Year 1-2 Action -- "69. With economic development and tourism partners, present trade and investment opportunities, as well as tourism offerings to conference delegates."). 28. Support Halifax Port Authority marketing to cruise lines. 29. Develop and implement a search engine optimization strategy for "in market visitors". 30. Implement a travel media program. 31. Host familiarization tours for travel writers. 32. Target media coverage value. 33. Target qualified media stories. 34. Implement Social Media Program. 35. Develop a signature video series to be used for Halifax's future campaigns. 36. Capture a series of signature and supporting photography aligning with the new strategy. 37. In consultation with HRM, develop a consumer facing logo for Halifax. 38. Implement a "cross sales" training program between DH and Halifax Partnership sales teams. 	<p>Hotel Occupancy (Industry Performance)</p> <p>Change in Supply (investment in new rooms) (Industry Performance)</p> <p>Estimated total visitor spend (actual visitation X average spend calculation) (Industry Performance)</p> <p>Total reach of campaigns (DMO Activity Measure)</p> <p>Travel Media (# of stories) (DMO Activity Measure)</p> <p>Travel Media (value of media secured) (DMO Activity Measure)</p> <p>Segment Visitation (i.e.. Cruise, Shopping, Near Markets) (Industry Performance - Not all available annually)</p> <p>Tentative Room Nights Booked (DMO Performance)</p> <p>Definite Room Nights Booked (DMO Performance)</p> <p>Estimated Economic Impact from Group Sales (DMO Performance)</p> <p>Number of trade shows attended (DMO Performance)</p> <p>Number of sales calls undertaken (DMO Performance)</p>
3.03 (b) Destination Information	<i>To provide visitors and site selectors with appropriate, timely and convenient destination information</i>	<ol style="list-style-type: none"> 39. Implement an Attendance Building Program (including spousal program). 40. Undertake a market potential review for select visitor information publications and services. 41. Add enhanced visitor planning tools on website. 	Qualitative Information

3.04 Sector Development	<p>convenient destination information.</p> <p><i>To provide a platform through which industry stakeholders can advance individual business priorities and work collaboratively to grow the tourism sector.</i></p> <p><i>To stage relevant and effective professional development programming for the tourism sector.</i></p> <p><i>To foster marquee festivals and events that will provide an increased opportunity for destination animation and draws tourists to the Municipality.</i></p> <p><i>To support HIAA with the continued development of Air Access.</i></p> <p><i>To provide advice on major tourism infrastructure product development.</i></p>	<p>42. Develop a visitor guide model.</p> <p>43. Grow total website referrals to members.</p> <p>44. Support tourism development in rural HRM (in alignment with <i>Halifax Economic Growth Plan 2016-21</i> Year 1-2 Action -- "33. Assess the feasibility of a rural action committee to foster rural economic development.")</p> <p>45. Support Air Access Development (in alignment with <i>Halifax Economic Growth Plan 2016-21</i> Year 1-2 Actions -- "17. Assess the role the Municipality could play in a potential air route development fund to open direct commercial and passenger routes to other destinations." & "18. Produce a 5-year Strategic Growth Plan for the Halifax Gateway.")</p> <p>46. Support major tourism infrastructure product development.</p> <p>47. Support project development of Georges Island.</p> <p>48. Undertake a review of the current membership design and develop a membership strategy.</p> <p>49. Increase member participation in Show Your Badge Program to increase conference delegate spending on local goods and services.</p> <p>50. Develop a Stakeholder Communications Plan.</p> <p>51. Implement an Industry Communications Plan.</p>	<p>Airport Statistics (Industry Performance)</p> <p>Qualitative Information</p>
3.05 (c) Leveraged Funding	<p><i>To leverage the Municipality's investment in Destination Halifax by partnering with the private sector and other levels of government to fund Destination Halifax's activities.</i></p>	<p>52. Undertake a membership pricing and structure review.</p> <p>53. Develop a program of marketing partnerships with key membership segments.</p> <p>54. Grow membership.</p> <p>55. Deliver membership revenue.</p> <p>56. Deliver leveraged funding (excluding levee) measured as % of budget.</p>	<p>Number of memberships (DMO Performance Measure)</p> <p>Member retention rate (DMO Performance Measure)</p> <p>Ratio of HRM: Other Revenue (DMO Performance Measure)</p>
3.05 Reporting	<p><i>To prepare and present regular reports to the Standing Committee and Council on the status of Destination Halifax activities and initiatives.</i></p> <p><i>To produce an annual business plan and budget consistent with the terms of this Agreement and in conjunction with Municipal staff.</i></p>	<p>57. Develop quarterly status reports for the CAO.</p> <p>58. Develop a bi-annual Service Agreement Report for CPED and Regional Council.</p>	<p>Qualitative Information</p>
New	<p><i>To pursue an organizational culture of excellence and client focus.</i></p>	<p>59. Develop and implement a training development program for employees.</p> <p>60. Reduce administration expenses.</p>	<p>Qualitative Information</p> <p>Administration expenses as share of overall budget (DMO Performance</p>