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Item No. 10.1
Halifax Regional Council
June 18, 2024
July 9, 2024

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: May 30, 2024

SUBJECT: **2024-25 Events East Business Plan – Halifax Convention Centre & Ticket Atlantic**

ORIGIN

March 28, 2024 letter from Events East Board Chair, Nancy MacCready-Williams, requesting approval of the 2024-25 Events East Business Plan.

LEGISLATIVE AUTHORITY

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

Business plan

Section 29

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

RECOMMENDATION

It is recommended that, in accordance with section 29 of the *Halifax Convention Centre Act*, Halifax Regional Council approve the 2024-25 Events East Business Plan for the Halifax Convention Centre Corporation, submitted to the municipality March 28, 2024, as set out in Attachment 1 of this staff report.

BACKGROUND

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

Nancy MacCready-Williams, then Board Chair of Events East has submitted the attached business plan for the approval of Halifax Regional Council and the Minister of Economic Development. The plan was developed by Events East and has been approved by the Events East's board of directors. The Act requires that Events East submit to Council and the Minister for approval, a detailed business plan for the following fiscal year, including estimates of budgetary requirements.

DISCUSSION

On March 28, 2024, the Events East Board Chair submitted a 2024-25 Business Plan for Events East Group as approved by the Board.

The plan has five strategic priorities which are summarized as:

1. **Business Growth**
Recognizing that the events industry has stabilized, Events East will evolve its sales and marketing strategy to meet the changing needs of current and prospective clients based on key learnings from research and feedback. With a diverse mix of events secured for the current year, efforts are focused on meeting national and international event targets for future years, with bookings focused on 2025 and beyond.
2. **Guest Experience**
Through insights from customers, Events East will identify opportunities to enhance its services and ensure it can continue to meet and exceed client expectations. This includes updating menu offerings, implementing an updated customer feedback program, and refining the operational processes required to create a seamless experience for clients at every step.
3. **Community Connection**
Events East will find new, innovative ways to demonstrate the impact of our programs, events, and industry across the province, creating a sense of community pride and optimism for the opportunities that lie ahead. It does this through the Local Program, new and existing partnerships within a diverse community, and implementing the first year of its organizational Equity, Diversity, and Inclusion strategy.
4. **Talent & Culture**
Using insights gained from the employee engagement survey, Events East will adapt internal communications and recognition programs to align with employee expectations. Recruitment and onboarding needs will be reviewed, and a formalized training program created, that will help foster a culture and workplace where employees can stay and grow.
5. **Accountability & Sustained Performance**
Operating the Halifax Convention Centre in a responsible and transparent manner with focus on the stabilization of business and the implementation of strategic programs and projects that align with the long-term strategy for Events East.

The 2024/25 business plan includes 14 actions and initiatives supporting the 5 strategic priorities noted above.

Strategic alignment

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

Notable areas of alignment between the Events East 2024-25 Business Plan and these plans include:

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

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

Outcomes and Measures

The 2024-25 business plan includes core outcomes & measures associated with each of the priority areas. They show business growth recovering with target for annual direct spending, associated with conventions and events, to remain consistent with 2023-24 at \$60M in 2024-25. Associated with this, the target number of events is increasing from 150 to 165, with approximately 85,000 delegates. This marks a restoration of historical event volume and mix. Other measures include programs in place for both client and staff feedback to be received, which will support future improvements and stakeholder engagement.

Business Plan

Next Steps The business plan has been approved by the Minister of Economic Development. Regional Council approval is the final approval required for the business plan.

FINANCIAL IMPLICATIONS

The Halifax Convention Centre is funded as per a Memorandum of Understanding (MOU) between Halifax Regional Municipality (HRM) and the Province, under which each party shares equally in all costs including the annual lease costs (\$5,380,000) and the operating costs of the facility. Under the MOU, HRM pays its share of lease costs directly to the Province of Nova Scotia.

Annual business plans, including budget estimates, are required to be approved by Halifax Regional Council. HRM is responsible to contribute half of the total anticipated funding requirement which is estimated at \$2,100,000. HRM's funding for the Convention Centre is withdrawn from the Halifax Convention Centre Reserve.

Budget Summary: Convention Centre Reserve Q521

Projected Net Available Balance, April 1/ 24	\$ 6,765,511
Projected Interest 2024/25	\$ 117,232
Budgeted contribution 2024/25	\$ 8,454,000
Budgeted withdrawals (HCC rent) 2024/25	(\$ 5,380,000)

Budgeted withdrawals (Events East)	<u>(\$ 2,100,000)</u>
Net Available Ending Balance	\$7,856,743

Expected reserve withdrawals, for both rent and Events East operating funding, were included in the 2024/25 Reserve budget and approved by Council in April.

RISK CONSIDERATION

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

COMMUNITY ENGAGEMENT

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVE

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

ATTACHMENTS

Attachment 1: Events East 2024-25 Business Plan
Attachment 2: Approval of 2024-2025 Events East Group Business Plan

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

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Events East

2024-25 Business Plan

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Message from the President & CEO

As we look to the upcoming year, we do so with confidence and excitement.

Our business and industry are thriving, with clients choosing our province and Centre to host their events. Our team is passionate and excited about planning and creating memorable event experiences for delegates from near and far. Our province and communities are growing, and with them, our reputation as a great destination to host events with a vibrant city to serve as the backdrop.

Attracting events is at the core of what we do; we are incredibly proud to bring visitors to our province to demonstrate our authentic Maritime hospitality, showcase our unique tourism experiences and highlight our growing expertise in sectors like oceans, life sciences, clean technology and more.

With a strong calendar of meetings and conventions secured for current and future years, we will expand our focus beyond event attraction, and into the creation of new programs that increase the social and community impact of our business. Whether we're welcoming a national conference for 500 visiting delegates or hosting a local community celebration, we will continue to support and source from local businesses and suppliers as well as collaborate with our community partners – all in an effort to create inclusive, welcoming spaces in our venue.

As we enter the final year of our current strategic plan and begin to imagine the next five years for our organization, we are inspired to showcase Nova Scotia's strengths as a vibrant, thriving event destination and expand the positive impact we can have on the place we are proud to call home.



Carrie Cussons
President & CEO
Events East

Mandate

WHO WE ARE

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

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

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

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

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

Planning Context

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

As we enter the final year of our five-year strategic plan, the future of our business and industry has never been more optimistic.

Having successfully delivered on the priorities and outcome measures we set out to achieve, including the number of events and delegates we hosted and the resulting economic impact, this year we will identify opportunities to build on our success and enhance our impact.

One of those opportunities is to leverage Nova Scotia's growing reputation as an ideal host destination. With more national and international clients choosing our city and Centre for their events, and two years of exceeding our event attendance and economic impact targets, we are well-positioned for continued success in event attraction.

Leveraging Nova Scotia's rapid growth and innovation in the life sciences, ocean technology, naval defense, and clean technology sectors, we will focus on confirming national and international events that allow us to showcase our strengths as a province to the rest of the world.

Over the next several years, these events will create new opportunities for partnership,

investment and economic growth for Nova Scotia.

With a full calendar of events in place for 2024-25, this year we will evolve the way we work with event planners to support them in creating great events and reinforce our reputation of service excellence in event hosting. We will continue to research and understand emerging industry trends and the expectations of event attendees, continuously improving our service model to align.

Our success in hosting events is rooted in our people and their commitment to customer service. Having successfully re-stabilized our workforce over the last year, our people and culture focus will shift to employee engagement, satisfaction, and retention.

Reflecting our commitment to community impact and equity, diversity, inclusion, and accessibility, we have started developing supporting programs and strategies that are being integrated into how we operate our venues and manage our business. This upcoming year, we will also define key opportunities to align with the sustainability priorities of our shareholders and the emerging environmental practices within our industry. An integrated approach to measurement and monitoring progress will be developed to guide our focus and ensure we are tracking and reporting on our impact to our stakeholders, community, and staff.

This year will also see the development of the next strategic plan for our organization. In collaboration with our shareholders, board and partners, this plan will reflect how we will grow our business and expand our impact for the next five years.

Strategic Priorities & Activities

BUSINESS GROWTH

Halifax and Nova Scotia's reputation as a smart, thriving destination continues to grow on a national and international level, creating opportunities to broaden our event attraction efforts to new markets. Leveraging the strength of our Centre's unique brand, our client relationships, and our successful track record to date, we will work to build awareness of our destination among prospective clients and decision-makers that will help us attract new, strategic events to our province. This includes a focus on opportunities that align with Nova Scotia's key sectors and make us a compelling choice for national and international sector-based events.

Activities/Initiatives:

- **Increase the number of national events** with a goal to maintain national association business and grow the number of national corporate conventions we attract, which generate significant economic impact for Nova Scotia and support a year-round events season.
- **Bid on and secure more strategic international events** that align with sectors and industries that showcase Nova Scotia's reputation as a smart, thriving destination and provide opportunities for further economic growth and innovation for our region.

GUEST EXPERIENCE

Our business is built on relationships with our clients and a shared goal to create great event experiences for their guests. Defining the ideal event experience is an ongoing commitment that requires us to continuously gather feedback from our clients and their attendees, while also staying on top of the latest research and emerging trends in our industry. This year we will continue to evolve our services based on the insights we gather and the opportunities we identify to enhance the event experience in our venue and deliver on our commitment to service excellence.

Activities/Initiatives:

- **Build on our reputation for service excellence** by responding to industry trends and insights from client feedback and research.
- **Define and evolve our approach to customer service** to deliver a welcoming and inclusive environment for our guests and an integrated, consistent event experience for our clients and their attendees.
- **Continue to deliver on our long-term commitment** to supporting local food and beverage suppliers.

COMMUNITY CONNECTION

As our community is an extension of the event experience, we will continue working with our local partners in business, tourism, and community to broaden the reach and impact of our business through our Local Program. This includes showcasing Nova Scotia's rich culture and working with our tourism and hospitality industry to demonstrate the breadth of unique experiences our province has to offer.

Activities/Initiatives:

- **Showcase Nova Scotia's diverse culture and tourism experiences** by broadening the impact of our Local Program and connecting our guests to a variety of authentic Nova Scotian experiences.
- **Increase and diversify community access** to our venue and the events we host through collaboration and input from our community partners.
- **Implement external communications strategy** focused on highlighting the impact and value of the events we host and making our community proud.

TALENT & CULTURE

With a workforce of up to 500 employees with a variety of skills and expertise, we're focused on fostering a workplace that attracts the best in our industry and allows us to retain the great people we have. Recognizing our team's passion for events and commitment to customer service excellence, we will design and update our training, internal communications and engagement programs based on input from our employees and what they value most about working at Events East.

Activities/Initiatives:

- **Implement internal engagement strategy** that aligns with the needs of our workforce and fosters a culture of inclusion.
- **Define the requirements for a tool to modernize and integrate** the employee experience across our workforce including recruitment and onboarding, administrative processes, and employee communications.
- **Implement new orientation and training program** to support our operational teams and the varied nature of our workforce.

ACCOUNTABILITY & SUSTAINED PERFORMANCE

In collaboration with our shareholders, board and key stakeholders, this year we will chart the course for the future of our organization, confirming our vision and goals for the next five years. As we develop our new long-term strategy, we will also define the priorities and key measures that will allow us to deliver on our vision and track our progress; all with the goal to increase our economic and community impact for Nova Scotia.

Activities/Initiatives:

- **Develop new five-year strategic plan** informed by stakeholder consultation and industry research.
- **Create measurement framework for strategic initiatives** to track and report on our progress in key community and social impact programs.
- **Define multi-year capital plan** for the convention centre in collaboration with our shareholders.

Core Outcomes & Measures

In 2024-25, we will monitor and measure our performance in the following areas, aligned with our [Events East 5-year strategic plan](#):

Priority	Measure	2024-25 Target
Business Growth	Total direct spending and economic benefit	Through the conventions and events we host at the Halifax Convention Centre, generate annual direct spending of \$60M.
Business Growth	Number of events attracted and hosted at the Halifax -Convention Centre	Host 165 events with 85,000 delegates, including a minimum of 35 national and international events. Secure a cumulative total of 85 national and international events with an estimated 50,000 delegates for 2025-26 and beyond.
Guest Experience	Customer satisfaction	Maintain average customer satisfaction score of at least 80%.
Community Connection	Perception of organization	Maintain stakeholder confidence score of 90%; increase ratio of positive media coverage to 50% while maintaining a neutral tone for the balance of media coverage.
Talent & Culture	Employee feedback	Monitor employee engagement and maintain average engagement score of at least 80%.
Accountability & Sustained Performance	Financial performance	Meet approved budget targets.
Accountability & Sustained Performance	Strategic plan	Approved 5-year strategic plan, including measurement framework, in place.

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

Economic Impact & Budget Context

The Halifax Convention Centre is mandated to attract and host events that create economic and community benefits for Nova Scotia. As such, our business and success are reflected not only in the mix of events and number of attendees, but through the economic impact generated. Economic impact measures the benefit of new money being spent in the Nova Scotia economy as a result of the events we host. Estimated direct expenditures for 2024-25 generated by the Halifax Convention Centre is \$60M, which positions us to meet our long-term targets.

A strong event mix with national and international clients is critical to generating higher revenue and driving economic impact. Based on current event bookings and insights from our clients, we do not expect economic uncertainty to have an impact on our business in the coming year.

Historically, the annual shareholder investment has been budgeted to fund the total building costs and property taxes required for the convention centre. This year, the budgeted shareholder investment of \$4.2M is lower than historical average and compared to the \$6.5M budgeted in 2023-24, due to a strong event mix and overall business performance, which is expected to continue.

Revenues are estimated at \$16.8M, resulting in a budgeted operating income before building costs, property taxes and depreciation of \$2.3M. Property taxes of \$2.4M are included, in accordance with the Memorandum of Understanding (MOU) between the Province of Nova Scotia and HRM.

Economic Impact Summary

	Target 2024-25	Forecast 2023-24	Target 2023-24
Total Events	165	155	150
Total Attendees	85,000	90,000	80,000
Total Direct Expenditures*	\$60M	\$71M	\$60M

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

Operating Budget Summary

(For the year ended March 31)

	Budget 2024-25 (\$)	Forecast 2023-24 (\$) Note 1	Budget 2023-24 (\$)
Revenues	16,803,000	18,221,000	12,230,000
Expenses			
Event Operations – Fixed Costs	2,124,000	2,417,000	2,061,000
Event Operations – Variable Costs	6,196,000	6,860,000	4,937,000
Salaries and Benefits	4,337,000	3,642,000	3,802,000
General Operations	1,847,000	1,753,000	1,430,000
Total Expenses	14,504,000	14,672,000	12,230,000
Operating Loss Before Building Costs, Property Taxes and Depreciation	\$2,299,000	\$3,549,000	–
Building Costs (Note 2)	3,858,000	4,256,000	3,880,000
Operating Loss before Property Taxes and Depreciation	(1,559,000)	(707,000)	(3,880,000)
Property Taxes (Note 3)	2,441,000	2,239,000	2,420,000
Operating Loss Before Depreciation	(4,000,000)	(2,946,000)	(6,300,000)
Depreciation	200,000	32,000	200,000
Estimated Shareholder Investment (Note 5)	\$4,200,000	\$2,978,000	\$6,500,000
Investment Required from Shareholder – HRM	\$2,100,000	\$1,489,000	\$3,250,000
Investment Required from Shareholder – PNS	\$2,150,000	\$1,798,000	\$3,475,000

Note 1: Figures reflect the latest approved forecast which was completed in March 2024.

Note 2: Halifax Convention Centre building costs include the contractual lease operating costs related to the Nova Centre. The annual lease payment is the responsibility of the Province of Nova Scotia and is not reflected in the above values.

Note 3: Property taxes are calculated pursuant to the MOU between the Province of Nova Scotia and HRM.

Note 4: Revenues and expenses for Scotiabank Centre are not reflected in the values noted above. Scotiabank Centre is a facility owned by HRM. Events East operates the facility on behalf of HRM under an operating agreement. All operating income or losses generated by the facility accrue to HRM, and all capital improvements are funded by the municipality.

Note 5: The shareholder investment is shared equally between the Province of Nova Scotia and HRM. As each shareholder has different approaches for funding capital expenditures, the value of the annual investment required from each is different. Although the funding in any given year is different, over time each funding approach will result in the shareholder investment being shared 50/50.

EVENTS EAST GROUP

(HALIFAX CONVENTION CENTRE CORPORATION)

WRITTEN APPROVAL OF COUNCIL AND MINISTER

UNDER SUBSECTION 29.1 of the

HALIFAX CONVENTION CENTRE ACT

TO: Events East Group

Attention: Board Chair and Secretary

RE: Approval of 2024-2025 Events East Group Business Plan

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

The Corporation is hereby seeking approval of Council for the Events East Group 2024-2025 Business Plan.

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

“That the Halifax Regional Council approve 2024-2025 Event East Business Plan for the Events East Group (Halifax Convention Centre Corporation) submitted to the Municipality _____ as set out in Attachment ____ to the _____ staff report.

Accordingly, the Business Plan of the Events East Corporation for the year 2024-2025, as submitted, is hereby approved.

Dated:

Cathie O’Toole, CAO

Halifax Regional Municipality