



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.1.9

Halifax Regional Council
March 18, 2008

TO: Mayor Kelly and Members of Halifax Regional Council

A handwritten signature in cursive script, appearing to read "Dan English".

SUBMITTED BY:

Dan English, Chief Administrative Officer

A handwritten signature in cursive script, appearing to read "Wayne Anstey".

Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: March 8, 2008

SUBJECT: Memorandum of Understanding re: World Hockey Championships

ORIGIN

In April of 2003, Council approved \$1,000,000 in funding from the Special Events Reserve to support the 2008 World Hockey Championship and also requested that a Memorandum of Understanding among the funding partners be prepared.

RECOMMENDATION

It is recommended that Halifax Regional Council approve the attached Memorandum of Understanding (MOU) between Halifax Regional Municipality, the Province of Nova Scotia and Events Halifax respecting the 2008 International Ice Hockey Federation World Hockey Championship and authorize the Mayor and Municipal Clerk to sign the MOU.

BACKGROUND

The International Ice Hockey Federation World Championship is an annual event organized by the International Ice Hockey Federation for national ice hockey teams from around the world. The main tournament features the top ten ranked hockey nations in the world, comprising the 'Top Division', from which a world champion is crowned.

This coming year the World Hockey Championships will be held in Halifax Regional Municipality. The Halifax Regional Municipality and Quebec City partnered to obtain the rights to host the 2008 event. This will be the first time the tournament has been held in North America since its inception in 1920. Last year's event took place in Pardubice and Liberec, Czech Republic, with Canada winning the tournament for the fourth straight year.

Participating teams in 2008 are:

Group A: Sweden, Switzerland, Belarus, France.

Group B: Canada, USA, Latvia, Slovenia.

Group C: Finland, Slovakia, Germany, Norway.

Group D: Czech Republic, Russian, Denmark, Italy.

The World Hockey Championships will take place from May 2 to 14, 2008 in the Halifax Metro Centre. The joint hosting role will result in approximately 26 games played in the Halifax Regional Municipality at the Metro Centre. Approximately 24 round robin games, including four Canadian games, and two quarterfinals will be played in HRM. Team Canada will play six games guaranteed in HRM and quite likely one quarter-final game.

In 2003, Regional Council approved funding in the amount of \$1,000,000 through the Market Levy Special Events Reserve in support of the event. Council also requested that a Memorandum of Understanding among all funding partners including HR, Province of NS and Eh! be prepared and tabled for approval prior to the last installment.

It is estimated that the 2008 IIHF World Championship event will generate hotel room's night sales of between 17,000 and 25,000. Given these room sales are subject to HRM's hotel marketing levy, HRM will receive a significant "net return" from these visits and the event.

Furthermore, the projected economic impact of the 2008 IIHF for Nova Scotia will be in excess of \$22 million. This is in addition to an estimated \$9.8 million for the Adult Recreational Challenge (a tournament organized in conjunction for registered adult recreational players).

The 2008 championship also represents a significant promotional opportunity for the region with a potential world wide television audience of 500 million. Pursuant to the MOU, HRM will be highly promoted and marketed through various opportunities including signage rights, brand recognition, and promotions.

Finally, the local hockey community will also directly benefit. Pursuant to the agreement, a pre-determined profit-sharing formula of 70% of the profits disbursed to Hockey Canada for the development of the sport nationally and 30% of the net profits retained by the Host Organizing Committee (with a requirement to show how this portion will benefit hockey in the region). The 30% of net profits collected for similar international hockey events has traditionally been disbursed to Hockey Nova Scotia as a legacy from each of the international hockey events.

DISCUSSION

In accordance with the Council motion of April 2003, a memorandum of understanding between HRM, The Province of Nova Scotia and Events Halifax (Eh!) is provided as Attachment One.

The MOU provides for the funding already committed by HRM and the Province and sets out the rights and responsibilities of the various parties, including an indemnity clause which effectively limits HRM's financial responsibility to the \$1,000,000 already committed.

HRM's ticket entitlement would be managed by Community Development and directed to children and youth programming in HRM.

BUDGET IMPLICATIONS

The first three installments of \$250,000 were made in fiscal years 2005/06, 2006/07 and 07/08, respectively. The final installment of \$250,000 will be made upon Council's approval of the 2008/09 budget. The money is projected in the HRM Market Levy Special Events Reserve four year plan. The present projection for the HRM Market Levy Special Events Reserve predicts the capacity for this installment.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

Council could choose to seek alterations/amendments to the attached agreement. This alternative is not recommended as it would delay the final transfer of the funding installment for the event.

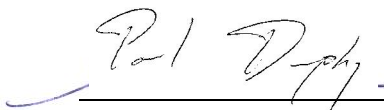
ATTACHMENTS


- 1 Agreement between Halifax Regional Municipality, the Province of Nova Scotia and Events Halifax respecting the funding of the 2008 IIHF World Hockey Championship.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Mike Gillett, Civic Events Coordinator, 490-4740

Report Approved by: 
Andrew Whittlemore, A/Manager, Community Relations and Cultural Affairs, 490-1585

Report Approved by: 
Paul Dunphy, Director, Community Development

Finance Approval by: 
Catherine Sanderson, Sr. Manager, Financial Services, 490-1562

ATTACHMENT 1

THIS AGREEMENT made the day of , 2008

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF NOVA SCOTIA, as represented by
the Department of Economic Development
(hereinafter referred to as “NSED”)**

OF THE FIRST PART

and

**HALIFAX REGIONAL MUNICIPALITY
(hereinafter referred to as “HRM”)**

OF THE SECOND PART

and

TRADE CENTRE LIMITED
a crown owned company in Halifax, Nova Scotia
carrying on business as Events Halifax
(hereinafter referred to as “Eh!”)

OF THE THIRD PART

WHEREAS NSED and HRM recognize the importance and significance of major events and continue to support their development;

WHEREAS NSED and HRM have supported the bid for the 2008 International Ice Hockey Federation (hereinafter referred to as “IIHF”) World Hockey Championship to be jointly hosted by Halifax, Nova Scotia and Québec City, Québec from May 1 – 18, 2008 (hereinafter referred to as “the Event”);

WHEREAS NSED and HRM have agreed to provide financial support to the Event to a maximum of \$1,000,000 each;

WHEREAS Eh! has direct event bid and management experience on large scale international events based on a co-hosting venue model and has earned international recognition for managing a best in class facility;

WHEREAS Eh! continues to work directly with Hockey Canada and the local organizing committees in Halifax and Québec City to ensure the success of the Event;

WHEREAS the Event will bring positive economic impacts to HRM and the Province of Nova Scotia;

IT IS THEREFORE mutually agreed as follows:

A. Purpose

Funding support for the Event shall be provided to Eh! for the exclusive application against an advance payment of \$4,000,000 aggregated among NSED, HRM, Québec City and the Province of Québec and to be shared equally. This funding was integral to the successful bid to the IIHF and ensures that HRM and the Province of Nova Scotia may expand on their success in hosting international sporting events, having previously hosted the 2003 IIHF World Junior Hockey Championship (jointly with Sydney, Nova Scotia) and the 2004 IIHF World Women's Hockey Championship. 2008 will be the first time the Event has ever been held in Canada, the birthplace of hockey, and represents the 100th anniversary of the International Ice Hockey Federation. The Event provides a trade and investment opportunity for HRM and the Province of Nova Scotia with the European Union and its member states, in addition to other associated community events that benefit the populations of HRM and the Province of Nova Scotia.

B. Principles

- q The investment by NSED and HRM are a form of marketing alliance opportunity and shall include a fulfillment package that provides recognition commensurate with the level of investment as well as a significant branding opportunity.
- q While bid guarantees are a necessary way of doing business in major event bids, NSED and HRM are not and shall not be guarantors of the Event, nor shall there be any contingent or direct liability on either party either implied or expressed.
- q The investment represents equal cost sharing by both cities and provinces.
- q Nothing in this agreement will be deemed to create a partnership, agency or joint venture relationship between the parties hereto.

C. Funding

Subject to the timing of payments by NSED as provided below, NSED shall provide Eh! a funding contribution of \$1,000,000, all of which shall be paid on or before March 31, 2008. Subject to the timing of payments by HRM as provided below, HRM shall provide Eh! a funding contribution of \$1,000,000, all of which shall be paid in accordance with budgetary approvals.

These payments represent the complete financial commitment for NSED and HRM and there shall be no supplemental or incremental funds available. Moreover, NSED and HRM shall not be liable for any losses incurred by the event.

NSED shall remit payments in fiscal year of 2007-08, and EH shall ensure that any funds it has received, or will receive from the NSED under this Agreement shall be paid out by EH to the Halifax Metro Centre on or before March 31, 2008. HRM shall remit payments in 2005, 2006, 2007 and 2008.

D. Fulfillment

Formal approval for the amount as requested by the Host Organizing Committee will entitle Nova Scotia and Halifax Regional Municipality to premium marketing alliance fulfillment opportunities including prominent signage and visual marketing rights; promotional rights; hospitality rights; and miscellaneous rights. Eh! shall ensure the provision of the following marketing alliance opportunity fulfillment or recognition elements to the NSED and HRM:

- i) Signage rights including:
 - q Brand recognition opportunities shall be in accordance with the IIHF Championship Regulations and/or subject to the approval of the IIHF and their official marketing partner, In Front Marketing.

- i) Promotional rights including:
 - q Inclusion of information pages from main page of official event website to Halifax Information, Nova Scotia Information
 - q Links from official event website to www.novascotia.com (or other site as determined by the Province of Nova Scotia) and www.halifax.ca (or other site as determined by HRM)
 - q Opportunity for static displays in venue for all games
 - q Promotional opportunities shall be in accordance with the IIHF Championship Regulations and/or subject to the approval of the IIHF and their official marketing partner, In Front Marketing.

- ii) Hospitality rights including:
 - q Tickets entitlements for all pre tournament games in Halifax and/or Nova Scotia
 - q Ticket entitlements for all Event games in Halifax
 - q Ticket entitlements for all Team Canada public events
 - q Ticket entitlements for all VIP areas at Halifax Metro Centre or associated venues

- iii) Miscellaneous rights including, but not limited to:
 - q Inclusion of the Premier of Nova Scotia and the Mayor of Halifax in public events associated with the Event
 - q Rights for NSED and HRM to use the Event wordmark and other related marks subject to the prior written approval of Hockey Canada

E. Reporting

Eh! shall provide to NSED and HRM written budget status reports at the time of invoicing for the annual disbursement in sufficient detail for HRM and the Province of Nova Scotia to be fully apprised of expenditures to date and anticipated expenditures to the end of the project.

Eh! shall provide a detailed final report outlining fulfillment of the sponsorship for both NSED and HRM, economic impact analysis and recommendations not later than sixty (60) days following the completion of the Event.

Eh! shall provide to NSED and HRM audited financial reports not later than ninety (90) days following the conclusion of the Event.

NSED and HRM have the right at any time, to make a request for detailed reports which shall be provided by Eh! in a reasonable time period.

Eh! agrees that it will in all reports, materials or presentations which it produces or in which it is involved in relation to the Event, give recognition to NSED and HRM as key funding sources and that the wording of such references shall be approved by the respective party in advance of providing the report, materials or presentation.

F. Indemnification

Eh! shall, both during and following the expiry or termination of this Agreement, indemnify and save NSED and HRM, its employees and agents, harmless from and against all claims, losses, damages, costs, expenses and other actions made, sustained, brought, threatened to be brought or prosecuted, in any manner based upon, occasioned by or attributable to any injury or death of a person, or loss or damage to property caused or alleged to be caused by any wilful or negligent act, omission or delay on the part of Eh! or its officers, directors, employees, contractors, agents in connection with anything purported to be or required to be provided by or done by Eh! pursuant to this Agreement. This provision shall survive the termination of this Agreement.

If a Force Majeure Event occurs which impacts the ability of the Event to operate, Eh! will return any advance payment made by NSED or HRM without any further liability or obligation. If a Force Majeure is declared, all parties will be notified within five (5) days of the occurrence of the Force Majeure Event. For purposes of this clause, a Force

Majeure Event means any cause not entirely within the control of Eh! and which it could not by exercise of reasonable diligence have avoided as a result of fire or other act of God, riot, labour strike, national or local emergency or inclement weather.

Cancellation insurance that will adequately cover the Event plus any additional expenses incurred by cancellation of the Event for any reason shall be secured in accordance with IIHF Championship Regulations. Such cancellation insurance is subject to industry standards.

G. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Nova Scotia.

H. Notice

Any notice, demand or request herein provided or permitted to be given by either party hereto to the other shall be in writing and may be served by personal service or facsimile, addressed as follows:

a) To Events Halifax at:

P.O. Box 955, 1800 Argyle Street
Halifax, Nova Scotia B3J 2V9
Phone: (902) 421-1302 ext. 100
Facsimile: (902) 423-4249
Attention: Mr. Grant MacDonald, General Manager

b) To NSED

1660 Hollis St., Suite 600, Halifax, Nova Scotia,
P.O. Box 2311, Halifax, Nova Scotia, B3J 3C8
Phone: (902) 424-2901
Facsimile: (902) 424-0619
Attention: Mr. Paul Taylor, Deputy Minister

b) To HRM

P.O. Box 1749
Halifax, Nova Scotia B3J 3A5
Phone: (902) 490-4426
Facsimile: (902) 490-4044
Attention: Mr. Dan English, Chief Administrative Officer

I. Amendments

This agreement may only be amended by all parties in writing.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be properly executed on the dates hereinafter set forth

SIGNED, SEALED AND DELIVERED
In the presence of:

Witness

**Her Majesty the Queen in Right of the
Province of Nova Scotia** as represented by
the Department of Economic Development

**Halifax Regional Municipality
Clerk**

**Halifax Regional Municipality
Mayor**

Witness

**Trade Centre Limited, c.o.b. as Events
Halifax**