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Item No. 11.5.1

**Halifax Regional Council
June 17, 2008**

TO: Mayor Kelly and members of Halifax Regional Council

SUBMITTED BY: Sheila Fougere
Councillor Fougere, Chair, Special Events Advisory Committee

DATE: May 12, 2008

SUBJECT: IIHF World Junior Hockey Championships Request for Funding

ORIGIN

Trade Centre Limited (Events Halifax) is requesting approval from Council for one million dollars in funding from the Marketing Levy Special Events Reserve to advance a bid document and to support hosting the 2010 **IIHF World Junior Hockey Championships** in HRM.

RECOMMENDATION

It is recommended that Regional Council approve:

1. a grant of \$200,000 to be provided to Trade Centre Limited (Events Halifax) upon award of the Tournament; and
2. the grant to be provided in two equal installments of \$100,000 over the 2009/2010 and 2010/2011 budget cycles, respectively, from the Special Events Reserve (Q315) as outlined in the budget implications section of this report.

BACKGROUND

The International Ice Hockey Federation World Under 20 Championship (colloquially known as the World Junior Hockey Championship) is an annual event organized by the International Ice Hockey Federation for national under-20 ice hockey teams from around the world. It is traditionally held in late December, ending in the beginning of January.

The main tournament features the top ten ranked hockey nations in the world, comprising the 'Top Division', from which a world champion is crowned. There are also three lower pools - divisions I, II and III - that each play separate tournaments playing for the right to be promoted to a higher pool, or face relegation to a lower pool.

First held in 1977 as a relatively obscure tournament, the WJHC's have grown in prestige, particularly in Canada, where the tournament ranks as one of the most important events on the hockey calendar. Canada hosts the tournament every three to four years, consistently selling out Team Canada games, offering large profit guarantees to Hockey Canada.

In 2003, the IIHF juniors took place in Halifax/Sydney. Based on the success of this event, and recognizing the economic benefits associated with the event, Events Halifax is seeking Council's support in reinstating this tradition in HRM. Events Halifax is seeking \$1,000,000 in financial support from the Marketing Levy Special Events Reserve for purposes of advancing a bid document and to host the 2010 championships in HRM.

Special Events Advisory Committee (SEAC)

On May 7, 2008, Events Halifax presented a request for funding to the Special Events Advisory Committee. SEAC is the governance body established to advise Council on event funding decision. Following the presentation Committee members sought clarity and then deliberated the proposal using an approved set of funding evaluative criteria as a measure.

DISCUSSION

The HRM Civic Events Policy provides Council direction for consideration of events. Additionally, Council must assess the merit of each applicant based on criteria including economic development, hotel room generation, and draw (See Attachment 1). The Civic Events Policy states that HRM will: *“support sporting events which are large, compelling, major market events with high expenditure potential. Such events also have a high potential for national and international exposure and the ability to encourage multi-day visits. To be considered a true sporting event, a material share of total participation must come from overnight tourists/visitors. Emphasis will be on national and international sporting events and mega-events.”*

Based on a review of the policy and evaluation criteria, it appears that the proposal satisfies the policy intent and demonstrates merit to qualify for funding. Specifically, it is the economic

development and promotion and marketing potential that is most applicable. The event also provides an opportunity to gain global recognition and attract international media coverage.

Nonetheless, the Committee determined these benefits did not justify the \$1,000,000 request. Specifically, given the annual budget for the Marketing Levy Special Events Reserve is approximately 1.3 million, a \$1,000,000 grant to IIHF Juniors would consume almost the entire 2009/10 budget. Although a grant over two budget cycles is possible, this amount would still consume a significant portion of the budget.

Additionally, the Committee considered the proposal in the context of events that are planned for the 2009/10 event season. Events including the Tall Ships, World Canoe Championships and the Laser Yacht Race, are planned for 08/09. A \$1,000,000 request for the IIHF would be very difficult to manage and support, given the limited MLSER budget.

Conclusion

Upon consideration of the IIHF event, it is recommended that a grant be provided in the amount of \$200,000. A \$1,000,000 grant is not appropriate given the very limited MLSER budget. Granting such an amount would minimize Council's ability to support other events in this budget year. In fact, given this challenge, it is also recommended the grant be disbursed in two equal installments.

Finally, although it is unclear at this stage, should HRM's support of the event secure sponsorship benefits, including complimentary tickets, it is staff recommendation these be distributed to disadvantaged youth in the same manner as the 2008 IIHF World Hockey Championships.

BUDGET IMPLICATIONS

The 2008/09 projected balance for the Marketing Levy Special Events Reserve (Q315) is \$1,600,000. Staff have confirmed funding is available.

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

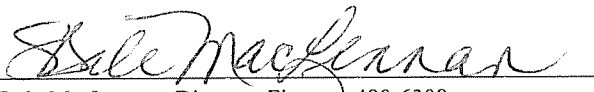
1. Regional Council could reduce the amount of the grant recommended by SEAC. This is not recommended for the reasons outlined in this report.
2. Regional Council could increase the amount of the grant recommended by SEAC. This is not recommended for the reasons outlined in this report.

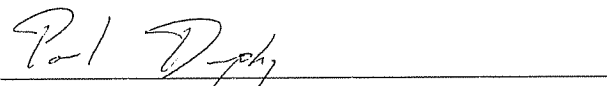
ATTACHMENTS

Attachment 1: Marketing Levy Special Event Reserve Granting Evaluation Criteria

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.

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Financial Approval by: 
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Report Approved by: 
Paul Dunphy, Director of Community Development

*Attachment 1
 Marketing Levy Special Event Reserve Granting Evaluation Criteria*

Criteria	Score	Values
National or International	/25	National Events = 15 International Events = 25
Free or low cost Gated vs. Non-Gated	/25	Free = 25 Combination = 20 Low Cost = 15
Attendance (Event Size)	/25	< 10,000 = 5 10,000 to 25,000 = 10 25,000 to 50,000 = 15 50,000 to 250,000 = 20 > 250,000 = 25
% Non-resident participants / spectators	/20	> 75% = 20 > 50 % - 75% = 15 < 50% = 10 < 25 % = 5
Tourism Period (Seasonality)	/15	Off Season (Jan. to Mar.) = 15 Shoulder Season (Apr. to June & Oct. to Dec.) = 10 Prime Season (July to Sept.) = 5
Geographic Distribution	/15	Urban = 5 Mixed = 10 Rural = 15
Financial Support	/10	Provincial Government = 2.5 Federal Government = 2.5 Corporate = 2.5 Community = 2.5
Other Factors - Legacy - Event and HRM have become inseparable in terms of image - Frequency of event - Provides HRM a competitive advantage.	/10	Tradition, attractiveness, image, or publicity = 2.5 Recurring = 2.5 Associated with HRM's identity =2.5 Raises HRM's profile globally = 2.5

Business Case - Economic Impact - Budget Breakdown - Pre & Post Benefits	/10	
ROI information - Ratio of return to HRM and/or the Province in terms of local investment and HST spin-off	/10	
Bonus Score (see below)	/10	
Final Total		