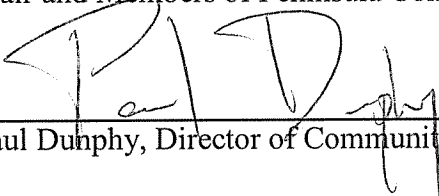


Peninsula Community Council
December 13, 2010

TO: Chair and Members of Peninsula Community Council

SUBMITTED BY: 
Paul Dunphy, Director of Community Development

DATE: November 1, 2010

SUBJECT: Economic Analysis of Major Concerts & HRM Major Concerts Decision Making Process

INFORMATION REPORT

ORIGIN

- March 6, 2007 Regional Council reaffirms use of the North Common for major commercial concerts pursuant to Common Use Policy
- December 14, 2009 Peninsula Community Council request an analysis of the economic generation created by the 2009 concerts on the North Common
- May 10, 2010 Peninsula Community Council
MOVED by Councillor Watts, seconded by Councillor Sloane that staff provide a report to Peninsula Community Council on the content included in the economic analysis that is done by Moncton on the major concerts that are held there to clarify what information is provided in the public domain. And, to request that the Deputy Chief Administrative Officer provide a written report to Peninsula Community Council on the process of how major concerts are decided for either the Garrison Grounds or the North Common including an accurate projection for the number of concert goers that can be accommodated at the Garrison Grounds and whether there is a mechanism to monitor ticket sales leading up to the event to ensure appropriate placement of concerts. MOTION PUT AND PASSED.

BACKGROUND/DISCUSSION

On September 23, 2006 HRM hosted the Rolling Stones Bigger Band Tour concert, which purportedly was the biggest touring production in North America that year and was certainly the largest of any ticketed outdoor concerts ever staged in HRM. This concert marked the advent of a renewed interest in the North Common for hosting large outdoor concerts.

In March 6, 2007 Regional Council reestablished direction for staff with regard to concerts on the North Common. Criteria requiring that each concert must have an anticipated audience of 30,000 or more, and that no greater than three Major Concerts per year may be held on the North Common. Upon approval of the concert criteria, Council set out funding conditions which allows the Marketing Levy Special Events Reserve to offset the 'municipal/extraneous' services costs associated with concerts.

a) Economic Impact Assessment For Major Events

During the Peninsula Community Council meeting held on May 10, 2010 a motion was passed requesting staff to provide a report on the approach to economic analysis that the City of Moncton uses to evaluate major concerts. Staff contacted and requested a copy of past reports from Moncton, but were not provided a copy. However, in an attempt to provide Council some reference, staff have researched industry standards for economic impact analysis, and offer the following:

Measuring Success 2: The Economic Impact of Major Events presents an overview of the findings from 16 economic impact studies of major events staged in the UK since 1997. Commissioned by UK Sport, this consolidated piece of research. This document refers to economic impact as "the total amount of additional expenditure generated within a host city (or area), which could be directly attributable to the staging of a particular event". It states that only visitors to the host economy as a direct result of an event being staged are eligible for inclusion in the economic impact calculations.

Based on the review of 16 major event economic analysis case studies, the document concluded a standard methodology in calculating impact can be generally categorized into the following:

- Quantify the proportion of respondents who live in the host city and those who are from elsewhere;
- Group respondents by their role in the event, e.g. spectators, competitors, media, officials etc;
- Establish basic characteristics of visitors e.g. where they live and composition of the party;
- Determine the catchment area according to local, regional, national or international respondents;
- Quantify the number of visitors staying overnight in the host city and the proportion of these making use of commercial accommodation;
- Quantify how many nights those using commercial accommodation will stay in the host city and what this accommodation is costing per night;

- Quantify for those staying overnight (commercially or otherwise) and day visitors, the daily spend in the host city on six standard expenditure categories;
- Quantify what people have budgeted to spend in the host city and for how many people such expenditure is for;
- Establish the proportion of people whose main reason for being in the host city is the event;
- Determine if any spectators are combining their visit to an event with a holiday in order to estimate any wider economic impacts.

The report states that typically, much of this analysis is undertaken using a standard questionnaire survey to interview key interest groups at an event and the data collected is then analyzed using a specialist statistical software package and spreadsheets to calculate the additional expenditure in the host economy.

Based on a review of the case studies, the document concludes the following:

- major spectator events generating significant economic activity, media interest and part of an annual domestic cycle are likely to have a greater economic impact;
- spectator events are likely to have a higher economic impact than competitor driven events;
- the key determinant of total economic impact is the number of spectators attending an event;
- for most major events, visitors from outside the immediate area are likely to account for the majority of admissions.

Finally, apart from an event's economic impact, additional aims and benefits might arise in the form of media value linked to coverage at home or internationally. Moreover, linked to such coverage may be place marketing benefits for key aspects of the host city or area, which could ultimately impact upon tourism by increasing the number of visitors to the area in future as a result of media coverage afforded to an event. Public perceptions of places can also improve as a result of people's experiences at major events, which in turn might lead to repeat visits as evidenced by qualitative feedback from spectators at some of the events.

b) HRM's Major Concert Decision Making Process

A second part of Council's motion was to provide an overview of HRM's decision-making process for major concerts on the Common, with specific reference to the process by which staff determine the attendance, and mechanisms for monitoring ticket sales. The decision making process is as follows:

- 1) Event organizer contacts HRM Civic Events staff
- 2) Event organizer describes planned event and artist with relevant background information
- 3) Information is forwarded to the Deputy CAO for consideration to advance to application stage
- 4) Deputy CAO either confirms or rejects given concert concept
- 5) If the concert concept is accepted, staff forward a concert application to the concert organizer and place a tentative hold on the Common for the date

- 7) The concert organizer returns the application with details relative to the expected attendance and the economic generation benefits of the concert
- 8) Staff analyse the application and either confirms or refutes the information contained therein
- 9) Staff forward the application and the analysis to the Deputy CAO
- 10) Staff confirms concert
- 11) Staff contacts the concert organizer with the confirmation
- 12) A contract is negotiated.

Respecting ticket sales monitoring, the contract entered by the event promoter requires that regular and accurate reporting of ticket sales be provided to the DCAO, upon request. Typically, with major event sales, there is a large amount sold at the time of announcing the event, and within the two weeks following. Sales tend to linger between this point until the last week before the concert, when they escalate. It is not unusual to sell several tickets on the day of the event, as well. Consequently, within the first 4 weeks of announcement, a promoter tends to have a good sense of the potential attendance. The number of concert goers that can be accommodated at the Garrison Grounds as reported to the HRM Civic Events Division by Parks Canada staff is 30,000.

BUDGET IMPLICATIONS

There are no budget implications.

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

COMMUNITY ENGAGEMENT

N/A

ATTACHMENTS

None

**Economic Analysis and Decision Making
for Major Concerts
Council Report**

- 5 -

December 13, 2010

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: Michael Gillett, Senior Event Coordinator, Community Relations & Cultural Affairs, 490-4740

Report Approved by: *A. Whitemore*

Andrew Whitemore, Manager, Community Relations & Cultural Affairs, 490-1585
