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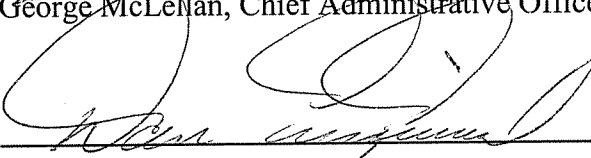
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Halifax Regional Council  
February 23, 2004

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
George McLellan, Chief Administrative Officer

  
Dan English, Deputy Chief Administrative Officer

**DATE:** February 13, 2004

**SUBJECT:** Marketing Opportunity - Grey Cup

**ORIGIN:**

At the January 24<sup>th</sup> meeting of Committee of the Whole, Halifax Regional Council received a presentation from Fred MacGillivray, President - Trade Centre Ltd. The presentation described an opportunity for HRM to become a Premier Sponsor of the 92<sup>nd</sup> Grey Cup to be held in Ottawa on November 21<sup>st</sup>, 2004. at a cost to HRM of \$150,000.

The issue was referred to staff for a report.

**RECOMMENDATION**

It is recommended that Council opt not to Participate in the 92<sup>nd</sup> Grey Cup as a Premier Sponsor.

## **BACKGROUND**

The Grey Cup is the championship game of the Canadian Football League (CFL). The opportunity was presented to HRM to become a “premier” sponsor of the event, which would garner attention for HRM in Ottawa. The opportunity was brought to the attention of Council because of the Ottawa location, and that it would help to position HRM as a progressive, thoughtful and vibrant community. As well, it would reinforce the emerging view of Halifax as being serious about its intention to increase its presence in the national and international sporting world. Any commitment from HRM would be subject to additional sponsors coming forward from the region, including the Province, World Trade Centre Limited, and others.

Discussion by Council at the Committee of the Whole pointed out some issues and benefits. Questions were raised about the relative priority for this opportunity in light of the other priorities facing HRM, as well as the support of the Province and the business community who would benefit perhaps more so than HRM. Benefits identified included the opportunity to network with political and corporate Canada, and the opportunity to show HRM as a world class, progressive community.

Considerations for staff to pursue revolved around the source of funding for the \$150,000, and the identification of additional resources from other local partners to augment the sponsorship package and increase HRM’s presence beyond that which is offered as part of the standard or stated sponsorship package.

## **DISCUSSION**

In recent months, efforts by the Halifax Regional Municipality to gain attention at the national level of both our needs as well as our attractions could be judged to have success. On the political/governmental level HRM’s Mayor was chosen to address the Big City Mayor’s Caucus in Winnipeg last May on the subject of a ‘New Deal’ for a share of the gas tax. Our municipality was included, for the first time, in the recent national meeting of mayors with the nine other cities that usually made up this group. As well, the municipality has been steadily working on a more proactive approach in dealings with the federal government. From a marketing and sport perspective, our hosting of the World Junior and World Women’s Hockey Championships have also put the eyes of the sporting world on HRM. Mr. Fred MacGillivray, who made the Council presentation, pointed out that the World Juniors returned \$300,000 to HRM due to its success.

Although discussion of this opportunity has focused on its connection to a potential professional sport franchise, proponents of the sponsorship say that association is somewhat misleading. Their support of this proposal is based on a desire to enhance tourism and convention business for our

region. It should be noted that according to the Nova Scotia Department of Tourism numbers, overall visitors to the province dropped by 3% in 2003 over the previous year. In addition, tourism revenue was expected to have dropped by the same percentage. However, visitor statistics showed an increase of 9% from visitors from Ontario and by 5% from the Canadian west. So while overall numbers were dropping, there was a significant increase in those visiting from other parts west of Atlantic Canada, suggesting both the need to address declining tourism numbers and to examine what markets seem to be the most responsive to what our region has to offer.

Having said this, however, event sponsorship is just one element of any comprehensive marketing program. Other initiatives normally include advertising, direct sales, promotions, direct mail etc. In the Canadian market, many initiatives are undertaken annually by local tourism operators and government, both individually and in partnership with each other. Therefore, it is reasonable to assume this opportunity would be in addition to existing tourism initiatives in the Canadian Market. To a large degree, the value of the \$150,000. expenditure would be dependent on individual follow-up by local partners, using the profile created to increase their sales.

Our understanding is that significant private sector support for the initiative has not come forward. In addition, we understand the Province has indicated it will not be participating. Destination Halifax has advised they do not have the resources to fund the \$150,000. sponsorship cost, although they are prepared to align their Ottawa marketing efforts to complement the opportunity.

With regards to HRM funding resources, two sources were potentially identified. The Special Events Reserve was established to provide for HRM costs associated with "hosting" of major events. Since it was established, this Reserve has provided for the public's on-site enjoyment of events such as Tall Ships. As the reserve's funding source is a consumption tax on occupied hotel accommodation, it has no impact on HRM available operating funds. The Council approved business case for the Special Events Reserve does not provide for event sponsorship for the purposes of marketing HRM as a tourism destination. Rather those resources are made available through Destination Halifax.

The dividend received by World Trade and Convention Centre (\$300,000) has already been placed in the Over/Under Account, and accounting rules do not permit a transfer from that account to an operating account for 2004/05.

Given the operating priorities of HRM, including the challenges of recovering from Hurricane Juan and the recent blizzard, it is not recommended that funds be drawn from existing HRM operating funds.

**BUDGET IMPLICATIONS**

If Regional Council accepts the staff recommendation, there will not be any budget implications.

**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 fund this initiative from the annual operating transfer to Destination Halifax. This would erode the existing marketing programs of this agency. This is not a recommended alternative.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Approved by:

  
Lew Rogers, Director, Recreation, Tourism & Culture, 490-5978