

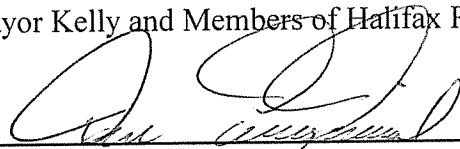


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Halifax Regional Council
March 27, 2007
Committee of the Whole

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer - Operations

DATE: March 23, 2007

SUBJECT: Civic Events Policy and Granting Framework

ORIGIN

- During the May 2006 business planning process, Council approved a review of HRM's Civic Events and Festival grant process.
- In August 2006, the Marketing Levy Working Committee tabled proposed recommendations on the Special Events Reserve including a proposed set of grant evaluation criteria.

RECOMMENDATION

It is recommended that Regional Council:

- a) Approve the proposed Civic Events Policy Framework in Attachment 1;
- b) Approve the Terms of Reference for a Special Events Advisory Committee in Attachment 3;
- c) Rename the Special Events Reserve to the "Marketing Levy Special Events Reserve", and approve the amended Reserve Business Case in Attachment 2; and
- d) Distribute 60% the Marketing Levy to Destination Halifax cost centre C711 and 40% to the Special Events Reserve Q315.

EXECUTIVE SUMMARY

Regional Council does not have well-defined policies which identify its goals with respect to the various types of civic and special events which occur in the Municipality. In addition, the criteria and procedures for providing funding for these events are lacking in clarity and transparency.

This report recommends Council adopt a Civic Events Policy Framework. The policy defines the core mandate of the civic event program to be events that support community development and building etc. The policy also recognizes that tourism and economic development are very important and need to be supported. A review of policies in other municipalities indicates that in general, core civic and community events are funded through property taxes, while events which focus on economic or tourism development, tend to be funded by hotel tax levies. The proposed Civic Events Policy adopts this approach. HRM's annual civic events operating budget would be used exclusively for community-based events while the Special Events Reserve for tourism events would be funded through the Hotel Marketing Levy.

In addition to establishing policy goals for civic and special events, this report also recommends that Council establish a Special Events Advisory Committee. The Committee would review grant applications and make recommendations to Council based upon evaluation criteria provided in the proposed Civic Events Policy Framework. The Reserve Business case criteria for the Special Events Reserve has also been updated. A proposed Terms of Reference for the Committee has also been provided. The Committee will include representation from Destination Halifax, the Hotel Association of Nova Scotia, the Chamber of Commerce, Greater Halifax Partnership, the Cultural Advisory Committee, citizens at large and councillors.

At present two-thirds of the revenue generated by the Hotel Marketing Levy is allocated to Destination Halifax and one-third funds HRM's Special Events Reserve. In order to increase HRM's capacity to fund special tourism events, without compromising our ability to fund civic and community events, it is recommended that funding of the Special Events Reserve be increased. It is proposed that funding from the Hotel Marketing Levy be increased from one-third to 40%.

During the course of developing this staff report the Marketing Levy Working Committee and staff were able to reach consensus on several key points. Both agree that the Special Events Reserve should focus on tourism, sporting and cultural events, and that granting decisions should be guided by clear evaluation criteria. Furthermore, although there is general agreement on the need for improved governance, staff and the Committee are not in agreement on the number of Committees. Staff recommends the establishment of one committee whereas the Committee supports two.

BACKGROUND

Beyond the introduction of the Special Events Reserve and some procedural improvements introduced last year, HRM's approach to civic events has not evolved significantly and is primarily based upon practices and events which predate amalgamation. Consequently, a review of the civic events program began in 2005 including best practices research on different funding policy, criteria and models used in municipalities across North America. The following summarizes the major programs and developments in HRM's current civic events program and funding.

1. HRM Civic Events Operating Budget

HRM's Civic Events Operating Budget funds three types of events:

- The ***Festivals and Events Grants Program*** which is \$25,000 in annual programming geared to community non-profit organizations.
- The ***Summer Festival Grant's*** is \$50,000 in total, of which \$25,000 is awarded annually to community events geographically located within the former Halifax County Municipal boundaries and \$25,000 to the Halifax County Exhibition.
- Finally, the majority of the operating budget comprises the ***Annual Event Grant*** which amounts to approximately \$510,000 and is used to finance events including Natal Day, Canada Day, New Year's Eve, the Atlantic Film Festival, Multi Cultural Festival and the Atlantic Jazz Festival.

2. Special Events Reserve

The Special Events Reserve focuses on supporting ***national or international culture, sport and heritage events that do not occur annually***, and are free or low cost to the public. The Reserve was established to address mounting pressure on the Civic Events Operating Budget. It is funded by a Hotel Marketing Levy which Council established in 2002. The Marketing Levy is essentially a hotel sales tax with a percentage tax on the daily room rental fee charged in accommodations with more than 20 rooms available for rent. On average, approximately \$700,000 is generated for the Special Events Reserve.

3. Marketing Levy

The Hotel Marketing Levy was initially set at 1.5% of the daily room rental fee. Two-thirds of the Marketing Levy is allocated to Destination Halifax while one third is provided to HRM and funds HRM's Special Events Reserve. Destination Halifax uses its portion to plan, coordinate and deliver sales and marketing strategies necessary to drive leisure and business tourism into HRM.

In 2005, Council increased the levy to 2%, which is the maximum allowable rate. Staff recommended that the .5% increase be used to fund the Major Events Facilities Reserve. The Hotel Association and Destination Halifax requested that the .5% increase go toward strengthening their destination marketing efforts. Consequently, Council established a committee to make recommendations on usage of the revenue generated from the additional 0.5%.

4. Recommendations of the Marketing Levy Working Committee

The Marketing Levy Working Committee developed two reports for Council's consideration. **(Attachment 4)** One report focused specifically on the use of the Special Events Reserve, while the other addressed the matter of the allocating the .5% increase to the Marketing Levy.

The following outlines the Committee's recommendations pertaining to the Special Events Reserve:

- *An interim sub-committee of the Cultural Advisory Committee make recommendations on funding and policy for festival and events in HRM, exclusive of those funded by the Special Events Reserve supported by the Marketing Levy tax.*
- *A stand-alone committee be created to deal with event funding from the Special Events Reserve which reports directly to Regional Council, but have a reporting relationship with the special events and festivals funding sub-committee of the Cultural Advisory Committee.*
- *The festivals and events sub-committee of the Cultural Advisory Committee named the Cultural Festival and Events Sub-Committee.*
- *Council adopt the criteria and scoring recommendations of the Marketing Levy Working Committee to enable more objective decisions around major event funding from the Special Events Reserve.*
- *The Special Events Reserve be renamed the Marketing Levy Major Events Reserve.*

The following outlines the Committee's recommendations pertaining to allocation of the .05% increase to the Market Levy:

- *The service agreement (between HRM and Destination Halifax) should be based on the approved marketing levy major events fund recommendations (report dated August 1, 2006)*
- *The service agreement (between HRM and Destination Halifax) should be based on a distribution of the 2% hotel levy in the amounts of two thirds (2/3) to Destination Halifax and one third (1/3) to the Halifax Regional Municipality with one sixth (1/6) supporting the Marketing Levy Major Events Fund and one sixth (1/6) supporting a specific facility reserve*
- *The percentage break down as proposed above will apply to any future increase to the marketing levy tax as legislated by the Province*
- *The specific facility reserve, as noted in point number two (2), be a dedicated reserve to be used for the construction or expansion of a new convention centre facility*

5. Meeting of the Marketing Levy Working Committee

On March 6, 2007, staff met with the Marketing Levy Working Committee. The purpose of the meeting was to review the Committee's recommendations, for staff to respond to these, and to discuss staff's recommended strategy. Staff subsequently met with the Chair of the **Marketing Levy Working Committee** to review and discuss staff's proposed recommendation on the division for the .5% increase.

DISCUSSION

As noted, Regional Council does not have well-defined policies which identify its goals with respect to the various types of civic and special events which occur in the Municipality. This report recommends Council adopt a Civic Events Policy Framework, an Amended Special Events Reserve Business Case, and establish a new Committee to oversee the decision making process for HRM's civic events program.

A) Proposed Civic Events Policy Framework

The proposed HRM Civic Events Policy Framework (Attachment 1) defines clear event outcomes and priorities. Specifically, the policy framework suggests HRM support events that "build community, foster good community relations, develop local economy and tourism industry, and enrich the quality of life of all residents and visitors."

The proposed framework suggests that:

- HRM's Civic Events Operating Budget, which comprises three grant programs (***Festivals and Events Grants Program, Summer Festival Grant's, and Annual Event Grant***), be used exclusively to fund festivals, celebrations and HRM civic events;
- Whereas the Special Events Reserve Budget be used to fund commercial, tourism and sporting events, including HRM Hallmark tourism events.

Overall, the Marketing Levy Working Committee appeared supportive of this approach. In fact, staff's proposed approach reflects the Committee recommendations. A review of best practices found that most communities with a hotel tax levy also adopted this type of approach. Specifically, budgets generated through property tax were directed to core civic and community events, while those raised through hotel tax levies were used to fund economic and tourism related activities.

B) Special Events Reserve Business Case Amendments

In order to properly implement the proposed Civic Events Policy Framework several amendments to the ***Special Events Reserve Business Case*** (Attachment 2) are required. The proposed changes will not only provide Council with additional Special Events Reserve funds, but it will enable Council to protect and grow its civic and community based events, while providing secure funding for events such as the Royal Nova Scotia Tattoo, The International Buskers Festival, and The International Air Show.

The following is a summary of the proposed changes to the Special Events Reserve Business Case guidelines. Council should note that these amendments were not reviewed in detail with the Marketing Levy Working Committee, although staff did speak to them generally:

- Change name from Special Events Reserve to the Marketing Levy Special Events Reserve to reflect that the Marketing Levy clearly funds the initiatives within this reserve.
- Source of funds has been amended to remove the \$50,000 annual transfer from operating C760. This serves two purposes. 1) Can now clearly state that general rated taxes are not used for any special events purposes. 2) Administrative and reporting simplicity, as there was both a \$50,000 transfer to and from the reserve and the operating budget as the \$50,000 was used to fund an civic events technician position.
- Source of funds has been amended to reflect 40% of the Marketing Levy based on a Marketing Levy at 2%, where formerly it was 1/3 of a Marketing Levy based on 1.5%.
- Eligible expenditures have been amended to align with the proposed Civic Events Policy and Granting Framework.
- A provision has been established to permit for a repayable grants. For example, if a grant is given to a major event that generates a profit (for example a Rolling Stones concert), if the event organizer generates a profit and HRM wanted them to repay the grant in part or in whole, this could now occur.
- Some funding limitations have been added to set a cap on the amount of reserve funding that can be used for administration of events, event related infrastructure, and municipal service costs.
- Clear definitions for each type and range of events that qualify for funding under the Special Events Reserve have been added. The Special Events Reserve would now fund Tourism (Hallmark) Events, Commercial Special Events, Major Special Events, National, International Sporting and Mega Events, and Major Civic Celebrations/Infrastructure given the orientation towards economic and tourism development.
- Specific funding allocation percentages for each event category have been added. This is intended to provide Council a general framework for deciding appropriate amounts of funding for each event category. These proposed percentages are based on a review of Special Events Reserve activity over the last three years. Generally, 15% of the Special Events Reserve would be allocated to Hallmark Events and Commercial Special Events 30% to Major Special Events, National, International Sporting and Mega Events and 10% to Major Civic Celebrations and Infrastructure.
- A percentage of the Special Events Reserve will be allocated to protect annual Hallmark Tourism Events including the Royal Nova Scotia International Tattoo, The NS International Air Show, the Halifax International Busker Festival. Staff recommend at a minimum that the existing funding amount be sustained (approximately \$94,000) and potentially increased by \$10,000.

Implications on Operating Budget

Should Council decide to discontinue funding Hallmark Tourism events and International and National Sports events through the operating budget as recommended by the Policy Framework and to instead fund them through the Special Events Reserve the following implications are expected:

- Approximately \$94,000 (based on 2006 budgets) additional capacity would be created in the operating budget by realigning Hallmark Tourism events that could be used to enhance existing or develop new civic events, community celebrations and festivals.
- Approximately \$3,000 (based on 2006 budgets) additional capacity would be created in the operating budget by realigning International Sporting events that could be used to enhance existing or develop new civic events, community celebrations and festivals.
- A portion of the capacity created by realigning Hallmark and International Sporting Events could be redirected to offset funding requests/deficiencies with HRM's Civic Event, Celebrations and Festival categories. For instance, the additional capacity could be used to grow and support events including the Natal Day Festival, Dartmouth Tree Lighting, and community-based festivals such as Sackville Patriot Days.
- A portion of the capacity created by realigning Hallmark and International Sporting Events would be redirected to Operating in order to expand HRM's existing Civic Events. For instance, this capacity could be directed in support of the Clam Harbour Sandcastle Competition.

C) Special Events Advisory Committee

With the exception of the *Summerfest Grant Committee*, staff has not had any assistance in reviewing annual grant applications for event funding. In June of last year, staff tabled a report recommending the establishment of a sub-committee of the Cultural Advisory Committee to review grant applications. Council deferred this for consideration by the Marketing Levy Working Committee.

The Marketing Levy Working Committee agrees that an advisory committee structure is needed. They have recommended that two committees be established.

- One committee would focus on funding civic and community events from HRM's operating budget; and
- A second committee would focus on special events with a tourism and economic development focus requiring funding from the Special Events Reserve.

Staff acknowledges and supports the Committee's recommendation for an improved governance structure. Staff however is recommending that only one Committee be established. The committee would be comprised of a balanced representation from the tourism, economic development, cultural, and community sectors. A single Committee would:

- Provide a more regional and comprehensive understanding of the civic events program, which is important when making decisions concerning funding and development;
- In anticipation of the need for further policies such as a Major Events Hosting Strategy, a single Committee would be more suitable for advising on regional issues; and

- It is inefficient to have two Committees with such similar mandates.

The Terms of Reference for a single committee, entitled HRM Special Events Advisory Committee, is contained Attachment 3.

D) Evaluative Criteria

The Marketing Levy Working Committee emphasized the importance of an evaluation framework, and developed a proposed framework for Council's consideration. Upon review of the evaluation framework, staff believes the Committee's approach will provide clarity and greater objectivity around funding decisions respecting the Special Events Reserve. Consequently, staff recommends that the evaluation framework be adopted along with the proposed terms of reference for the Special Events Grant Advisory Committee for uses by the Committee. Schedule 1 of Attachment 3 includes the evaluation criteria developed by the Committee. It should be noted that the proposed percentages are intended as guidelines and do not restrict Council's ability to go beyond these amounts, where desired. The percentages are based on Council's historical decision making and are therefore to some extent reflective of Council's priorities. These guidelines also provide some certainty and clarity to event organizers.

Additionally, with the recent adoption of HRM's Cultural Plan and its emphasis on opportunities for integration, staff has amended the Committee's evaluation criteria to include a "bonus" culture section. The primary purpose of the bonus section is to encourage event organizers to think about culture and to find creative ways to integrate culture into an event program, be it an international sporting event or a major special event. The Marketing Levy Working Committee was supportive of this change.

E) Conclusion and Next Steps

The proposed policy framework was designed to bring clarity to HRM's civic event program and to highlight HRM's priorities, mainly as it relates to the grant process. The proposed changes are consistent with the philosophy espoused through both the Cultural Plan and Economic Strategy in that they achieve cultural development at both the community and professional levels.

While this proposed approach is viewed as a significant improvement, and will certainly foster many benefits to the community at large, there remain many outstanding issues with HRM's event program. A second phase of review is planned for the (07/08) business cycle. Specifically, staff intend to initiate a "***Major Event Hosting Strategy***" to provide direction on many of these outstanding issues including coordinated events promotion and hosting among all partners (Events Halifax, Destination Halifax, The Partnership etc.).

BUDGET IMPLICATIONS

In the 2006/07 Fiscal Year, despite the fact that the allocation of the additional 0.5% Marketing Levy was not finalized, Destination Halifax was given the benefit of 2/3 of the full Marketing Levy at 2%. HRM staff recommend that Destination Halifax be permitted to retain the benefit of the 2/3 of the additional 0.5% for the 2006/07 fiscal year. The remaining 1/3 of the additional 0.5% Marketing Levy was deposited in the Special Events Reserve during 2006/07 but has not been expended as staff were cognizant that the final allocation of the 0.5% had not been approved by Council. If the

recommended allocation put forward in this report is accepted, effective April 1, 2007/08 Destination Halifax and the Special Events Reserve would both realize an increase in the level of their annual funding from the Marketing Levy as follows:

	2006/07 Budget	2006/07 Projected Actual	2007/08 Proposed Budget
Destination Halifax C711	\$1,390,000	\$1,769,589*	\$1,587,878
Marketing Levy Special Events Reserve Q315	\$695,000	\$884,795	\$1,058,585
	\$2,085,000	\$2,654,384	\$2,646,464

* Destination Halifax receives a one-time benefit for 2006/07 of 2/3 of the 0.5% increase in the Marketing Levy collected during 2006/07.

The primary mandate of Destination Halifax is to increase the tourism visitation and expenditure within HRM. It should be noted that the main beneficiaries of incremental tax revenues and economic activity from tourism are the Provincial and Federal levels of government, as they benefit from income taxes collected from hotels and tourism businesses, gas taxes collected from tourism, and commodity taxes such as HST on purchases made by tourists. The Municipality would see growth in commercial property tax revenues however associated with new hotels or commercial entities associated with tourism. The Municipality also sees increased costs as a result of tourism with respect to visitor services, streets and roads, waste water services, solid waste services, policing and fire protection. Because the bulk of the incremental economic benefit accrues to other levels of government, HRM should encourage and support Destination Halifax in any initiatives to leverage funds from other levels of government to support their activities.

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. Allocate 2/3 of the Marketing Levy to Destination Halifax, and 1/3 to the Marketing Levy Special Events Reserve. Based on a total Marketing Levy for 2007/08 of \$2,646,464 this would result in \$1,764,309 for Destination Halifax and \$882,155 for the Marketing Levy Special Events Reserve.
2. Allocate the full value of the addition 0.5% Marketing Levy, plus 1/3 of the Marketing Levy based on 1.5% to the Marketing Levy Special Events Reserve; and allocate 2/3 of the Marketing Levy based on 1.5% to Destination Halifax. Based on a total Marketing Levy for 2007/08 of \$2,646,464 this would result in \$ 1,323,232 for Destination Halifax and \$ 1,323,232 for the Marketing Levy Special Events Reserve.

3. Council may chose to make additions or deletions to the definitions outlined in the proposed policy framework in Attachment 2.
4. Council may chose to support the Market Levy Committee by creating two Committees, one for Special Events Reserve and another for operating budget. This is not staff's recommended approach.

ATTACHMENTS

Attachment 1 Reports of the Marketing Levy Committee

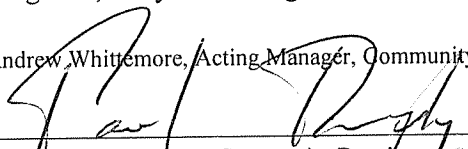
Attachment 2 Draft Civic Events Policy Framework

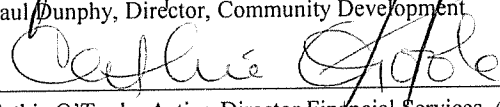
Attachment 3 Amended Marketing Levy Special Events Reserve Business Case

Attachment 4 Proposed Terms of Reference for Special Events Advisory Committee and Evaluative 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.

Report Prepared by: Andrew Whittlemore, Acting Manager, Community Relations 490-1585

Report Approved by: 
Paul Dunphy, Director, Community Development

Financial Approval by: 
Cathie O'Toole, Acting Director Financial Services, 490-1562

Attachment 1
HRM Civic Events Policy Framework

1.0 Introduction

The role of festivals and celebrations in HRM is not only provide entertainment for residents and visitors, but also to contribute to a sense of community, to build bridges between diverse populations and to give them an opportunity to gather in celebration of the history and diversity of the place in which we live. HRM has introduced programs and focused resources on developing and supporting festivals and special events throughout the region, recognizing their potential for enriching the quality of life for residents, generating economic activity, and showcasing HRM. While it is not possible to support all events, this policy is intended to focus HRM's effort on those that best satisfy the following goals:

1.1 The Goals:

The following goals will guide all decision of HRM's civic events program:

1.1.1 To enrich the quality of life for residents and to enhance the experience of visitors.

1.1.2 To provide a variety of quality activities accessible to people of all ages and walks of life.

1.1.3 To contribute to community development through events celebrating HRM's heritage, culture and diversity and sense of community.

1.1.4 To contribute to economic development by raising HRM's profile as a tourist destination, and a place in which to invest .

1.1.5 To support distinctive events.

1.1.6 To foster positive community relations in HRM through events and festivals that facilitate positive interaction between citizens, staff, politicians and communities.

1.2 The Guiding Principle Statements

Achieving these goals will require that HRM adopt a new philosophy to HRM civic events program. Specifically, future decisions respecting HRM's civic events and granting program will be guided by the following statements:

Principle 1

Events fostering community building, community development, community relations and quality of life are the core mandate of HRM's civic events program and will be the priority recipient of funding through HRM's civic events operating budget.

Principle 2

Events focussing on attracting tourists are very important to HRM's economic, tourism and cultural growth, but are not the core mandate of HRM's civic events program.

Principle 3

HRM will provide an equitable division of funding to all HRM events based on key goals and outcomes.

1.3 The Strategic Directions

HRM has a critical leadership role to play in the development of community, maintaining a quality of life and providing residents a broad range of experiences. It is also in HRM's interest to support economic and tourism development. To fulfill this role this strategy provides a comprehensive approach based on the following 6 strategic areas of focus.

- (a) Festivals,***
- (b) Celebrations,***
- (c) Civic Events,***
- (d) Commercial Events,***
- (e) Tourism Events,***
- (f) Sporting Events***

1.4 Operational Framework Policy

In order to achieve the overall goals of the event strategy, the following operational framework will be used to guide all decision-making around event funding and overall operational priorities and focus. The operational framework is intended to focus on two specific outcomes, ***(1) community development*** and ***(2) economic or tourism development***. Those events focussed on "community development" outcome will primarily comprise festivals, celebrations and civic events, while those focussed on economic and tourism development will generally include commercial events, tourism events, such as Hallmark events, special events, and sporting events.

General Policy

HRM will adopt an civic events operational framework focussed on "community development" and "economic and tourism development" outcomes. Under "community development" the strategic focus will be festivals, celebrations and civic events. This focus is intended to help improve and develop a sense of well-being within the diverse communities of HRM, reduce inequalities and feelings of disadvantage, increase residents feelings that their local area is a place where people from different backgrounds and communities can live together harmoniously; and to help residents feel good about and have pride in where they live. Under "tourism and economic development outcomes" the focus will be on commercial, tourism, cultural and sporting events which are important for fostering sustainable growth and giving HRM a competitive edge over other regional centres worldwide.

Policy 1 The HRM Operating Budget will be the source from which HRM will fund events focussing on community development outcomes as generally described in the General Policy.

Policy 2 The HRM Special Events Reserve will be the source from which HRM will fund events focussing on economic and tourism development as generally described in the General Policy.

Policy 3 *Notwithstanding Policy 2, funding of major civic celebrations may be considered through the Special Events Reserve where the significance of the celebration may exceed the capacity of any one year's operating budget allocation. These may include such events as the 100th Anniversary of the Halifax Explosion, Canada 150th, the 75th Anniversary of the End of World War II, and HRM's Twinning Anniversary.*

FESTIVALS

Policy 4 *Pursuant to Policy 1, HRM will provide support to festivals which are annual (or bi-annual) cultural events, over a short duration that is actively programmed around a central format or theme, encompassing multiple performances, exhibitions, and other activities related to arts and culture. They are publicized regionally, are primarily non-competitive and tend to originate in HRM. Emphasis will be on community based festival or professionally led festivals organized by the same non-profit society every year, and is primarily for the benefit and enjoyment of local residents, as generally described below:*

- (a) **Community-based festivals** which are large or small festival encompassing a broad definition of culture, including music and other performances, crafts, cuisine, or other cultural expressions of the community. (e.g. Multi-Cultural Festival, Bedford Days, Sackville Patriot Days, Waverley Gold Rush Days)*
- (b) **Professional festivals** which involve performing, visual, media or literary arts festival with professional administration and paid artistic participants. (eg. Atlantic Film Festival, Atlantic Jazz Festival, Atlantic Fringe Festival, Word on the Street, Scotia Festival of Music, and Halifax Pop Explosion)*

CELEBRATIONS

Policy 5 *Pursuant to Policy 1, HRM will provide support to celebrations which are very similar to festivals in that they are (1) organized by the same non-profit society every year, (2) primarily provide for the benefit and enjoyment of all HRM residents, (3) are publicized HRM wide and (4) tend to originate in HRM. The primary difference is that a celebration is only a one-day event with a significant cultural component actively programmed around a theme, anniversary or companion activity. Emphasis will be on community-based celebrations and major parades as generally describe below:*

- (a) **Community-based celebration** - one-day event encompassing a broad definition of culture, including music and other performance, crafts, cuisine or other cultural expressions of the community. (e.g. *Hakodate-Little Japanese New Year, Dartmouth Christmas Tree Lighting, Halifax Explosion Memorial Service in Halifax and Dartmouth.*)
- (b) **Major Parades** - large-scale parades publicized HRM-wide. (e.g. *Spryfield Santa Claus Parade, Holiday Parade of Lights, Pride Parade, Light Up Bedford Parade, and the operation of municipal float*)

CIVIC EVENTS

- Policy 6** *Pursuant to Policy 1, HRM will provide direct funding and service delivery for Civic Events which are special events originating in HRM and held for the benefit of HRM's residents, and that HRM, on its own or in partnership with other organizations, has initiated and/or has a significant role in organizing. (e.g. HRM Christmas Tree Lighting, Menora Lighting, BT New Year's Eve, Halifax - Dartmouth Canada Day, and Halifax - Dartmouth Natal Day)*

COMMUNITY & CULTURAL AWARDS

- Policy 7** *Pursuant to Policy 1, HRM will support community and cultural awards which are events that celebrate and acknowledge community pride and cultural achievement. These events are limited to recognition of citizens and artists geographically located within the Halifax Regional Municipality and/or the Province of NS in their scope. Funding support will be directed to events that do not qualify for funding through other sources such as the HRM Heritage Reserve or the Culture Operating Budget. (e.g. Dartmouth Book Awards, and Volunteer Recognition Awards)*

COMMERCIAL EVENTS

- Policy 8** *Pursuant to Policy 2, HRM will support commercial special events which include events such as major outdoor concerts, professional sports and or the bids associated with such events. (e.g. Rolling Stones Concert, NHL Hockey, CFL Exhibition Game, Women's LPGA)*

TOURISM EVENTS

- Policy 9** *Pursuant to Policy 2, HRM will provide support to tourism events which are defined as events that are large, compelling to a major market and with high expenditure potential. Such events also have a high potential for international exposure and the ability to encourage multi-day visits. To be considered a true tourism event, a material share of total participation must come from overnight tourists/visitors. Emphasis will be on hallmark tourism events and major special events as generally describe below:*

- (a) **Hallmark Tourism Events** - A recurring event possessing such significance, in terms of tradition, attractiveness, image, or publicity that it provides the host community with a competitive advantage. These events are associated with HRM's identity, help raise its profile globally, and position it as a place to invest. Over time, the event and destination can become inseparable in terms of their image. (e.g. *2007/09 Tall Ships, Halifax International Busker Festival, Royal NS International Tattoo, and NS International Air Show*)

- (b) **Major Special Events** - A one-time, large-scale event possessing such significance that it provides the host community with a competitive advantage. (e.g. ECMA, Junos, and Royal Visits)

SPORTING EVENTS

Policy 10 *Pursuant to Policy 2, HRM will provide support to 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 internationally sporting events and mega-events as generally describe below:*

- (a) **National Sporting Event** - an amateur athletic or semi-professional activity that is of national caliber and attracts equally participants and spectators from across Canada. It is usually either a National Championship for that sporting event or even a World or Olympic Games qualifier. (e.g. CIS Final Eight, Canadian Sprint Canoe Championship, Tim Horton's Roar of the Rings Olympic Qualifier, Skate Canada, and Memorial Cup)
- (b) **International Sporting Event** - an amateur athletic or semi-professional activity that usually has International accreditation and attracts both participants and spectators world-wide. These events tend to attract international media coverage, have large corporate sponsorships, and host athletes with international name recognition. (e.g. IIHF World Hockey Championships, ICF World Curling Championships, World Canoe Championships)
- (c) **Mega-Events** - Defined as events that, by way of size or significance, yield extraordinarily high levels of tourism, media coverage, prestige, or economic impact for the host community or destination. (e.g. Common Wealth Games and Canada Games)

ADVISORY COMMITTEE

Policy 11 *HRM shall establish a Special Events Grants Advisory Committee to review, evaluate and make recommendations to Regional Council regarding the annual Special Event Reserve, Festivals & Events Grants and the Summer Festival Grants. Further, the Committee shall adopt the set of Evaluative Criteria (Schedule 1) to guide decision making, which may from time to time be amended when deemed necessary by the Committee*

EXCLUSIONS

Policy 12 *Council shall not fund competitions, banquets and dinners associated with conferences and events; events which seek to enhance the image of an illegal activity; or events which are designed to promote a specific political or social perspective or agendas.*

Attachment 2
Reserves Business Case

Halifax Regional Municipality • Corporate Services • Finance Division • 490-4446 • Fax: 490-4175

Date: March 27, 2007

Contact: Paul Dunphy, Director of Community Development

Marketing Levy Special Events Reserve - Q315

Purpose

To provide funding to attract and host exceptional Tourism, Culture, & Heritage events, that typically are national or international in calibre and occur on an infrequent basis, where HRM provides a leading and/or hosting role.

Source of Funds

An ongoing transfer of 40% of the Provincial Hotel Sales Tax (Marketing Levy)

The reserve has a ceiling of \$1,000,000 (One Million Dollars).

Application of Funds

The Marketing Levy Special Events Reserve (the Reserve) will be used primarily in support of events that focus on tourism and economic development as the primary outcomes, with quality of life as a secondary outcome.

Variety - The Reserve may be used to support a broad variety of events for the enjoyment of citizens and visitors. The Reserve seeks to provide resources for HRM to attract, support and provide hosting resources for tourism and economic development focused events in the cultural, sports, and heritage sectors, as defined in the events operational framework.

Accessibility - The Reserve will give priority to supporting the “free to the public” elements of events and activities as compared to those elements that are resourced through an admission fee or other revenue sources.

Marketing Levy Special Event Reserve Guidelines - Eligible Events

1) Hallmark Events - The Reserve will be used to fund current annual Hallmark Events including: The Halifax International Busker Festival, The Royal Nova Scotia International Tattoo, and the Nova Scotia International Air Show. Starting fiscal year 2007/08 the annual Hallmark events will be funded at a minimum of current funding levels or no greater than a total of 15% of the annual Marketing Levy Special Events Reserve budget.

2) Commercial Special Events - The Reserve will be used to fund commercial special events. In any given budget cycle, no more than 15% of the Reserve shall be used to fund commercial special events such as major outdoor concerts, professional sporting activities as defined in the operational framework

3) Major Special Events -The Reserve will be used to fund major special events and conferences. In any given budget cycle, no greater than 30% of the Reserve shall be used to fund major special events and conferences as defined in the operational framework.

4) National and International Sporting and Mega Events - -The Reserve will be used to fund National and International Sporting and Mega Events. In any given budget cycle, no greater than 30% of the Reserve shall be used to fund National and International Sporting and Mega Events as defined in the operational framework

5) Major Civic Celebrations and Infrastructure - The Reserve will support initiatives such as HRM Twinning, Memorials, Commemorations, Anniversaries, and other significant special functions. Also, the SER will support such miscellaneous expenses including float and repair to event related equipment and sites. In any given budget cycle, no greater than 10% of the Reserve shall be used to support these items.

Eligible Expenses:

- 1) Expenses related to making a Bid
- 2) HRM Services Costs related to hosting an event
- 3) HRM Capital Costs - Event Related Infrastructure and/or Improvement of HRM Owned Properties and Venues associated with hosting of qualifying special events.
- 4) Program costs (shall not exceed 1% of the annual budget)

Funding Limitations:

- HRM may pay up to 1/3 of the municipal service costs associated with the event. Contributions from other levels of government will be considered in HRM's deliberations.
- HRM may pay up to 1/3 of the program costs associated with the event. Contributions from other levels of government will be considered in HRM's deliberations.
- Emphasis will be given to those events that occur in the November 1st to April 30th time period.
- Events which have broad appeal and community interest will be given priority. It should be noted, events that are completely gated and raise revenues from that gate must clearly indicate a reason for the HRM to provide a grant.

Not Considered for Funding:

- Competitions, Banquets and Dinners associated with conferences and events
- Events which seek to enhance the image of an illegal activity
- Events which are designed to promote a specific political or social perspective or agenda

Funding Requirements:

- Event must meet the requirements of the HRM Marketing Levy Special Events Reserve Business Case. Event organizers must provide a full detailed program and a detailed budget before the HRM funding commitment is determined.

In exceptional circumstances when requests for funding from the Reserve fall outside the above guidelines, a separate report may be created for Regional Council consideration subject to approval of the HRM Events Committee.

If a grant is given to a major event that generates a profit, if the event organizer wishes to repay the grant in part or in whole, this can occur. Additionally, there may be special events that generate a profit where HRM's contribution as approved by the HRM Events Committee and Regional Council may be contingent upon repayment in full or in part.

Approval Process

All requests for withdrawals must be initiated by Community Development. Finance is responsible for ensuring availability of funds and appropriateness of expenditure prior to Council approval. These approvals are primarily done through the annual budget process or on an individual basis prior to being approved by Council.

Decisions on applications for funding will be made by the HRM Events Committee with the guidance and support of staff of the Community Development Department. Only applications which are in compliance with the Marketing Levy Special Events Reserve Business Case will be considered by the HRM Events Committee, and applications will be scored in accordance with the criteria approved by the HRM Events Committee. Community Development in cooperation with Finance will prepare an annual Marketing Levy Special Events Reserve Budget, and will be responsible for monitoring projections (actual versus budgeted expenditures). The Marketing Levy Special Events Reserve Budget will be approved by HRM Council annually as part of HRM's Budget and Business Plan.

HRM will undertake a review of the Marketing Levy Special Events Reserve Guidelines at a minimum of every 5 years.

Approval

CAO

Attachment 3
Proposed Special Events Advisory Committee Terms of Reference

MANDATE

The HRM Special Events Advisory Committee shall review, evaluate and make recommendations to Regional Council regarding the annual Special Event Reserve, Festivals & Events Grants and the Summer Festival Grants with the support from staff of the Community Relations and Events Division of the Community Development Department.

STATEMENT OF PURPOSE

Pursuant to the HRM Civic Events Policy Framework, members of the HRM Special Events Advisory Committee will evaluate applications for the Special Event Reserve, Festivals and Events Grants and the Summer Festival Grants using an operational framework for events designed around “community development” versus “economic and tourism development” outcomes.

Under “community development outcomes” (Festivals & Events Grants and the Summer Festival Grants) the strategic focus will be on festivals, community celebrations and civic events and under “tourism and economic development outcomes” (Special Events Reserve) the focus will be on commercial, tourism, sporting and significant celebrations.

1. COMPOSITION OF COMMITTEE

- 1.1 The HRM Special Events Advisory Committee shall comprise a voting membership, totalling eleven (11) as follows:
 - 1.1.1 Three (3) elected members of Halifax Regional Council representing the urban, suburban and rural areas of the Halifax Regional Municipality;
 - 1.1.2 One (1) member from the Greater Halifax Partnership;
 - 1.1.3 One (1) member from the Hotel Association of Nova Scotia;
 - 1.1.4 One (1) member from the Chamber of Commerce;
 - 1.1.5 One (1) member from Destination Halifax
 - 1.1.6 Two (2) members nominated by the Cultural Advisory Committee; and
 - 1.1.7 Two (2) member at large.
- 1.2 The representatives of Regional Council shall be appointed by the Council Selection Committee and shall inform Regional Council of their selection.
- 1.3 The members-at-large shall be appointed by Regional Council.
- 1.4 The Chair may be elected representative or a citizen member and shall be selected annually by the voting members of the HRM Special Events Advisory Committee. The Chair shall have one (1) vote.

2. TERM OF OFFICE

- 2.1 Each elected representative shall be appointed for a term of one (1) year, renewable each year.
- 2.2 Four community representatives shall be appointed for a term of two (2) years and

thereafter may be re-appointed for a term of one (1) year so as to ensure staggered terms. Four community representatives shall be appointed for a term of one (1) year and thereafter may be re-appointed for a term of one (1) year.

- 2.3 A call for citizen membership shall be conducted each fall through the Office of the Municipal Clerk.

3. VACANCIES

- 3.1 The Chair shall inform the Clerk's Office of any vacancies.
- 3.2 Should a vacancy occur during an elected member's term of office the Council Selection Committee and Regional Council shall appoint a new representative to complete the balance of the term.
- 3.3 Should a vacancy occur during a citizen's term of office Regional Council shall appoint a replacement to complete the balance of the term.
- 3.4 Effective as of the date of official notification of a vacancy for a citizen representative, Regional Council shall be notified by staff. Regional Council shall then appoint a new citizen member or member of the Marketing Levy Committee and/or the Cultural Advisory Committee. The replacement shall be selected from among the names submitted during the annual call for citizen representatives or in the case of the Marketing Levy Committee and/or Cultural Advisory Committee, from their recommendation. In the event of the unavailability of an alternate from the list of names submitted for consideration through an annual call for committee members, Regional Council may appoint a citizen through an additional call for expressions of interest.

4. DUTIES

The duties of the HRM Special Events Advisory Committee are to:

- 4.1 Advise Regional Council on all matters related to the allocation of the Special Event Reserve, Festivals & Events Grants and Summer Festivals Grants,
- 4.2 Continue to review eligibility criteria, priorities, policy and procedures for assistance under the respective programs and services managed under the auspices of the HRM Special Events & Festivals Grants portfolio;
- 4.3 The duties of the HRM Special Events Advisory Committee shall be reviewed annually by staff and Committee members and may be amended by Regional Council on an on-going basis.

5. QUORUM

- 5.1 A quorum at a regular meeting of the HRM Special Events Advisory Committee shall be a simple majority of members (7) of which two (2) shall be the elected representatives.

6. MEETINGS

- 6.1 The committee shall meet as required to facilitate the timely review and recommendations on the Special Event Reserve, Festivals & Events Grants and Summer Festivals Grant applications.
- 6.2 The Chair in consultation with staff shall be responsible for calling all meetings of the HRM Special Events Grants Committee.
- 6.3 Notice of the HRM Special Events Advisory Committee meetings and minutes shall be provided by the Office of the Community Relations & Events Division.

7. REMUNERATION

Members of the HRM Special Events Advisory Committee shall not be remunerated for serving on the committee except where reimbursement is made in accordance with HRM policy for reasonable expenses incurred while in the service of the Committee.

8. DECLARATION OF CONFLICT OF INTEREST

Where personal or professional involvement or association could result in an actual or perceived conflict of interest for a member of the HRM Special Events Advisory Committee, the member shall declare the conflict and abstain from debate on the related topic, or where appropriate remove themselves from a meeting and shall not vote on any motion applying to the declared conflict.

*Schedule 1 of Terms of Reference
HRM Special Events Reserve Criteria / Scoring Sheet*

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		

Evaluation Criteria Bonus Sheet

Addressing each item below the priority in your narrative will increase your chances of receiving a grant. Specifically, Bonus Points (1 point added to total score for each of the following)

Raising awareness of culture in the areas of arts, heritage, and humanities

- Cultural/media partnerships
- Designed to expand its audience's knowledge of and appreciation for the art
- Gives audience a hands on experience which will broaden his/her understanding of the subject artistic medium

Strengthening support for the arts or making the arts a more visible part of the community

- Attempt to bring the arts together with others in the community
- Promotes knowledge of and respect for culturally or artistically diverse expression

Strengthening the overall health of existing non-profit organizations and other groups or business which directly impact culture

- New or improved cultural programs
- Collaborative events with non-profit organizations/Artist (s) or art organization(s) involvement

Increasing and supporting a healthy financial environment and support system for individuals in the cultural professions

- One or more cultural productions such as a lecture, performance, workshop, or demonstration

Increasing the awareness and opportunities of culture for youth

- Increased participation of area youth in cultural events/a plan for students to appreciate and participate in cultural events
- An integration of humanities, heritage, or arts through activities for area youth