

Item No. 10.5.3
Halifax Regional Council
May 24, 2011

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed
Councillor Sue Uteck, Chair, Special Events Advisory Committee

DATE: May 11, 2011

SUBJECT: HRM Hallmark Event Grant Renewals

ORIGIN

The March 11th, March 16th, April 6th, April 13th, May 4th, and May 11th, 2011 Special Events Advisory Committee meetings.

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Approve the renewal of nine (9) Hallmark Event grants, as amended, from the 2011/12 Marketing Levy Special Events Reserve (Q315) for a total of \$380,000 as follows:
 - a) \$90,000 to the Royal Nova Scotia International Tattoo; *(as recommended)*
 - b) \$50,000 to the Blue Nose International Marathon; *(as recommended)*
 - c) \$50,000 to the Halifax International Busker Festival; *(as recommended)*
 - d) **\$45,000** to the Atlantic Jazz Festival; *(as amended)*
 - e) \$40,000 to the Atlantic Film Festival; *(as recommended)*
 - f) \$25,000 to the Halifax Pride Festival; *(as recommended)*
 - g) **\$25,000** to SEDMHA International Hockey Tournament; *(as amended)*
 - h) \$10,000 to the Halifax Pop Explosion, **and; a conditional grant of \$30,000** to the Halifax Pop Explosion for a free public concert on condition that the \$30,000 be returned to HRM if the free public concert does not go forward. *(as amended)*
 - i) **\$15,000** to the Scotia Festival of Music; *(as amended)*
2. Approve the proposed improvements to the Hallmark Events Operating Guidelines contained within Attachment 1 of the February 28, 2011 staff report.

BACKGROUND

The Special Events Advisory Committee reviewed the staff report dated February 28, 2011 at their May 4, 2011 and May 11, 2011 meetings in regard to HRM Hallmark Event Grant Renewals and heard presentations from the applicants at the March 11th, March 16th, April 6th and April 13th meetings.

DISCUSSION

During review of the February 28, 2011 staff report, and upon consideration of the information provided by each applicant during their presentations to the Special Events Advisory Committee, the Committee agreed to amend the total amount proposed by staff of \$330,000 to \$380,000 from the 2011/12 Marketing Levy Special Events Reserve (Q315), an increase of \$50,000, for the following reasons:

1. A one time increase of \$5,000 for the Atlantic Jazz Festival as 2011 is their anniversary year, and; to assist in covering costs of the new site and advertising initiatives. Total award recommended is for \$45,000.
2. An increase of \$10,000 for the SEDMHA International Hockey Tournament for a total award of \$25,000 as the tournament utilizes all ice surfaces in HRM, with the exception of Shearwater and the Metro Centre, and draws numerous attendees from outside HRM and international teams such as those from St. Pierre/Miquelon. The additional funding would also assist in covering the increase in HRM's ice rental fees.
3. A \$30,000 conditional grant recommended for the Halifax Pop Explosion on condition that the free public concert go forward and that the \$30,000 be returned to HRM if there is no free public concert. The \$10,000 grant to be awarded unconditionally. Total grant to be awarded: \$10,000, and; \$30,000 conditional on the free public concert going ahead.
4. An increase of \$5,000 to the Scotia Festival of Music event for a total grant award of \$15,000 as the event has several days of activities and free workshops.

The Special Events Advisory Committee recommends that Halifax Regional Council approve the proposed increase of \$50,000 as explained above and the nine (9) Hallmark Event grants from the 2011/12 Marketing Levy Special Events Reserve (Q315) for a total of \$380,000.

BUDGET IMPLICATIONS

As per the recommended amendments noted in the Discussion section of this report, the projected withdrawals for the 2011/12 Hallmark events, as proposed in the Feb 28, 2011 staff report, has increased by \$50,000 (from \$330,000 to \$380,000). The proposed increase in addition to an update to the March 2011 balance of the Reserve will result to a projected reserve balance at March 31, 2012 of \$514,895.

Budget Summary: Q315 Reserve:

Balance March 31, 2011	\$ 440,654
Marketing Levy Projected Revenue 11/12	\$1,267,000
2011/12 Non-Annual Applications	\$(327,500)
Hallmark events estimated at this time	\$(380,000)
Infrastructure	\$ (90,000)
CIS Men's Basketball Championship	\$ (40,000)
Over two years (2010-11/12)	
O'Neil Cold Water Classic	\$(145,000)
FCM Conference	\$(225,000)
Interest	\$ 14,741
Projected Reserve Balance March 31, 2012	<u>\$ 514,895</u>

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. If approved, this will increase the withdrawals from Reserve by the amount indicated above.

COMMUNITY ENGAGEMENT

The Special Events Advisory Committee is comprised of four (4) members at large and four (4) representatives of organizations such as the Greater Halifax Partnership, Destination Halifax, Hotel Association of Nova Scotia and the Metro Chamber of Commerce. There are also five (5) Councilors who serve on the Committee. All meetings are open to the public. The Community Engagement requirement has been met.

ALTERNATIVES

1. Regional Council may choose to not approve the renewal of nine (9) Hallmark Event grants from the 2011/12 Marketing levy Special Events Reserve (Q315) as amended by the Committee. This is not the recommended action.

ATTACHMENTS

1. Staff report dated February 28, 2011.

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: Chris Newson, Legislative Assistant, 490-6732



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Item No.
Special Events Advisory Committee
April 13, 2011

TO: Special Events Advisory Committee

SUBMITTED BY: Original Signed
Paul Dunphy, Director, Community Development

DATE: February 28th, 2011

SUBJECT: HRM Hallmark Event Grant Renewals

ORIGIN

Pursuant to the granting process, the Special Events Advisory will review the funding for 2011/12 that addresses Hallmark Events.

RECOMMENDATION

It is recommended that the Special Events Advisory Committee recommend that Regional Council:

1. Approve the renewal of nine (9) Hallmark Event grants from the 2011/12 Marketing Levy Special Events Reserve (Q315) for a total of \$330,000, as listed below:
 - \$90,000 to the Royal NS International Tattoo;
 - \$50,000 to the Blue Nose International Marathon;
 - \$50,000 to the Halifax International Busker Festival;
 - \$40,000 to the Atlantic Jazz Festival;
 - \$40,000 to the Atlantic Film Festival;
 - \$25,000 to the Halifax Pride Festival;
 - \$15,000 to SEDMHA International Hockey Tournament;
 - \$10,000 to the Pop Explosion; and
 - \$10,000 to the Scotia Festival of Music.
2. Approve the proposed improvements to the Hallmark Events Operating Guidelines contained within Attachment 1.

BACKGROUND

In March 2007, Council approved a new Civic Events Policy and Granting Framework to improve the overall approach to HRM's civic event granting process. The framework enables the Marketing Levy Special Events Reserve, which is an operating reserve funded through the hotel tax levy, to fund annual Hallmark Events.

A Hallmark Event by definition is:

"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."

A) Existing Hallmark Events

Based on this definition, to date Regional Council has approved a total of 9 Hallmark Events. These are listed below with details on each event:

1. *The Royal Nova Scotia International Tattoo*

Featuring over 2,000 world-class Canadian and international military and civilian performers, the Tattoo continues to deliver one of the world's premiere cultural and entertainment events. The Royal Nova Scotia International Tattoo continues to grow both in popularity and success and has continually shown significant growth in economic return.

In 2010 the Royal Nova Scotia International Tattoo received a \$90,000 grant from HRM.

2. *The Blue Nose International Marathon*

2010 marked the 7th year for the Marathon. The marathon is staged solely in HRM and is designed to showcase the HRM and its natural beauty. Special care and attention has been applied to the course design, and full marathoners and 10k'ers have the unique experience of crossing the Macdonald Bridge into Dartmouth. The Blue Nose International Marathon is the largest run east of Ottawa. Runners and walkers come from all over Canada and other countries. One of the success stories of the Marathon is the youth run which draws thousands of participants each year.

In 2010 the Blue Nose International Marathon received a \$50,000 grant from HRM.

3. *The Halifax International Busker Festival*

The Halifax International Busker Festival is the largest street theatre festival in North America. Featuring 500 International shows over 11 days. The festival attendance exceeds 500,000 people. The festival also holds a local talent contest which is a great way to showcase talent in HRM. This festival boasts over 76 performers and requires over 200 volunteers.

In 2010 the Halifax International Busker Festival received a \$50,000 grant from HRM.

4. *The Halifax Jazz Festival*

Recently celebrating its 24th year, the Halifax Jazz Festival is a major event on the Canadian music scene. The Festival's objective is to promote jazz, blues, world and other music to educate the public and to develop and grow an audience for what is ostensibly non-commercial music. The Festival is Atlantic Canada's largest music festival with over 450 local, national and international performers delighting audiences that have reached the 65,000 spectator mark for nine days every summer.

In 2010 the Atlantic Jazz Festival received a \$40,000 grant from HRM.

5. *The Atlantic Film Festival*

The fourth major film festival in Canada is the international Atlantic Film Festival (AFF), held every September in Halifax, Nova Scotia. The AFF provides a welcoming atmosphere for watching some of the best international, Canadian and Atlantic Canadian films, with opportunities to hear some of the best artists the region offers. In addition to screening films from around the world and across Canada, AFF programmers scour the world for unique films for an AFF audience. The Atlantic Film Festival Association (AFFA) has organized the festival and is committed to promoting and building a strong cultural industry in Atlantic Canada and presenting the best materials from this region and around the world to the community. The Atlantic Film Festival is in its 31st year and runs for 10 days.

In 2010 the Atlantic Film Festival received a \$40,000 grant from HRM.

6. *Halifax Pride Festival*

Currently boasting the 4th largest Pride parade in Canada, the Festival consists of many local events spread throughout the HRM over the week of Pride and a large one day festival that follows the parade marked as the signature event. This festival aims to educate the local community and to celebrate diversity in HRM.

In 2010 the Halifax Pride Festival received a \$25,000 grant from HRM (with \$5,000 being withheld for debt repayment).

7. *SEDMHA International Hockey Tournament*

SEDMHA is a minor hockey tournament that is entering its 34th year of existence. The tournament is the largest annual sporting event in the province of Nova Scotia. The participants range in age from 8 to 18 and showcases Maritime hospitality to hundreds of participants every year. The tournament is well renowned for its reward system for participating teams and has become a large economic and tourism engine in HRM.

In 2010 the SEDMHA received a \$15,000 grant from HRM.

8. *The Halifax Pop Explosion*

The Halifax Pop Explosion is one of Canada's most respected festivals and showcases for

new and emerging music, art, and culture. Founded in 1993, the festival features the best in new music, and fuses it with the unique perspectives and exhibitions of art, media and pop culture from Halifax and around the world. This festival consistently receives international exposure on leading new music/youth websites and it has an outstanding reputation internationally as a leading new music festival.

In 2010 the Halifax Pop Explosion received a \$10,000 grant from HRM.

9. *Scotia Festival of Music*

The Scotia Festival of Music is a two-week long chamber music festival held annually and has been recognized internationally for its diverse programming and superior level of performers. On a national level it has been called "one of the most significant musical events in Canada's history".

In 2010 the Scotia Festival of Music received a \$10,000 grant from HRM.

DISCUSSION

This report is intended to assist SEAC in its deliberations respecting the existing Hallmark Events, the proposed 2011-2012 grant allocation and improvements to the Hallmark granting process.

Hallmark Event Annual Assessment Criteria

Pursuant to SEAC procedures, all Hallmark Events must annually table a year end report and present on their past year's activity. The report would discuss information on the event's historical background, event location, tourism period, total audience in attendance, number of residents volunteering, economic impact, promotional campaigns, community and other sector support, financial statement and proposed operating budget. Based on the report, the Committee would assess the impact of the event and recommend one of the following options for Council's consideration:

1. Maintain the grant amount from previous year;
2. Increase the grant amount;
3. Decrease the grant amount.

Attachment 1 provides the operating procedures that guide SEAC respecting the annual evaluation of Hallmark Events. Organizers do not complete a Marketing Levy Special Events Reserve application for this process and as such there are no score sheets for returning Hallmark status events. Therefore SEAC is tasked with evaluating these events based on the past year's business plan. Essentially, SEAC must determine whether the event achieved what it has set out to in its plan.

Based on these criteria, it is staff's opinion that each of the events should maintain its current level of grant funding. The following discussion provides background on each event from 2010.

1. *The Royal Nova Scotia International Tattoo*

The 2010 Royal Nova Scotia International Tattoo was the largest and most successful to date. The Tattoo had over 50 groups of performers including the Paris Fire Brigade, the Drill Team of the 6th Company from the Honourguard of the Department of Defence (of Germany and the Juliana Bicycle Team from the Netherlands.

There was a drop in local attendance but a large jump in out of province tourists coming to Nova Scotia solely for the event. The Tattoo was covered once again by international media via televised broadcasting agreements. The event created over 800,000 flyers, brochures, and magazines that were distributed across Canada. The return on investment for this event surpassed \$30 million and continues to have a large impact on the downtown core and HRM as a whole. The budget for this event is approximately \$2.8 million.

2. *The Blue Nose International Marathon*

2010 was the 7th Anniversary of the Blue Nose Marathon. It reached a new participant record of over 9,400 people and had over 5,000 spectators. The event had over 1,000 volunteers giving 20,000 hours of workforce assistance. The charity challenge was doubled in size from 2009 and can still boast the largest youth run in Canada. 78% of participants were aged 21 to 50 years of age and 93% were from Atlantic Canada. Runners from over 11 countries made it out to run the Marathon with 56% of the participants being first timers.

Print Ad campaigns were ran in the Chronicle Herald, Progress, iRun, OptiMYz and Running Room Magazine. The advertising campaign also engaged transit shelter posters, TV ads and extensive radio ads. Blue Nose flyers went out to over 100 HRM elementary schools, businesses, health clubs and sporting facilities. Aggressive website promotions, newsletters and social media activities were also used.

Downtown Halifax hotels reported high levels of occupancy during the marathon weekend including sold out status at host hotels Delta Barrington and Delta Halifax. The Blue Nose is working closely with Events Nova Scotia to develop a reporting tool to better assess the financial effect created by the marathon. The event budget for the Blue Nose is \$587,000.

3. *The Halifax International Busker Festival*

Marking its' 24th year, the Busker Festival had over 180 volunteers to help deliver the 2010 event. Audience attendance numbers are over 450,000 for the ten day festival with 53% of attendees from within HRM, 40% outside of HRM and 7% from outside Canada. Highlights include a new event location in Victoria Park.

Advertising was done in print and radio throughout HRM and Nova Scotia. Promotions were also done through the event's website. Destination Halifax has attributed \$240,000

in marketing and public relations to promote the festival to region, national and international audiences.

The return on investment is hundreds of thousands of visitors spending disposable cash in the downtown core of Halifax. According to the most recent survey, people in the age bracket of 20-39 years of age would spend \$51 - \$150/day and 98% of tourists from outside of Canada would spend more than \$250/day. The event budget for the Buskers is \$371,000.

4. *The Halifax Jazz Festival*

Celebrating its' 24th year, the Halifax Jazz Festival had an audience that surpassed the 55,000 mark. The festival has over 500 volunteers and over 270 local and regional jazz artists. This upcoming year the festival relocates to the area between Bishop's Landing and the new Nova Scotia Power building with satellite spots placed along the boardwalk.

Marketing initiatives included four distinct approaches: lower prices, streamline packages, target discounts and group sales incentives. Promotions included registration push to high schools and universities, a regional road trip contest, a media launch, local Mayor for the day contest and the Our Creative City contest. 25,000 copies of the event program were produced as well as sale cards. A mobile application was developed for the 2010 event and Jazzwindows program was ran again where businesses got a pair of free tickets for dressing up their windows.

Online ticket sales indicate that 45% of online purchases were made by non-HRM residents. The festival has identified a ROI study as an important tool but did not have the financial means to procure one for 2010. The event budget for the festival is \$790,000.

5. *The Atlantic Film Festival*

The 30th Anniversary of the Atlantic Film Festival (AFF) brought out over 28,000 spectators. The highlight of the anniversary was the opening night party that took place at Citadel Hill which had 2,000 people in attendance. Over 1,000 delegates (390 from outside Nova Scotia, 165 outside of HRM) took part in the Strategic Partners Market and 235 volunteers and 70 staff help deliver the event.

The demographics of the audience at the AFF were 50% male, 50% female, 29% 18-34 years old, 39% 35-54 years old and 32% over 55 years of age. 670 room nights were booked at the host hotel (Delta) but does not include rooms booked outside the Delta by third parties. An estimated \$32.55 million in potential film business identified as bring advanced through meetings during the Strategic Partners Conference. The last minute pull out of a major sponsor is resulted in decreased marketing dollars and hours for the contract staff. Despite this setback, the AFF was able to generate more international press than ever before. Total budget for the Atlantic Film Festival Association for all events is \$3.1 million.

6. *Halifax Pride Festival*

More than 80,000 people were estimated in attending Halifax Pride events in 2010. Highlights include the free Dykes versus Divas baseball game that packed central Commons baseball site with 5,000 spectators and the free Pride Parade and Garrison Grounds Celebration that combined brought together over 70,000 people. 2010 saw a new volunteer orientation that included a volunteer manual and mandatory information sessions. Over three hundred registered volunteers help deliver all the Pride events including new rest and first aid stations.

30% of those in attendance of Pride events are from outside Nova Scotia ranging from the Atlantic Provinces, Quebec, Ontario and even a few from the western provinces. There was also small attendance from the United States (a couple came to get married on Pride day). The main marketing promotion was the Pride brochure (29,000 copies) and print advertising (huge spread in the Coast during Pride week). Pride also used a brand new website and radio partnerships to market the event. The 2010 advertising budget was scaled back to make Pride more fiscally responsible and to handle growth. Pride also worked very closely with Destination Halifax and Nova Scotia Tourism to create customized packages.

Pride filled 12 rooms for 6 nights during Pride for performers as well as offered a special rate to Pride attendees at their sponsor hotels, Atlantica and Harbourview Marriot. Including the visiting spectators, restaurants, and shopping, it is estimated that approximately \$2 million was created in revenue in HRM. Total event budget is approximately \$270,000.

7. *SEDMHA International Hockey Tournament*

This year had 260 teams, 600 games and 19 arenas in use for the duration of the four day tournament. The major marketing promotion was tournament brochure that was sent out to all teams who have participated in previous tournaments, the majority of the minor hockey associations in the Maritime Provinces and selected associations across Canada and the Eastern United States. The second major marketing promotion was the tournament website (www.sedmha.com).

The total attendance for the tournament was 28,000 but said figure does not include anyone under the age of 18 (who were free to enter at no cost). 103 teams from outside the HRM participated in this event which brought an estimated 2,500 tourists to the area (doesn't include actual participants or coaches). The estimated return on investment is over \$15 million. Total event budget is approximately \$365,000.

8. *The Halifax Pop Explosion*

The Pop Explosion had over 15,000 in festival attendance in 2010. If event passes are included in the count, the total attendance would be over 17,000. The event utilized over 150 skilled volunteers that were selected from 350 applicants.

The marketing plan for 2010 was very targeted and controlled. The explosion ran a 16 week campaign in the Coast, Exclaim! And 14 Canwest Network papers nationally for print. Radio advertising was with Q104, the Bounce and CKDU in Halifax. Aux Television was a new partnership that ran 30 seconds ads on their national digital cable station. Explosive media also partnered with the Pop Explosion and showed videos 90 times per day on 30 screens across university campuses. The total marketing buy value for 2010 was over \$400,000.

44% of the audience was from outside HRM and 5% of those are from outside of Canada. The event brings in over 7,000 tourists to HRM for the five day festival. The Explosion partnered with Nova Scotia Tourism and Destination Halifax to bring in a delegation of international media to cover the festival and Halifax as a cultural destination. The return on investment from direct spending of the fans and direct spending of the production is estimated at over \$2.7 million. The 2010 event budget is \$436,000.

9. *Scotia Festival of Music*

The 2010 festival had 20 volunteers, over 21 guest artists and 37 young artists (11 from Nova Scotia, 20 from across Canada and 6 from the United States). The festival held 42 events over two weeks that were open to the public at the Music Room, a 100 seat concert hall. The total audience was 1,818 with 2,060 seats available representing 88% of capacity. Highlights include the Young Artist Program as well as the Final Orchestral Concert lead by British conductor Jan Latham-Koenig featuring almost 100 musicians.

Scotia Festival of Music had a 30 second commercial aired on Eastlink and a 12' banner was erected above Spring Garden Road a week prior to the festival. An event brochure was circulated around HRM as well as print media, radio, television and website coverage.

Numerous people from within and outside of HRM travelled to attend the Scotia Festival of Music. Over 100 people traveled to HRM to stay for the whole two weeks to be part of the festival. \$685,000 is the budget for the Scotia Festival of Music and its' association, Scotia Chamber Players.

BUDGET IMPLICATIONS

All recommendations are subject to approval of the proposed 2011/12 budget and availability of reserve funds. Assuming the Reserve remains consistent, the Reserve can accommodate the proposed grants to the events noted in the recommendations. Projected contributions and withdrawals are as follows:

Budget Summary Q315 Reserve:

Projected Reserve Balance March 31, 2011	\$ 477,372
Proposed Contributions 11/12 (Marketing Levy)	\$1,267,000
Proposed 2011/12 Special Events Grants	*(\$298,000)
Proposed 2011/12 Hallmark Events Grants	(\$330,000)
Infrastructure	(\$90,000)
CIS Men's Basketball Championship \$80,000 over two years (2010/11-2011/12)	(\$40,000)
FCM Conference	<u>\$(225,000)</u>
Projected Reserve Balance March 31, 2012	\$ 761,372

*A further report will be presented outlining the anticipated participants and individual amounts for the Special Events component of the 2011/12 budget

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, policies and procedures regarding withdrawals from the utilization of Project and Operating reserves, as well as any relevant legislation and is subject to the approval of the proposed 2011/12 Reserve budget.

COMMUNITY ENGAGEMENT

N/A.

ALTERNATIVES

Alternative 1: SEAC could approve the report with amendments.
Alternative 2: SEAC could not approve the report (this is not staff's recommendation).

ATTACHMENTS

Attachment 1: SEAC Hallmark Event Year End Report Guidelines

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/agenda.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: Paul Forrest/Event Coordinator, Community Relations & Cultural Affairs, 490-6979

Original Signed

Report Approved by: Andrew Whittemore/Manager, Community Relations & Cultural Affairs, 490-1585

Original Signed

Financial Approval by: For Bruce Fisher, MPA, CMA, Acting Director of Finance/CFO 490-6308

Attachment 1

Marketing Levy Special Events Hallmark Grant Final Report Criteria (As of May 2010)

Your final report should include the following information if applicable:

Historical background of the event and current event information

Number of volunteers involved

Final approved operating budget (pre event)

Final financial statement (post event)

Final marketing program (include a copy of any print materials applicable)

Total number of audience in attendance at all events and programs

Estimated number of tourists the event brought to HRM

Additional tourism information if available

Event location and details on the venues used

Economic impact and return on investment (ROI) information