



**Item No. 13.2**  
**Halifax Regional Council**  
**October 2, 2012**

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

Original signed by 

**SUBMITTED BY:**

Richard Butts, Chief Administrative Officer

Original Signed by 

Mike Labrecque, Deputy Chief Administrative Officer

**DATE:** September 26, 2012

**SUBJECT:** **2015 Canadian Country Music Week & Awards Show Bid**

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**ORIGIN**

Invitation by Canadian Country Music Association (CCMA) for a bid on the annual Canadian Country Music Week and Gala Awards show in September 2015.

**RECOMMENDATION**

It is recommended that Halifax Regional Council:

1. Approve, in principle, payment up to a maximum amount of \$250,000 from the Marketing Levy Special Events Reserve (MLSER), Q315 subject to approval of the 2013/2014 budget to fund the bid for the 2015 Canadian Country Music Week & Awards Show, conditional on HRM securing the event and securing funding equal to 50% of the hosting fee from the Province of Nova Scotia, and subject to the negotiation of a reasonable benefit package;
2. Authorize the Mayor to provide a letter of support (Attachment 1) outlining the financial commitment and condition to Events Nova Scotia for inclusion in the bid document; and
3. Approve assignment of an HRM representative to the local host committee.

## **BACKGROUND**

On April 17, 2012, Regional Council approved a revised Marketing Levy Special Events Reserve (MLSER) Business Case. The reserve's purpose is to provide funding to attract and host exceptional tourism, culture & heritage events that typically are national or international in caliber and occur on an infrequent basis, where HRM provides a leading and/or hosting role. Expenses related to making a bid for a special event are eligible to be supported by MLSER.

Country Music Week is an annual 5-day celebration that brings fans, country stars, high profile music industry individuals and national media to a host city for an industry and fan-accessed event. The event has not been hosted in Nova Scotia since 1982 (Halifax) and was most recently on the East coast in 2006 (St. John). Events Nova Scotia was invited to submit a bid for the 2015 Canadian Country Music Week and Gala Awards Show. Initially, the schedule was deemed too tight for consideration of a bid. However, Canadian Country Music Association (CCMA) requested that submission of a bid for the event be reconsidered and extended the deadline for the bid to October 5, 2012. After discussions with Events Nova Scotia and Provincial staff and further review of the opportunity, both HRM and Provincial staff decided to recommend considering the event. The bid requires confirmation of a hosting fee of \$500,000.

Events Nova Scotia is preparing the bid document and requires confirmation of funding from both the Municipal and Provincial governments for the hosting fee in order to proceed. Written confirmation of municipal funding requires approval of Regional Council.

## **DISCUSSION**

There appears to be interest in Halifax Regional Municipality as the site for the 2015 CCMA event. HRM's strong ties to various music genres and the ability to relate this event to other music events in this region (ECMA, Pop Explosion, etc.) is a factor in the interest to bring the 2015 event to HRM. Another factor is a broad base of public support for country music in this area and a desire to bring more national exposure to the event.

Hosting fees typically are submitted by the host governments. Corporate sponsors provide financial support of the event itself. In the case of this event, the CCMA is responsible for all costs associated with hosting the event including attraction of corporate sponsors. Therefore, no additional requests for financial support from HRM would be expected. The financial commitment of \$250,000 would only be required if HRM is selected for the 2015 event. The bid being submitted would outline a partnership between HRM and the Province of Nova Scotia, resulting in a 50-50 split of the hosting fee.

A local host committee would be created which would play an advisory role to the CCMA to provide local business and community input into the delivery of the event. The local host committee would be responsible to engage corporate sponsorship in the amount of \$175,000 (cash and value in kind). Should that sponsorship goal be exceeded, the additional funding would be used to support local charities or create legacy projects related to music within the host community.

Under normal course of business, this request would be considered by the Special Events Advisory Committee (SEAC) which would then present a recommendation to Regional Council. However, in order to meet the October 5, 2012 deadline for the bid, timing requires that this opportunity be considered by Regional Council directly. Staff have assessed this opportunity under the Marketing Levy Special Events Reserve criteria based on the bid which will be submitted for the event. Based on that assessment, the bid proposal easily meets the minimum criteria in order to be considered for funding. Since the bid is proposed to be shared equally with the Province of Nova Scotia, the full 50% of the bid is being recommended.

Typically, HRM and the Province partner on major events with joint bids. In terms of musical events, HRM supported the 2006 Juno Awards with a total of \$350,000 financial support. That event was similar in scope and scale with an economic return of \$7 Million but had a hosting fee of \$800,000. In 2007, HRM provided financial support in the amount of \$50,000 as part of an overall government support of \$469,000 to the East Coast Music Awards which resulted in an economic return of \$6 Million. Other major events which HRM and Province have partnered recently include 2011 Tall Ships with HRM financial support of \$500,000 and FIVB Volleyball \$114,750. These events resulted in a combined direct economic spending of over \$5 Million in HRM.

As part of the bid process, an economic assessment of the event has been prepared and a summary of that assessment has been attached as Attachment 2. This analysis has been prepared in a conservative manner and outlines a total visitor, capital and operational spending as a result of hosting the event in the range of \$3.5 Million. These expenditures are expected to generate a total economic activity of \$7.9 Million, of which \$5.2 Million would be in HRM. As a result of the projected return on investment, staff is recommending that Halifax Regional Municipality pursue the CCMA opportunity.

Should HRM be selected for the 2015 CCMA event, a contract between CCMA, HRM and Province of Nova Scotia which outlines all conditions and benefits will be negotiated prior to the payment of any of the hosting fee. Previous CCMA events have included multiple community and fan-based events that are free to the public and the organizers have expressed a desire to continue that approach in HRM. As well, while the awards show would be located in downtown Halifax, the organizers have expressed interest in locating some events during the week across HRM and possibly the province for greater exposure and connection to the community.

It should also be noted that HRM is reviewing a request for financial support by the 2013 East Coast Music Awards which will be in HRM for its 25<sup>th</sup> Anniversary. This request will be forthcoming to Regional Council in the coming weeks as part of the second intake of applications for non-annual events.

### **BUDGET IMPLICATIONS**

Currently, HRM is reviewing applications from the second intake of non-annual events for consideration of funding from the Q315 Marketing Levy Special Events Reserve. There is insufficient funding available in Q315 in 2012/13 fiscal for consideration of all applications and

the hosting fee. Therefore, approval of the hosting fee from the 2013/14 Q315 Reserve is being sought. This recommendation is subject to the approval of the 2013-14 budget and availability of funds. Assuming the reserve contributions from the marketing levy is consistent with recent budget amounts of approximately \$1.2 Million, there would be sufficient funds in 2013/14 to accommodate the hosting fee. As such, the funds would not be spent until the 2013/14 fiscal year, after approval of the budget.

**Budget Summary, Q315 Marketing Levy Special Events Reserve (MLSER)**

Projected Net Available balance, March 31, 2013	\$ 48,114
Anticipated 2013/14 Hotel Tax Levy	\$1,200,000
2013/14 payment for CCMA bid	<u>\$ (250,000)</u>
Projected Balance available for remaining 2013/14 Budget	\$ 998,114

**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. There is no impact to the 2012/13 budget and if approved, this approval of expenditure in principle would be against the 2013/14 Reserve Budget.

**COMMUNITY ENGAGEMENT**

A local hosting committee will be formed to provide an advisory role to CCMA and will include local community members.

**ENVIRONMENTAL IMPLICATIONS**

None identified.

**ALTERNATIVES**

Alternative 1: Council could choose to approve a smaller amount of funding which would result in a lower overall hosting fee in the bid. This is not recommended as it may result in HRM not being the successful host city.

Alternative 2: Council could choose not to support the 2015 Canadian Country Music Week & Awards Show bid process.

**ATTACHMENTS**

- Attachment 1: Draft letter of Commitment
- Attachment 2: Summary of Economic Analysis

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: Denise Schofield, Regional Recreation & Culture, 490-6252

Financial Approval by:

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Greg Keefe, Director of Finance & ICT/CFO, 490-6308

Report Approved by:

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Brad Anguish, Director, Community & Recreation Services, 490-4933

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Attachment 1: Letter of Commitment

Don Green  
Executive Director  
Canadian Country Music Association  
120 Adelaide Street East  
Suite 200  
Toronto, O.N. M5C 1K9

Dear Mr. Green,

The Halifax Regional Municipality is pleased with the Canadian Country Music Association's interest in the municipality as a host city for the 2015 Canadian Country Music Week and Awards from September 10 -13, 2015.

Should the Halifax Regional Municipality be awarded the hosting rights, Halifax Regional Council has preapproved funds for payment of a hosting fee, up to a total of \$250,000, subject to approval of the 2013-2014 budget.

The payment of the hosting fee would be contingent on the following:

- A commitment of at least \$250,000 from the Province of Nova Scotia to cost share the event
- A written confirmation of the national broadcast partner for the Gala Awards television awards show. Should a national broadcast partner not be secured, the Halifax Regional Municipality reserves the right to renegotiate and lower the funding agreement.
- Opportunity to promote Halifax Regional Municipality through in broadcast vignettes (pending television broadcast agreement).
- Logo inclusion on all promotional materials related to Halifax Regional Municipality as the host of the 2015 Canadian County Music Week
- Activation opportunity (to be determined) at the 2014 Canadian Country Music Week.
- A commitment to formalize a partnership agreement a minimum of one-year prior to hosting the event and prior to payment of the hosting fee, that outlines all partnership benefits awarded to the Halifax Regional Municipality, should it be awarded the hosting rights. The partnership agreement is to include provisions for a variety of events across HRM that are accessible to the community.

Halifax has the hotels, venues, suppliers, volunteers and talent to make the 2015 Canadian Country Music Awards an overwhelming success. We look forward partnering with the Canadian Country Music Association should Halifax be successfully chosen as the host city.

Regards,

Mayor Peter Kelly

**2015 Canadian Country Music Awards  
Economic Impact Analysis – STEAM Report  
Halifax Regional Municipality, Nova Scotia  
September 2012**

The combined total of visitor, capital and operational spending as a result of hosting the **2015 Canadian Country Music Awards** are estimated to total **\$3,503,845**. These expenditures generate a total of **\$7,917,821** of economic activity in the province, of which **\$5,223,322** will be in the Halifax Regional Municipality.

The **2015 Canadian Country Music Awards** is estimated to provide a total of **50.7** jobs for HRM and an additional **20.1** jobs for the remainder of the province. These jobs supported a total of **\$2,346,195** in wages and salaries for Nova Scotia as a whole.

The net increase in economic activity in the province as a result of the initial expenditures of the event is estimated to be **\$3,652,445**.

The total level of taxes supported by the **2015 Canadian Country Music Awards** is estimated at **\$1,495,831**. Of this, **\$667,081** is allocated to the federal government, **\$695,211** the provincial government and **\$133,539** to municipal governments across Nova Scotia. The municipal taxes supported within Halifax Regional Municipality are estimated to be **\$94,133**.

**Disclaimer:** The results of this pre-event economic impact analysis are intended to act as a guide and are not considered definitive of the actual events. All projections should be considered an event's potential economic impact. The projections are based on standardized spending estimates that may or may not reflect that of the highlighted event's attendees. In addition, the projections are based on the organizer's assumptions regarding attendance, composition and characteristics. These forecasts are subject to uncertainty and evolving events, therefore actual results may vary from forecasted results.

STEAM<sup>®</sup> is the federally recognized economic impact assessment model used for sport tourism in Canada.

The Canadian Country Music Awards release Trade Centre Limited from any and all claims which it may have relating to or resulting from the use of the results by the CCMA's or its agents.