

Item No. 11.6.2
Halifax Regional Council
April 1, 2014

TO: Mayor Savage and Members of Halifax Regional Council

Original signed

SUBMITTED BY:

Councillor Brad Johns, Chair Special Events Advisory Committee

DATE: March 20, 2014

SUBJECT: Cheer Expo 2015

ORIGIN

The February 24, 2014 staff report and the March 19, 2014 meetings of the Special Events Advisory Committee.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, Section 79 (1) (av). Special Events Advisory Committee Terms of Reference: "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."

RECOMMENDATION

The Special Events Advisory Committee recommends Halifax Regional Council:

1. Approve an event grant from the 2014/15 Marketing Levy Special Events Reserve (MLSER). Q315, in the amount of \$33,000 to fund Cheer Expo 2015.

BACKGROUND

As per the February 24, 2014 staff report included as attachment 1 of this report.

DISCUSSION

The Special Events Advisory Committee (SEAC) met and reviewed the application at their March 19, 2014 meeting. Representatives from the Cheer Expo advised that they had received an offer from New Brunswick which would reduce their operating costs by \$33,000. The applicant indicated that in order to retain the event in HRM, an event grant matching the exact difference in offer from Saint John New Brunswick would be required. The Committee felt that there was economic value in providing the requested grant of \$33,000 in order to retain the event for at least the current year as it is a large scale event and is held during a seasonally slow tourism period.

FINANCIAL IMPLICATIONS

All recommendations are subject to approval of the proposed 2014/15 budget and availability of MLSER reserve funds. Projected contributions and withdrawals are as follows:

Projected Balance March 31, 2014 (as at Feb 28/14)	\$ 384,017
Plus: Marketing Levy projected revenue for 2014/15	\$1,200,000
Less: Previous approvals for 2014/15 funding:	
World Men's Curling Championship Host bid	\$ (150,000)
Web.com PGA Tour Stop Host	\$ (300,000)
Canadian Figure Skating Championship Host bid	\$ (40,000)
2013/14 2 nd intake for 2014/15 events	\$ (85,000)
Less: Cheer Expo (per recommendation)	\$ (33,000)
Less: 2014/15 Hallmark Event Grants (pending Council approval)	\$ (390,000)
Projected Reserve Balance March 31, 2015	<u>\$ 586,017</u>

Previous outstanding accounts have been addressed so none of the current Hallmark events have outstanding accounts receivables with HRM.

COMMUNITY ENGAGEMENT

The Special Events Advisory Committee is comprised of four members at large, three representatives from the following organizations: Destination Halifax, Hotel Association of Nova Scotia, and Greater Halifax Partnership; and three elected officials. The Special Event Advisory meetings are open to the public.

ENVIRONMENTAL IMPLICATIONS

None indicated.

ALTERNATIVES

SEAC did not provide an alternative.

ATTACHMENTS

1. February 24, 2014 staff report.

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: Quentin Hill, Legislative Assistant, 490 - 6732



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Special Events Advisory Committee
March 19, 2014

TO: Chair and Members of the Special Events Advisory Committee

SUBMITTED BY: Original Signed
Brad Anguish, Director, Community and Recreation Services

DATE: February 24, 2014

SUBJECT: Cheer Expo 2015

ORIGIN

February 20, 2014, motion of the Special Events Advisory Committee; "MOVED by Councillor Dalrymple, seconded by Ms. Sauers that Special Events Advisory Committee request a staff report to consider the costs and implications of funding the Cheer Expo event through the Marketing Levy Special Events Reserve (MLSER)."

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, Section 79 (1) (av)

RECOMMENDATION

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

1. Approve an event grant from the 2014/15 Marketing Levy Special Events Reserve (MLSER), Q315, in the amount of \$9,000 to fund Cheer Expo 2015.

BACKGROUND

An application for funding from the Marketing Levy Special Events Reserve (MLSER) for Cheer Expo was received by staff for consideration in the recent intake which closed on January 31, 2014. The MLSER is an operating reserve funded through a hotel tax levy and HRM receives 40% of the total revenue generated from levy for the purposes of funding event and economic development. The MLSER is able to fund both non-profit and for-profit organizations for the purpose of economic and tourism development.

On February 5, 2014, Laura Mar contacted Councillor Watts and the Chair of SEAC, Councillor Johns, via email requesting that the Cheer Expo application be considered as soon as possible due to upcoming financial deadlines (Attachment 1). Councillor Johns requested the item be added for discussion to the agenda of the next meeting of SEAC on February 20, 2014.

The applications received in the recent intake are being assessed and are expected to be presented at the April meeting, after SEAC's consideration of the Hallmark events. However, as a result of the request for earlier consideration, SEAC has requested that this event be considered separately from the remaining intake applications. As a result, this report is being presented for SEAC's consideration.

DISCUSSION

Cheer Expo is a national championship which serves as a qualifier for the Cheerleading and Dance World Championships, and the One Cheer and Dance Finals. The event is organized by Cheerleading and Dance Events, Inc. which is a for-profit organization registered as an Extra-Provincial Corporation with the Nova Scotia Registry of Joint Stock Companies.

The 2014 event is being held on March 28-30, 2014, at the Halifax Forum. Cheer Expo is considering moving the event location to Saint John, New Brunswick, in 2015 because the facilities are being offered at a large discount. Cheer Expo is seeking financial support from HRM to offset the rental costs at the Halifax Forum in order to keep the event located in Halifax for 2015. The organizers would like to be in a position to announce the location for 2015 at the upcoming event and, therefore, have requested a response to their application prior to the 2014 event.

The event entry fees for competitors are \$70 plus tax and entry fees for spectators are \$15 for one day and \$25 for two days. The event estimates it will attract 2,900 spectators and 3,000 participants. Of the overall attendance, the event estimates that 2,200 people from outside HRM but within the province and 1,100 from outside Nova Scotia will attend the championship. Also, the event estimates over 2,400 room nights will be booked.

The predictive Sport Tourism Economic Assessment Model (STEAM) Report (Attachment 2) estimates that the event will generate \$5,091,872 in economic activity in HRM. The proposed event budget is \$65,000 and the grant request is for \$33,000, equal to the difference in the facility rental fee between Halifax Forum and Saint John, NB.

Based on information contained within the application, staff have evaluated Cheer Expo and identified a score of 51 points out of 100 on the MLSER Scoring Sheet (Attachment 3). Strengths of this application include contributing to the strong reputation Halifax has for hosting national sporting events, generating significant number of room nights and supporting HRM owned infrastructure.

Table 1: Proposed Grant Award - MLSER (Q315)			
Event Name	Request	Score	Proposed
Cheer Expo	\$33,000	51	\$9,000

All recommendations respecting the allocations of the MLSER are guided by the Civic Events Granting Framework and Policy and the MLSER Reserve Business Case.

FINANCIAL IMPLICATIONS

All recommendations are subject to approval of the proposed 2014/15 budget and availability of MLSER reserve funds. Projected contributions and withdrawals are as follows:

Projected Balance March 31, 2014 (as at Jan 31, 2014)	\$ 365,757
Plus: Marketing Levy projected revenue for 2014/15	\$1,200,000
Less: previous approvals for 2014/15 funding:	
World Men’s Curling Championship Host bid	\$ (150,000)
Web.com PGA Tour Stop Host	\$ (300,000)
Canadian Figure Skating Championship Host bid	\$ (40,000)
2013/14 2 nd intake for 2014/15 events	\$ (85,000)
2014/15 Hallmark Event Grants	\$ (405,250)
Less: Cheer Expo (per recommendation)	\$ (9,000)
Less: Remaining withdrawals within Proposed 2014/15 Reserve Budget	\$ (251,942)
Projected Reserve Balance March 31, 2015	\$ 324,565

Cheer Expo currently does not have any outstanding debt with HRM.

COMMUNITY ENGAGEMENT

The Special Events Advisory Committee includes members of the public.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVES

1. SEAC may choose to not recommend that Regional Council approve any funding to Cheer Expo. This is not recommended as the event meets the criteria for consideration of funding under MLSER and it would likely result in the event not being held in Halifax.

2. SEAC may choose to recommend that Regional Council amend the proposed grant award to \$33,000 as requested by the applicant, pending budget capacity. This is not recommended as Cheer Expo was evaluated as per the approved granting process.

ATTACHMENTS

Attachment 1 – Email Correspondence from Laura Mar, Cheer Expo

Attachment 2 – STEAM Report

Attachment 3 – MLSER Sporting/ Tourism Score Sheet

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.html> then choose the appropriate Community Council and 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, Events & Cultural Initiatives, 490-6979

Original Signed

Report Approved by: Denise Schofield, Manager, Regional Recreation & Culture, 490-6252

Original Signed

Financial Approval by: Greg Keefe, Director of Finance & ICT/CFO, 490-6308

Attachment 1
Email from Laura Mar, Cheer Expo

From: Laura Mar <info@cheerexpo.net>
Subject: CheerExpo Event
Date: February 3, 2014 at 5:22:44 PM EST
To: jennifer.watts@halifax.ca, waye.mason@halifax.ca
Cc: linda.mosher@halifax.ca, russell.walker@halifax.ca

Halifax Area Councillors,

First off, I apologize for the length of this email.

I host an annual event at the Halifax Forum at the end of March called the CheerExpo National Championships. This will be the 11th year for this event. The event is a 3 day cheerleading and dance competition and conference. I'm sure I have lost your interest already :)

But WAIT, read on!

Economic Benefits:

Last year we had 123 teams participate in the event. More than 80% are from outside the area. There are more athletes competing at CheerExpo than there were at the Vancouver Olympics in 2010. They also bring their friends and parents. Every year the event brings in approximately 4500 tourists (people requiring accommodations) which brings a lot of money into the area. The teams come from New Brunswick, Newfoundland, PEI, Cape Breton, Quebec and Ontario. They spend a lot in restaurants, entertainment, transportation, cultural activities, hotels, and of course in malls and shops.

Angela Dennison from Events Nova Scotia / Nova Scotia Tourism did an Economic Impact Analysis using the standard STEAM model of the event. We used last years' real documented numbers (not guesstimates). The results of the STEAM Analysis are attached. I was shocked to learn that the event generates over \$7.6 Million in economic activity **each year**.

Background and reason for this email:

Two years ago I received proposals from New Brunswick and Quebec to move the event to their respective provinces. I did not go looking for them, they found me. I live in Ontario because we are posted here (my husband is military) but we are both from Nova Scotia. I am from Eastern Passage and Mike is from Truro. The Quebec proposal was very attractive, Quebec is not a great location for my clients. So although I would save a lot of money, I could lose a lot of clients. The New Brunswick proposal is different. Just over 1/2 of the participants in Halifax are from New Brunswick. Their proposal would save me \$33,000 each year in operating expenses. I am not a millionaire; \$33,000 is a lot of money to me. But I don't want to move the event from Halifax. Then my husband said something that made sense, "I'm sure Nova Scotia would match it".

And so began a two year crusade to find someone, anyone in Nova Scotia who could help me find any type of funding to match the proposal. During this extremely frustrating process I have been passed along to just about every government department that exists. Everyone insists that this is someone else's mandate, not theirs. The rent at the New Brunswick facility is \$12,000 which includes everything... security, staffing, rent, ice coverage, etc. and taxes included.etc. I paid \$45,000 last year at the Halifax Forum for the same. That is the \$33,000 difference. Everyone agrees that something needs to be done and that it would be stupid to lose such a huge money-generating event. But none of them can

actually help.

1. Although the Halifax Forum is owned by the HRM the non-profit board is not permitted to offer the facility for free because they are not part of the downtown business initiative (don't quote me on the name of that...it's something like that - they are not connected to tourism/business development). If they did offer the facility for free, it would exactly match the NB proposal because they extras (security, etc) equal about \$12,000 of the \$45,000 rent.
2. Although the event brings in an enormous amount of tourism dollars, Nova Scotia Tourism does not support events. Their mandate is to generate new tourists only.
3. Each department has no idea what the other departments do/support. I have been directed in circles multiple times.
4. I did apply for the City Event Grant. But it does say that it doesn't apply to me because 1. I'm not non-profit and 2. Its a competition/conference.
5. Everything else I have found does not apply to me because: 1. I am not non-profit , 2. I am established...there are grants for NEW businesses that can potentially make no money, but not for proven ones, 3. I do not reside in NS. 4. The type of event (competition/conference).

In speaking with Angela Dennison today she finally gave me the real answer, although it was not what I hoped for. There is nothing. Nothing exists for events in the province except the one that I already applied for. Nova Scotia has no means to bid on events against other provinces. Events Nova Scotia and Nova Scotia Tourism are trying to put something together but it is a very slow process.

Paul Forrest encouraged me to apply for the City Event Grant anyways. I'm so glad he did because it is my last hope of keeping this event in Nova Scotia. If I cannot at least match the New Brunswick proposal they will vote to move the event. They have seen how much work, time and frustration this has been for me as well so I am now nervous that \$33,000 may not be enough. Keep in mind that the New Brunswick proposal was offered with no grant applications, no Economic Impact Analysis, no research or phone calls on my part.

MAJOR PROBLEM...I NEED YOUR HELP:

In talking with Paul last week he said the committee won't vote on these until the spring so I will not get word back until late April or May, possibly later. Everyone seems confident that I will get a grant now that I have completed the Economic Impact. Everyone I have talked to have said this is one of the biggest STEAM reports they have ever seen. All of this is great news...except...

I have a deadline to decide by March 15th. New Brunswick and my board of directors has been waiting and putting pressure on me for 2 years. We had a deadline of December and I somehow convinced them once again to wait until March 15th. If we are moving the event to NB for 2015 they want me to announce it at the event at the end of March so this is the absolute deadline. If Nova Scotia can't offer anything before then they WILL vote to move it.

Now I am freaking out and running out of time. I spoke with Paul and he said that there is a process that the SAC board has to follow.

I vented my frustration with Angela Dennison from Events Nova Scotia today and she told me about this loophole: The SAC board answers to the city councillors and the councillors have the power to vote on an

event earlier if brought up at a council meeting. **PLEASE PLEASE PLEASE** I need you to bring this up at a city council meeting as soon as possible and vote on it. I need free rental of the Halifax Forum and/or Grant from the City Event Fund to make up the \$33,000 difference between the 2 provinces.

If any of you would like to see the numbers that were used to generate the STEAM report I am happy to send them to you. Although the report is a pre-event "forecast" it was based on real documented numbers from last year. Since the event has grown each year over the past 10 years I expect the numbers will actually be higher than stated in the forecast. The Forum runs our gate so the spectator numbers came from them. The athletes all pre-register so I have a record of every athlete and where they live. My expenditures all came from my accounting for our taxes.

Losing this event will majorly affect businesses in all of your districts (and many more as well), which is why I sent it to all of you. Jennifer - I think your district covers the Halifax Forum...is it possible for us to set up a phone call? I can make myself available anytime. This issue is my top priority right now.

If any of you wish to speak about this please feel free to call/email anytime. Thank you all for your time and consideration!

Sincerely,

Laura Mar
CheerExpo
info@cheerexpo.net
www.cheerexpo.com
Office: 613-955-8436
Fax: 613-955-1116

CheerExpo is a division of CheerExpo Cheerleading and Dance Event, Inc.
"One person with passion is better than forty people merely interested".

Attachment 2
STEAM Report

**2014 CheerExpo
(Halifax, Nova Scotia)
Economic Impact Analysis – STEAM Report
January 2014**

The combined total of visitor, capital and operational spending as a result of hosting the **2014 CheerExpo** are estimated to total **\$3,346,920**. These expenditures are expected to generate a total of **\$7,613,868** of economic activity in the province, of which **\$5,091,872** will be in Halifax Regional Municipality.

The **2014 CheerExpo** is estimated to provide a total of **54.6** jobs for the Halifax Regional Municipality and an additional **11.1** jobs for the remainder of the province. These jobs will create a total of **\$2,336,567** 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 **\$3,535,746**.

The total level of taxes supported by the **2014 CheerExpo** is estimated at **\$1,866,869**. Of this, **\$693,856** is allocated to the federal government, **\$765,536** to the provincial government and **\$407,476** to municipal governments across Nova Scotia. The level of municipal taxes supported within the Halifax Regional Municipality is estimated to be **\$377,320**.

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. Additionally, these forecasts only recognize the economic benefits of the event, and do not consider any displacement or substitution costs that may occur as a result of hosting the event.

STEAM is the federally recognized economic impact assessment model used for sport tourism in Canada.

The Local Organizing Committee (LOC) release Events Nova Scotia from any and all claims which it may have relating to or resulting from the use of the results by the LOC or its agents.

**Attachment 3
MLSER Sporting/ Tourism Score Sheet**

Criteria	Score	Values
Free or low costs (if gated)	5/15	Free = 15 Combination = 10 Low Cost = 5
Attendance (Event Size)	3 /15	Less than 10,000 = 3 10,000 to 24,999 = 6 25, 000 to 49,999 = 9 50,000 to 249,999 = 12 Greater than 250,000 = 15
Tourism Period (Seasonality)	9 /9	Prime Season (July to Sept.) = 3 Shoulder Season (Apr. - June & Oct.) = 6 Off Season (Nov. To Mar.) = 9
Primary Event Location	3 /9	Urban = 3 Mixed = 6 Rural = 9
Event Sustainability - Partnership Support - Volunteers - Event delivery experience	6 /12	Partnership support – Prov./Fed./Corp./Comm. – 2/4 Volunteers – 0-50/50-100/100-200/200+ – 1/4 Experience – Track record in Halifax – 3/4
Community Engagement - Legacy (social, cultural, infrastructure) - HRM's Identity - Culture - Diversity	7 /12	Legacy – Appropriateness, scale– 1/3 Identity – Physical attributes, heritage – 1/3 Culture – Innovative/creative, diverse – 3/3 Diversity – Inclusive – 2/3
Tourism Impact - HRM Exposure - Reputation	5 /8	Reputation –Event delivery – 3/4 Exposure – TV, radio, print, online – 2/4
Economic Impact - Spectators from outside HRM - Local expenditures - Employment - Budget	13 /20	Number of tourists – 6/8 General Economic Impact – 3/4 Buying local products, equipment, services – 3/4 Size/ fiscal management / appropriateness of budget/ low admin O/H – 1/4
Final Total	51/100	

Request: \$33,000

Total points: 51

Percentage of grant award proposed: 27%

Recommended grant award: \$9,000