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Item No.
Special Events Advisory Committee
July 4, 2018

TO: Chair and Members of Special Events Advisory Committee

SUBMITTED BY: _____ Original Signed _____
Brad Anguish, Director, Parks & Recreation

_____ Original Signed _____
Jacques Dubé, Chief Administrative Officer

DATE: June 20, 2018

SUBJECT: **2020 International Ice Hockey Federation (IIHF) Women's World
Championship Report**

ORIGIN

June 1, 2018, application for funding submitted by Hockey Nova Scotia.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Marketing Levy Act, 2001, c.51, subsections 3(4) & (5); (4) The levy collected pursuant to this Section shall be used by the Council to promote the Municipality as a tourist destination.

(5) Without restricting the generality of subsection (4) and notwithstanding any other enactment, the Council may pay such portion of the levy collected by way of a grant as determined by the Council to any organization formed to promote the Municipality as a tourist destination, whether such organization is non-profit or otherwise.

Halifax Regional Municipality Charter, Section 79 (1) (1) The Council may expend money required by the Municipality for (av) a grant or contribution to (v) any charitable, nursing, medical, athletic, educational environmental, cultural, community, fraternal, recreational, religious, sporting or social organization within the Province, (vi) a registered Canadian charitable organization;

Administrative Order 2014-020-GOV – Respecting Marketing Levy Special Event Reserve Grants.

Administrative Order 2014-015 ADM- Respecting Reserve Funding Strategies.

.... RECOMMENDATION ON PAGE 2

RECOMMENDATION

It is recommended that the Special Events Advisory Committee (SEAC) recommend that Halifax Regional Council approve funding in the amount of \$250,000 to Hockey Nova Scotia from the 2018/19 Community and Events Reserve, Q621 conditional on Halifax securing the 2020 IIHF Women's Worlds Championship and the event securing no less than equal funding from the Province of Nova Scotia.

BACKGROUND

The International Ice Hockey Federation (IIHF) is the governing body of international ice hockey and inline hockey. The IIHF features 76-member associations, each of which is the national governing body of the sport in its nation (i.e., Hockey Canada). The IIHF also presides over ice hockey in the Olympic Games, and over the IIHF World Championships in all levels: men, women, juniors under-20, juniors under-18 and women under-18. Each season, the IIHF, in collaboration with its local organizing committees, runs approximately 25 different World Championships in the 5 categories.

In 2004, the Municipality hosted the IIHF Women's World Championship at the Scotiabank Centre and the Dartmouth Sportsplex. The overall attendance for the event was 94,001, breaking the previous mark of 66,783 set in Kitchener, Ontario in 1997. In addition, TSN, the official broadcaster, also had record breaking viewership in all 3 game broadcasts. The gold medal game broadcast attracted the largest audience in network history for a women's hockey game with a national average minute audience of 745,000 viewers.

Hockey Canada has secured the rights to host the 2020 IIHF World Women's Championship in Canada and operates a bid process for prospective locations to apply. Hockey Nova Scotia met with staff from the Municipality and the Province (PNS) on March 23, 2018, to discuss submitting a Letter of Interest to Hockey Canada to host the 2020 IIHF World Women's Championship in Halifax. On April 3, 2018, a letter was submitted by Hockey Nova Scotia to Hockey Canada. The Letter of Intent was accepted and Halifax is currently shortlisted for the final bid process, however, there is no information as to what other cities are being considered due to the confidential nature of the bid process.

As part of the bid process, Hockey Nova Scotia requires engagement with and proof of collaboration of funding support from the Municipality. To that end on June 1, 2018, Hockey Nova Scotia applied for funding to the Major Hosting Events program. On May 29 and June 8, 2018, Hockey Nova Scotia hosted meetings with staff from the Municipality, Events Nova Scotia (PNS), Discover Halifax, Scotiabank Centre, the Town of Truro and the Municipality of Colchester to discuss the bid strategy and confirm the funding model, roles and responsibilities. The deadline to submit the bid is July 6, 2018. Upon receipt of the bid documents, Hockey Canada will select a short-list of prospective destinations then conduct site visits, with the selection of the host city expected to be completed by end of September 2018.

The IIHF Women's Worlds Championship event is eligible for consideration under the Major Hosting Event program of the Marketing Levy Special Events portion of the Community and Events Reserve. The definition of this program states:

Events must be of a size and scope sufficient to draw tourists to the Municipality's communities, attract significant media exposure, and profile Halifax destinations nationally and globally.

The funding from the Hotel Marketing Levy is deposited in Q621 and withdrawals are approved by Regional Council, in accordance with AO 2014-020-GOV Respecting Marketing Levy Special Event Grants. Any approved funding which is not allocated in any given year is carried forward for the major hosting program. This is in addition to an annual reservation of \$400,000 which is allocated within the reserve for major events hosting opportunities. This supports the SEAC's commitment to accumulate funds to build capacity in the reserve to host major events that do not recur annually locally, require significant hosting fees and are awarded to a host destination.

Staff undertakes the grant application and evaluation process as outlined in the AO. This report outlines the recommendation for funding for the 2020 IIHF Women's World Championship event for SEAC consideration for recommendation to Regional Council.

DISCUSSION

The 7-day Championship is tentatively scheduled for late March to early April 2020. If Halifax was awarded the Championship, staff would work with Discover Halifax to notify two events that typically book much of the city's hotel inventory during this time (Cheer Expo and Shearwater East Dartmouth Minor Hockey Association - SEDMHA) to avoid a lack of capacity. In 2004, SEDMHA moved their event by one week to avoid a date conflict with the event.

The bid document which Hockey Nova Scotia will submit on July 6th states that the event would be a hosting partnership between the Halifax Regional Municipality, the Town of Truro and the Municipality of Colchester. Hockey Canada promotes co-hosting models, and the overall experiences Truro has recently provided to other Hockey Canada international hosting events have been successful. In addition, Hockey Nova Scotia is the leading Canadian Provincial Sports Organization (PSO) as Nova Scotia is the only Province in the country that has maintained its hockey registrations in recent years, while in all other provinces, registrations have declined.

The Championship in Halifax would be hosted at the Scotiabank Centre and currently the space is on hold, and likewise in Truro, at the Rath Eastlink Community Centre. The maximum attendance of the Scotiabank Centre is 10,500 and 3,100 for the Rath Eastlink Community Centre. The event would host 31 games in total with 8 teams in a round - robin format of 2 groups which would cross over for playoff games. Team Canada would be assigned to the group hosted at the Scotiabank Centre.

A summary of the forecasts for the event is as follows:

- The event estimates a minimum of 82,000 in attendance for the duration of the Championship (the 2004 event in Halifax had a final count of 92,000 & the 2016 in Kamloops had 49,000);
- The event will take on 250 volunteers which will provide over 1,000 volunteer hours over the course of the weekend;
- The event guarantees 500 room nights booked in Halifax by the event and estimates that over 1,500 room nights would be generated by attendees (2016 Kamloops STEAM identified \$405,281 spent by visitors on accommodations and the 2018 Halifax budget identifies \$310,000 to spent on accommodations for the event);
- Ticket prices will be in the range of \$25 per game. There will also be a free Fan Festival;
- The estimated budget for the event is \$3,500,000 with the largest expenses in meals followed by accommodations;
- The event will offer sport development through player and coaching clinics, including the involvement of National team coaches and players; and
- The legacy fund (event profit) will invest in female hockey throughout the Province, including growing the game in non-traditional markets.

Hosting contributions are routinely required for national/international sporting events and the municipal hosting fee request for this event is \$250,000. The financial commitment from the Municipality is only required if the Municipality is awarded the event. Hockey Nova Scotia has also requested \$250,000 from the Province of Nova Scotia and \$100,000 from the Town of Truro and the Municipality of Colchester.

Bid Rationale

In terms of funding levels for similar sized international sporting events, the Municipality has recently funded \$300,000 for the 2019 Mastercard Memorial Cup and \$85,000 for the 2018 Pan American Canadian Canoe Kayak Sprint Qualifier. HRM has also funded \$250,000 for the 2008 IIHF World Hockey Championships and \$200,000 for the 2009 ICF World Senior Canoe Championships. The 2004 IIHF Women's World Championship held in the Municipality was funded in the amount of \$100,000.

Sport 2.0 Tourism Economic Assessment Model (STEAM)

A STEAM 2.0 forecast was completed as part of the economic assessment for the IIHF Women's World Championship in Halifax (Attachment 1). The attached STEAM forecast has been created for Halifax and not for the portion of the event held in Town of Truro and the Municipality of Colchester. The estimated total net economic activity (GDP) created by the event is expected to reach \$2,457,280 for the Municipality. This is comparable to the 2016 event in Kamloops, which was \$2.7 million as noted in the Sport Tourism Economic Assessment Model (STEAM) PRO Report created by the Canadian Sport Tourism Alliance after the conclusion of the 2016 Kamloops Championship. The STEAM PRO Report is more accurate than a predictive STEAM whereas it involves data collection during the event and a completely analysis post event.

Media Exposure

It is estimated a minimum of 10 games would be broadcasted domestically (Canada) via TSN. International broadcasters would work with TSN to have these games live outside Canada as well. Kamloops had 11 games broadcasted by TSN which reached 2 million viewers and had a peak of 951,000 viewers during the gold medal game.

Destination Recognition

Hosting an event of this calibre promotes the Municipality as a key, accessible sporting event destination in a competitive, global market. The Municipality would be recognized in appropriate places within the venues which as well as featured in all broadcast scripts and event commercials.

Sport Growth Potential

Staff has consulted with Hockey Nova Scotia (HNS) on the potential growth of female hockey as it relates to hosting a World Championship. HNS Female Minor Aged Registration (4-18 years) has grown from 1,400 in 2002 to 2,750 in 2018. After hosting the 2004 IIHF Women's World Championship, female hockey registration increased by 40% across the Province. Based on this, Hockey Nova Scotia are targeting an overall 50% growth after this event, adding an additional 1,400 female minor aged players by 2021 (this would include the year leading up to, year of event and year after). This growth potential would be supported by a strategic [public relations and marketing campaign aligned to hosting the 2020 IIHF Female World Women's Hockey Championship as well as a governance plan whose structure will include a local Steering Committee, Management Committee and Host Organizing Committee.

Sport Development Opportunities

Hockey Canada would work with Hockey Nova Scotia to bring numerous sport development opportunities in female hockey to the Municipality as part of this event. Local female athletes, referees and coaches would have access and exposure to international level training and personnel which otherwise would not be possible. As part of the event, an exhibition game would be played outside the Scotiabank Centre to foster engagement in the sport of female hockey.

Recommendation

The IIHF Women's World Championship has a substantial economic impact, as well as a significant level of broadcast exposure in key tourism markets that would deliver noteworthy destination recognition internationally. As well, the guaranteed room nights would provide a substantial value with potential for increased attendee room nights.

In addition, the STEAM 2.0 forecast is a key assessment tool used for assessing Major Hosting Events. Typically, funding levels are recommended based on a range of 8% to 12% of the estimated total net economic activity (GDP) created by the event in the Municipality. This metric suggests funding in the range of \$195,000 to \$270,000. Based on this formula and the combined information provided above, it is recommended that the Municipality provide funding in the amount of \$250,000. Should the Municipality be selected for the event, an agreement between Hockey Nova Scotia and the Municipality, which outlines all conditions and benefits, would be negotiated prior to the payment of the hosting fee. The agreement would include details regarding the rights and benefits outlined including media coverage and advertising opportunities.

FINANCIAL IMPLICATIONS

With the approval of the 2018/19 Reserve budget, funding is available in the Community and Events Reserve (Q621) with no additional increased withdrawal required. The applicant has no outstanding monies owed to the Municipality. Any remaining MLSER funds will carry forward to the 2019/20 fiscal year to continue to build a pool to enable HRM to attract and host major events.

Budget Summary: Opportunity Reserves – Community and Events Reserve, Q621

Projected balance in Reserve, at April 30, 2018	\$ 4,977,360	
Marketing levy portion of above balance		\$ 1,323,103
Marketing levy portion of commitments at April 30/18		\$(2,267,897)
Marketing levy portion of projected revenue, including interest		<u>\$ 1,247,046</u>
Marketing levy projected net available balance, March 31, 2019		\$ 302,252

*Breakdown of approved withdrawals of 18/19:

MLSR Events (Emerging, Tourism, Signature, etc.)	\$1,277,800*
Allocation for hosting	\$ 400,000**
Christmas trees for Boston/Japan	<u>\$ 9,000</u>
	\$1,686,800

*MLSR Events allocation:

	\$1,277,800
2018/19 Grant awards from 2016 report	\$ (340,000)
Approved grants for 18/19 per last report	\$ (769,500)
Spur Festival	\$ (6,000)
Halifax Urban Folk Festival	\$ (13,000)
Increase to Blue Nose Marathon funding	<u>\$ (16,500)</u>
Balance of unallocated, approved withdrawals	\$ 132,800

**Hosting allocation 18/19:

	\$ 400,000
Balance forward of unallocated hosting funds	\$ 352,100
Women's World Hockey, per recommendation	<u>\$ (250,000)</u>
Balance of unallocated hosting funds	\$ 502,100

Opportunity Reserve – Community and Events Reserve, Q621

This reserve is to receive funds from an annual transfer of the Provincial Hotel Sales Tax (Marketing Levy); transfers from fiscal services, amounts transferred as approved by Council, and may be withdrawn for the Marketing Levy grant program, cultural and heritage projects, significant community infrastructure and public art. The recommendation does not have a negative affect on the reserve, as this is within the approved 2018/19 withdrawals for the Marketing Levy portion of this reserve.

RISK CONSIDERATION

While there are no major risks associated with the recommendations in this report, a recommendation of a grant award less than \$250,000 would significantly reduce the opportunity for Halifax to be awarded the event. This is due to the requirement by Hockey Canada to achieve a substantial legacy fund which is then invested in female hockey across the Province. As well, the PNS is committed to an equal hosting fee of \$250,000 and funding from the Town of Truro and the Municipality of Colchester is currently under consideration, the hosting partnership would be at risk and Halifax's reputation as a leader in event attraction and hosting arena weakened. As such, the risks associated with this recommendation is considered to be low. To determine this, consideration was given to financial and reputation risks.

COMMUNITY ENGAGEMENT

SEAC includes members of the public.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVES

Alternative 1: SEAC may choose to recommend that Regional Council amend the amount of the event grant in accordance with AO 2014-020-GOV.

ATTACHMENTS

Attachment 1: STEAM 2.0 forecast - IIHF Women's World Championships

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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2020 IIHF Women's World Championship (Halifax, N.S.)

Economic Impact Analysis – STEAM 2.0 Report June 2018

The combined total of visitor, capital, and operational spending as a result of hosting the 2020 IIHF Women's World Championship is expected to total **\$4,037,813**. These expenditures will support a total of **\$6,045,805** of economic activity in the province, of which **\$5,281,820** is expected to occur in Halifax.

The 2020 IIHF Women's World Championship are expected to support wages and salaries of **\$1,986,631** and **33.9** jobs for Nova Scotia, of which **28.4** jobs and **\$1,637,693** in wages and salaries will be supported in Halifax.

The total **net economic activity (GDP)** supported by the event is expected to reach **\$3,568,682** for Canada as a whole, **\$3,116,513** for Nova Scotia and **\$2,457,280** for Halifax.

Considerable tax revenues are also expected to be supported by the 2020 IIHF Women's World Championship, totaling **\$1,111,412**. The event will support federal taxes revenues of **\$416,873**, with an additional **\$554,688** of taxes supported in Nova Scotia. Additionally, the 2020 IIHF Women's World Championship will support municipal taxes totaling **\$81,800** across Nova Scotia including **\$77,148** in Halifax.

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.

The Local Organizing Committee (LOC) and Event Governing Body (EGB) 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, EGB or its agents.