



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

Item No. 9.1.1
Special Events Advisory Committee
May 12, 2021

TO: Chair and Members of Special Events Advisory Committee

SUBMITTED BY: *Original Signed*

Denise Schofield, Executive Director, Parks & Recreation

Original Signed

Jacques Dubé, Chief Administrative Officer

DATE: March 11, 2021

SUBJECT: MLSER Major Sport Hosting Funding Request 2022

ORIGIN

Applications received pursuant to Administrative Order 2014-020-GOV - Respecting Marketing Levy Special Event Grants.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter
Section 79A

- (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if
- (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;
 - (b) the expenditure is in respect of an emergency under the Emergency Management Act; or
 - (c) the expenditure is legally required to be paid.

Section 7A

The purposes of the Municipality are to

- (a) provide good government;
- (b) provide services, facilities and other things that, in the opinion of the Council, are necessary or desirable for all or part of the Municipality; and
- (c) develop and maintain safe and viable communities.

Halifax Regional Municipality Marketing Levy Act
Section 3

- (4) The levy collected pursuant to this Section shall be used by the Council to promote the Municipality as a tourist destination.

Administrative Order 2014-020-GOV, Administrative Order on MLSER Grants

Respecting Marketing Levy Special Event Reserve Grants, approved by Halifax Regional Council on June 5, 2018.

RECOMMENDATION ON PAGE 2

*Administrative Order 2014-015 ADM, Financial Reserves Administrative Order
Respecting Reserve Funding Strategies, approved by Regional Council on October 28, 2014.*

RECOMMENDATION

It is recommended that the Special Events Advisory Committee recommend that Halifax Regional Council approve an Event Grant in the amount of \$40,000 from the 2021/2022 Community and Events Reserve, Q621 to fund the 2022 U SPORTS Men’s Hockey Championships.

BACKGROUND

In December 2020, Sports & Entertainment Atlantic (S|E|A) applied for funding to the Marketing Levy Special Event Reserve (MLSER) Major Hosting grant program to host an event in March 2022. The Major Hosting program application process is open with no intake deadline. All recommendations respecting the allocations of the MLSER are governed by Administrative Order 2014- 020-GOV, Marketing Levy Special Events Reserve Grants (AO), and the Community and Events Business Case. The purpose of the AO is to direct financial support to large scale special events in the municipality that support and promote tourism and business development. The Major Hosting Event program supports national or international events that do not recur annually locally 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 2022 U SPORTS Men’s Hockey Championships.

Eligibility

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 2022 U SPORTS Men’s Hockey Championship is eligible for consideration under the Major Hosting Event program of the Marketing Levy Special Events Grant program within the Community and Events Reserve.

Ineligible

In addition to the application for funding for the U SPORTS Men’s Hockey Championships, S|E|A also applied for funding for the 2023 U SPORTS Men’s Final 8 Basketball Championships. However, a revised application for this event was resubmitted in February with a budget of \$402,000 which is less than the minimum budget of \$500,000 required for the major hosting program. Therefore, the event is no longer eligible in the major hosting category. The applicant has been notified that the event submission has been redirected to the distinguished program and will be considered in the 2021/2022 MLSER report for recommendation to Regional Council.

DISCUSSION

The tourism industry is one of the hardest hit by restrictions associated with COVID-19. As reported in September 2020 in the COVID-19 Economic Response and Recovery Plan Update by the Halifax Partnership, data from Discover Halifax showed total rooms sold since the pandemic were down 73% compared to 2019, hotel revenues were down 82.5% from the prior year (as of end of August), visitation to the Halifax region was estimated to be down between 1 and 1.5 million overnight stays from 2019 and visitor spending is estimated to be reduced by \$900 million compared to prior years. Funding of this sporting event aligns with short and medium term COVID-19 tourism recovery.

S|E|A is a private sector business and pre COVID-19, has a proven track record of holding events that provide revenue generation for the municipality from hotel nights and local attendance. Private sector organizations are eligible to receive funding under the Administrative Order on MLSE Grants.

The 2020 U SPORTS Men’s Hockey Championships was suspended on Thursday, March 12, 2020 after the first day of play following a national directive from Hockey Canada to suspend all hockey due to COVID-19. At the first two games at the Scotiabank Centre on March 12, 2020, 5,376 fans attended. In 2016, U SPORTS Men’s Hockey Championships set the all-time attendance record for any championship in university sport at 43,513.

Application Process

The municipality and Events Nova Scotia regularly share joint funding requests in order to compare the results of scoring systems - Events Nova Scotia uses the Sports Tourism Events Assessment Model (STEAM) and the municipality uses Destinations International Economic Impact Calculator (EIC). After such a discussion it was noted there were significant discrepancies in the data provided to the municipality and Events Nova Scotia for the same events. After a meeting with S|E|A to review the application processes of both funders, S|E|A submitted a revised Hockey Championships application on February 3, 2021.

In the revised application, the attendance was increased in the ‘Other NS’ category (outside of the region) from 1,200 to 7,710 which increased the total overall attendance by approximately 6,510. Staff requested further clarity as to the reason for these in this adjustment and S|E|A provided the following rationale, *“the reason for the adjustment in those values was because we put more consideration into who will be coming from the towns of the host school (i.e. Acadia). We expect a large number of people from those communities to travel into Halifax to support their home teams”*.

2022 U SPORTS Men’s Hockey Championships (University Cup 2022)

From March 17 to 20, 2022 S|E|A will partner with Acadia University and U SPORTS to host the 2022 University Cup at the Scotiabank Centre. The championship tournament will include eight games played over four days with the top eight national university hockey teams competing for the National Champion title. The funding request is \$50,000. The municipality approved funding for the 2020 event in the amount of \$50,000 and the Province of Nova Scotia funded the event in the amount of \$30,000.

A summary of the 2022 U SPORTS Men’s Hockey Championships is as follows:

- The event will attract approximately 35,900 people through the competition;
- The event will take on 200 volunteers which will provide over 6,000 volunteer hours over the course of the event;
- The event guarantees 225 rooms for 7 nights will be booked for the event and estimates that including attendees 1,925 room nights would be generated;
- Ticket prices will be \$18 - \$25 per day for entry;
- The estimated budget for the event is \$509,500, and;
- In addition to the 2022 U SPORTS Men’s Hockey Championship, Acadia University plan to host an Annual Gala Dinner in Halifax at which the top performing athletes in the sport will receive awards.

Destination International’s Event Impact Calculator (EIC)

The EIC report states the direct increase in economic activity within the municipality as a result of the initial expenditures of the event would be \$4,645,722 (Attachment 2). This amount includes the impact of sales on jobs with 1,144 jobs supported \$1,307,433 spent on wages and \$55,909 collected in local taxes.

Media Exposure

Games will be streamed online through U SPORTS channel. Game highlights will be shown on national sports channels (Sportsnet and TSN).

Growth Potential

The tournament will partner with Hockey Nova Scotia and Hockey Canada providing engagement opportunities for Nova Scotian youth. Halifax has hosted the University Cups, organized by S|E|A and held at the Scotiabank Centre in 2015, 2016 and 2020. Hockey Nova Scotia has confidence in the ability of S|E|A to produce the event in 2022 and has provided a letter of support (Attachment 3). It is anticipated by hosting an in-person sporting event in the recovery phase a world pandemic, attendance will be contingent on the public health and venue regulations on social distancing. However, this event draws attendees from across the region due to the affiliation with the university and its alumni.

Destination Recognition

HRM remains a preferred event destination not only based on its reputation for world class hosting capabilities, but now even more so due to the successful public health restrictions that have kept the COVID-19 cases low compared to other Canadian municipalities. The Scotiabank Centre is proactive as it relates to personal safety and the health of attendees. The opportunity to promote the Municipality as a safe and accessible destination in the aftermaths of COVID-19 is foundational to major events recovery. The Municipality will be recognized throughout multi-platform and integrated social medial web advertising throughout the U SPORTS network sports teams across Canada, as well as featured in all broadcast scripts and event commercials.

For all of the above noted reasons, it is recommended that HRM provide a grant funding for this event. However, recognizing that the MLSER has limited capacity due to a reduction in funding from the hotel levy in this fiscal and projected for 2022/2023, it is recommended that the 2022 U SPORTS Men’s Hockey Championship be provided an event grant in the amount of 80% of the requested \$50,000.

FINANCIAL IMPLICATIONS

Reserve budget, the funding available in Community and Events Reserve (Q621) with no additional increased withdrawal required.

Budget Summary: Community and Events Reserve, Q621

Net Projected Reserve Balance (at January 31/21)-----	\$ 682,657
Contribution 2021/22-----	\$ 948,100
Withdrawals 2021/22-----	<u>\$(1,117,000)</u>
Projected Net Available balance-----	\$ 513,757

Withdrawals of \$1,117,000 (total operating and capital withdrawals from Q621) includes the \$40,000 recommended in this report. The balances are preliminary until budget 2021/22 is approved.

Community and Event Reserve, Q621 is used to provide funding to attract and host exceptional large – scale sporting and tourism events that create significant economic impacts, promote Halifax as a multi – experiential event destination and attract tourists to HRM for multiple day visits. Reserve is also to provide funding to community non–profit and public institution in support of major capital initiatives by facilitating the development of significant community infrastructure in order to realize tangible cultural, sectorial and economic impacts. Funding to the reserve is 40% of Marketing Levy from Hotel Sales, and transfers from operating budget. Withdrawals are for supporting events that support tourism and economic development, cultural / heritage projects, significant community infrastructure and public art. **The recommended allocation of grants does not have a negative impact on the reserve as this allocation is within the 2021/22 approved withdrawals from reserve.**

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this Report. The risks considered rate Low. To reach this conclusion, consideration was given to financial and reputational risks.

A contribution agreement, using HRM's standard form of contribution agreement, will be negotiated between Sports & Entertainment Atlantic (S|E|A) and the municipality prior to the release of funding. The agreement will include details regarding the rights and benefits outlined including media coverage and advertising opportunities.

COMMUNITY ENGAGEMENT

The Special Events Advisory Committee includes members of the public.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified

ALTERNATIVES

Special Events Advisory Committee may choose to recommend that Halifax Regional Council increase or reduce the amount of the event grant.

ATTACHMENTS

Attachment 1: EIC - U SPORTS Men’s Hockey Championships 2022
Attachment 2: SEA Letter of Support from Hockey Nova Scotia (HNS)

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.

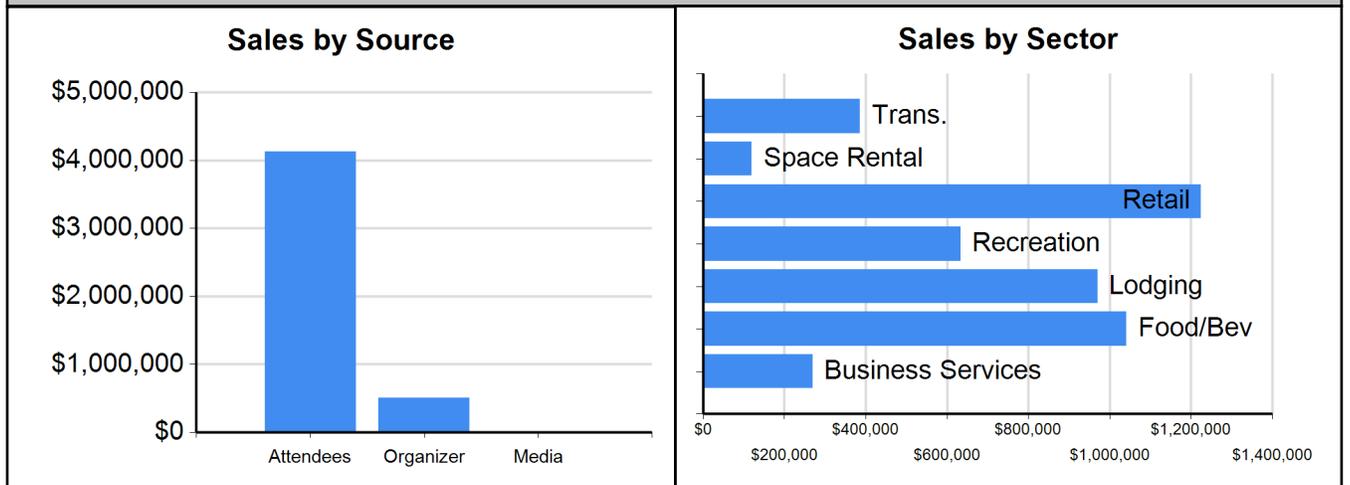
Report Prepared by: Elizabeth Taylor, Manager, Culture & Events, 902.229.7622

Event Impact Summary

Destination: Discover Halifax

Event Parameters		Key Results	
Event Name:	U SPORTS Men's Hockey Championships 2022	Business Sales (Direct):	\$4,645,722
Organization:	Sports Entertainment Atlantic	Business Sales (Total):	\$7,279,899
Event Type:	Adult Amateur	Jobs Supported (Direct):	1,144
Start Date:	3/17/2022	Jobs Supported (Total):	1,307
End Date:	3/20/2022	Local Taxes (Total):	\$55,909
Overnight Attendees:	5155	Net Direct Tax ROI:	\$42,566
Day Attendees:	30745	Estimated Room Demand:	6,466

Direct Business Sales



Industry	Attendees	Organizer	Media/Sponsors	Total
Lodging	\$969,942	\$0	\$0	\$969,942
Transportation	\$319,434	\$65,569	\$1,535	\$386,539
Food & Beverage	\$986,152	\$55,000	\$0	\$1,041,152
Retail	\$1,224,310	\$0	\$0	\$1,224,310
Recreation	\$633,982	\$0	\$0	\$633,982
Space Rental	\$0	\$120,000	\$0	\$120,000
Business Services	\$0	\$268,931	\$866	\$269,797
TOTAL	\$4,133,820	\$509,500	\$2,401	\$4,645,722

Event Impact Details

Destination: Discover Halifax

Event Name: U SPORTS Men's Hockey Championships 2022 2022

Organization: Sports Entertainment Atlantic

Economic Impact Details

	Direct	Indirect/Induced	Total
Business Sales	\$4,645,722	\$2,634,178	\$7,279,899
Personal Income	\$1,307,433	\$788,815	\$2,096,249
Jobs Supported			
Persons	1,144	164	1,307
Annual FTEs	38	5	44
Taxes and Assessments			
<u>Federal Total</u>	<u>\$279,472</u>	<u>\$165,675</u>	<u>\$445,147</u>
<u>Provincial/Territorial Total</u>	<u>\$586,584</u>	<u>\$175,222</u>	<u>\$761,805</u>
PST/HST	\$399,702	\$65,854	\$465,556
personal income	\$74,600	\$45,008	\$119,608
corporate income	\$19,100	\$11,523	\$30,623
hotel	\$0	-	\$0
other	\$93,182	\$52,835	\$146,018
<u>Local Total (excl. property)</u>	<u>\$42,566</u>	<u>\$13,344</u>	<u>\$55,909</u>
user fees	\$5,720	\$3,451	\$9,171
hotel	\$19,399	-	\$19,399
per room charge	\$0	-	\$0
tourism improvement fee	\$0	-	\$0
restaurant	\$0	\$0	\$0
other	\$17,447	\$9,893	\$27,339
property tax	\$40,247	\$15,813	\$56,059

Event Return on Investment (ROI)

Direct local tax ROI (net property taxes)		
Direct Tax Receipts	\$42,566	
DMO Hosting Costs	\$0	
Direct ROI	\$42,566	
Net Present Value	\$41,700	
Direct ROI (%)	-	
Total local tax ROI (net property taxes)		
Total Local Tax Receipts	\$55,909	
Total ROI	\$55,909	
Net Present Value	\$54,772	
Total ROI (%)	-	

Estimated Room Demand Metrics

Room Nights (total)	6,466
Room Pickup (block only)	225
Peak Rooms	2,455
Total Visitor Days	16,577



January 14, 2021

To whom it may concern:

I am writing this as a letter of support to accompany a proposal by Sports & Entertainment Atlantic (S|E|A) to partner with Acadia University to host the 2022 University Cup, scheduled for March 17-20, 2022 at Scotiabank Centre in Halifax.

Nova Scotia has a reputation for hosting successful major world-class hockey events, and S|E|A has already delivered two University Cup Hockey Championships in 2015 and 2016. As well, S|E|A was poised to present the 2020 U Sports Men's and Women's Hockey Championships in partnership with Acadia University and the University of Prince Edward Island, which were cancelled due to the COVID-19 pandemic.

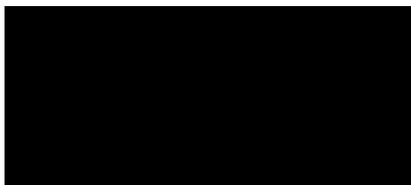
In addition to these successful events, S|E|A President Chris Larsen was the Event Manager for the 2003 World Junior Hockey Championship held in the same facility, which is a definite asset.

Hockey Nova Scotia is the governing body of all amateur hockey in Nova Scotia and is one of thirteen branches that form Hockey Canada. Our goal is to lead, develop and promote positive hockey experiences throughout the province, and this will be an excellent opportunity for our members to be part of a U Sport event.

Our reason for being is to unite people, to foster a sense of belonging, to build strong citizens, and to nurture healthy, inclusive and welcoming communities as we strive to develop individuals and build healthy communities. Hosting events such as the 2022 University Cup brings exposure to sports, and Hockey Nova Scotia hopes to use this spotlight on hockey to align with our mandate of growing the game in Nova Scotia.

Hockey Nova Scotia has confidence in the ability of S|E|A to produce another successful event in the 2022 University Cup, and we support their bid. We look forward to working with S|E|A.

Sincerely,



Amy Walsh
Executive Director
902.454.9400