

HALIFAX

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

Item No. 14.5.1
Halifax Regional Council
March 8, 2016

TO: Mayor Savage and Members of Halifax Regional Council
Original Signed

SUBMITTED BY: ~~Councillor Steve Craig, Chair, Special Events Advisory Committee~~

DATE: February 24, 2016

SUBJECT: 2018 Special Olympic Canada National Summer Games – Host Fee Request

ORIGIN

February 24, 2016 Special Events Advisory Committee Meeting, item 7.1.1.

LEGISLATIVE AUTHORITY

- Halifax Regional Municipality Charter, Section 79, (1) (av)
- Special Events Advisory Committee Terms of Reference 4.1 Advise Regional Council on all matters related to the allocation of the MLSER;
- Special Events Advisory Committee Terms of Reference 4.2 Continue to review eligibility criteria, priorities, policy and procedures for assistance under the respective programs and services managed under the auspices of the Marketing Levy Special Events Reserve Administrative Order 2014-020-GOV

RECOMMENDATION

The Special Events Advisory Committee recommends that Halifax Regional Council

1. Approve an event grant in the amount of \$89,000.00 from the 2016/17 Marketing Levy Special Events Reserve Q315, pending budget approval, to fund the bid for the 2018 Special Olympics Canada National Summer Games, conditional on HRM securing the event and securing no less than equal funding of the Municipal host fee from the Province of Nova Scotia; and
2. Authorize the Mayor to provide a letter of commitment outlining the financial support to the local host committee for inclusion in the bid for Special Olympics Canada National Summer Games (Attachment 2).

BACKGROUND

A staff recommendation report dated February 18, 2016 pertaining to a host fee request for the 2018 Special Olympics Canada National Summer Games was before the Special Events Advisory Committee at its meeting held on February 24, 2016.

For further information, please refer to the attached staff report dated February 18, 2016.

DISCUSSION

The Special Events Advisory Committee reviewed the staff report and recommendation at their meeting on February 24, 2016. The Committee passed an amended motion to reflect a grant award of \$89,000 from the Marketing Levy Special Events Reserve (MLSER) Q315.

The Committee reviewed the information, and had questions specifically on the scoring formula used to support the staff recommendation of \$300,000, and the results of the predictive Sports Tourism Economic Assessment Model (STEAM) Report. In light of the bid fee rational outlined on page three of the staff report dated February 18, 2016, the Committee felt that the level of funding requested was more of a consideration for Regional Council as opposed to the Special Events Advisory Committee. In reviewing the matter, the Committee compared the 2018 Special Olympic Canada National Summer Games STEAM results against the STEAM results from some of other national events that recently have been funded by the Municipality (i.e., 2015 Skate Canada National Championships, CIS Men's Hockey University Cup, and 2016 Canadian Canoe Kayak Spring Championships).

The Committee agreed a comparison formula was required when assessing events that apply to the Major Hosting program. The Committee established the bench mark of 1.2 % (by comparing past economic impacts with the award granted by the Municipality), then multiplied the established bench mark percentage (1.2%) with the predicted net increase in economic activity in Nova Scotia (\$7,447,340) to produce the recommended grant award of \$89,000.

FINANCIAL IMPLICATIONS

The amended motion would not change the financial implications as outlined in the attached staff report dated February 18, 2016, as it would still be included in the budgeted amount for 2016/17.

COMMUNITY ENGAGEMENT

All meetings of the Special Events Advisory Committee are open to the public. The agenda and reports are provided online in advance of the meeting.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVES

None identified.

ATTACHMENTS

1. Staff report dated February 18, 2016

Report Prepared by: Cathy Collett, Legislative Assistant, 902.490.6517 and
Liam MacSween, Legislative Assistant, 902.490.6521

HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
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Attachment 1
Special Events Advisory Committee
February 24, 2016

TO: Chair and Members of Special Events Advisory Committee

Original Signed

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

DATE: February 18, 2016

SUBJECT: 2018 Special Olympics Canada National Summer Games - Host Fee Request

ORIGIN

Invitation to Halifax Regional Municipality (Attachment 1) to support Special Olympics Nova Scotia's bid to host the Special Olympics Canada National Summer Games in July, 2018.

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 in the amount of \$300,000 from the 2016/17 Marketing Levy Special Events Reserve Q315, pending budget approval, to fund the bid for the Special Olympics Canada National Summer Games, conditional on HRM securing the event and securing no less than equal funding of the Municipal host fee from the Province of Nova Scotia; and
2. Authorize the Mayor to provide a letter of commitment outlining the financial support to the local host committee for inclusion in the bid for Special Olympics Canada National Summer Games (Attachment 2).

BACKGROUND

The Marketing Levy Special Events Reserve (MLSER) is intended 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. These large scale events are typically national or international in caliber and support tourism and economic development in the Municipality.

Special Olympics Nova Scotia has secured the right to host the 2018 Special Olympics Canada National Summer Games. These multi-sport national games serve as a qualifying event for the World Games. Currently, Special Olympics Nova Scotia is currently considering two locations to host the 2018 Games in Nova Scotia. One location is Halifax and the other is the Town of Antigonish. Both locations have the infrastructure and accommodation required to host this event.

Special Olympics Nova Scotia requires confirmation of municipal financial support. This confirmation can only be approved by Regional Council.

HRM Recreation and the Special Olympics

Healthy Communities is one of Regional Council's strategic priority outcomes. A specific objective within this priority outcome states: "HRM is a leader in building an inclusive and accessible community where everyone can participate fully in life, including persons with disabilities and seniors.

There is strong alignment between the Healthy Communities priority outcome and the Special Olympics because it provides opportunities for children and adults with an intellectual disability to develop improved physical fitness and motor skills, greater self-confidence and a more positive self-image. Almost every age is eligible for Special Olympics programming in Nova Scotia, from ages 4 to 88. Special Olympics Nova Scotia also has a youth program for children aged 4 to 12, which focuses on structured play and introduction to games, teams, competitions and socialization.

The vision of HRM Recreation Programming is to be a leader for facilitating innovative, high quality recreation and leisure opportunities that are accessible and inclusive. The Special Olympics and HRM Recreation share the same vision and goals with the best interest of the participants being the number one priority.

DISCUSSION

Hosting fees are typically required for large scale sporting events and are paid by the host governments. Staff has assessed this opportunity through the MLSER Administrative Order (AO) and the proposal meets the requirements under the Major Hosting Events category.

The hosting fee requested from HRM for the 2018 Special Olympics Canada National Summer Games is \$300,000. The 2010 Summer Games host city, London, Ontario, and the 2012 Winter Games host city, St. Albert, Alberta, both contributed \$300,000 to their events. The 2014 Summer Games host city, Vancouver, British Columbia, contributed \$35,000 to their event, however, this amount was supplemented through a legacy fund from the Vancouver Olympic Games. The current host city for the 2016 Special Olympics Canada National Winter Games, Corner Brook, Newfoundland, has contributed \$100,000 to date.

The Games have competitions in athletics, basketball, bocce, golf, powerlifting, rhythmic gymnastics, soccer, softball and swimming. In addition to the competitions, there will be opening ceremonies, community socials, closing ceremonies with an athlete dance, and a volunteer appreciation event.

Staff have been advised by the organizers that the Town of Antigonish will put forward their requested host fee of \$100,000 for the 2018 Games. In discussions, the organizers state that due to the higher costs of services within HRM, especially the transportation for athletes to and from venues, a hosting fee

of \$300,000 is required in order to balance the financial impact to the Games Organizing Committee between hosting in Antigonish and Halifax. However, the organizers cannot confirm if Halifax would be selected even if the total amount of \$300,000 was committed. As well, the organizers have also been in communication with the Province of Nova Scotia regarding funding and will be submitting a formal request to the Province for \$500,000 in support.

Under the newly approved MLSER AO, all requests are now scored on deliverables specific to 1) tourism (seasonality and room nights), 2) the STEAM report, and 3) media exposure. This bid is the first to be considered under the new AO.

Tourism

The event is scheduled for July, 2018, and would take place at Saint Mary's University and Dalhousie University and other venues throughout the Municipality. The Universities have agreed to reduce the costs for hosting the Games. The event estimates the overall attendance of the Games will be 2,700 with 90% coming from outside HRM. The attendance is reported to be 1,500 athletes/coaches and 1,200 supporters (family, friends). The event books a minimum of 700 room nights for athletes and staff, and estimates an additional 2,000 room nights would be generated by supporters. The Games would be sustained by up to 500 volunteers generating 6,000 volunteer hours. As well, a Games Organizing Committee (GOC) would be created and led by local community leaders. The Games are free for spectators to watch and the event has an estimated budget of \$1,800,000.

Sport Tourism Economic Assessment Model (STEAM)

The STEAM report generated by the Nova Scotia Tourism Agency, in consultation with Special Olympics Nova Scotia (Attachment 3), states the net increase in economic activity in the province as a result of the initial expenditures of the event would be \$7,447,340. As well, the total level of taxes supported by the 2018 Special Olympics Canada National Games is estimated at \$3,080,557. Of this, \$1,327,795 is allocated to the federal government, \$1,401,840 to the provincial government, and \$350,921 to municipal governments across Nova Scotia. The level of municipal taxes supported within Halifax is estimated to be \$283,063.

Media Exposure

The Games' opening ceremonies are typically broadcasted locally in the host province/city and TSN also broadcasts a vignette on the Games on their flagship station.

Bid Fee Rationale

Under tourism, the proposed 2018 Games will be hosted in the month of July which is during peak tourism season. As well, although the room night numbers would contribute to the MLSER, the number is not sufficient to support an event grant request of \$300,000. It should also be noted that the room nights are at university dormitories, which are valued at 50% less tax when compared to hotel nights in the STEAM process. As a result, the STEAM numbers do not support an event grant of \$300,000. In terms of sporting events, HRM has previously funded bids associated with considerably larger events; the 2008 IIHF World Hockey Championships (\$250,000); the ICF World Senior Canoe Championships in 2009 (\$200,000); the CIS Men's Basketball Championship in 2011/12 (\$130,000); the CIS Men's Hockey Championship in 2015 (\$88,500); the Men's World Curling Championship in 2015 (\$150,000); and the National Figure Skating Competition in 2015 (\$44,250). The STEAM report and comparison with other past major hosting events, suggests an event grant in the range of \$100,000 is appropriate. Finally, the event exposure in terms of TSN vignette and local coverage is also valued less than a \$300,000 event grant.

However, staff believe there are specific reasons that Regional Council should consider this event:

- It aligns directly within Regional Council's Healthy Communities Priority of "being a leader in building an inclusive and accessible community where everyone can participate fully in life, including persons with disabilities and seniors".
- There would be limited chance in the short term for HRM to have an opportunity to host the event due to rotational assignment of the Games to other Provinces

- The benevolent nature of this event and the experiences and benefits it will provide to the community cannot be commercially valued; and
- There is availability of MLSER funding as a result of cancellation of the web.com event

Therefore, it is recommended that the Municipality fund the host fee in the amount of \$300,000, conditional on no less than the same level of funding provided by the Province of Nova Scotia. However, it should still be noted that an event grant of \$300,000 may result in the Municipality not being selected to host the 2018 Special Olympics Canada National Summer Games as other factors such as overall athlete experience and impact to the overall Special Olympics organization will be weighed in the final decision.

Should the Municipality be selected for the 2018 Special Olympics Canada National Summer Games, a contract between the local host committee, HRM, and the Province of Nova Scotia, which outlines all conditions and benefits will be negotiated prior to the payment of the hosting fee. The contract would include details regarding the rights and benefits outlined including media coverage and advertising opportunities.

FINANCIAL IMPLICATIONS

All recommendations are subject to availability of MLSER reserve funds and approval of the 2016/17 budget.

Budget Summary Special Events Reserve, Q315

Opening balance April 1, 2015	\$ 268,641
Transfers into reserve to Jan 31/16	\$ 1,127,093
Transfers out of reserve to Jan 31/16	<u>\$(1,211,084)</u>
Reserve Balance at Jan 31/16	\$ 184,650
Pending contributions to March 31/16	\$ 74,732
Pending commitments to March 31/16	<u>\$(124,716)</u>
Projected net available balance, March 31/16	\$ 134,666
Proposed 2016/17 budgeted contributions:	\$1, 200,000
Proposed 2016/17 budgeted withdrawals for events	<u>\$(1,277,800)*</u>
Projected balance, March 31, 2017	\$ 58,866

*Recommendation #1, commitment of \$300,000 funding is within the total proposed withdrawal amount for 2016/17 Event Funding, and would not change the projected ending balance of the reserve that will be presented to Council in the Proposed 2016/17 Reserve Budget.

Q315 – Special Events Marketing Levy Reserve (October 23, 2001, last updated February 3, 2015)
 Funded by a transfer of 40% of the Provincial Hotel Sales Tax (Marketing Levy).
 This reserve is to be 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. These large scale events are typically national or international in caliber and support tourism and economic development in the Municipality.
 The current pending commitments represent development costs for operational plans extending to March 31, 2016 with some small amounts carried forward to be paid in 2016/17. On average, annual contributions of approximately \$1.2M fund the reserve. The recommended withdrawal does not negatively impact current operational plans, and is part of the proposed 2016 withdrawals from the reserve.

COMMUNITY ENGAGEMENT

The Special Events Advisory Committee includes members of the public and a local hosting committee under Special Olympics Nova Scotia.

ENVIRONMENTAL IMPLICATIONS

None identified.

ALTERNATIVES

Alternative 1: SEAC may choose to recommend that Regional Council not approve the request for funding.

Alternative 2: SEAC may choose to recommend that Regional Council increase or decrease the amount of event grant.

ATTACHMENTS

Attachment 1: Letter of Invitation

Attachment 2: Letter of Commitment

Attachment 3: Economic Impact

A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> then choose the appropriate Community Council and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Elizabeth Taylor, Manager, Culture & Events, 490-4387

Original Signed

Report Approved by: _____
Denise Schofield, Manager, Program Support Services, 490-6252

Original Signed

Financial Approval by: _____
Amanda Whitewood, Director of Finance and Information Technology/CFO, 902.490.6308



January 26, 2016

Halifax Regional Municipality
Mayor Mike Savage
Regional Council
1841 Argyle Street
Halifax, Nova Scotia
B3J 3Y8

Dear Mayor Savage and Regional Council;

We are writing you in hopes of securing support for the Special Olympics Canada National Summer Games to be hosted in Nova Scotia in July 2018. We appreciate the initial meeting last week and the ongoing support shown for our athletes and organization.

We have narrowed the options for a host site to two potential venues, specifically Halifax and Antigonish. We have been working with and secured quotes from the accommodation/facilities at SMU/Dal and St. FX and have done a comparative analysis on associated costs.

Our final piece of significant information prior to making a decision, is to establish a commitment from the potential host city/town/municipality as to if they would provide financial support and at what level.

We do have a sense of urgency for this since many of the next steps are directly impacted by the determination of a host site. We are planning to make a decision by February 2016 and hope we can work with you in that timeframe.

The current host city for the 2016 National Winter Games in Corner Brook has contributed 100k so far, and the two previous host cities (London, Ontario and St. Albert, Alberta had contributed 300k each). I provide this only as an indication as to the amounts recently secured. We have been asked by Special Olympics Canada to secure a commitment from potential host locations as well as the province and are in the process of doing both.

Given the timeline and also transparent way we prefer to operate, we can share that a \$300,000.00 dollar commitment from the HRM, would essentially create equal budget requirements for Halifax and Antigonish. There are certainly other key factors to be weighed in making the decision of host location, with athlete and team experience an important consideration as well as family experience, logistics and volunteer requirements to name just a few.



We hope this explains our request but we are available at your convenience to discuss more details.

With kind regards and thanks for your consideration,



Michael Greek
President & CEO
Special Olympics Nova Scotia

Cc

Elizabeth Taylor, Manager Culture and Events
Brad Anguish, Director, Parks & Recreation and
Denise Schofield, Manager of Program Support Services
Terry Richardson, Chair - Special Olympics NS Board of Directors
Phil Currie, Special Olympics NS Board of Directors
James MacDougall, Special Olympics NS Board of Directors
Anne Marie Shannon, Director of Events & Communications

Attachment 2: Letter of Commitment

Michael Greek
President & CEO
Special Olympics Nova Scotia
5516 Spring Garden Road, Suite 201
Halifax, NS B3J 1G6

Date

Dear Mr. Greek,

The Halifax Regional Municipality is pleased with Special Olympics interest in the Municipality as a host city for the 2018 Special Olympics Canada National Summer Games. Should the Halifax Regional Municipality be awarded the hosting rights, Halifax Regional Council has pre-approved funds for payment of a hosting fee, in the amount of \$300,000 and subject to an initial hold back percentage as per the HRM event grant process.

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

- 2018 Special Olympics Canada National Summer Games being successful in achieving the same level of additional funding support from the Province of Nova Scotia;
- HRM being selected as the site for the 2018 Special Olympics Canada National Summer Games;
- Logo inclusion on all promotional materials related to Halifax Regional Municipality as the host of the 2018 Special Olympics Canada National Summer Games;
- Activation opportunity (to be determined); and
- A commitment to formalize a partnership agreement prior to hosting the event and prior to payment of the hosting fee, that outlines all partnership rights and benefits awarded to the Halifax Regional Municipality, should it be awarded the hosting rights.

Our region has a successful track record hosting major sporting events such as the 2008 IIHF World Hockey; TELUS World Skins Game in 2012; the CIS Men's Basketball Championship in 2012; the CIS Men's Hockey Championship in 2015; the Men's World Curling Championship in 2015; and the National Figure Skating Competition in 2015.

Halifax Regional Municipality has the enthusiasm, hospitality and the event experience to make the 2018 Special Olympics Canada National Summer Games a success. We look forward to partnering with you should we be successful in securing the event.

Regards,

Mayor Mike Savage

2018 Special Olympics Canada National Games (Halifax, Nova Scotia)

Economic Impact Analysis – STEAM Report February 2016

The combined total of visitor, capital and operational spending as a result of hosting the **2018 Special Olympics Canada National Games** are estimated to total **\$6,948,238**. These expenditures are expected to generate a total of **\$15,449,418** of economic activity in the province, of which **\$10,559,314** will be in **Halifax**.

The **2018 Special Olympics Canada National Games** is estimated to provide a total of **96.2** jobs for **Halifax** and an additional **24.4** jobs for the remainder of the province. These jobs will create a total of **\$4,739,810** 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 **\$7,447,340**.

The total level of taxes supported by the **2018 Special Olympics Canada National Games** is estimated at **\$3,080,557**. Of this, **\$1,327,795** is allocated to the federal government, **\$1,401,840** to the provincial government and **\$350,921** to municipal governments across Nova Scotia. The level of municipal taxes supported within **Halifax** is estimated to be **\$283,063**.

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) 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.