



# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>DATE:</b>	March 21, 2018
<b>SUBJECT/REPORT NO:</b>	Stadium Event Booking Function (Pilot) (CM18003a / PW18010a) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Ryan McHugh (905) 546-2424, Extension 2725
<b>SUBMITTED BY:</b>	John Hertel Director, Strategic Partnerships and Communications City Manager's Office
<b>SIGNATURE:</b>	Rom D'Angelo, C.E.T.;CFM Director, Energy, Fleet & Facilities Management Public Works Department

## Council Direction:

At the January 17<sup>th</sup> 2018 General Issues Committee, Staff submitted a report titled Stadium Event Booking Function (Pilot) (CM18003 / PW18010) which made the following recommendations:

- (a) That the City of Hamilton's responsibilities for the event booking operations outlined in the License Agreement relating to Tim Horton's Field be assigned to Spectra Venue Management effective April 1, 2018;
- (b) That the assignment of the event booking operations be considered a pilot program ending on or before December 31, 2018;
- (c) That an agreement, separate from the existing Management Agreement between the City of Hamilton and Spectra Venue Management, be prepared in a form satisfactory to the City Manager and City Solicitor;
- (d) That the City Manager or his delegate be authorized to finalize the details of the agreement, within a framework as described within report (CM18003 / PW18010).

To date, the event booking functions at Tim Horton's Field have been overseen by a contract City of Hamilton employee, whose primary responsibility has been booking

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community events and field rentals. No FTE complement has been assigned to this position; the current contract for the position expires in July of 2018 at which time the individual will return to their home base position in the Facilities Management Section.

The 2017 season marked the second full season of programming at Tim Hortons Field. Overall, Tim Hortons Field had 1,110 unique field of play and meeting room bookings in 2017. This figure represents an 18.4% decrease in unique field bookings from the 1,360 unique bookings in 2016. In 2017 the field of play was utilized at a rate of 64.4%, while the facility's meeting rooms were utilized at a rate of 53.6%. Based on the best comparables, a stadium with the world class amenities of Tim Hortons Field located in a market the size of Hamilton, would typically have a utilization rate of approximately 90-95%.

The recommendation outlined above and put forward in report CM18003/PW18010 would assign the event booking function at Tim Hortons Field to Spectra as a nine month pilot program ending on or before December 31, 2018. Spectra is widely recognized as a world leader in hosting and entertainment, partnering with over 300 clients at 400 global properties. Spectra Venue Management has been operating the City of Hamilton owned FirstOntario Centre (formerly Copps Coliseum), the FirstOntario Concert Hall (formerly Hamilton Place) and the Studio theatre (formerly Molson Studio) since March of 2013. In 2017 the facilities managed by Spectra had total attendance of 447,316 at 201 events:

Year	First Ontario Centre		First Ontario Concert Hall/Studio	
	Attendance	Events	Attendance	Events
2017	306,850	77	140,466	124
2016	386,407	75	108,499	114
2015	312,906	77	124,376	113
2014	354,865	82	144,632	150
2013*	267,110	64	109,304	127

\*for 10 months March'13-December'13

The proposed agreement would be a performance based model where the City would pay a monthly management fee plus a revenue share of the net proceeds for new stadium bookings. Spectra would not receive a commission on any renewals of events associated with existing users and would provide a full time on-site employee at Tim Hortons Field, with the background and proven success in growing event revenues and customer care. Over the term of the pilot, the facility is forecasted to realize a net gain of three mid-sized events and an increase in community bookings. This increased utilization rate would result in incremental revenues and is forecasted to provide a net financial benefit of \$44,050 to the City in 2018. Spectra has also committed to honouring existing relationships with community groups and the Council approved facility rental rates would remain unchanged.

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The Recommendation set forth in report CM18003 / PW18010 would also prevent a scenario where the City of Hamilton's entertainment assets compete against each other for events and concerts in an already competitive southern Ontario marketplace. The current Management Agreement with Spectra consists of a 5 year initial contract, with a 5 year extension option. The first agreement with Spectra expires on December 31, 2018. A report outlining staff's recommendation as to whether the City should exercise their option for a 5 year extension will be submitted to Committee in mid-2018. At that time, staff would also make recommendations related to the booking operations based on the performance of the pilot.

At the January 17<sup>th</sup> General Issues Committee meeting, Council voted to table report CM18003 / PW18010 and directed staff to conduct community consultation to help Council better understand the needs of the community as they relate to the event booking process at Tim Hortons Field. This community consultation has now been completed by staff and the results are outlined below.

**Information:**

Staff from Public Works, the City Manager's Office and Healthy and Safe Communities, collaborated to plan, market and execute a community consultation process that centred around two "Stadium Precinct" information sessions. These information sessions were held at Tim Horton's Field on February 20<sup>th</sup> 2018 from 2:30pm-4:00pm and 6:30pm-8:00pm. These sessions were facilitated by staff from Recreation, the Neighbourhood Action Team, Tim Hortons Field, and Core Entertainment. The Hamilton Tiger-Cats and Hamilton-Wentworth District School board staff were also in attendance to answer questions relating to the upcoming CFL season and the new North Secondary School respectively.

These information sessions were promoted via the City of Hamilton's website and social media channels during the week leading up to the event. In addition to promoting the event through the City's typical marketing channels, staff sent an email invite to all community groups that currently utilize the facility. The Ward Councillor was also invited to share the details of the event with any community groups or constituents that he felt would benefit from the session.

Although staff were on site to provide information and answer questions, the core tool for gaining feedback was the survey attached as Appendix "A". All attendees were encouraged to take the survey so that staff could collect their feedback and report back to Council. In addition to administering the survey on site at both information sessions, a link to the survey was posted and promoted via City of Hamilton social media channels for 10 additional days after the event. The results of the survey are attached as Appendix "B".

In total, staff collected 85 survey submissions over the two week process. The most common themes that were raised during the consultation process are listed in the table

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below. Each reoccurring theme is accompanied by the consideration that the recommendation outlined in the report titled Stadium Event Booking Function (Pilot) (CM18003 / PW18010) gives to each issue raised.

Theme	Impact of Spectra proposal:
83.6% of respondents said that affordability was their most important consideration	<ul style="list-style-type: none"><li>• The Spectra proposal does not seek to change the Council approved rental rates for community bookings.</li><li>• Any proposal looking to change the rental rates moving forward would have to be approved by Council.</li></ul>
91% of respondents said that a high-level of customer service was “Important” or “Very Important”	<ul style="list-style-type: none"><li>• Spectra would provide a full time on-site employee located at Tim Hortons Field.</li><li>• This employee would be their Director of Marketing with the background and proven success in growing event revenues and customer care.</li></ul>
The feedback indicated that the community would be very interested to see more concert and sporting events in the facility moving forward.	<ul style="list-style-type: none"><li>• Over the term of the pilot, the facility is forecasted to realize a net gain of three mid to large sized events.</li><li>• Community bookings are also forecasted to increase as a result of an enhancement of marketing activities.</li></ul>
The open feedback portion of the survey, made it clear that the public feels that community groups should have continued access to the facility.	<ul style="list-style-type: none"><li>• Spectra has committed to honouring existing relationships with community groups and would actively promote the availability of the facility to groups who have not booked in the past.</li><li>• Spectra views expanding community usage as a critical component of increasing the of 64.4% utilization rate for the field of play and the 53.6% utilization rate for the facility’s meeting rooms.</li></ul>

**Appendices and Schedules Attached:**

Appendix "A" – Customer Feedback Survey

Appendix "B" – Customer Feedback Survey Results