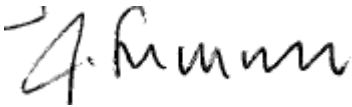




CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Tourism and Culture Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	September 20, 2023
SUBJECT/REPORT NO:	Major Hosted Tourism Event Opportunities (PED23129) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Ryan McHugh (905) 546-2424 Ext. 4132
SUBMITTED BY:	John Summers Acting Director, Tourism and Culture Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATIONS:

Discussion of Confidential Appendix “A” to Report PED23129 is subject to the following requirement(s) of the City of Hamilton’s Procedural By-law and the Ontario Municipal Act, 2001:

- A position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board

RATIONALE FOR CONFIDENTIALITY

Appendix “A” to Report PED23129 is being considered in Closed Session as it contains commercially sensitive contractual information.

RATIONALE FOR MAINTAINING CONFIDENTIALITY

Staff are recommending that Appendix “A” to Report PED23129 be made public upon recommendation (i) of Report PED23129 being approved and ratified by Hamilton City Council.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

RECOMMENDATION (CLOSED SESSION)

None.

RECOMMENDATION (OPEN SESSION)

- (a) That staff be authorized and directed to formally notify the Canadian Academy of Recording Arts and Sciences of the City of Hamilton's desire to host the JUNO Awards in either 2026 or 2027 and request the formal RFP required to pursue this bid opportunity;
- (b) That staff be authorized and directed to formally engage with the Ministry of Tourism, Culture and Sport to notify the Province of Ontario of the City of Hamilton's desire to host the JUNO Awards and to seek the Provincial funding required to secure the JUNO Awards in Hamilton;
- (c) That staff be authorized and directed to formally engage with the Canadian Academy of Recording Arts and Sciences and any other stakeholders required to successfully secure Hamilton as the host city of JUNO Awards;
- (d) That staff be authorized and directed to report back to the General Issues Committee with recommendations for how the City of Hamilton would fund any event bid fees or in-kind municipal services required to successfully secure Hamilton as the host city for the JUNO Awards, using Municipal Accommodation Tax funds, private sector contributions, existing tourism reserves and Provincial funding as applicable, for Council's consideration;
- (e) That staff be authorized and directed to formally notify Golf Canada of the City of Hamilton's desire to host future RBC Canadian Open(s) and enter formal negotiations with Golf Canada to secure the rights to host the RBC Canadian Open in Hamilton on a rotating basis;
- (f) That staff be authorized and directed to formally engage with the Ministry of Tourism, Culture and Sport to notify the Province of Ontario of the City of Hamilton's desire to host future RBC Canadian Open(s) and to seek the Provincial funding required to bring future the RBC Canadian Open(s) to Hamilton;
- (g) That staff be authorized and directed to formally engage with Golf Canada, the Hamilton Golf and Country Club and any other stakeholders required to successfully secure Hamilton as the host city for future RBC Canadian Open(s);

- (h) That staff be authorized and directed to report back to the General Issues Committee with recommendations for how the City would fund any event bid fees or in-kind municipal services required to successfully secure Hamilton as the host city for the RBC Canadian Open(s), using Municipal Accommodation Tax funds, private sector contributions, existing tourism reserves and Provincial funding as applicable, for Council's consideration;
- (i) That upon being approved by Council, confidential Appendix "A" to Report PED23129 be made public.

EXECUTIVE SUMMARY

The purpose of this report is to update Council on two opportunities to host major tourism events and to seek the Council direction required for staff to take the next steps to formally pursue hosting these events in Hamilton.

JUNO Awards: Tourism and Culture Division staff have had productive meetings with the Canadian Academy of Recording Arts and Sciences, which organizes the JUNO Awards. Discussions are underway exploring the potential of bringing this renowned music awards event to Hamilton following the completion of the FirstOntario Centre and Hamilton Convention Centre renovations. Hosting the JUNO Awards would attract visitors from across the country and provide economic impact through increased spending at local businesses and promoting tourism and Hamilton's music industry.

The amount of funding that the City of Hamilton would contribute towards hosting a future JUNO Awards award would be determined through a formal request for proposal, which the Canadian Academy of Recording Arts and Sciences would issue upon request. The recommendations put forward in Report PED23129 seek Council direction/authorization for staff to:

- formally request a request for proposal from the Canadian Academy of Recording Arts and Sciences to host the JUNO Awards in either 2026 or 2027 and to engage with any stakeholders required to successfully secure Hamilton as the host city of the JUNO Awards; and,
- report back to the General Issues Committee with recommendations for how the City of Hamilton would fund any event bid fees or in-kind municipal services using non-levy funding sources for Council's consideration.

RBC Canadian Open: The City has secured the hosting rights for the 2024 RBC Canadian Open, co-organized by Golf Canada and the PGA Tour, to take place at the Hamilton Golf and Country Club. Building on the success of the 2019 RBC Canadian Open in Hamilton and the upcoming 2024 championship, Golf Canada expressed an interest in entering a multi-year partnership where the RBC Canadian Open would be

hosted in Hamilton on a rotating basis (for example, every 4-5 years). The Canadian Open's recurring presence in Hamilton would bring substantial economic benefits through increased tourism visitation, overnight stays, and opportunities to get extensive national and international media exposure for Hamilton.

The amount of the City of Hamilton's contribution towards the hosting of future RBC Canadian Open(s) would be established through formal negotiations with Golf Canada. The staff recommendations put forward in Report PED23129 seek Council direction/authorization for staff to:

- enter formal negotiations with Golf Canada to secure the rights to host the RBC Canadian Open in Hamilton on a rotating basis and to engage with any other stakeholders required to successfully secure Hamilton as the host city of future Canadian Open(s); and,
- report back to the General Issues Committee with recommendations for how the City of Hamilton would fund any event bid fees or in-kind municipal services using non-levy funding sources for Council's consideration.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: If the recommendations of Report PED23129 are approved, Tourism and Culture Division staff will work with Finance to develop a strategy to fund these event hosting opportunities without impacting the tax levy by utilizing Municipal Accommodation Tax funds, private sector contributions, existing tourism reserves and Provincial funding as applicable, for Council's consideration;

The amount of the City of Hamilton's financial contribution towards the 2024 RBC Canadian Open is detailed in confidential Appendix "A" to Report PED23129.

To secure the 2024 JUNO Awards, the City of Halifax contributed \$750 K, and the Province of Nova Scotia contributed \$1.25 M for a combined host fee of \$2 M.

Staffing: Not Applicable.

Legal: If the City of Hamilton were successful in securing a future JUNO Awards and Canadian Open(s), Legal Services staff would assist in developing and executing the necessary legal agreement(s) outlining matters including but

not limited to the costs, benefits and commitments between the City of Hamilton and the event organizer(s).

HISTORICAL BACKGROUND

On June 20, 2023, Tourism Hamilton hosted the Canadian Academy of Recording Arts and Sciences senior staff for several meetings in Hamilton. The itinerary featured tours of signature event venues, including the FirstOntario Centre and Hamilton Convention Centre, along with various hotels in the area. During the visit, senior representatives from the Oakview Group, Hamilton Urban Precinct Entertainment Group, and Live Nation provided the Canadian Academy of Recording Arts and Sciences staff with a comprehensive overview of the future Entertainment Precinct renovations, which left a positive impression. After productive discussions, all parties indicated that 2026 presents the optimal opportunity to host the event in Hamilton, capitalizing on the post-renovation enhancements to ensure a seamless and memorable experience for attendees and participants alike. If the renovations of the FirstOntario Centre and Hamilton Convention Centre are not completed by 2026, the parties agreed that hosting the JUNO Awards in Hamilton in 2027 would also be desirable.

In recent months, Tourism and Culture Division staff had productive meetings with Golf Canada's senior management team about the potential to host additional Canadian Opens in Hamilton. During these meetings, Golf Canada expressed a strong interest in establishing a multi-year partnership with the City, indicating a desire to foster a long-term collaboration for hosting future editions of the prestigious golf tournament in Hamilton.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Not Applicable.

RELEVANT CONSULTATION

- Canadian Academy of Recording Arts and Sciences;
- Golf Canada;
- Hamilton Urban Precinct Entertainment Group;
- Oakview Group;
- LiveNation;
- Legal Services, Corporate Services Department; and,
- Finance and Administration, Corporate Services Department.

ANALYSIS AND RATIONALE FOR RECOMMENDATION

A primary responsibility of the Tourism and Culture Division, operating under the brand Tourism Hamilton, is bidding on, securing, and executing Major Tourism Events. A Major Tourism Event is an event such as, a major convention, sporting championship, large-scale cultural event or festival with the potential to attract visitors from outside of Hamilton and to produce significantly increased economic impact through overnight stays and tourism-related visitor spending. As a result, local businesses, including hotels, restaurants, transportation services, and retail establishments, experience increased patronage and revenue. Moreover, the heightened exposure for Hamilton as a destination for hosting such events attracts potential investors and businesses, contributing to the community's long-term economic growth and development.

The Council-approved 2021-2025 Economic Development Action Plan identified a Stretch Target to “Attract five major events that generate a total combined economic impact of at least \$50 million”.

Hamilton has attracted seven major tourism events that will be (or have already been) hosted within the lifespan of the 2021- 2025 Economic Development Action Plan, as follows:

- 2021 Grey Cup Festival;
- 2022 NHL Heritage Classic;
- 2022 ISU World Skating Championships;
- 2022 FIFA Men's World Cup Qualifier;
- 2023 CCMA Country Music Week and Awards;
- 2023 Grey Cup Festival; and,
- 2024 RBC Canadian Open.

The four events hosted in 2021 and 2022 listed above realized an estimated economic impact of \$21 M. This figure is below the anticipated economic impact of these events, primarily due to restrictions on public gatherings and international travel due to the COVID-19 pandemic. Without COVID-19 restrictions, future events are expected to have larger audiences and, therefore, more significant economic impact. Hamilton will likely meet this Economic Development Action Plan Stretch Target of generating an economic impact of \$50 M in 2023.

Although the City of Hamilton is on track to meet this Stretch Target, there is an opportunity to capitalize on recent accomplishments and further strengthen Hamilton's position as a premier hosting destination. Planning these types of Major Tourism Events often involves a bidding process that occurs years before the event dates. Therefore, pursuing these opportunities will send a compelling message to tourism stakeholders and the events marketplace, showcasing Hamilton's readiness and competence to host

high-profile events. By seizing these opportunities, Hamilton can establish a foundation for continued success beyond the current EDAP, attracting more visitors, boosting the local economy, and solidifying its reputation as an exceptional event host.

Municipal Accommodation Tax and other Major Tourism Event funding sources:

As of January 1, 2023, a 4% Municipal Accommodation Tax was levied on all hotel overnight stays of 29 nights or less throughout Hamilton. Implementing the Municipal Accommodation Tax created a non-levy source of funding that can assist with the cost of hosting fees and in-kind municipal services associated with hosting Major Tourism Events. This non-levy funding source will ensure that the financing related to hosting Major Tourism Events will not divert tax levy funds from other Council priorities. Staff estimate that the Municipal Accommodation Tax will generate over \$2 M annually in net revenue.

The City also has a Conventions/Sports Events Reserve dedicated to funding costs associated with securing and servicing conventions and sporting events. The uncommitted balance of this reserve is approximately \$984.5 K.

In addition, there are opportunities to secure support for the JUNO Awards and Canadian Open(s) through Provincial funding programs.

As a result, staff anticipate City funding of these events will be secured from non-levy sources.

RBC Canadian Open Key Statistics:

- the RBC Canadian Open is a professional sports championship organized by Golf Canada and the PGA TOUR;
- it is the third oldest tournament on the PGA TOUR, after the Open Championship (Britain) and the U.S. Open;
- the Canadian Open has been held at the Hamilton Golf and Country Club six times, most recently in 2019;
- according to a report commissioned by Golf Canada, the 2019 championship at the Hamilton Golf and Country Club was attended by 120,000 spectators and created \$63 M in local economic impact;
- two hundred sixty-five accredited media organizations covered the 2019 championship, and 17.1 million people watched the 2019 championship broadcast in the U.S., which included a highlight reel of Hamilton sights and attractions;
- to assist in creating a legacy in Canadian Open host communities, Golf Canada runs an initiative fostering the development of young golfers by providing

accessible and engaging opportunities to learn and play the sport, encouraging a lifelong passion for golf;

- Hamilton will host the 2024 RBC Canadian Open at the Hamilton Golf and Country Club; and,
- the City's financial contribution to the 2024 RBC Canadian Open is detailed in confidential Appendix "A" to Report PED23129.

JUNO Awards Key Statistics:

- Hamilton has hosted the JUNO Awards six times, most recently in 2015;
- the 2015 JUNO Awards provided Hamilton with a direct economic impact of \$12 M, including over 5,200 hotel room nights, multiple events at local venues, and national and international media exposure, which had an immeasurable, indirect impact on the City of Hamilton's image;
- in 2015, the total financial commitment to Canadian Academy of Recording Arts and Sciences to bring the JUNO Awards to Hamilton was \$1.5 M;
 - the City contributed \$250 K, while the remaining \$1.25 M came from the Province of Ontario and private sector contributions;
- to assist in creating a legacy in JUNO Awards' host communities, Canadian Academy of Recording Arts and Sciences supports MusiCounts, Canada's music education charity, by providing financial assistance and resources to ensure music education programs thrive across the country, fostering a vibrant and inclusive music community;
- the 2024 JUNO Awards will be held in Halifax; and,
- to secure the JUNO Awards, the City of Halifax contributed \$750 K and the Province of Nova Scotia contributed \$1.25 M for a combined host fee of \$2 M.

ALTERNATIVES FOR CONSIDERATION

Not Applicable.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report PED23129 – City of Hamilton's Financial Contribution to the 2024 Canadian Open