

Municipality of Chatham-Kent

Infrastructure and Engineering Services – Parks and Open Spaces

Finance, Budget and Information Technology Services

Information Report

To: Mayor and Members of Council

From: Jeff Bray – Manager, Parks and Open Spaces
Mike Turner – Chief Financial Officer, Treasurer

Date: August 13, 2018

Subject: Council Update for the 2018 Pinty's Grand Slam of Curling, Princess Auto Elite 10 Event

This report is for the information of Council.

Background

In July 2017, representatives from the Chatham Granite Curling Club approached administration with a proposal to bring the Princess Auto Elite 10 - Grand Slam of Curling event, (the event), to the Thames Campus Arena. This event brings together the 10 top-ranked female and male curling teams in the world. On August 11, 2017, representatives from Sportsnet, reviewed, and approved Thames Campus Arena as an acceptable venue for the event.

In September of 2017, Council approved guaranteeing the hosting fee of \$160,000, payable from the net proceeds of the event to Rogers Media Inc. This guarantee only comes into play after the net proceeds of the event are confirmed and if they are not sufficient to provide the hosting fee payment. Council also supported that \$10,000 be provided to the Curling Committee to market and promote the event within the host community. Council also approved an additional \$40,000 be provided toward supporting the event. These funds were directed towards producing a successful international event, with Chatham-Kent benefiting from the national and local marketing campaign that includes commercial spots, in-ice logos, and rink board advertising, all broadcast in over 20 hours of international television coverage on Rogers Sportsnet.

Sports Tourism

As a billion dollar industry, sport tourism is the fastest growing segment of Canada's tourism industry. In 2012*, visitor expenditures associated with sport tourism reached \$5.2 billion dollars, up 5.3% from 2011. The domestic market continues to be the largest source of sport tourists, accounting for 84% of all spending.

Chatham-Kent has yet to focus on the sport tourism market. Hosting the Princess Auto Grand Slam of Curling event would provide Chatham-Kent with the opportunity to capitalize on this financially lucrative market and take the first steps in supporting a rare sport tourism opportunity of international significance. Stakeholders would see an increase in accommodation and restaurant bookings, along with the potential for retail and miscellaneous spending, e.g. gas, souvenirs, etc. Representatives from Sportsnet have noted that an economic impact assessment of a curling bonspiel in the greater Truro/Colchester County area of Nova Scotia generated more than \$1.25 million in direct benefits to businesses.

Sportsnet's promotion of the Municipality for eight months prior to and during the event is invaluable. It is proposed that a thirty second promotional video highlighting all of Chatham-Kent will run throughout the event. This international exposure would provide an incredible opportunity to "put Chatham-Kent on the map" and will expand recent efforts to revitalize our tourism offerings as recommended in the Tourism Development Management Plan that was approved by Council in 2015. The promotion of the Chatham-Kent name, images of our municipality, and the word of mouth shared by visitors attending the Elite 10 event is beyond monetary value.

* Custom data tabulations from the Travel Survey of Residents of Canada (TSRC), International Travel Survey (ITS)

Princess Auto – Elite 10 Event

Below is the tentative schedule of the draws for the event that was available at the time of this writing. Final details will be released later in August.



DAY / DATE	# of Draws	Draw 1	Draw 2	Draw 3	Draw 4
Wednesday, September 26	1	7:00 p.m.			
Thursday, September 27	4	8:30 a.m.	12 noon	4:00 p.m.	8:00 p.m.
Friday, September 28	4	8:30 a.m.	12 noon	4:00 p.m.	8:00 p.m.
Saturday, September 29 <i>Tie breakers if necessary (8:00 p.m.)</i>		11:30 am <i>Women's quarter finals</i>	3:00 p.m. <i>Men's quarter finals</i>	7:00 p.m. <i>Men's/Women's semifinals</i>	
Sunday, September 30		12 noon <i>Women's final</i>	4:00 p.m. <i>Men's final</i>		

Full package tickets are still available at the website [buy tickets at https://ckelite10.goigniter.com/](https://ckelite10.goigniter.com/) . You can also connect for tickets on the Chatham Granite Club website or the Municipality's website under Tourism.

The top 10 men and women's teams will be announced by Sportsnet approximately mid-August, 2018.

Combination ticket packages and single day ticket packages go on sale shortly after the announcement of the teams in mid-August, 2018.

The final draws with scheduled teams will be announced in late August, which historically pushes significant ticket sales.

In early September, Sportsnet will broadcast 30 second ticket sales commercials and 15 second promos for the event broadcast.

Event planning for parking, box office, security, liquor license, traffic flow, volunteers, technical setup, food and beverage, connectivity setup, CK promotional video and logo placement are close to completion.

Municipal Contributions

The Municipality has worked closely with the Chatham Granite Club's Princess Auto Elite 10 Committee. Chaired by Fred Rose, the committee presently has over 100 volunteers

scheduled to help during the event. The Municipality will also have approximately 25 volunteers for the event, who will assist with the parking and box office duties.

Expenses

Municipal staff have contributed approximately 100 staff hours so far and will put in approximately 150 volunteer hours during the event, none of which will be additional expenses beyond regular staff wages.

Per Council approval, \$10,000 was contributed to the Princess Auto Elite 10 Committee for local marketing and promotions initiatives. As of July 31, 2018, \$7,579 of these funds have been expended on radio and paper advertisements and lottery/liquor license fees.

Of the Council approved \$40,000 for event support, the funds listed below have been spent. As noted, some of these funds were toward arena enhancements required for the event. These items will be legacy improvements at the facility. The Municipality will not spend more than the expenses committed towards the event.

Revenues

The forecasted number of full passes in the original pro forma invoice and expense document was 700, as of July 31, 2018 there has been 657 full package tickets sold.

The forecasted sponsorship revenue was \$80,000 and to July 31, 2018 there has been \$59,000 raised.

Individual and grouped ticket packages will be going on sale in mid-August, 2018.

All other revenues will be raised during the event. The event is tracking to be a success.

Revenues	July 23, 2018
Ticket Sales	99,000
Sponsorships	<u>59,000</u>
Total Revenue to Date	158,000
Expenses	
Marketing and Promotion	10,000
Ticketing software and bank charges	9,700
IT upgrades and Wi-Fi	4,047
Kitchen/Canteen upgrades	<u>5,200</u>
Total Expenses to Date	28,947

There are significant expenses and revenues associated with the event, including the payment of \$160,000 to Rogers Media Inc. and contractual splits on many of the items with Rogers, once sales have reached certain thresholds. Administration will provide a complete update once the final calculations are complete. However administration believes our contribution will not exceed the Council approved amounts and that the event will provide a net income enough to cover the guarantee on the payment to Rogers Media Inc.

A report announcing the teams, ticket information and providing an additional update to Council will occur at the September 10 Council meeting and a final report later in the year to report the final outcomes of the event.

Financial Implications

The Municipality is providing a guarantee to Rogers Media Inc. that if the event has a shortfall of the \$160,000 hosting fee, which is included in the forecasted income and expenses, the Municipality will cover any shortfall in a payment to Rogers Media Inc.

The Municipality has provided \$10,000 towards the host requirement of spending \$10,000 in marketing to promote the event within our community.

The Municipality is providing up to an additional \$40,000 towards supporting the event to receive the benefits of the national and local marketing campaign, which includes Sportsnet commercial spots, in-ice logos, and rink board advertising for Chatham-Kent.

These funds to be provided as follows:

- An agreement has been reached with the Princess Auto Elite 10 Committee (the Chatham Granite Club organizing committee) that any funds beyond an event surplus of \$50,000 will be equally split with the Municipality and the Princess Auto Elite 10 Committee.
- The funds recouped by the Municipality shall be directed towards other activities in the community that encourage physical activity and active events. If the Municipality receives its \$50,000 contribution back, any additional funds will go fully to the organizing committee.

Prepared by:

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