

Scotiabank Centre

Business Plan 2016/17

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Message from the CEO & the Chair

Over the past three years, the Scotiabank Centre has seen some dramatic and visible changes through our naming rights program, but the core of our business has remained unchanged – we continue to deliver great events that ignite our community.

With the naming rights transition successfully complete, it's time for us to look ahead.

In 2016-17, our focus will be ensuring the efficient and effective delivery of events coupled with a strengthened approach to customer experience. A key activity for the coming year will also be the definition of a long-term vision and mandate for Scotiabank Centre in collaboration with the Halifax Regional Municipality (HRM). This assessment will focus our energy on forward looking activities to ensure a sustainable approach to operations, growth and capital investment. Our work will be rooted in customer and community expectations and align with the priorities of HRM.

Our partners can be confident that through professional operations and management we will continue to help them meet their goals. Our customers and community can expect a continued emphasis on marquee events that deliver unique experiences as well as more changes to adapt to the evolving expectations of our audiences.

We look forward to the year ahead and the many experiences and memories we will create together.

Yours truly,



Scott Ferguson

President and CEO



Justin McDonough

Chair, TCL Board of Directors

Planning & Budget Context

Scotiabank Centre is the largest multipurpose facility in Atlantic Canada, serving as the region's premier venue for major entertainment and sporting events and the nucleus of major event activity in Nova Scotia. It is owned by HRM and operated by Trade Centre Limited (TCL), a provincial Crown corporation. Our focus is on ensuring the professional and effective delivery of events that drive community and economic impact.

With a seating capacity of more than 10,000 and the versatility to accommodate a range of events, Scotiabank Centre offers a variety of event experiences. Each year we host, on average, between 450,000-500,000 attendees resulting in average direct expenditures of approximately \$35 million annually. Our anchor tenants include the Halifax Mooseheads, the Halifax Hurricanes, and the Royal Nova Scotia International Tattoo.

Scotiabank Centre faces unique challenges from a budget and financial context. Our emphasis is on optimizing event mix, sustaining premium product and sponsorship revenue, and delivering on increasing customer expectations. We balance this with operational efficiency and the need to manage our infrastructure. Scotiabank Centre will continue to target a sustainable break-even operating financial position and direct expenditures consistent with prior years. Areas of risk to meeting these goals are the operation and maintenance of an aged facility as well as uncertainty around event mix and corresponding event attendance.

As a critical element of TCL's ability to attract high-calibre events to Halifax, infrastructure renovations and enhancements continue to be a priority to ensure the facility meets client needs. The mix of events hosted in any given year has a direct impact on the profitability of Scotiabank Centre's operations. Primary revenue drivers for the facility include event, concession and merchandise revenues as well as sponsorships and premium product leasing and rentals.

To remain competitive, Scotiabank Centre will strategically invest in the business for the long-term. A focus on facility repairs, capital infrastructure, and enhanced and new customer service offerings are critical to ongoing success. They will allow Scotiabank Centre to maintain our market share in an increasingly competitive environment.

Forecasted financial results for the current fiscal year (2015-2016) for Scotiabank Centre are an operating income of \$34K on revenues of \$7.4M, as compared with budgeted operating income of \$34K on revenues of \$7.5M million. In 2016-17, Scotiabank Centre expects to generate revenues of approximately \$7.1 million, resulting in operating income of \$10K.

Operations Budget Summaries

(For the year ended March 31)

	Budget 2015-16 (\$)	Forecast 2015-16 (\$)	Budget 2016-17 (\$)
Revenues	\$7,462,000	\$7,386,000	\$7,151,000
Expenses			
Event operations	3,088,000	3,178,000	2,989,000
Salaries and benefits	2,291,000	2,291,000	2,251,000
Building operations & maintenance	1,506,000	1,448,000	1,465,000
Administration/ Marketing	543,000	435,000	436,000
Total expenses	7,428,000	7,352,000	7,141,000
Income for the year	34,000	34,000	10,000

2016-17 Priorities & Activities

Scotiabank Centre's strategic focuses are consistent and aligned with TCL's long-term vision to position Halifax and Nova Scotia as Canada's East Coast event destination on the global stage. Priority activities are rooted in the following strategic areas: financial sustainability, business growth, infrastructure, people, community partnerships and governance.

Our overall focus in 2016-17 is two-fold: ensure the effective delivery of our core business and define our long-term vision.

This year, we will work with key partners to identify new opportunities for event attraction. We will continue to evaluate and implement our multi-year event attraction strategy with an emphasis on marquee event delivery and ensuring a stable base of new event activity that aligns with customer expectations.

Continuing with approved naming rights capital enhancements, we will implement year three of our multi-year capital priorities plan which focuses on roof replacement, the transition to LED lighting and washroom renovations at ice level.

While recent facility improvements have addressed key areas of customer experience, we recognize the need for continued emphasis in this area. We will work to better understand the key drivers of customer experience and develop a program that aligns our service delivery with customer expectations. Areas of emphasis will include understanding overall customer satisfaction, our new concessions partnership and training.

Recognizing the evolving social environment in which we operate, we will also consider the appropriate approach to enhanced security measures that balance our operational responsibility with customer experience. This includes a security assessment and a tiered roll-out of new procedures that will be supported by proactive communications to our customers.

Our team is a critical component to the overall experience we deliver and the success of our business. Following a renewed focus on employee engagement, we will measure our progress in this area and seek input from our employees on the culture they wish to create.

In keeping with our commitment to accountability and effective governance, we will continue to operate in full compliance with the existing operating agreement while developing the framework for a new multi-year agreement in collaboration with HRM. We will continue with agreed practices and work in partnership with HRM to mitigate areas of risk and plan for the future of Scotiabank Centre.

Priority: Financial Sustainability – Optimize core business activities to result in break-even financial position.

Focus Area	2016-17 Target	Activities
Revenue Generation	Achieve total revenue of \$7.1M	<ul style="list-style-type: none"> • Collaborate with key tenants and partners to maximize revenue opportunities • Generate premium product, sponsorship and advertising revenue of \$3.5M
Operating Efficiency	Manage event expense ratio to no more than 42% of revenues	<ul style="list-style-type: none"> • Implement new event management system, including data entry and conversion, training and live implementation
Economic Impact	Generate economic impact of approximately \$34 million	<ul style="list-style-type: none"> • Host in excess of 110 event days with total attendance of approximately 400,000

Priority: Business Growth – Identify strategic opportunities for business growth and optimizing the customer experience.

Focus Area	2016-17 Target	Activities
Event Attraction	Activate targeted approach to event attraction	<ul style="list-style-type: none"> • Successfully acquire major marquee events • Implement year three of five-year event attraction strategy with emphasis on sports and entertainment events
Customer Experience	Customer experience vision defined	<ul style="list-style-type: none"> • Identify client and customer expectations • Develop a multi-year framework for customer experience program and roll-out
Customer Experience	Enhanced security measures in place	<ul style="list-style-type: none"> • Conduct security assessment • Establish policies and procedures to support new security measures • Program implementation, including training and communications

Priority: Infrastructure – Manage and enhance infrastructure to deliver a positive customer experience.

Focus Area	2016-17 Target	Activities
Facility Repairs & Upgrades	Complete necessary improvements under capital maintenance program and implement approved naming rights capital priorities	<ul style="list-style-type: none"> Implement year three of multi-year capital priorities plan with a focus on the roof, LED lighting and washroom renovations at ice level

Priority: People – Invest to develop a high performance workforce that supports the evolution of Scotiabank Centre’s business and position in the events industry.

Focus Area	2016-17 Target	Activities
Effective, engaged and accountable culture	Implement employee engagement strategy	<ul style="list-style-type: none"> • Measure impacts of employee engagement activities • Assess and define new tools to enhance employee engagement

Priority: Community Partnerships – Implement a consultative approach to develop key partnerships based on common objectives to support business, community and economic development.

Focus Area	2016-17 Target	Activities
Event Promotion Program	Effectively position Scotiabank Centre as a community driver	<ul style="list-style-type: none"> Develop and implement proactive promotions and publicity strategy highlighting the impact of our business, emphasizing our diverse event mix
Community Relations Program	Community relations framework developed	<ul style="list-style-type: none"> Determine approach to community relations program aligned with long-term strategy, vision and mandate

Priority: Governance – Ensure operations demonstrate accountability to the communities and shareholder we serve.

Focus Area	2016-17 Target	Activities
Accountability	<p>Compliance with Scotiabank Centre operating agreement</p> <p>Multi-year Scotiabank Centre operating agreement</p>	<ul style="list-style-type: none"> • Delivery of accountability activities as outlined in the Scotiabank Centre operating agreement • Development of multi-year Scotiabank Centre operating agreement
Governance	Long-term vision and mandate for Scotiabank Centre defined	<ul style="list-style-type: none"> • Development of five-year strategic plan, including: <ul style="list-style-type: none"> ○ Customer and industry research ○ Community and stakeholder consultations ○ Assessment of future state requirements to ensure a sustainable approach to growth, operations and capital