

Scotiabank Centre

2019/20 Business Plan

Contents

Message from the CEO & Chair	2
Mission, Vision & Mandate	3
Planning Context	4
Strategic Priorities & Activities	5
Core Outcomes & Measures	6
Economic Impact & Budget Context	7
Economic Impact Summary	7
Operating Budget Summary	8

Message from CEO & Chair

Scotiabank Centre has been proud to host the best in sports, entertainment, concerts and special events for over 40 years, welcoming thousands of fans through our doors to create lasting memories. Guided by our commitment to continuous improvement, over the past several years, we've been focused on infrastructure enhancements that have renewed our facility, making it feel 40 years new.

As we look ahead, our focus remains on ensuring Scotiabank Centre continues to meet the evolving needs of our partners, community and guests. Together with our partner, Halifax Regional Municipality, we are charting the course for an exciting future through the development of our long-term vision and strategy for Scotiabank Centre.

This year, we will focus on ensuring the successful delivery of significant events such as Memorial Cup and the IIHF World Women's Championships, while continuing to maintain a high level of service and operational efficiency for our strong mix of sporting and entertainment events.

We will look for opportunities to enhance the experience we deliver to our customers at critical touchpoints along their journey with us. Rooted in customer input and research insights, these enhancements will ensure we meet guest and community expectations, while continuing to build on our strong legacy of attracting and hosting marquee events.

Yours truly,



Carrie Cussons,
President & CEO



Justin McDonough,
Chair, Events East Board of Directors

Mission, Vision & Mandate

WHO WE ARE

Events East is a special purpose government agency that manages and operates the Halifax Convention Centre, Scotiabank Centre and Ticket Atlantic.

We are known for attracting and hosting the best events in the region through our commitment to event excellence. Our facilities allow us to attract new visitors and opportunities to Nova Scotia, connecting us to the world.

We were created as part of a government partnership between the Province of Nova Scotia and Halifax Regional Municipality (HRM) and we work in collaboration with them to manage our business in a responsible and transparent manner.

MISSION

We connect the world to Nova Scotia by creating memorable event experiences.

VISION

Our people and our community make us the favoured event destination for our guests.

MANDATE

We were created in 2014 through the *Halifax Convention Centre Act* to operate, maintain and manage the activities of the Halifax Convention Centre in a manner that will promote and develop economic development, tourism and industry in the Province generally, and the Municipality.

In April 2017, our mandate expanded to include the continued management and operations of Scotiabank Centre and Ticket Atlantic. We operate all three business areas under Events East Group. Oversight of Scotiabank Centre is governed by an operating agreement with HRM, the facility's owner.

Planning Context

This business plan is presented for the management and operations of Scotiabank Centre. 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. Our focus is on ensuring the professional and effective delivery of events that drive community vibrancy 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 over 400,000 attendees, resulting in average direct expenditures of approximately \$30-35 million annually. Our anchor tenants include the Halifax Mooseheads, the Halifax Hurricanes, the Royal Nova Scotia International Tattoo and beginning in December 2019, a new professional lacrosse team, the Halifax Thunderbirds.

The addition of the professional lacrosse team in the upcoming season, as well as marquee events including the Memorial Cup and IIHF World Women’s Championships, requires a focus on balancing the delivery of core event activity while also preparing for the successful delivery of signature events.

With a clearly defined strategy and vision, validated by updated customer research, a key focus for 2019-20 will be on programs and enhancements that support our fan experience vision. This includes full integration of the brand strategy into key priority areas such as internal engagement, culture and guest services. We will also focus on proactively profiling the events we host and highlighting the value of Scotiabank Centre to reinforce community pride.

Continuing with critical facility upgrades, we will be moving forward with replacement of the centre hung digital scoreboard, which has reached end-of-life, and an improved production suite to support it. These capital upgrades, funded by HRM, will drive an enhanced in-game experience and advertising opportunities while also meeting high-definition broadcast standards for television and internet webcast.

Additionally, we will place a continued focus on ensuring a safe and welcoming facility amidst changing industry security expectations and considerations.

Our strategic priorities are rooted in the following focus areas, which align with the organization’s long-term strategy:



Guest Experience

Treat all of our guests to a unique Nova Scotia experience.



Community Connection

Partner with our community to co-create a memorable guest experience.



Business Growth

Drive incremental business by leveraging our relationships and facility.



Talent & Culture

Create an authentic guest-focused culture.



Accountability & Sustained Performance

Demonstrate we are well-run and governed.

Strategic Priorities & Activities

Guest Experience

Grounded in research and customer insights, we will work to enhance the guest experience at Scotiabank Centre. This work will be guided by a defined brand strategy that ensures a focus on creating exciting, memorable event experiences for our guests.

Actions:

- Continued emphasis on key facility enhancements and programs that will drive improved in-venue experience.
 - Work in partnership with our concessions provider to evolve our service standards and delivery model.
 - Replacement of centre hung digital scoreboard and production suite.
 - Strategy and roll-out plan for enhanced security program with a focus on perimeter security.
 - Successful delivery of major international and national events and launch of inaugural National Lacrosse League season.

Community Connection

Recognizing the important role Scotiabank Centre plays in creating a vibrant, proud community, we will continue to look for opportunities to drive business and activity in the downtown core through the events we attract and host. This includes proudly sharing our story and engaging with our community and partners to reinforce our position as Atlantic Canada's premier sports and entertainment facility and the backdrop for major events.

Actions:

- Roll-out of brand strategy, including enhanced event promotions and communications.
- Development of a digital strategy to enhance customer communication and touchpoints.
- Alignment of community relations efforts with brand strategy and vision.

Business Growth

Delivering on client and guest expectations is critical to ensuring continued business growth and the stability of our core partnerships. Throughout the year, we will plan and implement a series of enhancements focused on delivering increased value for our sponsors, partners and Premium Seating clients. This includes alignment of strategic

partnerships, marketing and business development activities to deliver enhanced experiences.

Actions:

- Plan and implement phase one of Premium Seating service design, based on customer input.
- Continued implementation of multi-year event attraction strategy in partnership with key stakeholders.
- Develop and implement refreshed corporate advertising/sponsorship strategy to ensure alignment of key partnerships with overall guest experience vision.

Talent & Culture

A continued focus on people is integral to the delivery of our long-term strategy. Having completed a full assessment of our human resources structure and approach in 2018-19, emphasis this year will be on strategies and approaches that allow us to grow and retain an engaged workforce. We will focus on creating a culture aligned with our overall vision and values.

Actions:

- Measure employee feedback through implementation of employee engagement survey.
- Implement phase one of an employee recognition program.

Accountability & Sustained Performance

In partnership with HRM, we will continue to ensure the efficient, transparent operations of Scotiabank Centre. This includes approval of our long-term operating agreement with HRM and the governance and accountability structure required to support it.

Actions:

- Meet budgeted revenue and expense targets.
- Development of plant and infrastructure recapitalization program.
- Development and approval of multi-year operating agreement in collaboration with HRM.

Core Outcomes & Measures

While our overall strategic plan and priorities guide our activities, we will monitor and measure our performance in 2019-20 in the following areas:

CORE ACCOUNTABILITY MEASURES		
STRATEGIC PRIORITY	MEASURE	2019-20 TARGET
Business Growth	Total direct spending and economic benefit	Generate direct spending of approximately \$40M as a result of the events we host.
Business Growth	Number of events and attendees hosted	Host 135 events with total projected attendance of 550,000.
Guest Experience	Guest feedback	Implementation of guest-focused enhancements.
Talent & Culture	Completion of employee engagement survey	Complete employee engagement survey and achieve an average employee engagement score of approximately 80% for core employees.
Accountability & Sustained Performance	Financial performance	Generate revenue in excess of \$8M. Manage event expense ratio to no more than 44%.
Accountability & Sustained Performance	Meet governance requirements	Approval of multi-year operating agreement.

Economic Impact & Budget Context

Scotiabank Centre is focused on attracting a diverse mix of sporting, concert and entertainment events to create community and economic impact.

Economic impact measures the benefit of new money being spent in the Nova Scotia economy as a result of the events we host. We measure economic impact on an annual basis by compiling attendee and event organizer direct spending. Due to many of Scotiabank Centre’s attendees originating from within the Halifax region, 27 per cent of impacts associated with the arena are considered incremental. Incremental impacts are those that would not have taken place in the absence of the facility and its events. Estimated total direct expenditures for 2019-20 generated by Scotiabank Centre is \$40 million.

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 effectively manage our infrastructure. Areas of risk to meeting our overall goals include the variability of event mix and corresponding event attendance.

This year, Scotiabank Centre has a strong lineup of international and national marquee events and the addition of a new tenant, which is driving a significant increase in projected revenue and economic impact.

The 2019-20 Scotiabank Centre Operating Income before building costs is budgeted to be \$1,343.2, compared to the \$615.9 forecast for 2018-19. After building costs, a surplus of \$12.0 is budgeted (2018-19 forecasts a deficit of \$730.0). The 2018-19 year was an anomaly from a financial perspective due to the ice slab replacement project and the resulting facility closure.

This is the second year of the Shared Services and Facilities Agreement between HRM and Armco Capital, which guides operations and allocation of costs of the shared plant and facilities that impact Scotiabank Centre. While we have one year of experience with this agreement, there are still many unknown factors and it will require continued monitoring and potential adjustment.

Economic Impact Summary

	Target 2019-20	Forecast 2018-19	Target 2018-19
Total Events	135	110	105
Total Attendees	550,000	429,000	390,000
Total Direct Expenditures	\$40 million	\$32 million	\$29 million

Note 1: Halifax Convention Centre events, attendance and resulting impacts are not included in this summary. Combined direct expenditures resulting from events hosted in both Scotiabank Centre and the Halifax Convention Centre for 2019-20 are projected to be approximately \$95 million.

Operating Budget Summary

(For the year ended March 31)

In \$000's	Budget 2019-20	Forecast 2018-19	Budget 2018-19
Event Revenues	4,371.0	3,186.9	2,858.2
Advertising and Sponsorship	1,178.4	1,072.2	1,125.1
Premium Product	2,703.9	2,648.9	2,498.2
Other	22.0	39.6	25.0
Total Revenue	8,275.3	6,947.6	6,506.5
Event Expenses	3,626.9	3,110.1	3,051.3
	43.8%	44.8%	46.9%
Contribution	4,648.4	3,837.5	3,455.2
	56.2%	55.2%	53.1%
Indirect Expenses	3,305.2	3,221.6	2,996.8
Operating Income Before Building Costs	1,343.2	615.9	458.4
Building Costs			
Shared Services & Facilities	934.4	1,238.0	957.6
Recoverable Shared Services & Facilities	(456.3)	(682.8)	(489.3)
SBC Property Services	754.9	692.9	584.1
Shared Spaces Fees	98.2	97.8	136.0
Net Expense to Scotiabank Centre	1,331.2	1,345.9	1,188.4
Operating Income (Loss)	12.0	(730.0)	(730.0)

Note 1: The Scotiabank Centre is a facility owned by HRM and operated by Events East under an operating agreement. All operating income or losses generated accrue to HRM, and all capital improvements are funded by the municipality.