

Scotiabank Centre

Business Plan 2017/18

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Message from the CEO & the Chair

Having hosted the world's top performers, best-in-class athletes, and many signature events in between, the Scotiabank Centre continues to be a source of community vibrancy and pride. As we approach our 40th year, we continue to sustain our position as the leading sports and entertainment venue in Atlantic Canada.

Through our partnerships and investments, our facility has seen many capital enhancements that will allow us to move forward with confidence. In the year ahead, we will build on our reputation and focus on what we do best: welcoming fans and providing the highest calibre of events that Atlantic Canada has to offer.

This year, we will look to further understand the enhancements and investments required to continue to improve the in-venue experience, while also ensuring we continue to attract the types of events that make our community proud.

We are committed to continuing to deliver great events and memorable experiences for our community and our guests.

Yours truly,



Carrie Cussons,
President & CEO



Justin McDonough,
Chair

Overview & 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 the Halifax Regional Municipality (HRM) and managed and operated by Events East Group. 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.

2017-18 Priorities & Activities

In 2017-18, we will continue to emphasize the effective delivery of our core business while looking for ways to enhance the in-venue experience of our guests. Our strategic priorities are rooted in the following focus areas, which align with the organization's long-term vision:



Guest Experience

Treat all of our guests to a unique experience.



Community Connection

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



Business Growth

Drive incremental business by leveraging our partnerships and facility.



Talent & Culture

Create an authentic guest-focused culture.



Accountability & Sustained Performance

Demonstrate we are well-run and governed.

Guest Experience

With a renewed focus on improving the guest experience, we will determine our short- and long-term approach to key facility enhancements and programs that will drive an improved in-venue experience. This will include ensuring appropriate mechanisms are in place to monitor customer feedback and that our core services are aligned with customer expectations.

Actions:

- Enhance customer feedback program.
- Determine approach to future in-venue technology requirements.
- Implement website redesign to support improved guest experience.

Community Connection

We will continue with our proactive promotions and publicity program that highlights the impact of our business and effectively positions the role of Scotiabank Centre in our community.

Actions:

- Define and communicate brand position.
- Finalize community relations program.

Business Growth

Our strategy to attract the right mix of events is critical to our success. This year, we will ensure a multi-year event attraction strategy is in place, with an emphasis on marquee events in sports and entertainment. We will also work in alignment with key partners, including active participation in the development of a regional major event strategy by HRM.

Actions:

- Focused event attraction efforts, with emphasis on marquee sports and entertainment events.

Talent & Culture Our people are a critical part of the experience we deliver. Continuing with our organization-wide internal engagement program, we will maintain our focus on responding to employee feedback and supporting our internal culture.

Actions:

- Continued activation against employee engagement results with specific emphasis on employee recognition, training and collaboration.
- Develop and implement new Scheduling, Time and Attendance system.

Accountability & Sustained Performance

In keeping with our commitment to accountability and effective governance, we will continue to operate in full compliance with our operating agreement and in collaboration with HRM. We will work in partnership with them to ensure we align with their expectations and that we have appropriate strategies in place to plan for the future of Scotiabank Centre.

Actions:

- Continue with multi-year capital priorities program.
- Development of long-term operating agreement with HRM.

Core Outcomes & Measures

While our strategic priority areas will guide our activities, we will monitor and measure our performance in the following core areas:

CORE ACCOUNTABILITY MEASURES	
MEASURE	2017-18 TARGET
Total direct spending and economic benefit	Generate direct spending of approximately \$34M as a result of the events we host
Number of events and attendees hosted	Host 110 events with total projected attendance of 410,000
Financial performance	Generate revenue of \$7M Manage event expense ratio to no more than 42%
Shareholder compliance	Compliance with operating agreement.

Budget Context

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 our ability to attract high-calibre events to Halifax, facility 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.

Scotiabank Centre will continue to strategically invest in the business for the long-term, which includes an ongoing capital maintenance program. A focus on facility repairs, capital infrastructure, and enhanced customer service offerings are critical to our ongoing success.

Forecasted financial results for the current fiscal year (2016-2017) for Scotiabank Centre are an operating income of \$10K on revenues of \$6.9M, as compared with budgeted operating income of \$10K on revenues of \$7.1M. In 2017-18, Scotiabank Centre expects to generate revenues of approximately \$7.0M, resulting in operating income of \$10K.

Operations Budget Summaries

(For the year ended March 31)

	Budget 2016-17 (\$)	Forecast 2016-17 (\$)	Budget 2017-18 (\$)
Revenues	\$7,151,000	\$6,946,000	\$7,044,000
Expenses			
Event operations	2,989,000	3,075,000	2,946,000
Salaries and benefits	2,251,000	2,221,000	2,200,000
Building operations & maintenance	1,465,000	1,283,000	1,393,000
Administration/ Marketing	436,000	358,000	495,000
Total expenses	7,141,000	6,937,000	7,034,000
Income for the year	10,000	10,000	10,000