

Scotiabank Centre

2021/22 Business Plan

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Message from CEO

COVID-19 and the resulting public health measures put in place to protect Nova Scotians have had a significant impact on the events, sports and entertainment industry, as well as the ongoing operations of the Scotiabank Centre. While some uncertainty around restrictions remain, we look to the year ahead with optimism and confidence.

This past year, we've been reminded of the value and importance of live sports, entertainment and cultural events. Our community craves the connection of coming together to cheer on our home team, applaud our favourite musicians and experience the thrill of live performances. And we are confident that we will share in those experiences again.

Last year saw the return of safe event activity in a limited capacity, with new health and safety measures in place to protect our fans, staff, partners and community. Our team adapted the way we work with our tenants and event organizers to continue delivering amazing experiences and our fans demonstrated they can adapt with us.

How we experience events may have changed, but the impact remains. When we host an event at Scotiabank Centre, our downtown is alive with excitement. Our neighbouring restaurants, bars, shops and hotels are busy, our streets are full and our fans are engaged and excited. As we look to the year ahead, we will work with partners and tenants to rebuild our calendar of event activity and demonstrate the ability to safely host events and fans within this new environment.

Halifax has a strong reputation as a great host city for events thanks to our supportive community, thriving city and most of all, our loyal fans. Our community is resilient and as events resume, so will the vibrancy of our downtown. Our Scotiabank Centre team can't wait to get back to doing what we do best, so our fans can get back to doing what they do best, louder and more energized than ever.



Carrie Cussons
President & CEO

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.

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 a long-term operating agreement with HRM, the facility's owner, which was approved in January 2020.

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. It is owned by HRM and managed and operated by Events East. Our focus is on ensuring the professional and effective delivery of events that drive community and economic impact.

The 2021-22 business plan assumes the following as it relates to the ongoing impact of COVID-19 on our business and industry:

- Restrictions introduced in the Spring of 2021 associated with the third wave, including public gathering limitations, begin to ease by Summer 2021;
- COVID-19 vaccine roll-out remains consistent with the Province of Nova Scotia's public roll-out plan and timeline; and
- Border restrictions begin to ease, with regional travel permitted by the Summer and domestic travel later in the year.

Having hosted fans last year safely and successfully, we will leverage our expertise with a goal to normalize in-person

event attendance as public gathering limits increase. A critical focus remains on instilling confidence and optimism among event organizers and fans in the power of live events.

As restrictions evolve, so will the mix of events we host throughout the year. Planning is underway with our major tenants the Halifax Mooseheads and Halifax Thunderbirds who are both preparing for a return to regular season play in 2021-22, beginning in the Fall. Starting with tenant and sporting activity, we anticipate a stable and diverse event mix that will build as restrictions ease.

We will continue to work in collaboration with our industry, corporate clients and partners to provide value through the events we host. This includes balancing health and safety requirements with an ongoing commitment to enhancing the fan experience.

With a strong mix of tenant, entertainment and other sporting events, Scotiabank Centre will continue to serve as a community driver, contributing to the recovery of downtown and signaling a return to normalcy. We will leverage the events we attract and host to create community pride and vibrancy in the downtown core, partnering with our community and event organizers to create memorable event experiences.

Strategic Priorities & Activities

Business Growth

As we continue to rebuild our calendar of event activity throughout the year, we will collaborate with key event and industry partners to reinforce the importance of live, in-person events to drive economic and community vibrancy. At the same time, we will foster relationships with our Premium Seating and corporate partners and instill confidence in our long-term event outlook, delivering a more sustained volume of event activity beginning in the Fall.

Actions:

- Instill confidence and secure critical event activity with our tenants and event organizers.
- Develop and implement marketing and sales strategy for premium offerings, including approach for long-term infrastructure upgrades.
- Design and implement enhanced food and beverage strategy, including an in-seat service model, to drive revenue.
- Continue to deliver enhanced value for corporate partners.

Guest Experience

Together with our tenants and event organizers, we will work to balance evolving health and safety requirements with our ongoing commitment to enhancing the in-venue experience for our fans.

Actions:

- Work with event organizers to successfully host key event activity.
- Implement operational enhancements and new standards to align with fan experience vision.

Community Connection

We are committed to ensuring our business and the events we host have a positive impact on our community. As our community continues to recover, we will focus on hosting events and supporting community initiatives that create energy and vibrancy throughout our downtown core.

Actions:

- Leverage the events we attract and host to create community pride.
- Redesign Community Relations Program to maximize impact and align with organizational Diversity and Inclusion Framework.

Talent & Culture

This year, we will work with our core operational teams to create programs and tools that ensure effective communication, engagement and training to deliver exceptional events for our guests.

Actions:

- Design guest services program to align with fan experience vision, including resourcing and training strategy.
- Continue to redesign our service model, including development and implementation of operational event delivery standards to ensure consistency of service by all staff and third-party suppliers.

Accountability & Sustained Performance

We continue to operate Scotiabank Centre in a transparent, effective manner in collaboration with HRM within the framework of our operating agreement. This includes working with event partners and stakeholders to deliver on fan and community expectations, particularly as we navigate the ongoing impact of the pandemic and the recovery of the events industry.

Actions:

- Meet budgeted revenue and expense targets with a goal to return to a break-even position in future years.
- Work with our shareholder and industry partners on the proactive recovery of the sports, entertainment and cultural sector.
- Implement a framework for core social responsibility initiatives with a focus on accessibility and sustainability.

Core Outcomes & Measures

Due to the continued restrictions in place in Nova Scotia, our traditional strategic measures including overall event mix, revenue, event attendance and economic impact will be negatively impacted this year. Our overarching focus remains on driving economic and community vibrancy for Nova Scotia through the events we host and the programs we deliver.

In 2021-22, we will monitor and measure our performance in the following areas, aligned with the recovery of our business and organization:

CORE ACCOUNTABILITY MEASURES*		
STRATEGIC PRIORITY	MEASURE	2020-21 TARGET
Business Growth	Economic impact	Generate \$10-15M in direct expenditures through the events we host.
Guest Experience	Number of events hosted at Scotiabank Centre	Safely and successfully host approximately 80 events.
Business Growth	Customer and partner retention	Redesign corporate partnership and Premium Seating strategy.
Community Connection	Community Relations Program framework in place	Develop redesigned Community Relations Program.
Accountability & Sustained Performance	Financial performance	Meet approved budget targets.
Accountability & Sustained Performance	Confidence in live events	Event industry framework developed and implemented.

**assumes the COVID-19 planning assumptions noted under Planning Context, including successful vaccine roll-out, and easing of public gathering, travel and border restrictions throughout the year.*

Budget Context

Normally, Scotiabank Centre has operated at a break-even position. Restoring our event mix to consistent and sustained levels will be critical to returning to our historical break-even position.

The 2021-22 budget reflects a shareholder investment from HRM of \$1.4M, after cost mitigation strategies have been accounted for.

In 2021-22, Scotiabank Centre is planning to host a mix of tenant, sporting and entertainment activity that will evolve as restrictions ease throughout the year. Budgeted revenues utilize assumptions such as the number of events to be held in the facility, concessions spend and capacity limits.

Our financial model includes both fixed and variable costs. Variable costs are associated with our operations and relate to hosting events. Certain fixed costs are necessary to support operations, irrespective of event volume and attendance. A series of cost mitigation strategies have been implemented where possible to limit financial exposure.

The Shared Services and Facilities Agreement between HRM and Armco Capital, which guides operations and the allocation of costs relating to the shared plant and facilities between Scotiabank Centre and the Office Tower, is entering its fourth year. We continue to monitor the operations and allocation of costs to ensure accuracy and accountability of the agreement.

Operating Budget Summary

(For the year ended March 31)

	Budget 2021-22	Actuals 2020-21	Revised Budget 2020-21
Total Revenue	4,720,000	1,453,596	2,265,000
Event Expenses	2,378,000	645,962	1,215,000
Contribution	2,342,000	807,634	1,050,000
Indirect Expenses	2,213,000	2,576,745	2,552,000
Operating Income/(Loss) Before Building Costs	129,000	(1,769,111)	(1,502,000)
Building Costs			
Net Shared Services & Facilities	358,000	380,327	360,000
SBC Property Services	585,000	628,624	483,000
Energy	496,000	267,352	206,000
Shared Spaces Fees	100,000	108,475	99,000
Net Expense to Scotiabank Centre	1,539,000	1,384,778	1,148,000
Operating Loss	(1,410,000)	(3,153,889)	(2,650,000)
Approved capital projects	—	145,865	—

Note 1: Scotiabank Centre is 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.

Note 2: The 2021-22 budget assumes the COVID-19 planning assumptions noted under Planning Context including successful vaccine roll-out and easing of public gathering limits and travel and border restrictions.