

Scotiabank Centre

2022/23 Business Plan

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Message from CEO

As we look to the upcoming year, we do so with excitement and a renewed sense of optimism for our community and industry. We have never been more ready to turn the page, look to the future and get back to what we do best, attracting and hosting memorable events. Live sports and entertainment are back at Scotiabank Centre and we have the strongest lineup of events our city has seen in over a decade.

Our tenants, the Halifax Mooseheads, Halifax Thunderbirds, and Royal Nova Scotia International Tattoo, and event organizers have been anxiously waiting for this time to come, when we can truly focus on the event and the fan experience. Our fans are excited to be back in the heart of the action, cheering on our home teams and sharing in the immersive experiences of a live concert, game or performance. And our community and neighbours are ready to feel the impact and energy when events are happening at Scotiabank Centre, driving fans into our streets and spaces.

Together with our partners and Halifax Regional Municipality (HRM), we are focused on creating events and experiences that will make our community proud and fans alive with excitement - creating memories for years to come.



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.

With a diverse calendar of event activity in place and a strong desire for live event experiences by our community, fans and customers, the upcoming year represents a return to normal operations and historical event volumes for Scotiabank Centre. Our sporting tenants, the Halifax Mooseheads and Halifax Thunderbirds, are preparing for a return to full capacity partway through their 2021-22 seasons and full, regular seasons of play in 2022-23, and the Royal Nova Scotia International Tattoo will deliver its first live show in two years.

Recognizing the challenges our tenants and event organizers have faced, we will partner with them to successfully deliver their events to a full venue, with a renewed commitment to enhancing the fan experience. This will include a fan feedback program to identify areas of focus for both the current year as well as the future, helping us continue to evolve and implement our service vision.

With an ongoing commitment to our Premium Seating clients and corporate partners, we are focused on

strategies and services that will provide unique experiences and enhanced value. This includes the continued migration to digital advertising assets, new service offerings and long-term planning for premium spaces.

Delivery against our fan experience vision is predicated on having a strong, engaged workforce. This year we will focus on optimizing our team and delivery standards to align with event activity, the evolution of our industry and the expectations of our fans.

As we host and celebrate a full calendar of events throughout the year, we will work with our partners and community to create the excitement, optimism and vibrancy that will help drive the recovery of our main streets and downtown core.

Notes:

The 2022-23 business plan assumes that restrictions, including public gathering limits, ease as planned and travel guidelines remain clear and consistent.

Re-introduction of restrictions or an additional wave of the pandemic would negatively impact event activity and may influence changes to strategic initiatives and budget.

Strategic Priorities & Activities

Business Growth

As the sports and entertainment industry stabilizes, we are focused on attracting and delivering a strong calendar of events for the upcoming year while also planning for future event opportunities that align with our long-term strategy. Providing a diverse mix of events is also critical to our Premium Seating and corporate partners, who we will continue to work with throughout the year to provide enhanced value, opportunities and experiences.

Actions:

- Partner with tenants and event organizers to secure a diverse calendar of events.
- Implement our long-term event attraction strategy in partnership with key stakeholders.
- Continue to activate business development and service strategy for premium offerings.
- Plan for transition to digital advertising strategy.

Fan Experience

With a strong lineup of event activity planned for the year, we are committed to creating engaging, memorable experiences for every event we host. Together with event organizers and partners, we will continue to evolve our fan experience vision and service delivery model based on research conducted throughout the year with our customers. Our focus will be rooted in fan feedback and insights that will help us continue to deliver value and memorable experiences for our fans and community.

Actions:

- Revalidate key drivers of fan experience and opportunities for enhancement.
- Partner with event organizers to successfully deliver events.
- Continue to evolve concessions program, in partnership with Centerplate.

Community Connection

Recognizing the important role Scotiabank Centre plays in driving activity and vibrancy for our downtown, we will proactively promote, celebrate and leverage the events we host with our community and neighbours. With a goal to further the impact of our business, we will implement a newly redesigned Community Relations program to help

expand our reach, providing enhanced access to unique experiences through our venue, events and partnerships.

Actions:

- Implement newly designed Community Relations Program in alignment with organizational equity, diversity and inclusion framework.
- Engage with our community and fans to celebrate and maximize the impact of the events we host, driving community vibrancy and pride.

Talent & Culture

As our event calendar returns to historical volumes, our workforce will evolve and grow throughout the year to meet our event needs. Our focus will be on identifying the processes, roles and resources required to deliver on our fan experience vision and fostering a culture of engagement and commitment to service excellence.

Actions:

- Determine and implement service standards and resourcing needs required to support vision.
- Implement recruitment and resourcing strategy to align with event activity.

Accountability & Sustained Performance

In keeping with our commitment to responsible, efficient operations, we are concentrating on strategies to support the current and future needs of Scotiabank Centre. Together with HRM, we will identify capital and experiential enhancements that align with our vision. Proactive planning and ongoing enhancements allow us to adapt based on the evolving nature of our industry, continuing to position Scotiabank Centre as the centre for major sporting and entertainment events in the Atlantic Region.

Actions:

- In collaboration with HRM, conduct accessibility audit to identify improvements and focus areas to develop accessibility plan.
- Develop multi-year capital program focused on fan experience and infrastructure enhancements.
- Continue to implement enhanced security program.

Core Outcomes & Measures

In 2022-23, 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	2022-23 TARGET
Business Growth	Economic impact	Generate approximately \$35M in direct expenditures through the events we host.
Business Growth	Revenue generation	Return to historical revenues of approximately \$7M+.
Fan Experience	Number of events hosted at Scotiabank Centre	Successfully host 100+ events with 500,000 total attendees.
Fan Experience	Fan feedback	Assess and implement approach to ongoing fan feedback and research.
Community Connection	Enhanced Community Relations strategy	Develop and launch new Community Relations strategy.
Accountability & Sustained Performance	Multi-year capital plan	Work in collaboration with HRM to identify capital improvement requirements and funding program to support.
Accountability & Sustained Performance	Financial performance	Meet approved budget targets.

*Assumes all COVID-19 restrictions have eased by early 2022-23 and there are no further restrictions introduced throughout the year.

Budget Context

Scotiabank Centre is focused on attracting a diverse mix of sporting, concert and entertainment events to create community and economic impact. While COVID-19 had an impact on our industry and business, we are seeing a strong demand for in-person events with both event organizers and attendees.

Restoring our event mix to consistent and sustained levels will be critical to returning to our historical financial position. With the easing of COVID-19 restrictions, we expect our full calendar of event activity will proceed as planned.

The 2022-23 budget reflects a shareholder investment of \$991K from HRM as compared to \$2.6M in 2021-22, as event activity rebounds and we continue to recover our business.

Budgeted revenues utilize assumptions such as the number of events to be held in the facility, concessions spend and attendance.

We are budgeting for \$7.3M in revenues; a significant improvement from the 2021-22 forecast of \$2.25M in revenues demonstrating a return to historical revenue levels. This includes event-related revenues of \$3.7M consisting of event rent and recoveries, concessions commissions, souvenir sales, ticket charges and corporate and premium revenues of \$3.6M.

Operating Budget Summary

(For the year ended March 31)

	Budget 2022-23	Forecast 2021-22	Budget 2021-22
Total Revenue	7,321,000	2,254,000	4,720,000
Event Expenses	3,873,000	1,029,000	2,378,000
Contribution	3,448,000	1,225,000	2,342,000
Indirect Expenses	2,621,000	2,141,000	2,213,000
Operating Income/(Loss) Before Building Costs	827,000	(916,000)	129,000
Building Costs			
Net Shared Services & Facilities	368,500	344,000	358,000
SBC Property Services	731,500	667,000	585,000
Energy	600,000	536,000	496,000
Shared Spaces Fees	118,000	107,000	100,000
Net Expense to Scotiabank Centre	1,818,000	1,654,000	1,539,000
Operating Loss	(991,000)	(2,570,000)	(1,410,000)

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: Assumes all COVID-19 restrictions have eased by early 2022-23 and that there are no further restrictions introduced throughout the year.

Note 3: Forecast reflects the impact of the temporary restrictions introduced in December 2021 associated with the Omicron variant.

Note 4: 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 fifth year.