

Request for Decision

2017/2018 Little NHL Tournament Hosting Bid Proposal

Presented To:	Community Services Committee
Presented:	Monday, Jan 18, 2016
Report Date	Wednesday, Dec 23, 2015
Type:	Managers' Reports

Recommendation

WHEREAS the Little Native Hockey League (Little NHL) Tournament generates significant economic impact for the Greater Sudbury community;

AND WHEREAS the event requires considerable municipal investment, both financially and in kind;

AND WHEREAS the Little NHL tournament raises the profile of Greater Sudbury within the sports sector and within Aboriginal and First Nation communities across the province;

THEREFORE BE IT RESOLVED THAT the City of Greater Sudbury directs staff to submit a formal bid to host the 2017 and 2018 Little NHL Tournaments in our community;

AND FURTHER, THAT the City of Greater Sudbury commits to support this bid by allocating up to \$90,000 for each of 2017 and 2018, with funds to be used in the case of any shortfall in grant funding;

AND THAT should Greater Sudbury be selected as host of the tournaments, Council authorizes a \$20,000 transfer to reserve from 2016 Greater Sudbury Tourism Event Support Fund budget for use in support of event expenses in 2017 and 2018.

Finance Implications

If the City submits a successful bid proposal to host the Little NHL tournament in 2017 and 2018, the approximate cost of \$160,000 per year for the event is proposed to be funded by a combination of existing Tourism Event Support budget, and grant funding from GSDC, FedNor and NOHFC. If the funding from government agencies does not materialize, up to \$90,000 would be included in the 2017 operating budget.

Signed By

Report Prepared By

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Manager of Tourism and Culture
Digitally Signed Dec 23, 15

Division Review

Ian Wood
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Recommended by the Department

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Recommended by the C.A.O.

Kevin Fowke
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Background

The Little NHL tournament has grown to be the largest First Nations organized hockey tournament in Ontario, drawing more than 7,200 Aboriginal and First Nation people from all over Ontario. The hockey tournament attracts children, youth, adults, Elders, extended family, politicians, business owners, and organizations from both First Nation and non-First Nations. Many former Little NHL participants have gone on to various levels of Hockey excellence with “AA”, “AAA”, Tier II, Junior B, College/University, OHL and NHL level of play.

The Little NHL tournament typically attracts over 160 youth teams, 2,200 participants and up to 5,000 families, friends and supporters from First Nation and Aboriginal communities across the province during its five days over the March Break. In addition to competitive hockey, the event features leadership workshops, team building exercises and other information sessions for the youth participants, making it a cultural experience and community gathering – far more than a standard hockey tournament.

Request for Proposals – 2017 & 2018 Tournament Hosting

The Little NHL Hockey Tournament released a Request for Proposal (RFP) package on November 30th, 2015, for the 46th and 47th annual hockey tournaments planned for 2017 (March 11th - 16th) and 2018 (March 10th - 15th).

Greater Sudbury has hosted this event many times over the past four decades, always in partnership with regional First Nation partners as well as the Little NHL Executive itself; most recently, our community hosted the tournament in 2010, 2011, and 2012. Based on 2012 hotel bookings and numbers of teams and participants, the potential economic impact of this event for our community is estimated at more than \$6.5 million. This impact can be seen and felt not only by local hotels, but also in the many restaurants and retail amenities frequented by Little NHL visitors.

Greater Sudbury was not successful with its bid for the 2013/2014 events. In 2013, tournament organizers declined the City’s request for an extension to the bid deadline that was requested in order to bring the bid opportunity forward to Greater Sudbury council at the time, which would have enabled a bid submission for the 2015/2016 events. Toronto/Mississauga has been host to the tournament since 2013 and will be hosting 2016 as well.

A group consisting of relevant Economic Development and Leisure Services staff met December 4th to review the bid opportunity and the results of the previous Little NHL events hosted in Sudbury. It was determined that an event of these financial obligations warrants approval from Council for support and funding. The final bid submission deadline is February 1st, 2016, with a letter of intent submitted prior to December 21st, 2016.

In previous years, the event required full use of all 1,600 hotel rooms within the city, as well as rooms in surrounding communities such as Sturgeon Falls. According to the RFP package, the estimated total number of attendees related to this event is approximately 7,200 for both the 2017 and 2018 events.

The Little NHL Executive Committee has invited six communities to submit a bid for this event including Toronto/Mississauga, Niagara Falls, London, Sarnia, Sault Ste Marie and Greater Sudbury.

Event Summary

Hosting this event requires significant investment and resources from the host community. Tourism & Culture staff have met with staff from Assets, Citizens & Leisure Services Department as well as Finance to determine preliminary rates, expected costs and potential funding sources.

Economic Development will be able to provide a portion of support through existing Tourism Event Support fund. Applications for funding can also be made to the Greater Sudbury Development Corporation, Fednor and the Northern Ontario Heritage Fund Corporation. Given the short timeframe, however, funding will not be confirmed in time for bid process. As such, staff are recommending that Council approve funding that could be used in the event of a shortfall in commitments from other sources.

Discussions are underway to secure arena times and rates, as well as competitive room rates from hotels for this event. See below for a breakdown of resources required for the tournament in each of 2017 and 2018, based on the Request for Proposal package:

Arena Ice Time and Tournament Facilities

- 8-10 indoor arenas from 8 a.m. to 11 p.m. Monday, Tuesday and Wednesday
- 3-4 indoor arenas from 8 a.m. to 10 p.m. on Thursday, including an arena with seating capacity for minimum 2000 spectators
- Complimentary meeting space at arena for the Executive Committee

Estimated Cost: \$78,200 (2017) and \$80,600 (2018)*

**Number based on anticipated rental rates for 2017 & 2018*

Referees, Linesmen, and Time Keepers

- All officiating costs are to be covered by the host committee. This includes all referees, linesmen, and timekeepers.

Estimated Cost: \$20,000

Accommodations

- Complimentary accommodations for the Executive Committee (16 rooms for 6 nights each) and for the Host Committee (30 rooms for 6 nights each)

Estimated Cost: \$35,000

Transportation

- Two vans to be provided to the organizing committee for the duration of the event.

Estimated Van Rental Cost: \$2,000

Other In Kind Services

- Ticket/ Hosting Staff and ticket services (\$3,500)
- Maintenance (\$4,500)
- Security (\$7,000)
- Use of Sudbury Wolves score clock (\$5,500)
- Certain concession rights (\$1,000)
- Concert rentals (\$7,000)

These are special requests that the executive committee has made in the past and are to be anticipated again.

Estimated Cost: \$28,500

*****Please see attached Expenses and Revenue budget charts.***

Event Budget

Responding to public feedback and seeking a more equitable approach, staff have reviewed “lessons learned” from our previous hosting experiences in order to properly assess this bid opportunity for the 2017

and 2018 tournaments. Given the level of financial and in-kind support required for successful hosting, staff have determined that Council approval would be required to move forward.

While Tourism has provided the necessary funding from operational budgets in previous years, this has presented significant financial challenges and placed the department in a deficit position when also faced with providing funding and resources to other locally-developed events and tournaments.

As indicated in the attached chart as "Greater Sudbury Tourism Event Support Fund", based on the Tourism Event Support Criteria, this event would qualify for a contribution of \$30,000 per tournament from the Event Support fund and this amount could be supported within budget parameters for the 2017 and 2018 event, provided that \$20,000 is carried over from 2016 to be made available in 2017.

In addition, Tourism & Culture staff will work with hotel partners to secure additional funding based on a room night rebate, which would generate approximately \$20,000 per year.

These events would also be eligible for support from Fednor, Northern Ontario Heritage Fund and the Greater Sudbury Development Corporation. Staff have had discussions with all of these agencies and a conservative estimate of \$115,000 in potential support from all three sources has been included in the budget table. The commitment sought from Council would be to "backstop" any shortfall in these grant approvals.

Challenges and Implications

Staff from Economic Development and Assets, Citizen & Leisure Services Department reviewed past information including costs, testimonials, approximate economic activity figures, staff time requirements, and other logistics. It was determined that while this event would generate significant impact and enhance our community profile, there are implications that should also be considered:

- Significant financial obligations: These may be seen by some as disproportionate to other hosting opportunities, and not all tourism stakeholders will see direct economic benefits in the short term
- Displacement of arena users: This event has the potential to cause displacement issues with our local hockey and skating groups with the arenas being booked for exclusive use by the Little NHL. Several of these groups have previously expressed their concerns with lack of ice time related to out of town tournaments
- Displacement of Leisure & Business Travel: Science North and Dynamic Earth both realize nearly 10% of their annual visitation during this one-week period each year. Having all hotel rooms sold out for the tournament might reduce attendance and displace business travel as well. There is some concern that two consecutive hosting years might create a longer lasting misconception within the travel market that Greater Sudbury is "not available" for leisure or business travel during March Break
- While this displacement will create a challenge, should the bid proposal prove successful, Tourism staff will work to promote Sudbury in our target markets and through regional and provincial tourism channels. Tourism staff will also work with tourism stakeholders to offer added incentives and benefits in attracting visitors and re-developing this leisure and business market audience as quickly as possible. This event generates a rise in the local tax base and increases the local GDP.
- Significant staff time: Hosting the event involves ongoing staff effort and time to coordinate event logistics, transportation, security, staff admin, etc.) which may take away from other City priorities and hosting opportunities

- Perception of disproportionate City support: this issue has been raised previously when the City's financial support for the Little NHL tournament is compared to other major hockey tournaments. Other large hockey tournaments in Greater Sudbury include the Big Nickel Hockey Tournament, Silver Stick Hockey Tournament and Sudbury District Girls Hockey Association Snowflake Tournament, which each bring in an estimated 1,600 to 2,800 non-local participants and spectators, and which receive between \$2,000 and \$5,000 support from the Tourism Event Support Program

Should the bid proposal prove successful and Greater Sudbury is selected as host, staff will ensure that proper assessment tools are in place for a careful tracking and evaluation of the economic activity that is generated by the Little NHL tournament. Together with event organizers, staff would implement the "Sport Tourism Economic Activity Model" (STEAM) assessment tools available through the Canadian Sport Tourism Alliance (CSTA) in order to better track the impact of the event on the local economy.

Benefits

This event is very popular within First Nation communities in Ontario and annually attracts participants and their relatives to the host community for five days. Some will stay even longer and enjoy some of Greater Sudbury's many attractions before they leave. As stated earlier, with nearly 7,200 total attendees expected to be in the city for this event, the estimated economic impact is over \$6.5 million. These dollars are spent at the hotel, restaurants and retail outlets. Tourism staff will work with local stakeholders to develop improved economic impact studies for events and tracking data from participants through surveys and other means. A thorough final report will be compiled capturing this data for these two events should Greater Sudbury be successful in its bid application.

In addition, an event this size strengthens our event hosting capabilities and reflects well on future bids for other events. It will also continue to strengthen the Greater Sudbury community's relationship with the region's Aboriginal and First Nations communities and allow us to share in their cultural experiences.

Conclusion

Staff recommend moving forward with a bid for the Little NHL Hockey Tournaments planned for 2017 and 2018. While there are noted concerns, it is felt that the economic impact and the enhancement to our community profile outweigh these concerns and a bid should be submitted with the support of Greater Sudbury City Council.

It should be noted that the bid requirements are only a minimum and other communities may enhance their bids with added benefits and complimentary offerings. Should this bid be successful, Tourism and Assets, Citizen & Leisure Services Department staff would work with community partners and tourism stakeholders to enhance the experience for participants and visitors in order to maximize the value of hosting the event.

It is also recognized that by submitting a bid there is no guarantee that Greater Sudbury will host the event; however, once submitted and if successful, the bid proposal becomes the basis for the agreement contract formed between the Little NHL host organizers and the municipality. There are no financial or in-kind costs or penalties to unsuccessful bidders.

Community Services Committee – January 18, 2016

Request for Support – Little NHL Hockey 2017-2018 Tournament Bid Opportunity

Cost	2017	2018	TOTAL
Arena ice time	\$78,200	\$80,600	\$158,800
Referees, linesman, and time keepers	\$20,000	\$20,000	\$40,000
Accommodations	\$35,000	\$35,000	\$70,000
Two vans	\$2,000	\$2,000	\$4,000
Ticket/hosting staff and services	\$3,500	\$3,500	\$7,000
Maintenance	\$4,500	\$4,500	\$9,000
Security	\$7,000	\$7,000	\$14,000
Sudbury Arena score clock	\$5,500	\$5,500	\$11,000
Arena concession rights	\$1,000	\$1,000	\$2,000
Concert rentals	\$7,000	\$7,000	\$14,000
TOTAL	\$163,700	\$166,100	\$329,800

Funding	2017	2018	TOTAL
Greater Sudbury Tourism Event Support Program ⁽¹⁾	\$30,000	\$30,000	\$60,000
GSDC Community Economic Development (CED) funding	\$45,000	\$45,000	\$90,000
Hotel room night rebates (\$3 per room night)	\$20,000	\$20,000	\$40,000
NOHFC Northern Community Capacity Building Program*	\$35,000	\$35,000	\$70,000
FedNor*	\$35,000	\$35,000	\$70,000
TOTAL	\$165,000	\$165,000	\$330,000

*CGS funding From Tax Levy – <i>Required only if provincial and federal funding is not approved</i>	\$70,000	\$70,000	\$140,000
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⁽¹⁾ Includes \$20,000 carry over from 2016 Tourism Event Support budget