



To: Parks, Recreation and Cultural Services
Committee

Date: February 13, 2003

From: Cathy Volkering Carlile
General Manager - Parks, Recreation &
Cultural Services

File:

Re: **Richmond Tall Ships 2005**

Staff Recommendation

That staff be directed to explore the following options, as outlined in the report, for hosting a Richmond Tall Ships 2005 event and report back with its findings to the March 25th meeting of Parks Recreation and Cultural Services Committee.

Cathy Volkering Carlile
General Manager - Parks, Recreation & Cultural Services

Staff Report

Origin

Richmond Tall Ships 2002 was the largest and most successful public event in the City's history. An estimated crowd of 400,000 people took part in the five-day maritime festival, highlighted by the visit to Richmond of more than 20 classic sailing ships from around the world. More than 2,200 volunteers worked together with City Council and staff, along with dozens of community supporters and sponsors to make this festival an outstanding success.

Richmond Tall Ships 2002 generated millions of dollars in economic spin-offs and showcased the City and Steveston community to a worldwide audience. Major waterfront infrastructure improvements and return visits by many festival visitors are among the tangible benefits of the festival. Another important legacy is the built-up capacity of 2,200 trained volunteers, and the community's pride and memory of a fun-filled, unforgettable and historic event.

2005 Tall Ships Pacific Challenge Series

Council earlier approved correspondence with ASTA, which expressed Richmond's interest in exercising its right of first refusal as the designated port for a 2005 Tall Ship event. From preliminary discussions with ASTA Race Director Steve Baker it has been learned that the 2005 Pacific Series will include 8 ports, with 2 of these in British Columbia.

Richmond would potentially be the second stop scheduled for mid to late July 2005. Staff's preliminary review of other regional events, and the Steveston Harbour Authority with respect to DFO fishing opening, indicate that July 17 to 21, 2005, would be an appropriate date for the Steveston port.

ASTA has also spoken to the City of Victoria as a second potential host port of a 2005 Tall Ship event.

This report will deal with various options available for council's consideration as to hosting a successful 2005 Tall Ships event in Richmond, at the port of Steveston.

Analysis

As mentioned earlier, Richmond Tall Ships 2002 was an extremely successful event from a Steveston business and overall tourism perspective. There was also a tremendous generation of community pride in hosting the event. However, the City's cost as outlined in the Consolidated Income and Expense Statement (Attachment 1) was considerable – in the range of \$3 to 3.5 M when the contribution of staff resources was included.

There were many reasons for this financial expenditure, among them the extremely short timelines for planning and coordination of an event of this magnitude. Tall Ships 2002 was a new event and an unknown commodity for sponsors. As well, there was a lack of financial

support from other levels of government, in part due to the fact that grant application deadlines had passed. (It should be noted that \$100,000 was received from Federal government).

The following 5 options would allow Council to assess the various alternatives for the hosting and production of a Tall Ship event in 2005.

Option 1

The City establish a partnership agreement with a non-profit Society to assume responsibility for a significant portion of a Tall Ship event. Society tasks could include responsibility for organization & administration, sponsorships, volunteers, merchandise, marketing & communications, entertainment, vendors, etc.

Option 2

That the City explore the formation of a Steveston Coalition of those interested in hosting the Tall Ships 2005 event including residents, businesses, Steveston Harbour Authority and Tourism Richmond. The Coalition would take responsibility for hosting and producing the event, with assistance from the City for coordination of policing and traffic/transportation.

Option 3

That a Tall Ship 2005 event be hosted and produced entirely by the private sector, at no cost to the City. This would entail an expression of interest from a major sponsor, or coalition of sponsors, who would be willing to take ownership of the Tall Ship event.

Option 4

That the City agree to host the event, but hire a production company experienced in the management of Tall Ship events, to produce it on a fee-for-service contract. Initial investigation suggests this would run in the neighbourhood of \$150,000 to \$200,000 US. Staff involvement would be limited to consultation and advice regarding contacts, etc.

Option 5

If after investigation of the above 4 options, none of the above options prove to be viable, that ASTA be informed that the City of Richmond will not be hosting a 2005 Tall Ship event, and that they pursue other options.

A more detailed example of the type of analysis that is necessary for the various options, or other options not yet determined, is detailed in Attachment 2.

Financial Impact

The City generally does not produce festivals and special events, and therefore, an option that the City both host and produce the event with the exclusive use of City staff and resources, is not listed as an option above.

February 13, 2003

Aside from Tall Ships 2002, in most special events, the City takes a supportive role for the safety of an event by ensuring that traffic control and policing measures are in place, and sets guidelines and gives approval for use of civic venues and infrastructure.

In the case of Tall Ships 2002, this included negotiations with Steveston Harbour Authority for use of the waterfront, the Fraser River Port Authority for marine traffic on the Fraser, including immigration clearance, liability and legal contracts. The City also moved forward with significant infrastructure improvements, and funded a small portion of the dredging that fell outside of federal jurisdiction.

For Richmond Tall Ships 2002, City staff developed the \$2.5 million operating budget and \$400,000 capital budget based upon information from previous Tall Ship events in Kingston and Halifax. In addition to the ASTA agreement, approximately 110 contracts were developed and executed for ship appearances, sponsorships, and concessionaires, merchandising and consulting services. Challenges included less than expected revenue targets from venue sales and sponsorships, resulting in a shortfall of \$447,000.

Conclusion

Primary among the recommendations in all of the post-event reviews was the compelling recommendation to "start planning earlier." With a two-year lead time, and the invaluable experience of having hosted the successful 2002 event, income should be up, and expenses should be down.

As to whether the City should negotiate a contract with ASTA, and remain the official event host with ultimate authority for legal and financial responsibility for a 2005 Tall Ship event, is one which can be assessed with a greater degree of certainty once Council provides direction to proceed with further exploration of the options listed in the report.



Hilda T. Ward
Project Manager
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**RICHMOND TALL SHIPS 2002
CONSOLIDATED INCOME AND EXPENSE STATEMENT**

November 20, 2002

	BUDGET	ACTUAL
INCOME		
<i>Cash</i>		
Event	\$ 982,900	\$ 551,501
Donations	\$ 570,000	\$ 481,690
Friends	\$ 25,000	\$ 30,800
Corporate	\$ 265,000	\$ 238,890
Government	\$ 280,000	\$ 212,000
Sub Total Cash Income	\$ 1,552,900	\$ 1,033,191
<i>Value In Kind</i>		
City	\$ 427,070	\$ 1,623,481
Corporate	\$ 501,500	\$ 1,791,447
Volunteer (Note 1)		\$ 444,787
Sub Total Value In Kind	\$ 928,570	\$ 3,859,715
TOTAL INCOME	\$ 2,481,470	\$ 4,892,906
EXPENSES		
<i>Cash</i>		
Corporate Hospitality	\$ 73,100	\$ 24,451
Finance & Administration	\$ 192,600	\$ 265,069
Landside Venues	\$ 115,000	\$ 276,953
Maritime Festival	\$ 122,400	\$ 202,898
Marketing & Communications	\$ 180,000	\$ 163,181
Security, Safety & Telecomm	\$ 40,500	\$ 74,140
Sponsorship	\$ 94,980	\$ 78,724
Transportation	\$ 39,500	\$ 10,726
Volunteers	\$ 35,500	\$ 68,841
Waterside	\$ 435,000	\$ 340,104
Sub Total Cash Expenses	\$ 1,328,580	\$ 1,505,087
<i>Value In Kind</i>		
City	\$ 427,070	\$ 1,623,481
Corporate	\$ 501,500	\$ 1,791,447
Volunteer (Note 1)		\$ 444,787
Sub Total Value In Kind	\$ 928,570	\$ 3,859,715
TOTAL EXPENSES	\$ 2,257,150	\$ 5,364,802
PROFIT (-,LOSS)	\$ 224,320	-\$ (471,897)

Note 1 Volunteer Time - est. 2112 volunteers @12 hours each @ \$17.55/hour

Analysis of Options for hosting and producing Richmond Tall Ships 2005

This list is not necessarily all-inclusive when, and if, negotiations are undertaken. It is meant as an example of the many complex issues which must be considered in a Tall Ship Event.

Event Tasks	Partnership with non-profit Society	Partnership with Steveston Coalition	Private Sector Operator	Fee-for-service group hired to produce
ASTA Agreement	City to secure and pay fee	Coalition to secure and pay fee	Operator to secure and pay fee	City to secure and pay fee
Ship Recruitment	Society to seek out and negotiate	Coalition to seek out and negotiate	Operator's responsibility	Group to seek out and negotiate
Liaison with SHA and Fraser Port Authority	Society & City	Coalition	Operator to set relationship	Group to negotiate agreement
Funding Grants from Federal and Provincial Sources	Society to apply	Coalition to apply	Operator to apply	Group to make application
Sponsorship	Society Responsibility	Coalition Responsibility	Operator Responsibility	Production company's responsibility
Marketing & Communications, including Website	Use of City website negotiable	Use of City website negotiable	Operator secures and maintains; link to City website	Use City website: Production company updates
Liability, Legal and Contracts	Society & City	Coalition & City	Operator to establish and name the City as third party	Producer to establish and name City as third party
Volunteer Recruitment/ Training/Coordination	Society	Coalition	Up to the operator if needed	Production company

Event Tasks	Partnership with non-profit Society	Partnership with Steveston Coalition	Private Sector Operator	Fee-for-service group hired to produce
Venues (planning, set up of portable facilities & equipment, phones, electrical, staging, fencing, tents, etc)	Society	Coalition	Operator to secure	Production company to secure
Maritime Festival	Scope negotiated in Partnership Agreement	Coalition to determine	Scope negotiated in contract	To manage as outlined in contract
Ticketing	Society to determine	Coalition to determine	Operator to determine	Production company to manage
Administration Office	Society to secure premises	Coalition to secure premises	Operator to secure	City to provide use of office space
Police Services	City to provide policing as an in-lieu contribution	City to provide policing as an in-lieu contribution	City to provide policing as an in-lieu contribution	City to provide Police.
Merchandise	Society to organize	Coalition to organize	Operator to organize	Producer to organize
Hospitality	Society to arrange	Coalition to arrange	Operator to arrange	Producer to organize
Traffic/Transportation/Parking	Society to liaise with City	Coalition to liaise with City	Operator to rent services from City	City to liaise with producer
TOTAL COSTS (Approximate)	Approximate cost \$500,000	Approximate cost \$500,000	No cost to the City; a possible revenue generator. Finding a private sector sponsor could be a challenge.	\$200,000-\$300,000 fee for production company and coverage of any shortfall.