



REPORT TO COUNCIL

**TO:** Richmond City Council  
**FROM:** Councillor Harold Steves, Chair  
Parks, Recreation and Cultural Services  
Committee  
**RE: RICHMOND TALL SHIPS 2005**

**DATE:** February 27, 2003  
**FILE:** 7400-20-TALL1

---

The Parks, Recreation and Cultural Services Committee, at its meeting held on Tuesday, February 25, 2003, considered the attached report, and recommends as follows:

COMMITTEE RECOMMENDATION

*That the City encourage the establishment of a non-profit society that would combine private sector and community interest, to host Tall Ships 2005.*

Councillor Harold Steves, Chair  
Parks, Recreation and Cultural Services Committee

Attach.

VARIANCE

Please note that staff recommended the following:

That staff be directed to explore the following options, as outlined in the report dated February 13, 2003 from the General Manager, Parks, Recreation and Cultural Services, 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.

## 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  
(4160)

**RICHMOND TALL SHIPS 2002  
CONSOLIDATED INCOME AND EXPENSE STATEMENT**

November 20, 2002

|                                | BUDGET              | ACTUAL              |
|--------------------------------|---------------------|---------------------|
| <b>INCOME</b>                  |                     |                     |
| <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          |
| <b>Sub Total Cash Income</b>   | <b>\$ 1,552,900</b> | <b>\$ 1,033,191</b> |
| <i>Value In Kind</i>           |                     |                     |
| City                           | \$ 427,070          | \$ 1,623,481        |
| Corporate                      | \$ 501,500          | \$ 1,791,447        |
| Volunteer (Note 1)             |                     | \$ 444,787          |
| <b>Sub Total Value In Kind</b> | <b>\$ 928,570</b>   | <b>\$ 3,859,715</b> |
| <b>TOTAL INCOME</b>            | <b>\$ 2,481,470</b> | <b>\$ 4,892,906</b> |
| <b>EXPENSES</b>                |                     |                     |
| <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          |
| <b>Sub Total Cash Expenses</b> | <b>\$ 1,328,580</b> | <b>\$ 1,505,087</b> |
| <i>Value In Kind</i>           |                     |                     |
| City                           | \$ 427,070          | \$ 1,623,481        |
| Corporate                      | \$ 501,500          | \$ 1,791,447        |
| Volunteer (Note 1)             |                     | \$ 444,787          |
| <b>Sub Total Value In Kind</b> | <b>\$ 928,570</b>   | <b>\$ 3,859,715</b> |
| <b>TOTAL EXPENSES</b>          | <b>\$ 2,257,150</b> | <b>\$ 5,364,802</b> |
| <b>PROFIT (-LOSS)</b>          | <b>\$ 224,320</b>   | <b>-\$471,897</b>   |

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.

| <b>Event Tasks</b>                                 | <b>Partnership with non-profit Society</b> | <b>Partnership with Steveston Coalition</b> | <b>Private Sector Operator</b>                         | <b>Fee-for-service group hired to produce</b>      |
|--|--|---|--|--|
| 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  |
| <b>TOTAL COSTS</b><br>(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. |