

Staff Report

Origin

In 2004, the City was awarded responsibility for the design & construction of the long track speed skating oval competition venue for the 2010 Olympic & Paralympic Winter Games. The City and VANOC entered into a Venue Agreement which documents the terms of Richmond's involvement in both the delivery of the competition venue and VANOC's access to the facility during the pre-Games and 2010 Games period. One of the various implications of Richmond's involvement in the 2010 Games by way of hosting events in a competition venue is that Richmond became a Venue City and as a result will play a direct role in delivering the 2010 Games in partnership with VANOC, Vancouver, and Whistler. Richmond was also awarded observer status on the VANOC Board of Directors, full membership on the 2010 Olympic & Paralympic Winter Games Partners Senior Management Committee, and a seat on the 2010 Olympic & Paralympic Winter Games Operating Trust Board.

In addition to the Venue Agreement, the City will also enter into a 2010 Games Operating Agreement and other various multi-party agreements covering various aspects of the delivery of the Games event, but particularly which will document the level of involvement and overall extent to which Richmond will serve as a host through the three key periods – the pre-Games lead up, the Games period, the Post-Games period.

An important part of the process through which Council will assess and give direction on the level of the City's involvement in hosting is to understand the need for, the range of possibilities and potential benefits of holding complementary practice events, as well as official and unofficial test events. Accordingly, staff are preparing a Major Events Plan for Council's consideration. This Staff Report – *Preliminary Report - Major Events Strategy* and attachment – which precedes the Major Events Plan Report is intended to assist Council's understanding of the City's overall capacity to vision, plan, and deliver complementary events during the pre-Games lead up and for the main event, and to help Council determine its preference regarding the overall level of Richmond's participation during the main event in February 2010.

Analysis

Due to the long track speed skating oval being the signature competition venue of the 2010 Olympic & Paralympic Games and its location in the heart of the City, Richmond has the opportunity to leverage its responsibility to design & build the oval to facilitate the City playing a prominent role with VANOC, Vancouver, and Whistler in hosting the premier international sporting event of the world – the Olympic Games. The breadth of scope of the hosting role the City will play, will likely influence the level of tourism, economic impact, and the overall community benefit that the City will derive from the 2010 Games. It will also dictate the extent of the role that VANOC will play in managing the event and its impact on our community during both pre-Games test events and during the 2010 Games because it is clear the Games Organizing Committee will have to fill any leadership void and management role it feels the City has not be adequately addressed. In this regard, the City has two options regarding the scope of the role Richmond will play. The options are:

1. Richmond – Official Venue City: The City takes a complementary role and mitigates impacts on the community while having a major influence on the experience of visitors and the impression they will form of the City.
2. Richmond – City in which a competition venue has been situated, but for which the City may choose to not be directly involved in hosting official 2010 pre-Games and Games events: Under this option, the City will have minimal influence over the experience and impressions of visitors, and the impacts on the community. Under this option, VANOC would effectively manage all aspects of the event and the impacts of the Games thereby placing the City in a reactive as opposed to proactive position.

Staff are recommending that Council embrace the City's participation in the 2010 Games on the basis of option 1. Richmond is an official Venue City and as a result, has the opportunity, if not the obligation, to participate fully in the delivery of the Games event. The alternative would have the City adopt a passive role and defer to VANOC to take the lead role on transportation, traffic, and the overall logistics of the Games operations.

The purpose of the Major Events Plan is to provide a vehicle through which Council can ensure that Richmond is properly positioned to take full advantage of the tourism and economic development pre- and post-Games opportunities that the Olympics will generate, and to ensure the City is well prepared to fulfill its role in the delivery of the main event in 2010. The Plan will also help the City to derive maximum benefit from the Games for the community. In order to maximize the potential benefit of having a competition venue of the 2010 Games in Richmond, the City needs to:

- attract spectators and other visitors beyond those who will come to Richmond specifically to attend long track speed skating competitions;
- provide activities that will entice long track speed skating spectators and other visitors to dedicate time to explore Richmond prior to and after live competitions in the Oval;
- promote and preview Richmond to potential 2010 visitors through a series of special community events to be held during the lead up to the Games, ideally commencing coincidental with the official opening of the Oval;
- ensure the community catches the 2010 spirit;
- build community volunteer experience and capacity to support special events;
- kick off and build momentum for the 2010 Games legacy by hosting a series of major events after the close of the 2010 Games that will continue to profile Richmond and bring exposure to the post 2010 Games Legacy Oval;
- ensure Richmond businesses receive the most positive economic impact possible due to the Games coming to Richmond;

- ensure Richmond businesses are positioned to gain full benefit of the Games event being held in Richmond.

The first step in developing the Major Events Plan is to assess our capacity to vision, plan, and deliver major events in future by assessing our performance on past endeavours.

In recent years, the City has hosted a few events including: Nations in Bloom, visits by the Nippon Maru and the Kaiwa Maru, each attracting over 15,000 spectators, the Richmond Tall Ships 2002 which attracted over 400,000 spectators and two consecutive Spirit or Countdown to 2010 Events – one in 2006, and the other recently in February 2007 (combined with the Winter Festival), plus a couple of celebration events in 2000 to mark the opening of the new City Hall. These events have drawn regional, provincial, national and international recognition, and many of these events have been managed on a short time frame using considerable civic resources and requiring strong City leadership.

All of the event planning & hosting opportunities of the City over the past eight years have provided valuable experience, however, the most relevant and comparable in terms of scope and serving the purpose of being a practice event are the Nations in Bloom, visits by Japanese Training Vessels, Richmond Tall Ships 2002, and the recent 2007 Winterfest/Countdown to 2010 event. This observation, which highlights the limited experience the City has in managing major events, and the brief window of opportunity between now and 2010 to practice before the City hosts the world, live and via international television & media coverage, confirmed staff's view that a Major Events Plan is needed. The outcomes of the recent 2010 Countdown events in Richmond, Vancouver, and Surrey helped staff to recognize that success is never a certainty and highlighted the importance of opportunities to rehearse for 2010. Richmond's event attracted 15,000 participants and was extremely successful. Vancouver's, however, which was held in a venue having a spectator capacity of approximately 15,000 to 18,000 is reported to have attracted only approximately 1,000 people. Surrey's event also attracted only a small number of participants from the community. We must ensure that we build on our early success on the 2010 Countdown Event, but at the same time, we must be prepared to examine our performance on events on which we have not achieved a high level of success.

In the final analysis, for the purposes of assessing strengths & weaknesses and learning from past experiences, the Richmond Tall Ships 2002 event is likely the most relevant of our past experiences. There is, however, a common perception that the most significant event the City has hosted, the Richmond Tall Ships 2002 was not a successfully run event, at least financially. Staff also considered the well-documented failings of the more recent 2005 Vancouver Tall Ships event which has likely further damaged the appeal and reputation of this exciting event.

However, recognizing the importance of the Tall Ships 2002 event from the perspective of both our desire to assess our capacity to deliver a major event, and its potential as a complementary feature event during the Countdown to 2010, staff concluded it would be prudent to examine the planning and implementation process. Through doing so, the CAO identified that unconventional accounting methods were utilized to assess the final costs of the 2002 event and concluded that it would be prudent to have a third party review conducted of Tall Ships 2002. David A. Hughes & Associates Ltd, management consultants, were retained (please find Hughes' Richmond Tall Ships 2002 event Review Report attached – *Attachment 1*).

The purpose & objectives of the review were stated as follows:

- provide a second opinion on whether the Tall Ships Festival was a success within the context of the event's/conference/trade-consumer show industry;
- in general terms, what did Richmond do right and what should they now do differently?;
- can Richmond extrapolate what they have learned for future events?;
- was the approach/methodology used to measure the costs & benefits appropriate? If not, provide recommendations on how to change the measurement and reporting.

The Hughes Review findings indicated that:

- many indicators reflect that the Richmond Tall Ships 2002 event was successful; however, concerns arose that it had been more costly than planned;
- the Event met most of its key objectives;
- most significant criticism was not of the Event but that the City did not take advantage of the success that it achieved, particularly in the areas of utilizing the community capacity that was built, and in exploring the tourism benefits;
- the City had too little time to plan the Event, but nonetheless, did a good job attracting sponsors and volunteers;
- the City documented and can reuse much of what was learned from the Tall Ships Event to assist with hosting future events;
- the methodology used to measure costs of the Event was not the appropriate method:
 - Although a new methodology of recording costs was applied to assess costs after the event, the original budget was not adjusted to reflect consideration of the new additional cost factors. This caused the event to be determined to be over budget, when in essence, it was not. Once the value of staff time was added to the costs, the original budget should have been revised to include an allowance for staff time on the expenditure side for consistency.
 - Only direct cash costs plus any incremental costs for staff overtime or new staff who were not on the payroll prior to the event but were brought in because of the event should have been counted in the event costs;
 - There is a need for clarity to distinguish between event costs & civic costs (i.e. portable toilet facilities vs. new infrastructure or time for existing staff);
 - By using the costing methodology with which the Tall Ships Event was costed, the City is in essence double counting costs because the cost of staff time is also counted in the City's operating budget.

- In addition to problems with methodology used to charge staff time and value-in-kind benefits to the event, City and corporate contributions were reported in such a way as to detract from the success of the event. As a result, assets gained by the City, such as infrastructure improvements and services such as dredging that become City assets or provide long-term benefit should not be considered costs of the event. In this case, the event may have been the catalyst or the motivating factor for undertaking these infrastructure improvements, but if ownership of the asset remains with the City, the costs are not event costs. Accordingly, the cost of the new or improved pier and boardwalk would not be real event costs whereas the cost of temporary portable washroom facilities would represent real costs that should be charged to the event.
- the volunteers & staff made a significant contribution to the success of the Richmond Tall Ships 2002 event;
- in future, the City should add resources to help support staff to plan & manage major events.

The Hughes Review concluded that the Richmond Tall Ships 2002 event was more successful than reported, and that the City should take advantage of this experience to support our future efforts.

Having benefit of the Hughes Review, staff offer the following conclusions & recommendations:

1. The City should establish a standard methodology & procedures (utilizing generally accepted practices) for budgeting, measuring & reporting major event & project costs. The conclusion recommendation is addressed in a separate Staff Report from the CAO dated February 23, 2007, and entitled – *Major Projects and Events Cost Reporting*.

Although the City demonstrated good intentions through attempting to be transparent and to bring rigour to the cost analysis of the Tall Ships 2002 event, the reality is that by applying a non-conventional costing methodology exclusively to only one event or project, the City inadvertently overstated costs, and by doing so inaccurately concluded that this event had exceeded approved budget. As a result, the reputation & credibility of both the Event and confidence in the City's ability to deliver special events may have suffered unnecessarily. The City also forfeited the rights to host the ASTA Tall Ships Challenge scheduled for the west coast in 2008.

2. Staff should compile learnings and recommendations from the Richmond Tall Ships 2002 event final report and all other City events including the recent 2010 Countdown event to be included in a Major Events Best Practices Manual that should be utilized as a reference guide for the proposed Major Events Plan.
3. Staff should prepare an implementation plan including a budget & economic impact assessment for inclusion in the Major Events Plan. It is also recommended that:
 - Council authorize staff to explore the feasibility and opportunity to host a Tall Ships event as one of the possible items for inclusion in the Major Events Plan in:

- August/September 2008 to coincide with the opening of the Olympic Oval and British Columbia's 150th birthday; or
 - August 2009 as a 2010 Countdown event to coincide with possible test events in the Olympic Oval; or
 - Summer 2008 and Summer 2011.
4. Staff should prepare a delivery strategy for the role of the City in the planning and management of future major events, examine the cost to establish and operate a civic event and volunteer resource management office and the cost to acquire or lease the necessary infrastructure required to support major events.
 5. Staff should identify and provide recommendations on other signature events that would be best suited to the City of Richmond to ensure long lasting legacy well beyond the Games that would assist the City's efforts to continue to attract visitors, enhance local business and build community capacity.
 6. Staff should open discussions with Tourism Richmond with the goal of clarifying the role that Tourism Richmond will play in the City's overall strategy and investment in leveraging the 2010 Olympic & Paralympic Winter Games to attract tourism and investment to Richmond prior to, during, and beyond 2010.

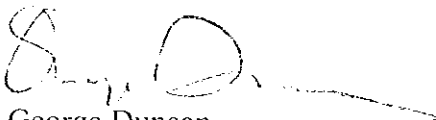
Financial Impact

N/A

Conclusion

The 2010 Olympic & Paralympic Winter Games present a tremendous opportunity for the City of Richmond to showcase the new and improved Richmond that will, amongst the many changes to the City, will have a new Olympic Oval, a new rapid transit line, urban improvements along No. 3 Road, and a new Olympic Plaza on the waterfront.

Community events are one of the critical vehicles through which the City can leverage its involvement in the delivery of the 2010 Games. Staff are encouraging Council to support the development of a Major Events Plan because it is the first prudent step that is needed to ensure success. This Staff Report - *Preliminary Report - Major Events Strategy*— which takes a critical look at our past experiences in the area of major events should serve as an incentive to the City to invest in early planning practice and resourcing in order to ensure success in 2010.



George Duncan
Chief Administrative Officer
(4338)

GD:acs

David A. Hughes & Associates Ltd.

Certified Management Consultants

5211 Ranger Avenue
North Vancouver, BC
Canada V7R 3M5

Phone (604) 987-7101
Fax (604) 987-3884
Email dha@uniserve.com

January 31, 2007

Mr. George Duncan
Chief Administrative Officer
City of Richmond
6911 No. 3 Road
Richmond, BC
V6Y 2C1

Dear George:

Re: Review of the Tall Ships Special Event

The City of Richmond is preparing for the 2010 Olympic and Paralympic Games and senior staff is developing an event strategy to take advantage of the City's investment in the Games and their Olympic Oval. The City previously held a major event, the Tall Ships Festival in August 2002. At the senior administration request, we have undertaken a second review of this event to determine whether it can serve as an effective model for future events that the City may choose to host.

A. Background

The idea of hosting a Tall Ships Festival originated in response to an invitation from the American Sail Training Association (ASTA). The Association was seeking a west coast Canadian port for the 2002 Tall Ships Challenge Race Series. Despite the very short time to investigate the feasibility, to plan and implement a program for the festival, the City decided to accept the project in November 2001. The City then had to prepare and hold the event with less than 8 months preparation time. The events chair, the event manager and staff reported on the success of the event and produced a long list of suggestions and recommendations for hosting/holding another Tall Ships event and for hosting Richmond events in general.

Despite many indicators that the event was successful some concerns arose that the event was significantly more costly than anticipated. Post the event a decision was made to measure the costs of the event in a different way from the approved original budget.

1. Purpose and objectives of this review

Now that considerable time has passed, senior administrative staff would like a second objective review of the 2002 Tall Ships Festival event by an independent party. David A. Hughes & Associates Ltd. (DHA) has been asked to undertake this review in order to specifically meet and address the following objectives and questions:

- ◆ Provide a second opinion on whether the Tall Ships Festival was a success within the context of the event's/conference/trade-consumer show industry.
- ◆ In general terms, what did Richmond do right and what should they now do differently?
- ◆ Can Richmond extrapolate what they have learned for future events?
- ◆ Was the approach/methodology used to measure the costs and benefits appropriate? If not, provide recommendations on how to change the measurement and reporting.

By addressing these questions, Richmond hopes they can use the Tall Ships special event as a guide for future events. This review will be part of City's staff work in developing a "Special Events Strategy and Program".

2. Work undertaken

- a) Reviewed the City's objectives for the festival and how the project was organized.
- b) Reviewed reports from the organizing committee, the Events Manager and staff.
- c) Interviewed the Committee Chairman, six staff liaisons, one Councillor and General Manager of Parks, Recreation and Cultural Services, who were intricately involved with the event and responsible for parts of the festival.
- d) Interviewed representatives from several industry event management companies and officials from Tourism Vancouver and Tourism Richmond.

- e) Revisited the approach and assumptions used to determine if the reporting methodology used should be modified for future events.
- f) Prepared an outline of the main components that should be used in assessing a proposed event.
- g) Prepared a letter report that comments on relative success of the festival from an industry perspective, the appropriateness of the methodology used and what changes should be considered.

3. Scope of the work

This review of the Tall Ships event examined existing information and obtained information from a selected number of people who worked on the event committees. The engagement did not include the preparation of any new analysis of the event nor was any further verification work undertaken. This review and the original analysis did not include any assessment of the event's economic impact.

B. Findings

1. The event met most of its objectives

In the opinion of the organizers and key committee staff the Tall Ships Festival met its objectives. Per the Feb. 2002 Terms of Reference, the events objectives included:

- ◆ Benefit the citizens of Richmond and provide social, economic and cultural benefits to the community -- 400,000 estimated visitors attended the event almost double what was anticipated. Feedback from merchants in the Steveston area was positive and in the opinion of event organizers, the event was very successful in marketing Richmond and creating community pride.
- ◆ Create a partnership of community leaders, volunteers and the City -- the coming together of a hard working team may be one of the event's greatest successes.
- ◆ Develop a sponsorship base -- Although sponsorships were difficult to secure, partially because of the short timeframe, the City was still able to obtain 45 sponsorships: 40 corporate, 3 government and 2 community entities. These sponsorships were valued at \$450,890 cash received and

\$808,046 value in kind. (These amounts exclude Friends of Tall Ships contributions). Sponsors were in general very pleased with the event and, in the opinion of the organizers, it would be easier to raise sponsorships for a repeat event.

- ◆ Provide waterfront infrastructure and civic enhancement -- results included improvements to the waterfront No. 3 Road pier (\$300,000), the Steveston boardwalk (\$100,000) and river channel dredging (\$900,000) for total of \$1,300,000.
- ◆ Being a good host to visitors and the Tall Ship participants (exhibitors) - feedback received from the exhibitors was very favourable.
- ◆ Event will be a financial success -- defined as a small deficit and there will be ongoing tourism and economic benefits.

The most significant criticism received was that the City did not take advantage of the success that it achieved, particularly in the areas of utilizing the community capacity that was built and in exploiting the tourism benefits.

2. High degree of consensus was found from interviews

a) All interviewees felt the event was a success as demonstrated by:

- High attendance and high satisfaction levels, 95% of visitors reported they would come again to a Richmond Tall Ships Festival
- A signature event that won the support/praise of the sponsors, media, Steveston merchants and Tall Ship participants
- Celebrated Steveston's maritime history
- Brought community together and generated a great deal of pride
- All interviewees said they would do the festival again

b) What Richmond did right?

- Staff, volunteers and community leaders came together as a good team

- Kept the event focused on the ships and kept other entertainment and activities in a supporting (not competing) role
 - Attracted a large (2100) volunteer base and learned how to train and coordinate them
 - Operations were, in general, well run and the team made good adjustments during the event
 - Selection of one site was the right decision and infrastructure improvements are a lasting benefit
 - Media and marketing was well done and this helped market Steveston's maritime history and bring visitors back again
 - Significant community pride was generated which help Richmond build on its cultural diversity
 - Event information, recommendations etc. were well documented
- c) **What should Richmond do differently?**
- More time - 18 months ideal so that planning, sponsors, media, and exhibitors/participants and can be arranged
 - Establish selection criteria that identifies goals and objectives that an event should meet before it is selected
 - The City needs to determine its role: sponsor, supporter or host?
 - Need greater commitment from Council - "We took a great event and came up with a consensus that it wasn't."
 - Determine how to measure an event's success, costs and estimate the economic impact of the event
 - The City, business community and Tourism Richmond need to follow up a success - "We dropped the ball."
 - Create an event specific bylaw to enable permitting, insurance purchasing etc. to work more smoothly

There were numerous event specific recommendations given, most of which have been reported in previous staff reports.

d) Richmond staff can reuse what they learned from the Tall Ships event

- Need to build a team of people experienced in putting on events - nearly all of the key staff and industry assistants still available
- Build on experience gained, industry contacts and volunteer base
- Built a good reputation with sponsors, media and participants. Should make it easier to garner support for a repeat event, but will have to counter the negative image of the poor 2005 Tall ships event in Vancouver
- Staff teamwork achieved will help the City prepare for any big event or emergency. - "Helped us win the Oval."

e) What is the appropriate way to measure and report costs and benefits?

- All interviewees agreed that direct cash costs plus any incremental staff costs should be the relevant costs for measuring the event cost.
- All Tall Ship event staff and industry persons involved with the event reported that despite the long hours minimal extra staff costs were incurred because of the event. Overtime was generally not paid, extra staff was not hired and regular municipal services were not delayed.
- We need better clarity as to what are event costs and what are civic costs (example costs for infrastructure, public art, systems upgrading etc.).
- Benefits from events include economic, tourism, ongoing and repeat business for merchants, community pride which helps build tolerance for Richmond's cultural diversity.

- Measure benefits by surveys with visitors and business community, conduct follow-up interviews with sponsors and participants, and analyze the media coverage.
- Event industry representative advise that you establish your selection and success criteria first, then measure the results against the criteria. These criteria may include indicators that are not short-term profit measures.
- Measure visitor, room night and other relevant numbers, but also measure attitude and how well civic objectives are met.

3. Event costs should include any incremental cash costs

In our opinion costs assigned to a special undertaking such as the Tall Ships event should include all cash outlays and indirect costs that are incurred over and above what the City is already incurring in the normal carrying out of its services and duties. From a short-term perspective, (which is an appropriate timeframe for a special event like the Tall Ships), the staff salaries are already an expense of the general City budget. If staff costs are charged to special events without a corresponding deduction from the general budget, there would be effectively double accounting. The staff costs that should be a direct expense of the event are:

- ◆ overtime paid or to be paid that is attributed to the event
- ◆ cash disbursements for any additional staff hired to work on the event
- ◆ costs incurred that the event caused because of delays in the normal delivery of City services.

From our discussions with the event staff, we found that all staff believed these amounts were minimal. In discussion with the staff person responsible for the finance and administration, it was concluded that perhaps an additional two persons could be considered incremental for an estimated incremental staff cost of \$100,000. This estimate is much less than the total staff cost of \$796,350 used in the "Value in Kind" estimate in Schedule 3 of the Financials - Tall Ships Festival 2002 report dated November 20, 2002.

Part of the confusion about the financial success of the event occurred because of the way the methodology used to report the final events costs was changed from the reporting format for the original approved budget. The final reporting format added in further "Value in Kind" City and Corporate amounts of \$1,196,350 and

\$1,606,537 respectively. These amounts were added in to both the revenue and expense calculations so the net effect was zero. The City in kind additions included \$796,350 for staff costs and \$400,000 for infrastructure improvements at Steveston. The Corporate addition included federal dredging, volunteer time and other administrative-overhead items.

In our opinion, it is important to keep track of the staff and volunteer time as well as infrastructure and other improvements in order to estimate the overall value of the event as opposed to the event's cost. The General Manager of Parks, Recreation and Cultural Services Financial Report dated November 20, 2002 excluded these value in kind items. Using the recorded cash and value in kind numbers reported, the cost of the event can be summarized as:

Cash income	\$1,033,191
Cash expenses	<u>1,505,087</u>
Deficit	<u>\$ 471,896</u>

If the extra incremental staff estimate is correct, one could argue that the deficit should be increased by \$100,000 to \$571,896.

In the longer term, it is reasonable to assume that staff cannot continue to be the lead player on major events unless additional staff and resources are added. Without this investment, staff burnout will occur and this will lead to extra cash costs.

C. Implications

The 2002 Tall Ships event was planned and held with a very short time frame. Despite this disadvantage the event came off very well. From the City staff point of view, valuable experience was gained and strong sense of teamwork was achieved. All staff that was interviewed had little or no hesitation in wanting to hold a similar event again. A great deal of goodwill was created with the participants/exhibitors, sponsors, local merchants and the community at large. The number of attendees exceeded expectations and media coverage was largely favourable and extended much further afield than expected. A good database of volunteers and industry contacts was assembled and event proceedings and recommendations were well documented.

Richmond has an opportunity to build on this experience. Even though the City and the business community did not take advantage of the event's success to build a legacy, a

number of the ingredients and in particular the nucleus of experienced people is still available to the City and the community.

The City is making a substantial investment in rebuilding its recreation, sport and tourism infrastructure and reputation. The City's decision to become an Olympic and Paralympic venue and to build the Oval and surrounding waterfront redevelopment has most significant implications for the need to create and implement a major events strategy.

D. Recommendations

Given the City's decision to build the Oval and the knowledge and experience base created by the Tall Ships and other community events, the following recommendations are provided:

1. The City should approve, design and implement a major events strategy.
 - ◆ to take advantage of the Olympic and Paralympic Games
 - ◆ to optimize use of the Oval, other City assets and attractions
 - ◆ to maximize the economic impact of the Games, the Oval and the marketing exposure

If such a strategy is adopted, Richmond will need to build a special events team with funded resources. This team or capacity could be a combination of City, community and private resources.

2. Richmond should continue to work in partnership with the community.

The City should work to support private and community groups to plan and hold major events. The City should provide planning expertise, direction and services to aid the operation of an event. In some select cases, the City may take the lead to promote or own the event.

3. The cost of an event should use cash costs. These costs should include any incremental costs such as extra cash staff costs incurred to hold the event. Direct event costs should be differentiated from City improvement costs and investments that may be undertaken because a decision has been made to hold an event.

4. Value in kind revenues and expenses should be measured to estimate the value of events. In general, City services and staff should be viewed as a resource rather than a cost.
5. Reporting on major events should include an analysis of the direct and ongoing benefits. An economic impact analysis should be undertaken for major events that include the preparation of visitor, sponsor, participant/exhibitor, and business expenditure surveys. Further, the extent of media dollars and coverage as well as the ongoing community marketing and tourism development/promotion should be measured.
6. Communication for special events should include the benefits as well as the costs.

E. Conclusion

2002 Tall Ships event was more successful than collectively realized. In our opinion the events trade representatives interviewed would agree. The most significant criticism is that the City and community did not follow up and take advantage of the event. A good deal of capacity building has occurred in terms of experience gained, contacts made, volunteer base created and community marketing. Richmond can still take advantage of what it has learned and accomplished.

Yours very truly,

David A. Hughes & Associates Ltd.

David A. Hughes & Associates Ltd.
177 Lombard Street, Suite 200
Richmond, BC V6V 1L1

David A. Hughes

President

DAH/ah