



To: Richmond City Council **Date:** October 10th, 2003
From: Mayor Malcolm D. Brodie **File:** 0100-20TALL1
Chair, General Purposes Committee
Re: **2005 RICHMOND TALL SHIPS AND 2005 TALL SHIP CHALLENGE[®]**

The General Purposes Committee, at its meeting held on Monday, October 6th, 2003, considered the attached report, and recommends as follows:

Committee Recommendation

That:

- (1) City Council assign the first rights of refusal to host the 2005 TALL SHIP CHALLENGE[®] to the Richmond Tall Ships Festival Society (RTSFS), and*
- (2) the American Sail Training Association (ASTA) and the Richmond Tall Ships Festival Society be advised accordingly.*

Mayor Malcolm D. Brodie, Chair
General Purposes Committee

Attach.

VARIANCE

Please note that staff recommended the following for Part (1):

- (1) City Council release the first rights of refusal to host the 2005 TALL SHIP CHALLENGE[®] to the Richmond Tall Ships Festival Society (RTSFS), and

Staff Report

Origin

In June 2003, Richmond City Council funded a maximum contribution of \$25,000 to the Tall Ships 2005 Steering Committee for the purpose of completing a business plan and sponsorship/fundraising plan for a tall ships festival to be held in 2005.

The Richmond Tall Ship Festival Society has requested that the City release its obligation to the American Sail Training Association to them so they may commence financial discussions on the 2005 event.

Findings of Fact

On November 12, 2003, Richmond City Council approved a recommendation that staff prepare a letter of intent to the American Sail Training Association indicating the City's interest in hosting the 2005 TALL SHIP CHALLENGE® (Attachment A).

The City of Richmond has the first rights of refusal. The letter specifically stated that the City wanted to exercise our right as outlined in the 2002 ASTA Port Organizer Contract and requested that all dealings with Richmond as a host city be managed through the City.

On March 10, 2003, City Council adopted a resolution to encourage the establishment of a non-profit society that would combine private and community interests to host Tall Ships 2005. This group came back to Council advising that they would like to complete a business plan to determine the feasibility of hosting a 2005 Tall Ships Festival. The City contributed \$25,000 towards the development of a business and fundraising plan.

The Richmond Tall Ship Festival Society needs access to the American Sail Training Association in order to commence discussions with ASTA to fully outline the revenue and expense opportunities for 2005. Currently the American Sail Training Association cannot discuss 2005 with this organization, as per the City's current direction.

During the summer, the Richmond Tall Ship Festival Society, a non-profit organization, was purposely created to host future Tall Ship events in Richmond.

Analysis

The City has not yet determined whether they will host 2005 or what role the City will play in the 2005 TALL SHIP CHALLENGE®. City Council is expecting to be presented with the business plan prior to making a timely decision on 2005.

The Richmond Tall Ship Festival Society needs to discuss the event and the financial expectations with the American Sail Training Association in order to get a complete financial picture of the event.

The City has two options:

1. Retain the first rights of refusal to the Richmond Tall Ship Festival Society.
2. Release the first rights of refusal to the Richmond Tall Ship Festival Society.

Option	Impacts	Benefits
Retain the first rights of refusal to the Richmond Tall Ship Festival Society.	<ul style="list-style-type: none"> • RTSFS will have an incomplete business plan. • Creeping obligation on the City to host and produce the event. • Poor investment in business plans exercise. • Lost trust between City and RTSFS. • RTSFS cannot negotiate port organizer agreement with ASTA. 	<ul style="list-style-type: none"> • City retains option to host event.
Release the first rights of refusal to the Richmond Tall Ship Festival Society.	<ul style="list-style-type: none"> • City cannot negotiate port organizer agreement with ASTA. • City releases sole option to host event. 	<ul style="list-style-type: none"> • Complete business plan. • RTSFS negotiates port organizer agreement. • Trust between City and RTSFS. • City not port organizer of the event.

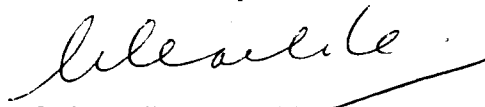
Financial Impact

Releasing the first rights of refusal enables the Richmond Tall Ship Festival Society to fully negotiate the financial aspects of the agreement with ASTA. This information will complete the business plan. There will be no further staff time tied up in completing the negotiations or reviewing the contract for a 2005 TALL SHIP CHALLENGE®.

Conclusion

The City has not declared its intention to support or host the 2005 TALL SHIP CHALLENGE® and the newly formed Richmond Tall Ship Festival Society has indicated their interest in producing the event.

The City and the Richmond Tall Ship Festival Society have invested considerable dollars and time in the development of a comprehensive business plan. Releasing the first rights of refusal to the Richmond Tall Ship Festival Society would enable the Society to fully outline the expenses and revenues related to a successful tall ships event.



Cathy Volkering Carlile
 General Manager - Parks, Recreation & Cultural Services
 (4068)

CVC:cvc

Att.1



City of Richmond

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Telephone (604) 276-4000
www.city.richmond.bc.ca

ATTACHMENT 1

November 14, 2002

American Sail Training Association
PO Box 1459
Newport, Rhode Island
USA 02840

Attention: Peter Mello, Executive Director

Dear Peter:

Re: 2005 TALL SHIP CHALLENGE® Series Letter of Intent

Please accept this letter from the City of Richmond, British Columbia, Canada as our letter of intent to be the Canadian host city for 2005 Pacific TALL SHIP CHALLENGE® series.

In our 2002 contract with your organization, clause 5D stated “ ASTA hereby grants to the port organizer the right of first refusal for the next TALL SHIP CHALLENGE® race series to be held on the West Coast of Canada”.

The City of Richmond by resolution of Council #R02/20-16 resolved to provide ASTA with a letter of intent indicating the City’s interest in hosting the 2005 TALL SHIP CHALLENGE®.

Our experience this past summer was remarkable. With our army of staff and volunteers, we successfully hosted a spectacular Tall Ships Challenge and Festival event. The feature attraction of the 5-day festival, the majestic sailing vessels from all over the world, proved to be the magnet that drew over 400,000 people to the five-day maritime festival.

The presence of the magnificent Tall Ships, the “Celebration of Sail” included a colourful Maritime Festival with rousing entertainment and many special events, all nestled in our historic Steveston Village.

We could not have been successful without the hard work and commitment of ASTA and our other partners on the project.


RICHMOND
Island City, by Nature

There are many things to consider in future hosting of a tall ships event including establishing the financial framework, organizational structure and event operations. We have not fully evaluated our 2002 project and have not as yet considered the ramifications of hosting in 2005 and the requirements of such a commitment.

However, we want to be considered and want to exercise our right as outlined in the contract with your organization. Thank you for providing us the opportunity to declare our intention and we look forward to the process ahead that will lead to a successful 2005 event series.

I would request that all dealings with Richmond as a host city be managed through the City. We have not as yet established a coordinating committee to deal with future events. The contact is Cathy Volkering Carlile, General Manager of Parks Recreation and Cultural Services. Please call Cathy at (604) 276-4068.

Best wishes for a successful 2003 series in the Great Lakes.

Yours truly,

Malcolm D. Brodie
Mayor

pc: Richmond City Council
TAG