



General Purposes Committee

Date: Thursday, October 9th, 2003

Place: Anderson Room
Richmond City Hall

Present: Mayor Malcolm D. Brodie, Chair
Councillor Linda Barnes
Councillor Derek Dang
Councillor Rob Howard
Councillor Kiichi Kumagai
Councillor Bill McNulty
Councillor Harold Steves

Absent: Councillor Evelina Halsey-Brandt
Councillor Sue Halsey-Brandt

Call to Order: The Chair called the meeting to order at 4:00 p.m.

1. **RICHMOND TALL SHIPS CHALLENGE[®] - RICHMOND TALL SHIPS FESTIVAL SOCIETY - BUSINESS PLAN**
(Report: Oct. 3/03, File No.: 0100-20-TALL1)

Ms. Janice Podmore, Acting Chair, Richmond Tall Ships Society, stated that today's meeting provided an opportunity to answer questions, review details and respond to concerns about certain aspects of the proposal. She noted that these concerns included (i) the identification in the report of a cash contribution from the City; (ii) liability of the City for any debt incurred as a result of the 2005 event; and (iii) the proposal to increase revenue through gate admissions.

Ms. Podmore then spoke about the success of tall ships events in other cities both nationally and internationally and about the many business opportunities which resulted from these events. She stated that the Society understood that it would be easier for the City to say 'no' to hosting the event in 2005, or if approval was given for the event, that the City did not want to risk losing any money. She added however, that in saying 'no' the City would lose any opportunity for growth and development.

General Purposes Committee

Thursday, October 9th, 2003

Ms. Podmore advised that the Society was of the view that the Tall Ships event could provide an opportunity to (i) protect other investments, such as the Steveston Tram; (ii) bring in 'new' dollars from other federal agencies; and (iii) continue to build the City's volunteer base as it was felt that many more volunteers would be needed for the 2005 event. She added that by hosting the event, the City would receive \$3 Million in investments which would go directly into promoting Richmond.

Ms. Podmore then reviewed the Society's six requests with the Committee. With reference to No. 6, "*The City of Richmond assume the responsibility for any debt incurred by the Richmond Tall Ships Challenge[®] 2005*", she advised that the Society had had many discussions on this matter. She further advised that as the Society began reviewing the impact of recent events, the Society came to the conclusion that it was a huge risk to ask individuals to continue on their own for something which they received no benefit.

Ms. Podmore then introduced Bryan Johnstone, a member of the Society, David James, of Panther Management, and Ms. Pam Brain, of Brain Communications, who were also present to respond to questions.

Considerable discussion then ensued among Committee members, the delegation and staff on the proposed business plan, and in particular, on:

- o whether the City, and ultimately the taxpayer, should be responsible for any loss incurred by the Society as a result of the 2005 Tall Ships event, especially when the City would not have any control over the event
- o the proposal to implement gate admissions and whether this admission fee would allow access to the tall ships; other revenue generating options
- o the volunteer base and recruitment
- o whether dredging would be required, and the availability of funding for this cost, if dredging was required
- o the plans, if any, which the Society had for a surplus of revenue, if a surplus should occur
- o the availability of funding from the Provincial and Federal Governments
- o revenue projections and whether these projections were realistic
- o the projected revenue targets for Tall Ships 2005 with respect to cash and 'in-kind'
- o how the City could have more of a voice in terms of planning the event itself as a way minimizing the financial risk
- o whether any guarantees could be obtained from ASTA that the ships be invited to participate in the 2005 event would actually put in an appearance

General Purposes Committee

Thursday, October 9th, 2003

- o sponsors for the 2005 event and whether the sponsors of the 2002 event would sponsor the upcoming event
- o whether it was intended that a tall ships event would take place every three years in Richmond.

Mr. Bob Ransford stated that the Society members should be commended for their time and effort in putting the proposal together and for their work on the business plan now being considered. He further stated that it was now the Committee's task to 'give due diligence' to the current proposal. Mr. Ransford then outlined a series of eight questions which he felt required answers before Council made a decision on whether to proceed with the 2005 event.

These questions dealt with such issues as (i) what were the differences in the City's in-kind contributions between the 2002 and 2005 events; (ii) the amount of contributions received from the Federal Government and whether the projections for 2005 were realistic; (iii) the lessons learned from the 2002 event and whether these lessons were reflected in the 2005 business plan; (iv) the need for a 'sensitivity' analysis and how these issues were affected by the assumptions being made; (v) whether the Tall Ships event could be integrated with other City events; and (vi) whether the City supported the Society's proposal that the event take place every three years and whether this proposal fit within the City's financial plan.

Discussion then ensued among Committee members and the delegation on how the City's in-kind contributions could be controlled; whether the City should forego the separate ASTA event in support of a combined event with the Steveston Salmon Festival; the involvement of Richmond taxpayers and whether this event was a good expenditure of money.

Mr. Brian Plato, of 6260 Riverdale Drive, and a member of the American Sail Training Association (ASTA), spoke in favour of the proposed 2005 Tall Ships event as it provided a much needed forum for youth education with respect to sailing ships. He expressed concern with the suggestion made earlier that ASTA be eliminated from the proposal, and asked that the City find a way to address some of the problems which had been raised and continue to support this form of youth education.

Mr. Plato also spoke in favour of charging admission to Garry Point Park as he felt the interest in tall ships was great enough to support the fee.

Following the conclusion of the delegations, discussion continued with Janice Podmore who responded to some of the questions raised by each of the delegations. Advice was given with reference to the Steveston Salmon Festival, that in 2005 at the time of the Salmon Festival (July 1st), the ships would be in Tacoma, Washington and therefore unavailable. She added that the Tall Ships Challenge was an event which reached far beyond the community and could not be tied to only Richmond events.

General Purposes Committee

Thursday, October 9th, 2003

Reference was again made to the proposal that the City assume the responsibility for any debt incurred by the Richmond Tall Ships Challenge® 2005 event, and questions were raised about whether the City would have any control over the event. Discussion ensued among Committee members and Ms. Podmore about whether the Board of Directors should be held liable for any debt when the event was an event which benefited the entire City.

Also addressed during the discussion was how the City could be part of the decision making process to minimize the City's risk; the timing of the completion of negotiations with ASTA for the 2005 event; the projected figures given for such matters as revenue and in-kind contributions by the City and whether these figures were realistic. During the discussion, Ms. Podmore asked that she be given the opportunity to address the matter further with Board members before making any recommendations to the Committee.

As a result of the discussion, the following **referral** motion was introduced:

It was moved and seconded

That the "Business Plan – Richmond Tall Ships Challenge® 2005" be referred to staff for discussion with the Richmond Tall Ships Festival Society as to whether the Society Could produce an event based on a total City contribution of \$250,000 in identified, defined and controlled in-kind contributions, without cash or further liability.

The question on the motion was not called, as the following **amendment** was introduced:

It was moved and seconded

That the main motion be amended by adding the following, "and that staff examine how they see the event occurring three, six and nine years after the 2005 event".

CARRIED

OPPOSED: Cllr. Kumagai

The question on the main motion, as amended, was then called, and it was **CARRIED** with Cllrs. Kumagai and Steves opposed.

ADJOURNMENT

It was moved and seconded

That the meeting adjourn (6:01 p.m.).

CARRIED

General Purposes Committee

Thursday, October 9th, 2003

Certified a true and correct copy of the Minutes of the meeting of the General Purposes Committee of the Council of the City of Richmond held on Thursday, October 9th, 2003.

Mayor Malcolm D. Brodie
Chair

Fran J. Ashton
Executive Assistant, City Clerk's Office