

Deputy City Manager's Office Report to
Intergovernmental Affairs Committee
2019 December 13

ISC: UNRESTRICTED
IGA2019-1558

Bid for the 2024 FCM Annual Conference and Trade Show

EXECUTIVE SUMMARY

Each year, in early June, the Federation of Canadian Municipalities (FCM) holds its Annual Conference and Trade Show (the Conference) which brings approximately 2,000 delegates, federal political leaders, and considerable economic benefit to the host municipality. Upon receipt of a Request for Proposals to host the 2023 or 2024 Annual Conference and Trade Show, Intergovernmental & Corporate Strategy engaged colleagues in Administration and our civic partners at Tourism Calgary, as well as Council's designated member of the FCM Board of Directors (Councillor Keating). These stakeholders suggest and recommend that the Intergovernmental Affairs (IGA) Committee recommend that Council endorse a bid for the 2024 event. Council endorsement is required to signal both enthusiasm for the event as well as to accept responsibility for several expenses related to the Conference, although many of these can be offset by corporate sponsorships or grants. Based on the experience of past host cities, we expect the commitment from The City of Calgary to be in the range of \$310,000 to \$668,000 dependent on the amount of corporate and other sponsorships (see "Current and Future Operating Budget"). The anticipated economic impact within Calgary is approximately \$6M.

Because the deadline for the submission of a formal bid, including Council endorsement, is 2020 January 3, we are recommending that this item be forwarded to the 2019 December 16 Combined Council Meeting as an item of urgent business.

ADMINISTRATION RECOMMENDATIONS:

Review By: 2024 December 31 (Attachments 2 and 3)

That the Intergovernmental Affairs Committee recommends that Council:

1. Support the submission of a bid to host the 2024 Federation of Canadian Municipalities Annual Conference and Trade Show;
2. Direct that this item be forwarded to the 2019 December 16 Combined Council Meeting as a matter of urgent business to meet the 2020 January 3 deadline for submission of the bid; and
3. Direct that Attachments 2 and 3 remain confidential pursuant to Section 16 (Disclosure harmful to business interests of a third party) of the *Freedom of Information and Protection of Privacy Act*.

RECOMMENDATION OF THE INTERGOVERNMENTAL AFFAIRS COMMITTEE, 2019 DECEMBER 13:

That Council adopt the Committee Recommendations contained in Report IGA2019-1558.

PREVIOUS COUNCIL DIRECTION / POLICY

There is no existing Council direction or policy related to this file, although The City is a member in good standing of the FCM.

The City of Calgary bid to host the Conference in 2012 for the 2018 Conference. That bid was lost to Halifax Regional Municipality. The last time The City hosted the Conference was in 2007.

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BACKGROUND

Each year in early June, FCM holds its Annual Conference and Trade Show, described as the premier event for municipal government in Canada. The event attracts approximately 2,000 delegates, 500 companions, over 600 Trade Show exhibitor staff, the most senior federal government elected officials, and opinion makers from across Canada. The event provides the opportunity for municipal leaders to learn from colleagues and experts, share their own knowledge and experiences and participate in local tours that showcase innovation and successes in responding to local challenges that are applicable across Canada.

The next three Annual Conferences will take place in Toronto (2020), Montreal (2021) and Regina (2022), and FCM recently released a Request for Proposals RFP for the 2023 and 2024 Annual conferences. The RFP (Attachment 1) outlines that FCM maintains overall responsibility for the organization of the Conference, the host city and/or its partners, is responsible for the organization and cost of some meals, social events, study tours and a companions' program. The host city is also responsible for implementing organizational structures to support the event, including the designation of a "Host City Coordinator" to liaise with FCM in conference planning. These costs to the host city can be offset by a combination of sponsorships, government grants or contributions, a share of conference registration payments, or other sources of revenue. A survey of past hosts suggests that the net costs to host cities has ranged from \$147,000 to \$540,000 (see confidential Attachment 2).

The deadline for bids to host the 2023 or 2024 FCM Annual Conference and Trade Show is 2020 January 3. Any application must be accompanied by a resolution of the council offering to host the event. A final decision will be made by the FCM Board of Directors at their 2020 March Board Meeting.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Intergovernmental & Corporate Strategy, in consultation with colleagues across The City of Calgary, our civic partners, and with Tourism Calgary in particular, is recommending that Council endorse a bid for the 2024 FCM Annual Conference. Based on the requirements in the RFP, it was determined that the Calgary Telus Convention Centre is the ideal location for the Conference in Calgary. While the Convention Centre is not available at the time of the 2023 Conference, Tourism Calgary has confirmed the availability of not only the Convention Centre, but sufficient accommodation and meeting space in adjacent hotels.

Although there is an anticipated cost to The City of Calgary (see "Current and Future Operating Budget" below), the benefits may include:

- efforts to minimize costs and generate corporate and government sponsorship;
- an opportunity to build stronger relationships with FCM, and important advocacy partners;
- the opportunity to showcase Calgary to federal, provincial and municipal leaders from across Canada; and
- the considerable economic activity 2,000 visitors will bring to the local economy (see also "Social, Environmental, Economic (External)," below).

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Stakeholder Engagement, Research and Communication

The City of Calgary has been working closely with Tourism Calgary, including Meetings and Conventions Calgary, to explore the case for a bid. Tourism Calgary has, in turn, been working closely with the Calgary Telus Convention Centre and hotel partners to confirm availability and will be leading the development of the bid materials, should Council approve this project.

ICS has also been in consultation with colleagues in the cities of Montreal and Toronto who are hosting the next two FCM Conferences to better understand the staff commitments required.

ICS and Tourism Calgary have also been in contact with FCM regarding the logistics, and to test feasibility. FCM, at both the staff and leadership levels, have expressed their excitement about the prospect of a City of Calgary bid, and have been positive about its prospects.

Strategic Alignment

A bid to host the FCM Annual Conference aligns with Council Direction, including One Calgary Council Directives to help grow the travel and tourism industry (P2) and enhance our partnerships with other orders of government (P4, P5).

Social, Environmental, Economic (External)

While there is expected to be some cost to The City of Calgary, hosting the FCM Annual Conference and Trade Show can be expected to deliver considerable economic benefit to the local community. For instance, based on the "Event Impact Calculator" created by Destinations International and Tourism Economics, Tourism Calgary estimates that the anticipated economic impact within Calgary throughout the duration of this Conference would be \$6,077,472. This is inclusive of direct, indirect and induced spend related to visitors, meeting planners, exhibitors, business to business supply chain purchases and income spent in the local economy. Estimated tax generation throughout the federal, provincial and local levels would be close to \$770,000. This will have impact across key industries in Calgary such as transportation, retail, recreation/leisure activities, accommodations, food and beverage suppliers and business services.

From an environmental impact perspective, because one of the goals of FCM is to deliver a sustainable event, a host city is required to demonstrate how it will reduce the waste and carbon footprint generated by the Conference and Trade Show in a number of ways including providing sustainable transportation options, sourcing local foods, and partnering with local community organizations to repurpose conference materials. The downtown location, on multiple transit corridors, walkable to accommodation and retail/restaurant contributes to this goal. Also supports goals of the Downtown Strategy and Calgary's Comeback.

Financial Capacity

Current and Future Operating Budget:

As noted above, a successful host municipality will be responsible for several costs related to the Conference (see attached RFP for more details). Based on those requirements, information from the past bid to host the 2018 Conference, as well as the actual costs incurred by actual host cities from 2011-2019, The City and Tourism Calgary have compiled the cost estimates at

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Attachment 3. Although Administration recommends that this attachment be treated as confidential because the public release of some of the information may be considered harmful to the economic interests of third parties, at base, the document provides a low-cost (\$311,000), medium-cost (\$489,000) and high-cost (\$668,000) scenario for The City of Calgary.

It should be noted that the differences are not based on different levels of expenditure, but rather different levels of contribution from corporate sponsors, government and other third parties. The low-cost scenario, for instance, assumes the ability to secure high-levels of support from both corporate sponsors and government partners, while the high-cost scenario assumes that this support will not materialize. The medium-cost scenario lies in between.

While staff time at Tourism Calgary will be absorbed by existing operating budgets, it should be noted that estimates also do not capture staff time required by Administration, including ICS, the Office of Protocol and the Office of Partnerships, as well as other business units that might be asked to support different items such as study tours. While it is expected that much of this work can be absorbed by existing budgets, based on the experience in other cities, there is the possibility that 1 – 1.5 additional FTEs may be required depending on other operational requirements in the time leading to the 2024 Conference. If approved we would shift priorities to absorb cost and/or factor into the next budget cycle.

Current and Future Capital Budget:

No impact to either the current or future capital budget has been identified.

Risk Assessment

There is a known expectation that The City contribute financially to the cost of hosting the FCM Conference. However, if the ability to secure the support of corporate sponsorships or other contributions is limited, there is a risk that The City's contribution will be at or near the "high-end" scenario outlined above. This risk may be particularly acute in the current economic climate, when corporate partners and the provincial government are limiting their contributions. To mitigate this risk, The City will work closely with civic partners such as Tourism Calgary and Calgary Economic Development who have strong connections with Calgary's business community to identify appropriate sponsors. ICS and Tourism Calgary will also work with colleagues in the provincial government to identify potential sources of provincial support.

REASON(S) FOR RECOMMENDATION(S):

Administration is recommending that the IGA Committee recommend that Council endorse a bid for the 2024 FCM Annual Conference and Trade Show because of the opportunity to forge stronger ties with an important advocacy partners in FCM, the chance to showcase our City to government leaders from across the country, and the economic benefits that 2,000 delegates will bring the community. We are also recommending that this be forwarded to the 2019 December 16 Combined Council Meeting as a matter of urgent business to meet the January 3 deadline for submission of a bid, and that Attachments 2 and 3 be held confidential pursuant to section 16 (harmful to economic interests of third parties) of the Freedom of Information and Protection of Privacy Act.

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ATTACHMENT(S)

1. FCM Request for Proposals
2. Confidential: Host City Revenues and Expenses (2011-19)
3. Confidential: Cost Estimates to Host 2024 FCM Annual Conference