

Department of Tourism and Culture

Signature Event Investment Policy

Approved May 2010

1. Background

Major tourism and cultural initiatives can be an effective way to generate economic activity and/or enhance the social and cultural fabric of Prince Edward Island.

In the past, Prince Edward Island has played host to a number of major activities and events, including but not limited to:

- Sports - The Scott Tournament of Hearts, The Export "A" Skins Game, Big Break Prince Edward Island and the World Junior A Challenge
- Music and Dance - The ECMA's, Aerosmith, the Beach Boys and Riverdance
- Entertainment - Cavendish Beach Music Festival, Summerside Airshow and Festival of Lights

2. Goal and Objectives

The goal of this Policy is for Prince Edward Island to continue to host major tourism and/or cultural initiatives through well organized, financially successful events that provide attendees with a first-class, memorable experience.

The primary objective is to ensure that the Province and the Island's tourism and cultural sectors, receive maximum benefit from the investment of public funds in any major tourism and/or cultural initiative.

A second objective is to ensure consistency and fairness for all proposals brought forward.

3. Responsibility

Investment in Signature Events is the responsibility of the Department of Tourism and Culture (the Department).

4. Signature Event - Defined

For this Policy, a Signature Event may include significant tourism and/or cultural initiatives such as a festival, cultural production, tournament and/or a tourism activity.

A Signature Event is defined, but not be limited to, its ability to generate substantial direct impacts on the provincial economy, attract a high ratio of off-Island visitation, create wide market exposure, have significant cultural or social benefits or have significant benefits for rural development in Prince Edward Island.

The success of a Signature Event will occur based on, among other things, the reputation or “draw” of the talent or entertainment, the magnitude of the cultural or social activity, the venue and the “complete package” of the initiative.

5. To Qualify

To qualify for provincial investment under this Policy, initiatives must:

- Generate visitation in excess of 10,000 person days (allowing for single or multi-day events) with 40% allocated to off-island sales by at least the third year of operation; and/or
- Generate gate receipts in excess of \$1M; and/or
- Having an economic impact of greater than \$1M; and/or
- Having significant cultural benefits; and/or
- Having significant social benefits; and/or
- Having significant benefits for rural development.

6. Criteria

The Department will consider Applicants that meet the following criteria:

- Applicants must assume all financial risk and liability associated with the event. The Province must be indemnified against any action and proof of insurance must be provided.
- The Applicant is responsible for securing all required permits and approvals from provincial, municipal or other regulatory agencies.
- The Applicant's proposal must indicate, in writing, support of the local municipality/community and the regional tourism association (RTA) for the area.
- The Applicant's proposal must include sufficient details about the event to enable the Department to assess its ability to be successful, including, but not limited to:
 - a. Caliber of acts or entertainment
 - b. Detailed business plan with financial projections
 - c. Dates
 - d. Ticket prices
 - e. Marketing strategy
 - f. Venue and site plans
 - g. Operating plans
 - h. Traffic and security plans
 - i. Proportion of off-Island Visitation
 - j. Sales and Promotion Plan
 - k. Estimate ROI to the province based on direct visitor expenditures including ticket sales
 - l. Past experience of the promoter/organizer
 - m. Significance to the cultural and social fabric of the province;
 - n. Ability to stimulate rural economic development; and
 - o. Sustainability of initiative over multiple years.
- The Department will not invest in initiatives that conflict or compete with existing major events such as the SummerFest, Lobster Carnival, Old Home Week or others without consultation with event organizers.
- The Department will not accept applications from federal or municipal administrations and or other government entities.
- Proposals should target historically slow traffic periods where incremental business will directly benefit the Island's tourism and cultural sectors.

7. Process

On an annual basis, the Department will receive proposals from Applicants.

- Normally, proposals will be received by mid January to ensure sufficient time for evaluation and planning (exception noted for 2010).
- The Department reserves the right to invest in one (1) or a multiple number of initiatives in a given period.
- Each proposal received will be assessed against the stated criteria. The Island's tourism and cultural sector will participate in this process by evaluating submissions as part of a "Review Committee".
- If a proposal(s) meets the objectives of the Signature Event Investment Policy, the Applicant(s) will enter into a formal written agreement.

8. Assistance

The amount of public investment offered to Applicants will be determined on a project by project basis based on the following considerations:

- The ability of the proposal to satisfy the above criteria.
- Demonstrated need by the Applicant for financial assistance to achieve "break-even" status.
- The opportunity for the Province to recoup its investment either through revenue generated as a portion of ticket sales or as a result of incremental PST revenue from ticket sales, or anticipated direct expenditure by event participants.
- The level of cultural or social benefits and /or the benefits to rural development.
- The total amount of funds available under this policy may be invested in one (1) or a multiple number of events.

- Financial assistance will range from a minimum \$100,000 to a maximum of \$300,000 per project on an annual basis. NOTE: the Department has specific programs where eligible applicants may secure funding for amounts less than \$100,000 and the criteria for decision making is established accordingly.

9. Signature Event Investment Agreement

In each case, where the Department agrees to assist an Applicant, the Applicant and the Department will enter into an agreement that sets out the terms and conditions upon which public investment will be provided.