

City of Kelowna

Mayor and Council

Thanks for providing us the opportunity to present to the City a partnership with the ROAR HydroFest, on behalf of the members of the OEA (Okanagan Event Alliance) and Team CUHA(Canadian Unlimited Hydroplane Association).Attached are the event overview, executive summary, value to the city and our partnership request.

Everyone's best interest is in the success of the HydroFest both immediately and over the long term. Substantial planning and feedback has led us to believe the only way this event can be truly successful is by being community driven. As you can see from the attached, the 2002 event provides an excellent start-up trial type event to pull the organizations and the city together for mutual benefit. To be successful the event has to be profitable - watching the bottom line while watching the horizon. We feel that the HydroFest offers the City of Kelowna a wide variety of benefits including; media and advertising value - building on destination Kelowna image through national and international broadcasting, generating revenues through-out the business community, providing an opportunity for hometown involvement and pride, and demonstrates that Kelowna has history and a future in hosting major events.

This coming Monday we will illustrate that we have the plan, people, ability and the support to bring the hydroplanes back to stay. Lessons have been learned and now is great timing to act.

Sincerely, Jay Logie

## City of Kelowna and the ROAR HydroFest

Unlimited Hydroplane Racing has been in Kelowna on six occasions- lessons have been learned. We know the event has value to sponsors, the community and individuals. To be successful the event has to be; non-profit, community driven, revenues into the community and to future events, and partnered/aligned with groups and organizations that benefit.

ROAR Hydrofest:

- A Not for Profit Event
- Hosted by Team CUHA and community driven by the OEA
- Local Professional Sales, Marketing and Event Management by CMSI
- Net Revenues returned, back into the community
  - 50% to future events and into Hydro-Tech Facility
  - 50% to a local charity or non-profit group

Value to the City:

- Enhanced tourism
- Revenues into Community - approximately 4 million dollars a year
- Broadcast coverage into millions of homes North America wide by Speedvision, ESPN2 and a Canadian Broadcast Company
- Print and Media Campaign throughout the Okanagan Valley, Calgary, Vancouver, and Seattle Washington

**ROAR Hydrofest** management has already presented to the *Sport Tourism Committee* and the *Outdoor Events Committee*, receiving favourable responses!!

Our next step is to ensure the City of Kelowna embraces the event with a *POLITICAL AND FINANCIAL COMMITMENT*

### BACKGROUND:

History:

Hydroplane racing has more than a half century of tradition behind it, including a great Canadian heritage. Hydroplane racing has been a part of the history of the Okanagan Lake region on again, off again for over fifty years. The Unlimited Class has been hosted in Kelowna for six events on two different occasions. Two events in 1966 and 1967 and again 1996 through 1999. The earlier events were run by a group known as the Kelowna Unlimited Hydroplane Racing Association. Revenue generation was limited and major sponsorship almost non-existent. The later events, presented by a for-profit, out-of-town promotions company, proved Kelowna Waterfront on Okanagan Lake a viable venue. These "Thunderfests" attracted over 50,000 spectators each. Financial problems, etc. without detailing, Lessons have been learned.

### Event Overview - 2002/2003:

The 2002 event, premiers this Unlimited Power Classes Showcase event, with the Unlimited light class. This return of hydroplane racing to the Okanagan and Canada by rallying community support for it's debut and develop a wholesome family event at a lesser cost than Unlimited class racing. While providing a draw for attendance and broadcast coverage. Surrounded by aquatic and land recreational activities for spectating and participating in. At the same time, this provides the actual venue to showcase the potential for prospective sponsors.

The 2003 event, premiering the Unlimited class, and each subsequent event will then have a full year of planning time with an established network of sales, management, organizers and participants.

### Objectives:

To establish and maintain one of the largest and most successful Aquatic Festivals in Canada, anchored by the Unlimited Class's of power boat racing along with water and airshow acts. Public featured events as Dragon Boat Races, Vintage Boat Races, water and beach competitions, spectator and general public participation events, Street Painting Festival, designed to further enhance Kelowna's tourism destination status.

### Hydroplane Racing Overview:

With the recent purchase of the entire sport of Unlimited Hydroplane Racing by the private sector company Hydro-Prop, this company has committed its investors to the sport's success as did Anheuser Busch and Winston Cigarettes over 20 years ago in the NASCAR series; now one of the most successful race series.

In the United States, unlimited hydroplane racing event attendance ranges from 50k to 300k depending on the venue.

### Long Range Goals:

- To establish and maintain the largest, most varied and most successful aquatic festival in Canada, and to rejuvenate Canada's role in and expand the audience for hydroplane racing.
- Develop a Lake Okanagan Multi-Purpose, Science, Technology and Lakeside Special Event Centre designed to provide a waterfront base for non-profit organizations and an educational experience for the public - an OEA Project
- Construction and operation of the CA-4 Unlimited Hydroplane, Canada's first Unlimited Hydroplane since 1961, for operation on the North American race circuit, thus exposing a huge audience of potential visitors to an awareness of Kelowna and the Okanagan Lake Region.
- To contribute event proceeds back to the community for non-profit and charitable organizations and toward creation and operation of public lake-focused facilities.

Stakeholders:

Canadian Unlimited Hydroplane Association (CUHA)  
Canadian Motor Sports Industries (CMSI)  
Okanagan Event Alliance (OEA)

*our key people are;*

- Tom Danyk - Executive Director
- Jay Logie - General Manager
- Tammy Tomiye - Publications
- Doug Harpold - Sponsorship Sales
- Paul Cleland - Sales Advisory
- Cheryl Aubin - Executive Assistant (Volunteer)
- Kirk Biccum - Race Director
- Steve Ogden - Race Director
- Ron Berthellete - Site Equipment Director

OUR REQUEST IS FOR;

**LEASE OF PARKS COSTS TO BE WAIVED**

Park rental of,- Waterfront Park - City Park - Kerry Park - Knox Mountain  
Parking lots- parkades - and street closures as per application

**CIVIC SUPPORT TO BE PROVIDED**

- 1) POLICING costs waived
- 2) FIREFIGHTING costs waived

## **USE OF CITY EQUIPMENT - costs to be waived**

Bleachers, barricades, preformed concrete blocks and curbs

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### OEA

The OEA (OKANAGAN EVENT ALLIANCE)

Formed to promote the wide variety of water sports and lakeside events . Community driven for the benefit of participating valley non-profit and charitable organizations. The OEA is a fundraising and advisory, ad hoc committee of local non-profit and volunteer organizations, working for the fair benefit of all and for each group equally.

The volunteer/non-profit OEA, representing community interest. The OEA membership will inevitably expand as various NPOs recognize the opportunity to participate in revenues generating (by virtue of providing volunteer hours and expertise), exposure opportunity, and spin off corporate support.

Mission:1) To effectively market events to the public and sponsorships to advertisers.  
2) To support specific events for the benefit of member groups.  
3) To contribute to the development of facilities of benefit to the community.

~Develop a Lake Okanagan Multi-Purpose, Science, Technology and Lakeside Special Event Centre designed to provide a waterfront base for non-profit organizations and an educational experience for the public - an OEA Project

~Civic grants for water-based non-profit public events, to permit and encourage increased utilization of our Lake Okanagan resource by local people;

The OEA is presently comprised of:

- Canadian Unlimited Hydroplane Association
- Antique and Classic Boat Society, Ch. 49
- Kelowna Dragon Boat Festival Society
- Vernon special events volunteer representative
- Penticton special events volunteer representative (vacant)

and has *consulted with* or has *support interest* from:

- Kelowna Jaycees
  - Downtown Kelowna Association
  - Kelowna Centennial Museum
  - Kelowna Yacht Club
  - OUC Students Association
  - Vernon Yacht Club
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## CMSI Company Profile

CMSI is comprised of;

### **Canadian Manpower Support International**

*Mission:*       • To provide manpower support to the aviation industry.

*Partner in and Managing Director of 'ATG (Canadian International Aircraft Technologies Group). 'ATG provides high-end, technical trades people and resources to the CA-4 Hydroplane project. This project, in turn, brings international awareness, hospitality, and public relations to 'ATG as well as potential commercial aircraft repair customers.*

### **Canadian Motor Sports Industries**

*Mission:*       • To establish and maintain the largest, most varied and most successful aquatic festival in Canada, and to rejuvenate Canada's role in and expand the audience for hydroplane racing.

• To contribute event proceeds back to the community for non-profit and charitable organizations and toward creation and operation of public lake-focused facilities.

• To develop funding for the building and operation of Canada's first Unlimited Hydroplane since 1961.

### **Bladed Racecraft**

*Mission:*       • To build and race state-of-the-art unlimited hydroplanes.

• To build and operate Canada's first Unlimited Hydroplane since 1961, for entry into the North American race circuit, thus exposing a huge audience of potential visitors to an awareness of Kelowna and the Okanagan.

### **THE CMSI AGENDA**

Canadian Motor Sports Industries is owned and operated by Jay Logie of Winfield, BC, the founder, in 1997, of CUHA (Canadian Unlimited Hydroplane Association). CMSI is working toward three business objectives. The first is to complete and compete with the CA-4 Unlimited Hydroplane - "The Lake Monster" (this project is now in its fifth year). The second objective is to bring unlimited hydroplane racing back to Canada as a profitable event for this community and possibly for others across the nation. The third is to establish a racecraft building facility in Kelowna, providing employment and opportunity for cutting-edge engineering and design development as part of the local high-tech sector, and selling a variety of custom-built, competitive and recreational watercraft (entry-level hydros) worldwide.

## **CMSI SERVICES**

### **Contract Based:**

- ~ Aviation industry manpower and contracting
- ~ Sponsorship Sales and Marketing
- ~ Media and Public Relations
- ~ Magazine Publishing (Festival Event Guide, HydroFest Program)
- ~ Corporate Hospitality
- ~ Event Management

### **Operations:**

- ~ Aviation industry manpower support
- ~ Event Management
- ~ Unlimited Hydroplane Manufacturing and Operation

## **PROJECTS**

**Aircraft Technologies Group** - Providing commercial aircraft maintenance contracting, Field Operation Teams and specialized aircraft repair. Launch of the solicitation campaign is scheduled for the fall of 2002.

**ROAR HydroFest** - Bringing unlimited hydroplane racing back to Canada as a profitable event for this community. Keeping the "Lake Monster" front and center at our hometown, community-driven event. Providing revenues and promotional opportunities for and with the CA-4 Hydroplane.

**CA-4 Unlimited Hydroplane** - Born of blue collar workers from the aerospace and the high-tech fabrication industry and after five years of research, analysis and development, it combines both first-proven and advanced aircraft design-structural and ground affect aerodynamics and motorsport technologies. It is a next-natural and funda-mental step of race boat design and construction.

- ~ **Engine, Gearbox and Prop Programs**
- ~ **Complete Hull Manufacturing**
- ~ **Complete Technical Support**
- ~ **Complete Media / Publication Support**

**The CMSI Team is a creative, talented and fully prepared group of specialists ready to provide a full range of services and expertise to the motorsport and aviation industries.**

BUDGET:

**ROAR HydroFest**  
**FINANCIAL PROJECTION 2002**

(Canadian Dollars)

<b>EXPENSE ITEMS</b>	<b>2002</b>	<b>2002 IN-KIND</b>
FEES-COMPETITION\EXHIBITION/PERFORMERS	64,000	5,000*
AIRSHOW PERFORMER FEES	10,000	
AIR SHOW SET-UP AND SUPPORT	5,400	
<b>SUBTOTAL</b>	<b>79,400</b>	
<b>INSURANCE/LEASES</b>		
INSURANCE	15,000	
*LEASES/LICENSES/PERMITS-PARKS	12,600	12,600*
<b>SUBTOTAL</b>	<b>27,600</b>	<b>17,600</b>
<b>RACE SITE/SERVICES &amp; SET-UP</b>		
SITE FIRST AID//FIRE RESCUE-SPECTATE	3,000	2,000
PIT EMERGENCY SERVICES	8,000	4,400*
WATER OPERATIONS	6,000	3,500
SITE CLEAN-UP	3,000	2,000
RACE SITE SERVICES, TOILETS, GARBAGE	5,000	3,000
RACE SITE SET-UP / WTR & LAND	32,000	12,600 / 7,000*
RACE SITE MISC.	6,000	3,000
PHONES/RADIOS/PA SYSTEMS	9,000	6,000
TICKETS/GATES & TRAFFIC CONTROL	5,000	3,000
CROWD MANagements/SECURITY/SET-UP	29,000	5,000 / 11,000*
BANNERS / UMBRELLAS	11,000	1,800
<b>SUBTOTAL</b>	<b>117,000</b>	<b>61,300</b>

## FINANCIAL PROJECTION 2002

(Canadian Dollars)

EXPENSE ITEMS	2002	2002 IN-KIND
<b>RELATED ACTIVITIES</b>		
CUHA BREWHA (volunteer thanks party)	5,000	
<b>ADVERTISING/PROMOTION</b>		
ADVERTISING/MARKETING	SEE FEES & PUBL.	
*PRINTING/PRODUCTION/DISTR.	5,000	5,000
BOOSTER BUTTONS (10,000 Buttons)	3,700	
*HOSPITALITY	3,000	3,000
PROMOTIONS (Bug Boats, Ladies, Displays)	6,000	4,000
<b>SUBTOTAL</b>	<b>22,700</b>	<b>12,000</b>
<b>ADMINISTRATION SERVICES</b>		
OFFICE LEASE & UTILITIES	8,000	4,000
POSTAGE/XEROX/MAILING	1,000	
TELEPHONE & FAXES	1,000	
EXECUTIVE DIRECTOR	10,000	
SITE DIRECTOR	9,000	
ADMINISTRATION ASSIST SERVICES	5,000	
UTILITIES & GAS (Site)	200	
TRAVEL & MEETINGS	1,000	
PROFESSIONAL SERVICES	1,500	
BANK FEES/BANK CARD CHARGES/TRUST	300	
GEN. MANAGER/PROMO FEES -3% TO 8%	6,000	
MISCELLANEOUS	3,000	
DAMAGES & THEFT	1,000	
<b>SUBTOTAL</b>	<b>47,000</b>	<b>4,000</b>
<b>Expenditure TOTAL</b>	<b>291,700</b>	92,900
<b>LESS IN-KIND (contra)- NET EXP TTL</b>	<b><u>198,800</u></b>	
REVENUE TOTAL	300,200	
LESS CITY PARTNERSHIP	35,000	
LESS GRANT (Sport tourism)	5,000	
LESS COMMISSIONS @ 265.5k sales	66,400	
<b>NET REV SUB-TOTAL</b>	<b><u>198,800</u></b>	

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**CITY OF KELOWNA**  
**MEMORANDUM**

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**Date:** May 1, 2002  
**To:** City Manager  
**From:** Acting Recreation Services Manager  
**Subject:** (ROAR) HYDROFEST-August 30<sup>th</sup> to September 1<sup>st</sup>, 2002

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RECOMMENDATION:

THAT City Council accept the report from the Acting Recreation Services Manager dated May 1, 2002 as information.

DISCUSSION:

The Royal Okanagan Aquatic Recreation (ROAR) & Hydroplane Festival Association will be making a presentation to City Council on May 6, 2002 requesting financial support towards staging the 2002 ROAR Hydrofest. This report is provided as additional background information for City Council in considering this request. The event is scheduled from August 30<sup>th</sup> to September 1<sup>st</sup>, 2002 to be held at City Park and Waterfront Park.

At this stage of their planning, the proposed budget for the event is \$300,000. Their funding request is for an additional \$30,000 to cover City related costs associated with the staging of the event. These costs include:

\$11,000	RCMP Costs-crowd control and security
\$ 4,000	Fire Department Costs-emergency crew and equipment required in the pit area
\$12,600	Park Rental Charges
\$ 7,000	City Equipment and Services-bleacher rental and moving, additional janitorial costs, irrigation locates, etc.
<b>\$35,000</b>	<b>Total Costs</b>
\$ 5,000	Less Sport Event Development Grant
<b>\$30,000</b>	<b>Financial Request</b>

Based on the previous Hydroplane Events hosted in Kelowna, the figures outlined in their proposed budget, as well as their identification of City related expenses, are consistent with our past experiences.

A Sport Event Development Grant (SEDG) Application for \$15,000 has been reviewed by the Parks and Facilities Committee and approved for \$5,000. Funding through the SEDG Program at this level is consistent with other major sporting events. Approving the funding level requested through the SEDG would eliminate opportunities for other events planned for the 2002 season. Also, a funding request of \$25,000 was submitted to the Festivals & Special Events Fund but was denied due to not meeting basic funding requirements.

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Although difficult to accurately project spectator numbers for this event, it is estimated at 15,000 for year one with the potential to increase significantly in the second and subsequent years. This event has the potential to provide a significant sport tourism profile for Kelowna and is considered a sports destination event as opposed to a participation event.

The organizers have presented to both the Sport Tourism Committee and Outdoor Events Committee. These presentations were well received and met preliminary operational requirements. The general consensus from the presentations is that the organization behind the event creates more optimism for success compared to previous hydroplane events given its local focus and community based organization.

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Jim Gabriel, Acting Recreation Services Manager

cc: Director of Parks and Leisure Services  
Events and Facilities Supervisor