
CITY OF KELOWNA

MEMORANDUM

DATE: December 12, 2005
FILE NO: 1853-20
TO: City Manager
FROM: Development Manager
Recreation, Parks & Cultural Services
SUBJECT: UBCM Grant – Community Tourism Program for Festivals Kelowna

RECOMMENDATION:

THAT City Council authorize a grant application to the UBCM for the Community Tourism Program for Festivals Kelowna in the amount of \$180,295.63;

AND THAT City Council support the formation of the *Festivals Kelowna Society*;

AND FURTHER THAT Council consider the additional financial requirements to establish and implement the *Festivals Kelowna Society* in the 2006 Financial Plan.

Background:

The Community Tourism Program was initiated by the Premier when program funding was originally announced at the 2004 UBCM Convention in Kelowna. The primary goal of the provincial program is to assist local government in increasing tourism activity that, in turn, will build stronger economies. Eligible projects are those that support the program goals and enhance tourism development including the “development and enhancement of festivals and events”.

The application information from the UBCM includes a schedule detailing maximum funding entitlements for communities across BC; the City of Kelowna entitlement is \$180,295.63.

This report will introduce the formation of a new not-for-profit society to be called Festivals Kelowna, the role of Festivals Kelowna in governing, coordinating and expanding large scale public festivals, including the Life & Arts Festival, in order to attract increasing levels of tourism in Kelowna.

Discussion;

A vibrant and growing cultural community program of festivals and events provides direct financial benefits to a community through a number of methods, including:

- Increasing professional performance opportunities for local and touring artists,
- Enhancing artistic products offered by cultural organizations,
- Leveraging marketing opportunities between cultural organizations and additional stakeholders within the Cultural District and Kelowna’s cultural and tourism community,
- Enhancing support of local retail, restaurant and specialty businesses within the Cultural District through visitor patronage, and
- Increasing opportunities to participate in unique cultural experiences.

The potential for growth and development for festivals and events in Kelowna continues to grow. In 2004, Kelowna was designated as one of the Cultural Capitals of Canada. The impact of the multi-year schedule of festivals and activities through the Cultural Capitals Grant program has been positive and significant. However, a strategy is required in order to ensure the continuing trend of development.

The Festivals Kelowna Society will establish the governance model and framework to enable current and future major large scale events continue to;

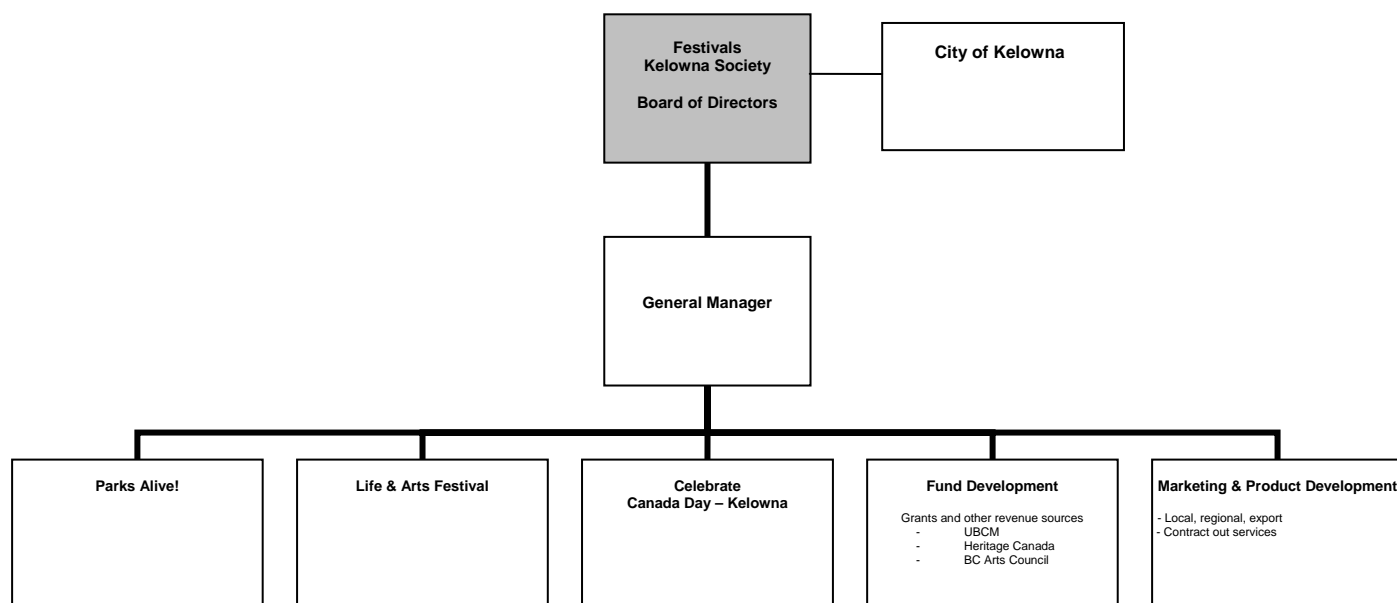
- Build community spirit, community pride and community identity,
- Invest in 'product development' to ensure high quality festivals and events,
- Provide a unified, effective approach to securing long-term sustainable funding for key festivals and special events,
- Consolidate resources, including staff resources, for the coordination of existing festivals and events,
- Increase tourism activity, and
- Contribute to Kelowna's economy.

The not-for-profit Society status will also ensure full eligibility for future provincial and federal grants, some of which the City, as a local government, is not eligible to obtain.

The Board of Directors for the new Festivals Kelowna Society will be appointed by City Council and will operate under contract to City. This future contract will define responsibilities and specific accountabilities.

For 2006, Festivals Kelowna will consolidate three primary events; the Life and Arts Festival Parks Alive! and Canada Day Celebrations. In the future, additional existing events may come under the Festivals Kelowna umbrella, as well as the development of new events.

Figure 1 – Proposed Initial Organization Structure;



2006 Transition – The Festivals Kelowna Society will be established in 2006. The transition plan includes;

- Establish a Community Transition Committee,
- Complete the application for several grants including the UBCM Community Tourism Program,
- Ensure thorough delivery of existing festivals/events through renewed legal agreements/contracts with DKA, Innovex and Marquee Events,
- Consolidate existing funds,
- Continue to secure sponsorships and pursue related fund raising activities,
- Draft the Society constitution and bylaws,
- Recruit a board of directors,
- Formalize application to the Registrar of Companies, and
- Implement an extensive media & marketing plan.

Figure 2 – Proposed Budget for Festivals Kelowna

	2006	2007	2008
Expenses			
Governance and Administration	\$105,500	\$110,295	\$110,000
Parks Alive	\$162,000	\$165,000	\$170,000
Canada Day	\$42,500	\$45,000	\$45,000
Life and Arts Festival	\$250,000	\$260,000	\$270,000
Marketing and Promotions	\$40,000	\$40,000	\$40,000
Subtotal Expenses	\$600,000	\$620,000	\$635,000
Revenue			
Life and Arts Festival Fund (base budget)	(\$100,000)	(\$100,000)	(\$100,000)
Life and Arts Sponsorship	(\$30,500)	(\$60,000)	(\$60,000)
Arts Canada Presentation Grant	(\$20,000)	(\$33,500)	(\$100,000)
ArtsNow Grant	(\$5,000)	(\$5,000)	(\$5,000)
Other Grants		(\$47,000)	(\$35,500)
Parks Alive (Base Budget)	(\$112,000)	(\$112,000)	(\$112,000)
Parks Alive - Other Revenue	(\$50,000)	(\$55,000)	(\$55,000)
Canada Day (Base Budget)	(\$27,500)	(\$27,500)	(\$27,500)
Canada Day other revenue	(\$15,000)	(\$20,000)	(\$20,000)
UBCM Grant	(\$140,000)	(\$40,295)	
Transfer from Reserves	(\$50,000)	(\$50,000)	(\$25,000)
Subtotal Revenue	(\$550,000)	(\$550,000)	(\$540,000)
Net Budget Requirement	\$50,000	\$70,000	\$95,000

Council will note that, of the City of Kelowna entitlement of \$180,295.63 through this UBCM grant;

- \$140,000 is applied to 2006 and
- \$40,295 is applied to 2007.

Specifically, this grant funding will be applied to;

- Product development, to ensure that the artistic and entertainment values of the performances, exhibits, functions, displays and activities remain at a very high calibre,
- Marketing the festivals and events, especially to the regional and export markets, to attract cultural tourists. It is intended to collaborate and partner with the Cultural Corridor and Tourism Kelowna for the delivery of these marketing services.

In 2004, Kelowna was designated as one of the Cultural Capitals of Canada. Among the programs and services that were created or enhanced is the Life and Arts Festival which attracted over 30,000 people in 2005. In particular, resources will be directed to the Life and Arts Festival to ensure it continues to be recognized as Kelowna's signature festival, and for Kelowna to maintain its status as a Cultural Capital of Canada.

Summary;

The Cultural District Implementation Strategy and Marketing Plan approved by Council in 2001 recommended that Kelowna establish a signature festival. This was accomplished for the inaugural year 2004, and greatly expanded during Kelowna's Centennial year in 2005. The Festivals Kelowna Society will establish a governance model; consolidate other highly successful festivals like Canada Day Celebrations and Parks Alive!, provide a framework for further development of major large scale festivals and events, and increase tourism in Kelowna. This will require all of the UBCM grant funding.

Staff will continue to progress through the transition plan, and report back to Council by March 31, 2006.

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Development Manager,
Recreation, Parks and Cultural Services

Pc Director of Recreation, Parks and Cultural Services
 Cultural Services Manager
 Financial Planning Manager