

Tourism PEI

Major Concert/Event Investment Policy

Background

Major concerts/events can be an effective way to generate significant tourism traffic and economic activity. The opportunity to experience top level entertainment is very compelling to many people and they are prepared to travel for it.

Over the past few years major concerts, featuring renowned international artists, have occurred in the region on a regular basis. As Atlantic Canada's reputation for staging successful concerts grows, it's likely that more promoters will take an interest in the region and that more opportunities for major events will be forthcoming.

The goal is for Prince Edward Island to compete in this lucrative market through well organized, financially successful concerts/events that provide attendees with a first-class, memorable experience. The primary objective of this policy is to ensure that the Province, and the Island's tourism industry, receives maximum benefit for any investment of public funds in major concerts/events. A second objective is to ensure consistency and fairness for all proposals brought forward.

Major Concerts/Events

A major concert/event is defined by its ability to generate significant ticket sales and to attract significant off-Island visitation. This will occur based on the reputation or "draw" of the headline talent.

Concerts/events supported under this policy must exceed the capacity of any indoor venue in the Province. At a minimum, major concerts/events will be targeted to ticket sales in excess of 10,000 with 40% allocated to off-Island sales.

Criteria

Tourism PEI will consider financial investment to Applicants that meet the following criteria:

1. Applicants must assume all financial risk and liability associated with the concert/event. The Province must be indemnified against any action and proof of insurance must be provided.
2. The applicant is responsible for securing all required permits and approvals from provincial, municipal or other regulatory agencies.

3. The Applicant's proposal must indicate, in writing, support of the local municipality/community and the regional tourism association (RTA) for the area.
4. The Applicant's proposal must include sufficient details about the concert/event to enable Tourism PEI to assess its ability to be successful, including:
 - a. Calibration of acts
 - b. Financial plan
 - 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 ticket sales
 - l. Past experience of the concert promoter/organizer
 - m. Sustainability of concert/event over multiple years.
5. Tourism PEI will not invest in projects that conflict or compete with existing major events such as the Festival of Lights, Lobster Carnival, Old Home Week or others.
6. Proposals should target historically slow traffic periods where incremental business will directly benefit the Island's tourism industry.

Process

- On an annual basis, Tourism PEI will receive major concert/event proposals from applicants.
- Normally, proposals will be received in late fall or early in the New Year to ensure sufficient time for evaluation and planning.
- Tourism PEI's intention is to invest in only one strategically scheduled major concert/event each year.
- Each proposal received will be assessed against the stated criteria. The Island's tourism industry will participate in this process through the PEI Tourism Advisory Council.
- If a proposal meets the objectives of the Major Concert/Event Investment Policy, Tourism PEI and the applicant will enter into an agreement.

Assistance

The amount of financial assistance offered to applicants will be determined on a project by project basis based on the following considerations:

- a. The ability of the proposal to satisfy the above criteria.
- b. Demonstrated need by the applicant for financial assistance to achieve “break-even” status.
- c. 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.
- d. The total amount of investment is no more than \$200,000 (tentative budget for 2009).

Concert/Event Agreement

In each case, where Tourism PEI agrees to assist an applicant, the applicant and Tourism PEI will enter into an agreement that sets out the terms and conditions by which public investment will be provided.

The “Major Concert/Event Investment Policy” will detail the applicant’s obligation to satisfy the policy goals and objectives.