



# Committee of the Whole

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**Committee of the Whole**  
to be held at  
City of Penticton, Council Chambers  
171 Main Street, Penticton, B.C.

**Tuesday, May 8, 2018**  
**Recessed from the Regular Council Meeting at 1:00 p.m.**

1. **Call Committee of the Whole to Order**
2. **Adoption of Agenda**
3. **Delegations and Community Recognition**
  - 3.1 Proclamation – Lifejacket Day – May 17, 2018  
Lisa O’Daly, Life Guard 1
  - 3.2 Proclamation – Building Safety Month – May 2018 2
  - 3.3 NEW Online Services Portal  
Ken Kunka, Building & Permitting Manager, will provide Council with an update on Phase 1 of the customer improvement and modernization of business license and building permit process.
  - 3.4 Delegation – Municipal and Regional District Tax (MRDT)  
Barb Haynes and Thom Tischik, Travel Penticton
  - 3.5 Delegation – SOEC Economic Impact Analysis 3-29  
Dean Clarke, Spectra and David Hall, Economic Planning Group
4. **Adjourn to Regular Meeting of Council**

# Proclamation

## National Lifejacket Day May 17, 2018

**WHEREAS** for many Canadians, the summer season means enjoying outdoor activities such as fishing, powerboating or canoeing. But each year, tragic and avoidable boating-related fatalities occur across Canada. A study of the long-term trends indicates that the use of proper safety equipment such as a lifejacket or personal flotation device (PFD) would greatly reduce this number;

**WHEREAS** every year, 161 Canadians drown while boating. Of these, 87 per cent are not wearing a lifejacket or do not have it properly secured;

**WHEREAS** before heading out on a boat this summer, ensure that all persons on board, even strong swimmers, are outfitted with a correctly sized lifejacket appropriate to the activity. Be aware of and monitor the weather and water conditions, be prepared to head to the nearest point of safety if the conditions change, never consume alcohol before or during a boating outing, and ensure boaters know how to safely operate and load the vessel, and;

**WHEREAS** the Canadian Red Cross marks May 17, 2018 as National Lifejacket Day, an annual campaign to encourage and promote the use of lifejackets and PFDs among boaters;

**Now, Therefore** I, Andrew Jakubeit, Mayor of the City of Penticton, DO HEREBY PROCLAIM May 17, 2018 as "**National Lifejacket Day**" in the City of Penticton.

A handwritten signature in black ink, appearing to read "Andrew Jakubeit".

Mayor Andrew Jakubeit

# Proclamation

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## Building Safety Month May 2018

- WHEREAS:** The City of Penticton is committed to recognizing our growth and strength depends on the safety and economic value of the homes, buildings and infrastructure that serve our citizens, both in everyday life and in times of natural disaster; and
- WHEREAS:** Our confidence in the structural integrity of these buildings that make up our community is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, design professionals, laborers and others in the construction industry—who work year-round to ensure the safe construction of buildings; and
- WHEREAS:** These guardians are dedicated members of Building Officials Association of British Columbia, an organization, that is dedicated to serving the best interests of the public in building safety by moving forward with the highest standards in professionalism, competency and consistent practice in the Building Community; and
- WHEREAS:** Our City benefits economically and technologically from using the British Columbia Code, Building Act and Municipal Bylaws, which creates safeguards protect the public from natural disasters such as snowstorms, wildland fires, and floods; and
- WHEREAS:** Building Safety Month is a reminder to the community about the critical role of our largely unknown guardians of public safety—our local building officials—who assure us of safe, efficient and livable buildings that are essential; and
- WHEREAS:** “Building Codes Save Lives” the theme for Building Safety Month 2018, encourages all of us to raise awareness of the importance of building safe and resilient construction; fire prevention; disaster mitigation, and new technologies in the construction industry. Building Safety Month 2018 encourages appropriate steps everyone can take to ensure that the places where we live, learn, work, worship and play are safe, and recognizes that countless lives have been saved due to the implementation of safety codes by local and provincial agencies; and
- WHEREAS:** In observance of Building Safety Month, we are asked to consider the commitment to improve building safety and economic investment at home and in the community, and to acknowledge the essential service provided to all of us by building departments, fire prevention bureaus and federal agencies in protecting lives and property.

**NOW THEREFORE** I, Andrew Jakubeit, Mayor of the City of Penticton, **DO HEREBY PROCLAIM** the month of May 2018 as **Building Safety Month** in the City of Penticton.

A handwritten signature in black ink, appearing to read "Andrew Jakubeit", is written over a horizontal line.

Mayor Andrew Jakubeit

## **SOUTH OKANAGAN EVENTS CENTRE ECONOMIC IMPACT ANALYSIS June 2016 – May 2017**

### **Purpose**

The overall purpose of the analysis project was to estimate the economic impact of the South Okanagan Events Centre group of facilities. The analysis incorporated assessments of the complex of facilities, including: the South Okanagan Events Centre (SOEC), the Penticton Trade and Convention Centre (PTCC), the Memorial Arena (MA), and the Okanagan Hockey School Training Centre ice surface (OHSTC). This benefit was measured by tallying the spending generated by the patrons of events staged at the four facilities.

### **Analysis Timeframe**

Twelve month time-period from June 2016 to May 2017, and the research was conducted in late 2017.

### **Analysis Process**

Economic impact analysis is based on the spending of money which creates economic impact within the region where the expenditures take place. This analysis produces an estimate of the **direct expenditures** by event participants. These expenditures reflect the initial round of spending in the community.

**Total economic impacts** are a more complete measure of economic activity generated by the facilities and this measure incorporates the spin-off effects produced by subsequent rounds of spending, including both indirect and induced effects. Consequently, total economic impacts are defined as follows:

$$\text{Total Economic Impacts} = \text{Direct} + \text{Indirect} + \text{Induced Impacts}$$

This analysis is based on a detailed estimate of direct spending by participants at each event staged in the complex of facilities, plus facility rent and facility operations charges paid by event producers. This included the following categories for each facility.

#### **South Okanagan Events Centre**

- Penticton Vees Hockey spectators and players
- Other sports spectators and players
- Concert Attendees and Trade Show/Community Event patrons
- Event Promoters/Organizers

#### **Penticton Trade & Convention Centre**

- Convention Delegates
- Consumer Show Delegates
- Trade Show Patrons
- Meeting and Banquet Participants
- Special Event Attendees

#### **Memorial Arena**

- Competitors
- Spectators

Okanagan Hockey School Training Centre  
Competitors  
Spectators

Direct expenditures have been separated into four categories of geographic origin including:

- residents of Penticton
- South Okanagan Region residents
- persons from elsewhere in BC, and
- persons from outside BC.

Three key measures are used to assess the resulting economic effect, namely.

- Total Economic Impact: The sum of all revenues in the BC economy that result from the direct spending of facility patrons. It is sometimes referred to as Output.
- Employment: The number of full time equivalent jobs that are created by operating the facilities - comprised of full-time, part-time and seasonal employment.
- Tax revenues: an estimate of taxes accruing to federal, provincial and municipal governments

Three descriptors of the event spectators and/or attendees are tallied, including: origin, length of stay, and per diem spending. This process is undertaken for each event at each facility.

**Findings**

The following is a summary of expenditures of participants at the **SOEC**.

<b>EVENT DESCRIPTION</b>	<b>Penticton Vees</b>	<b>Other Hockey</b>	<b>Concerts</b>	<b>Other Sports</b>	<b>Family Shows</b>	<b>Community Events</b>	<b>Total</b>
Number of Events	41	29	15	2	0	1	<b>88</b>
Spectators/Event Participants	105,298	41,709	41,404	2,218	0	500	<b>191,129</b>
<b>Expenditures</b>							
Overnight (Commercial Stays)	\$267,569	\$278,223	\$322,259	\$17,263	\$0	\$12,500	<b>\$897,813</b>
Overnight (Friends & Relatives)	<u>\$13,940</u>	<u>\$37,452</u>	<u>\$85,642</u>	<u>\$4,588</u>	<u>\$0</u>		<b>\$141,622</b>
Overnighting Total	\$281,509	\$315,675	\$407,900	\$21,851	\$0	\$12,500	<b>\$1,039,435</b>
Same Day Local)	\$3,477,972	\$1,278,450	\$497,350	\$26,643	\$0	\$6,750	<b>\$5,287,165</b>
Same Day (Regional)	<u>\$212,978</u>	<u>\$797,643</u>	<u>\$1,524,222</u>	<u>\$81,652</u>	<u>\$0</u>		<b>\$2,616,495</b>
Same Day Total	\$3,690,949	\$2,076,093	\$2,021,572	\$108,295	\$0	\$6,750	<b>\$7,903,659</b>
Total Spectator/Attendee Expenditure	\$3,972,458	\$2,391,768	\$2,429,472	\$130,146	\$0	<u>\$19,250</u>	<b>\$8,943,094</b>
Players/Promoters Expenditures	<u>\$41,850</u>	<u>\$378,200</u>	<u>\$96,000</u>	<u>\$8,750</u>	<u>\$0</u>		<b>\$524,800</b>
<b>Total Event Expenditures</b>	<b>\$4,014,308</b>	<b>\$2,769,968</b>	<b>\$2,525,472</b>	<b>\$138,896</b>	<b>\$0</b>	<b>\$19,250</b>	<b>\$9,467,894</b>

The following is a summary of expenditures of convention delegates and other participants at the **Penticton Trade and Convention Centre**.

<b>EVENT DESCRIPTION</b>	<b>Conventions</b>	<b>Consumer Shows</b>	<b>Trade Show</b>	<b>Meetings Banquets</b>	<b>Special Events</b>	<b>Total</b>
Number of Events	9	7	1	61	6	<b>84</b>
Delegates/Event Participants	14,005	31,288	1,215	8,625	28,647	<b>83,780</b>
<b>Expenditures:</b>						
Overnighting Delegates	\$3,803,535	\$380,325	\$167,063	\$508,651	\$4,235,675	<b>\$9,095,248</b>
Same Day Patrons	\$397,965	\$897,150	\$18,225	\$203,261	\$616,780	<b>\$2,133,380</b>
Producers/Exhibitors		\$282,008			\$161,750	<b>\$443,758</b>
<b>Total Expenditure</b>	<b>\$4,201,500</b>	<b>\$1,559,483</b>	<b>\$185,288</b>	<b>\$711,912</b>	<b>\$5,013,904</b>	<b>\$11,672,086</b>

The total direct spending by participants at the SOEC complex of facilities totalled over \$24.9 million, distributed as follows:

<b>Facility</b>	<b>Participant Expenditures</b>
South Okanagan Events Centre	\$9,467,894
Penticton Trade & Convention Centre	\$11,672,086
Memorial Arena	\$628,185
Okanagan Hockey School Training Centre	\$775,115
Outdoor	\$112,500
Rent & Recoveries	<u>\$2,251,072</u>
<b>Total</b>	<b>\$24,906,852</b>

**Total direct expenditures** include all monies spent by participants at the SOEC complex of facilities. It includes all the spending by event attendees and participants. Additional spending has been included in the modelling to capture the monies spent by event producers and promoters. This is recorded in the accounts as revenue, and includes a range of line items including security, stagehands, event staff, utilities, etc.

This \$24.9 million figure has been run through the BC Input Output Model (BCIOM) operated by BC Stats, the provincial government's statistical agency. This model replicates activity of the BC economy and is used to estimate the **overall economic impact** that these direct expenditures generate.

The BCIOM provides a snapshot of the state of the economy at the time the model was last calibrated. It is based on the most current information available from Statistics Canada, on a variety of topics relevant to economic modelling. It incorporates 258 categories of supply data and 258 categories of demand data. The model uses initial expenditures as input and produces estimates of the direct, indirect and induced effects as output.

Inputting the initial expenditure number produces output values of three separate measures, namely: total economic activity, employment and taxes. It is noted that the model accounts for money that "leaks" out

of BC for the purchase of goods and services from other provinces and other countries. Since these expenditures do not occur in BC, they do not expand the BC economy, and are netted out of the calculations. This leakage is estimated at approximately 20% of the direct spending total, resulting in the initial spending of 24.9 million being reduced to \$20.7 million. (Source: *Economic Impact of BC Place*, Economic Planning Group, March 2017. Confidential)

Based on BCIO Model estimates, the initial spending of \$24.9 million results in total economic activity of nearly \$34.8 million. This is the total amount of economic activity generated by spending in the SOEC complex of facilities through all rounds of spending.

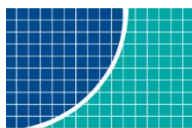
This spending also generates the equivalent of 378 jobs and produces over \$2.0 million in taxes.

These values - and their direct, indirect and induced components - are summarized as follows:

<b>Measure</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Total Economic Activity	\$20,670,477	\$10,628,523	\$3,482,520	<b>\$34,781,520</b>
Employment	284	68	26	<b>378</b>
Taxes	\$1,137,346	\$667,686	\$282,431	<b>\$2,087,463</b>

Source: BC Input-Output Model

Prepared by: David Hall, Partner



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# **SOUTH OKANAGAN EVENTS CENTRE**

## **ECONOMIC IMPACT ANALYSIS**

**June 2016 – May 2017**

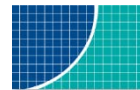
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*Prepared for:*

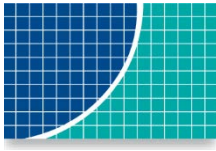
**South Okanagan Events Centre Complex**  
Spectra by Comcast Spectacor

*Prepared by the:*

**Economic Planning Group**  
Research Analysts



January 2018



**Economic Planning Group**  
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January 28, 2018

Mr. Dean Clarke  
Regional Vice President  
Venue Management and Food Services & Hospitality  
Spectra by Comcast Spectacor  
South Okanagan Events Centre  
Penticton, BC, V2A 9C4

Dear Dean:

We are pleased to provide you with the final analysis report of the economic impact of the South Okanagan Events Centre complex. The study time period is the twelve months from May 2016 to June 2017. This analysis incorporates assessments of your complex of facilities, including: the South Okanagan Events Centre (SOEC), the Penticton Trade and Convention Centre (PTCC), the Memorial Arena (MA), and the Okanagan Hockey School Training Centre ice surface (OHSTC). (The Okanagan Hockey Academy and Hockey School are not included in this analysis.)

The analysis is based on a detailed assessment of the attendance of each event held in the facilities and estimates of the spending of event participants. This analysis produced an estimate of total direct spending of people who participated in events. Subsequent calculations were conducted to estimate the total economic impact including both direct and spin-off effects.

Based on our analysis, the estimated direct spending was \$24.9 million. This spending produced an estimated total economic impact of \$34.8 million.

Thank you for involving us in this update. Please call if you have any questions.

Yours sincerely  
Economic Planning Group

A handwritten signature in black ink, appearing to read 'G David Hall'.

G David Hall, P.Phys.  
Partner

## Notice To Reader

This analysis is based on listings of the events and counts of the participants provided by facility management (Spectra by Comcast Spectacor, previously known as Global Spectrum). All the calculations to produce estimates of the economic impact have been prepared by the Economic Planning Group. These calculations are based on a number of assumptions about per diem spending and length of stay of spectators and event attendees. These assumptions are based on secondary source tourism surveys and other research, and are deemed to be reasonable.

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## **INTRODUCTION**

### **BACKGROUND**

The City of Penticton owns the South Okanagan Events Centre complex of facilities. These facilities include the South Okanagan Events Centre (SOEC) building, the Penticton Trade and Convention Centre (PTCC), the Memorial Arena (MA) and the Okanagan Hockey School Training Centre (OHSTC). It is important to note that the Okanagan Hockey Academy and Hockey School are not included in this analysis.

The South Okanagan Events Centre facility, completed in 2008, is a flexible multi-use sports and entertainment complex. It consists of a 5,100 seat arena and an adjoining community ice surface, the combination of which can be converted into 37,000 square feet of dry floor space. The facility is home to the Junior A Penticton Vees of the BC Hockey League, winners of the Canadian Junior Hockey League championship in 2012. Configured as a concert venue, the facility seats 6,000 persons.

The Penticton Trade & Convention Centre is the only dedicated convention centre in the Okanagan and one of the largest convention centres in the province outside of Vancouver. It provides 60,000 square feet of meeting and exhibit space, and the facility can be configured into two ballrooms, or one ballroom plus smaller meeting spaces - all in addition to an atrium and lobby.

The Memorial Arena is a 2,200 seat facility that was initially constructed in 1951. It is a multi-purpose arena providing a venue for local minor hockey and recreational hockey leagues, plus a dry floor venue for non-winter events.

The SOEC was conceived and developed to support the local economy, provide social benefits, and provide increased opportunities for recreational and cultural programs. In terms of supporting the Penticton and the South Okanagan Regional economy, economic benefit occurs from the spending of event participants, including both patrons attending events and by the spending of event organizers.

Facility management wished to analyze and quantify the size and nature of the economic impact of the complex to compare it to the analysis done in 2012.

The Economic Planning Group (EPG), Research Analysts, conducted the 2012 study and was retained to conduct this analysis. EPG has conducted numerous economic impact assessments of facilities and sporting events over the last two decades including BC Place in Vancouver, South Peace Multiplex in Dawson Creek, and for Tourism Victoria.

## **OBJECTIVES AND METHODOLOGY**

The overall purpose of this project is to estimate the economic impact of the South Okanagan Events Centre group of facilities. This benefit was to be measured by tallying the spending generated by the patrons of events staged at the four facilities.

The specific tasks undertaken were as follows:

- Accessed and reviewed background usage statistics provided by facility management.
- Confirmed the timeframe for the analysis as May 2016 to June 2017 as a recent and representative twelve month period.
- Reviewed and updated our previous analysis framework to record the expenditures of spectators and patrons of the four facilities.
- Worked with facility senior management to document attendance and spectator counts by facility and by event over the twelve month analysis period.
- Estimated the split in patronage between local residents, regional residents, other BC residents, and non-BC residents using ticketing sources for ticketed events.
- Used best estimates of attendee origin by category for non-ticketed events.
- Calculated direct spending by participants for the four facilities, plus complex-wide and outdoor events, by event over the twelve month study timeframe.
- Incorporated event producer expenditures as measured by rent and related facility rental expenditures.
- Utilized the BC Input Output model to estimate the indirect and induced effects of participant spending, in order to estimate the total economic impact of the facilities.
- Reported the findings.

## ANALYSIS PROCESS

Economic impact analysis is based on the spending of money which creates economic impact within the region where the expenditures take place. Consequently, all of the analysis is based on tracking expenditures by category of event within the facilities. It is noted that operation of the Okanagan Hockey Academy, including the Okanagan Hockey School, has not been included.

This analysis produces an estimate of the **direct expenditures** by event participants. These expenditures reflect the initial round of spending in the community. **Total economic impacts** are a more complete measure of economic activity generated by the facilities and this measure incorporates the spin-off effects produced by subsequent rounds of spending, including both indirect and induced effects. Consequently, total economic impacts are defined as follows:

$$\text{Total Economic Impacts} = \text{Direct} + \text{Indirect} + \text{Induced Effects}$$

Economic impact analysis is typically conducted over a twelve month period, incorporating all the events that occurred over this analysis timeframe. This approach provides an annual account of the benefits – and in the case of the SOEC – a second review measuring progress since a similar study conducted in 2012.

The following is a description of the Direct and Spin-Off effects.

### DIRECT ECONOMIC EFFECTS

This analysis is based on a detailed estimate of direct spending by participants at each event staged in the complex of facilities, plus facility rent and facility operations charges paid by event producers. This included the following categories for each facility.

#### South Okanagan Events Centre

- Penticton Vees Hockey spectators and players
- Other sports spectators and players
- Concert Attendees and Trade Show/Community Event patrons
- Event Promoters/Organizers

#### Penticton Trade & Convention Centre

- Convention Delegates
- Consumer Show Delegates
- Trade Show Patrons
- Meeting and Banquet Participants
- Special Event Attendees

#### Memorial Arena

- Competitors
- Spectators

#### Okanagan Hockey School Training Centre

- Competitors
- Spectators

Outdoor

Exhibitors  
Attendees

Direct expenditures have been separated into four categories of geographic origin including:

- residents of Penticton
- South Okanagan Region residents
- persons from elsewhere in BC, and
- persons from outside BC.

This grouping has been used in order to separate local spectators/event patrons from persons from out of the region as their expenditure patterns are significantly different.

Local residents spend money on event tickets, food and beverage inside the facility, pre and post event food and beverage purchases outside the facility, plus transportation and incidentals such as souvenirs. Non local residents would incur these expenditures as well as accommodation expenses and incrementally higher transportation costs.

Accommodation options range from hotels, motels, B&Bs, as well as the homes of friends and relatives. Persons staying with friends and relatives would have spent less and this is reflected in the assumptions and the per diem spending totals. Event spectators/attendees would also have overnighted in Penticton for various length of stay. The majority would have stayed only the one night of the event, but others – particularly for weekend events – would have stayed more than one night. These estimates have also been incorporated into the analysis.

It is noted that not included in this analysis is spending by the facilities on goods and services. These are expenditures that generate economic benefit in the community but have been intentionally omitted in order to focus entirely on the benefit created by people coming to events stages at the SOEC facilities.

The following are the measures that have been used, with the sources.

**Table 1: Economic Impact Measures and Sources**

Direct Spending Category	Measure	Sources
Event Attendance	Box office counts	Facility management
Geographic Draw: Penticton Other Okanagan Region Other BC Non BC	Box office records of ticket purchases by postal code Walk up ticket purchase allocated to Penticton (may underreport other non-local categories)	Facility management and EPG estimates
Proportion of Spectators/Event Attendees Overnighing	100% of non-BC and Other BC participants 10% of regional residents for some of the events	EPG estimates
Proportion of Same Day Spectators/Event Attendees	100% Penticton residents 90% Okanagan region (some events)	EPG estimate
Per diem expenditures for event patrons:		Statistics Canada; Travel Survey of Residents of Canadian (TSRC) and International and Travel surveys (ITC), 2015. (As reported in regional studies.)
- Using commercial accommodation	\$155 Average from surveys plus ticket price add-on	Thomson-Okanagan Market Overview, Destination BC, 2016
- Staying with friends or relatives	\$90 Per diem less estimated commercial accommodation cost	Value of Tourism, Destination BC, 2015
- Convention Delegates	\$275 or \$300 depending on event	EventCorp surveys for BC Place (results confidential)
- Same day	\$15 to \$50 depending on the event	Facility management re hotel rates by season
Length of Stay	1 - 1.2 nights depending on event and day of the week.	

## SPIN-OFF ECONOMIC EFFECTS

The analysis described above produces an estimate of spending by facility participants. These direct expenditures are then used as input for the BC Input-Output Model (BCIOM) to estimate the overall effects of hosting events at the facilities. (The BCIOM is the provincial government economic impact model, operated by BC Stats.) The overall impacts include direct, indirect and induced effects, where the latter two are often called spin-off or multiplier effects.

The BCIO Model measures these economic effects at three different points in the expenditure chain. These are as follows:

- **Direct effects** measure the change in provincial economic activity resulting from the initial expenditures. For this analysis, it includes the purchase of all goods and services, and the payment of wages and salaries. The model also nets out

expenditures on imported goods and services and indirect taxes. Consequently, the direct effect value is less than the total direct spending amount.

- **Indirect effects** measure the change in provincial economic activity generated by spending within the sectors that supply goods and services used in the direct activities. These are often referred to as secondary or spin-off effects as they measure expenditures that occur subsequent to the initial direct expenditures.
- **Induced effects** measure the impact created by additional income accruing to individuals whose work was created by the direct and indirect activities described above. It reflects the spending of salaries paid to persons who work for the firms supplying goods and services to the operation of the facilities.

Three key measures are used to assess the resulting economic effect. These are:

- **Total Economic Impact:** The sum of all industry revenues in the BC economy that result from the direct spending of facility patrons. It is sometimes referred to as Output.
- **Employment:** The number of full time equivalent jobs that are created by operating the facilities, comprised of full-time, part-time and seasonal employment.
- **Tax revenues:** an estimate of taxes generated, separated in to following jurisdictions:

Canada	Federal personal income taxes, Corporate income taxes, Gasoline taxes, Federal excise taxes, Goods and services taxes
British Columbia	Provincial personal income taxes, Corporate income taxes, Licences, fees and permits, Property tax
Penticton	Licences, Dues, Permits, Business taxes

It is noted that economic impact analysis involves a series of calculations based on descriptive information of the project or facility being analyzed. This SOEC analysis has utilized detailed figures on attendance from Box Office records and for the costs of staging events.

## **CATEGORIES OF EVENTS**

The complex of facilities within the SOEC hosts a variety of events. For analysis purposes they have been grouped into the following categories:

### **South Okanagan Events Centre**

- Penticton Vees
- Other Hockey
- Concerts
- Other Sports
- Community Events/Trade Shows
- Ice Rentals

### **Penticton Trade & Convention Centre**

- Conventions
- Consumer Shows
- Trade Shows
- Meetings/Banquets
- Special Events

### **Memorial Arena**

- Ice Rentals
- Tournaments

### **Okanagan Hockey School Training Centre (not the Academy)**

- Ice Rentals
- Tournaments

### **Outdoor**

- Car Sales
- Fairground

The following chapters report the assessment of direct expenditures by event participants by category of event.

## **SOUTH OKANAGAN EVENTS CENTRE**

A range of sporting and entertainment events were hosted at the SOEC over the study period. The following is a listing:

**Table 2: SOEC Event Description**

<b>South Okanagan Events Centre</b>		
Penticton Vees	Pre-Season Games	3
	Regular Season Games	28
	Post Season Games	<u>10</u>
	Total Games	41
Other Hockey	Vancouver Canucks Young Stars	6
	Canadian Sports School Hockey League	10
	Western Canada Cup	<u>13</u>
	Total Games	29
Concerts	Lamb of God	
	Meatloaf	
	Don Henley	
	Five Finger Death Punch	
	Alice Cooper	
	Slayer	
	Mamma Miai	
	Bryan Adams	
	Celtic Thunder	
	Cirque Musical	
	Blue Rodeo	
	Dierks Bentley	
	Weezer	
	Buckcherry	
Rob Thomas		
Other Sports	Arena Cross (2 days)	
	BC High School Wrestling (2 days)	
Community Shows	BC Hockey Hall of Fame Induction	

Source: Facility management records

## ATTENDEE ATTRIBUTES

### Origin Breakdowns

Origin information is tracked by the SOEC ticketing system for tickets purchased by credit card, debit card, on-line or by telephone. Origin information is not available from cash sales. From the information available, origins were sorted by community and/or postal code and grouped into categories of:

- Penticton
- Other Okanagan Region
- Other BC
- Non BC Residents

Patronage is largely based on the local and regional markets, although some attendees are from other parts of the province or from out of province. The following is the origin distribution by event category.

**Table 3: Origin Distribution by Category**

SOEC	Penticton Veas	Other Hockey	Concerts	Other Sports	Com'ty Shows
Penticton	94%	61%	24%	24%	90%
Other Okanagan Region	4%	30%	58%	58%	0%
Other BC	1%	4%	15%	15%	10%
Non BC	0%	5%	3%	3%	0%

Source: Analysis of postal codes for all non-cash ticket purchases.

### Per Diem Spending

Spending information has been obtained from tourism industry research descriptive of the region. The key sources for both overnight and same-day participants were:

#### Overnight Per Diem Spending

For convention delegates, the PTCC uses a per diem of \$300 per room night. This covers all registered delegates, event producers, and includes spouses. The per diem is based on comparisons with other Canadian convention centres and is the figure reported to the BC Ministry of Tourism as part of their quarterly tally of provincial convention centre performance.

For other sporting and entertainment events at the SOEC, information was obtained from research conducted by Destination BC. This expenditure data has been collected through Statistics Canada surveys of Canadian residents and international visitors, and summarized for the Thompson Okanagan tourism region.

For the purposes of this analysis of spectators at sporting events and attendees at concerts and special events, and staying in commercial accommodation, a per diem of

\$155 has been used. For persons staying with friends and relatives (and not paying for hotels/motels), a per diem of \$90 has been used.

Local/Regional/Same-Day Spectators Per Diem Spending

No facility or event specific data exists on spending by local or regional residents. Consequently, estimates have been made on the likely expenditures of persons attending events at the facilities. These estimates cover the typical expenditures that a spectator/event patron would likely have incurred to attend an event at the facilities. In addition to event ticket prices, typical costs include transportation to the facility, food & beverage in the venue (as well as pre and post event), plus incidentals such as souvenirs.

The following same-day traveller per diems have been used in the calculations:

**Table 4: Per Diem Expenditures by Category**

<b>Events</b>	<b>Local residents</b>	<b>Regional residents</b>
Penticton Veeps	\$30	\$50
Other Hockey	\$50	\$70
Concerts, Other Sports, Family Shows	\$50	\$70
Community Events	\$15	-
Conventions	\$30	\$30
Consumer Shows	\$30	\$30
Meetings/Banquets	\$0 - \$30	\$0 - \$30
Special Events	\$0 - \$30	\$0 - \$30
Tournaments	\$50	\$50
Ice Rentals, Outdoor Events	\$15	-

Source: EPG estimates

**Length of Stay**

The overnight per diem accounts for those persons visiting Penticton and staying one night. However, a portion of out of town spectators/event patrons are likely to have stayed more than one night. These would be people taking advantage of being in Penticton to conduct other business, to shop, or to visit with friends and relatives. For the purposes of this analysis, a length of stay of 1.2 nights has been used for some of the bigger draw events such as weekend concerts.

## EVENT SPECTATOR/ ATTENDEE EXPENDITURES

The SOEC hosted a total of 88 admission fee events grouped into six categories over the May 2016 to June 2017 study time period. These events generated a total attendance of nearly 191,000 (not counting ice rentals).

Each event was analyzed in terms of the origin of attendees, proportion who stayed overnight, proportion staying in commercial accommodation or the homes of friends/relatives, and their expenditures. The following table illustrates the technique and the values, using a sample event.

**Table 5: Event Expenditure Analysis**

Don Henley Concert	Factors	Per Diems	Expenditures
<i>Date</i>			13-Jul-16
<i>Day of Week</i>			Saturday
<b>ATTENDEES/SPECTATORS</b>			
Paid Attendance			4,787
<i>Geographic Draw:</i>			
Penticton			1,431
Other Okanagan Region			2,212
Other BC			1,099
Non BC			45
Total			4,787
<i>Overnighting:</i>			
% using Commercial Accom.	70%	\$155	\$29,944
Length of Stay (nights)	1.2		
% with Friends /Relatives	30%	\$90	\$8,311
<i>Same Day:</i>			
Penticton		\$50	\$71,550
Other Okanagan Region		\$70	\$139,356
<b>Spectator Total</b>			<b>\$249,161</b>
<b>PROMOTERS/PRODUCTION</b>			
Number of Personnel			20
Number of Days			2
Total Personnel Days			40
<b>Promoter Totals</b>		\$140	<b>\$8,000</b>
<b>Concert Total</b>			<b>\$257,161</b>

Source: EPG analysis of spending by place of origin.

The spending of sporting event spectators and concert/special event attendees has been tallied by category. The total spending by event participants over the twelve month study time frame was estimated at \$9.5 million. The non-local overnighting component of this spending was estimated at just over \$1.0 million.

A significant contributor of economic activity was the Penticton Vees, who played a total of 41 pre-season, regular season and playoff games at the SOEC, and generated over \$4.0 million. Other Hockey at contributed nearly \$2.8 million followed by Concerts at \$2.5 million during the twelve month study period,. The description of expenditures by category of event is as follows:

**Table 6: SOEC Event Attendee Expenditures**

EVENT DESCRIPTION	Penticton Vees	Other Hockey	Concerts	Other Sports	Family Shows	Community Events	Total
Number of Events	41	29	15	2	0	1	88
Spectators/Event Participants	105,298	41,709	41,404	2,218	0	500	191,129
<b>Expenditures</b>							
Overnight (Commercial Stays)	\$267,569	\$278,223	\$322,259	\$17,263	\$0	\$12,500	\$897,813
Overnight (Friends & Relatives)	<u>\$13,940</u>	<u>\$37,452</u>	<u>\$85,642</u>	<u>\$4,588</u>	<u>\$0</u>		<u>\$141,622</u>
Overnighting Total	\$281,509	\$315,675	\$407,900	\$21,851	\$0	\$12,500	\$1,039,435
Same Day Local)	\$3,477,972	\$1,278,450	\$497,350	\$26,643	\$0	\$6,750	\$5,287,165
Same Day (Regional)	<u>\$212,978</u>	<u>\$797,643</u>	<u>\$1,524,222</u>	<u>\$81,652</u>	<u>\$0</u>		<u>\$2,616,495</u>
Same Day Total	\$3,690,949	\$2,076,093	\$2,021,572	\$108,295	\$0	\$6,750	\$7,903,659
Total Spectator/Attendee Expenditure	\$3,972,458	\$2,391,768	\$2,429,472	\$130,146	\$0	<u>\$19,250</u>	<u>\$8,943,094</u>
Players/Promoters Expenditures	<u>\$41,850</u>	<u>\$378,200</u>	<u>\$96,000</u>	<u>\$8,750</u>	<u>\$0</u>		<u>\$524,800</u>
<b>Total Event Expenditures</b>	<b>\$4,014,308</b>	<b>\$2,769,968</b>	<b>\$2,525,472</b>	<b>\$138,896</b>	<b>\$0</b>	<b>\$19,250</b>	<b>\$9,467,894</b>

Source: EPG analysis of each event by category.

## PENTICTON TRADE & CONVENTION CENTRE

### EVENT ATTENDANCE

The PTCC hosted a total of 84 separate events grouped into five categories over the May 2016 to June 2017 study time period. These events generated a total attendance of over 87,000 person-days. The following is a summary of delegates by event category:

**Table 7: PTCC Events and Delegates**

<b>PTCC Events by Category</b>	<b>Attendance (Delegate-Days)</b>
Conventions (9)	14,005
Consumer Shows (7)	34,698
Trade Shows (1)	1,215
Meetings & Banquets (61)	8,625
Special Events (18)	26,647
<b>PTCC Total</b>	<b>87,190</b>

Source: Facility Management records

## ATTENDEE ANALYSIS

Attendee numbers are collected at the time of booking and are tracked and verified by the facility meeting planner. Subsequent to the event, the overnight component is recorded and provided to the BC Ministry of Tourism as part of the Ministry's tally of provincial convention centre performance. For analysis purposes, the four origin categories were combined in to two, namely:

- Local/Regional (Penticton/Other Okanagan Region)
- Other BC/Non-BC

The origin distribution ranges from mainly local to mainly non-local, depending on the event. The per diem expenditure used in the calculations was from \$200 to \$300 for overnighting delegates (non-resident delegate days), depending on the type of function and the likely demographic of the delegates. Same day attendee expenditures ranged from zero to \$50, depending on the event.

The spending of convention delegates, consumer and trade show patrons, meeting and banquet participants and special event attendees has been tallied by category. The total spending by event participants over the twelve month study time frame was estimated at over \$11.7 million. The non-local overnighting component of this spending was estimated at just over \$9.1 million.

The most significant contributor of economic activity was special events, and generated approximately \$5.0 million. Conventions contributed the next largest amount at over \$4.2 million, followed by Consumer Shows at over \$1.6. The description of expenditures by category of event is as follows:

**Table 8: PTCC Event Attendee Expenditures**

EVENT DESCRIPTION	Conventions	Consumer Shows	Trade Show	Meetings Banquets	Special Events	Total
<b>Number of Events</b>	9	7	1	61	6	<b>84</b>
<b>Delegates/Event Participants</b>	14,005	31,288	1,215	8,625	28,647	<b>83,780</b>
<i>Expenditures:</i>						
<b>Overnighting Delegates</b>	\$3,803,535	\$380,325	\$167,063	\$508,651	\$4,235,675	<b>\$9,095,248</b>
<b>Same Day Patrons</b>	\$397,965	\$897,150	\$18,225	\$203,261	\$616,780	<b>\$2,133,380</b>
<b>Producers/Exhibitors</b>		\$282,008			\$161,750	<b>\$443,758</b>
<b>Total Expenditure</b>	\$4,201,500	\$1,559,483	\$185,288	\$711,912	\$5,013,904	<b>\$11,672,086</b>

Source: Facility management records for attendance, EPG calculations for spending estimates.

Note: Delegate count slightly lower than reported in Table 7 due to variations in the counting methodology.

## OTHER EVENT CENTRE FACILITIES<sup>1</sup>

### MEMORIAL ARENA

The Penticton Memorial Arena is used for community ice rentals, and hockey tournaments. Over the study period, there were over 1,100 ice rentals and 16 tournaments.. Expenditures have been tallied at \$15 per person for recreational skating, plus the same overnighting and same day per diems as used for events at the SOEC and the PTCC (i.e., \$140 and \$50 respectively).

The following is the estimated distribution of participants:

<b>Tournaments</b>	
- Local/Regional	50%
- Other BC/Non BC	50%

The following are the projected expenditures.

- Ice Rentals	\$281,625
- Tournaments	<u>\$346,560</u>
<b>Total Memorial Arena</b>	<b>\$741,185</b>

### OKANAGAN HOCKEY SCHOOL TRAINING CENTRE

The OHSTC is the second ice surface located in the SOEC building. It generates economic activity through recreational ice rentals and the spending of players and spectators at tournaments. As with the Memorial Arena expenditures are tallied at \$15 per day for recreational skating, and \$50 for same day and \$140 for overnighting tournament participants.

The origin distribution has been split equally between the Local/Regional and Other BC/Non BC tournament players and spectators.

The following are the projected expenditures.

- Ice Rentals	\$355,500
- Tournaments	<u>\$419,615</u>
<b>Total OHSTC</b>	<b>\$775,115</b>

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<sup>1</sup> Details were not available on activities at these two other ice surfaces at the time of writing. Information from the analysis done in 2012 has been used as a place holder.

## OUTDOOR

One event was hosted outdoors, namely, a fair with midway. All attendees were assumed to be local/regional, spending \$15 per day. The following are the projected expenditures.

- Amusement Fair	<u>\$112,500</u>
<b>Total OUTDOOR</b>	<b>\$112,500</b>

## TOTAL ECONOMIC IMPACT

### DIRECT EXPENDITURES

The total direct spending of the SOEC complex of facilities totalled over \$24.9 million, distributed as follows:

**Table 9: Total Expenditures of SOEC Event Participants**

<b>Facility</b>	<b>Participant Expenditures</b>
South Okanagan Events Centre	\$9,467,894
Penticton Trade & Convention Centre	\$11,672,086
Memorial Arena	\$628,185
Okanagan Hockey School Training Centre	\$775,115
Outdoor	\$112,500
Rent & Recoveries	<u>\$2,251,072</u>
<b>Total</b>	<b>\$24,906,852</b>

It is important to note that these figures include only direct spending by event participants and do not include the operating expenditures of the facilities themselves. This spending on wages, and goods and services to operate the facilities, is typically included in facility economic impact analysis as these expenditures create economic activity. However, in the case of the SOEC, the facility operating expenditures are funded by the City. In an attempt to focus the analysis solely on facility generated economic activity, these expenditures have not been included.

## TOTAL ECONOMIC EFFECTS

**Total direct expenditures** include all monies spent by participants at the SOEC complex of facilities. It includes all the spending by event attendees and participants. Additional spending has been included in the modelling to capture the monies spent by event producers and promoters. This is recorded in the accounts as revenue, and includes a range of line items including security, stagehands, event staff, utilities, etc.

It is important to note that these figures include only direct spending by event participants and do not include the operating expenditures of the facilities themselves. This spending on wages, and goods and services to operate the facility, is typically included in facility economic impact analysis as these expenditures do create economic activity. However, in the case of the Penticton facilities, the operating expenditures are funded by the City. In an attempt to focus the analysis solely on facility generated economic activity, these expenditures have not been included.

This \$24.9 million figure has been run through the BC Input Output Model (BCIOM) operated by BC Stats, the provincial government's statistical agency. This model replicates activity of the BC economy and is used to estimate the **overall economic impact** that these direct expenditures generate.

The BCIOM provides a snapshot of the state of the economy at the time the model was last calibrated. It is based on the most current information available from Statistics Canada, on a variety of topics relevant to economic modelling. It incorporates 258 categories of supply data and 258 categories of demand data. The model uses initial expenditures as input and produces estimates of the direct, indirect and induced effects as output.

Inputting the initial expenditure number produces output values of three separate measures, namely: total economic activity, employment and taxes. It is noted that the model accounts for money that "leaks" out of BC for the purchase of goods and services from other provinces and other countries. Since these expenditures do not occur in BC, they do not expand the BC economy, and are netted out of the calculations. This leakage is estimated at approximately 20% of the direct spending total, resulting in the initial spending of 24.9 million being reduced to \$20.7 million. (Source: *Economic Impact of BC Place*, Economic Planning Group, March 2017. Confidential.)

Based on BCIO Model estimates, the initial spending of \$24.9 million results in total economic activity of nearly \$34.8 million. This is the total amount of economic activity generated by spending in the SOEC complex of facilities through all rounds of spending.

This spending also generates the equivalent of 378 jobs and produces over \$2.0 million in taxes.

These values, and their direct/indirect/induced components are summarized as follows:

**Table 10: Economic Impact Measures of the SOEC**

<b>Measure</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Total Economic Activity	\$20,670,477	\$10,628,523	\$3,482,520	<b>\$34,781,520</b>
Employment	284	68	26	<b>378</b>
Taxes	\$1,137,346	\$667,686	\$282,431	<b>\$2,087,463</b>

Source: BC Input-Output Model