



CITY OF VANCOUVER

Administrative Report

Date: October 28, 2003
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TO: Vancouver City Council

FROM: General Manager of Engineering Services, in consultation with the Chief Constable and the General Manager of Parks & Recreation

SUBJECT: Celebration of Light

RECOMMENDATION

- A. THAT Council approve the Celebration of Light as a civic event for 2004
- B. THAT Council approve a budget of \$588,000 for City Services, in advance of the 2004 Operating Budget without offset, as detailed in the financial implications section.
- C. THAT Council approve the Celebration of Light as a civic event for 2004-2008, and request the Director of Legal Services to modify the current agreement to develop a five year license agreement with the Celebration of Light Society Board, subject to an annual confirmation of corporate support to cover all costs except those City services, and subject to cancellation by the City on notice prior to December 31st of any year; with estimated costs to be included as part of the annual operating budget.

CITY MANAGER'S COMMENTS

The City Manager notes that the Celebration of Light is a free summer event for all citizens of British Columbia and visitors to Vancouver. It attracts over 1 million spectators, and generates a significant economic impact City wide.

The City cost is substantial, but the vast majority deals with extra policing costs, not only in the event area but throughout the City. The sponsorship contributions in addition to the City costs are \$1.3 million plus an additional \$535,000 in in-kind services.

Major events of this nature need to have sufficient Police control. The issue, as with the other City Departments is to ensure that staff resources are deployed as efficiently as possible. For this event City costs, except Police, are confined to the event area, but Police deployment, because of the large crowds, needs to respond throughout the downtown. These costs have increased significantly over the years.

To produce this event in 2004, the Celebration of Light Society has a significant challenge because even with full City sponsorship of City services they need to find additional sponsors for approximately \$350,000 to meet their budget. The City Manager believes that without the City sponsorship the event will not proceed.

Therefore, the City Manager recommends that Council approve recommendations A, B, and C.

COUNCIL POLICY

Festivals and special events that take place in City streets and parks are coordinated by the Film and Special Events Offices in Engineering and Parks. Large-scale events are coordinated through the FEST Committee. Events are not charged for the use of streets and park spaces, but the City's police and engineering services are charged on a cost-recovery basis. As approved by Council on September 25, 1984, the City waives these costs for Council-designated 'Civic Events' defined as special events that the City - on its own or in partnership with other organizations - has initiated and/or has a significant role in organizing.

PURPOSE

The purpose of this report is to report-back to Council on the 2003 Celebration of Light, and to recommend that the City continue to support the event for 2004, and for a further period of four years.

BACKGROUND

In February of 2001, faced with the possible cancellation of the privately sponsored annual Symphony of Fire, City Council deemed a summer fireworks event to be a civic event and agreed that, if certain conditions were met, the City would cover direct city costs to put on the event. In July of 2001 Council approved funding of \$385,250 to cover City costs for the 2001 Celebration of Light, and approved it as a civic event for 2002, with estimated costs to be included as part of the 2002 operating budget. (2001 actual costs were \$378,798 and for 2002 \$396,856). On March 27th, 2003 Council approved the Celebration of Light as a civic event for 2003; and approved a budget of up to \$400,000 for City services, funded from the General Government Account. Council directed the Police Department to provide the necessary staffing to police the 2003 Celebration of Light event with \$307,000 funded from the General Government account, and the balance from within the Police Department 2003

budget using staff reconciliation time or other budget adjustments. The General Manager of Engineering Services, in consultation with the Chief Constable and the General Manager of Parks and Recreation and the Celebration of Light Society, was requested to report back in October 2003 on event impacts with recommendations on continuing or changing the event to reduce City cost of policing.

DISCUSSION

The popularity of the Summer Fireworks event is evident from the attendance: over 300,000 people watch it each night from the beaches and streets in the West End and Kits Point/Vanier Park. Audience counts do not include people who watch from private residences, boats and other areas (UBC, North Shore etc.) A survey of visitors to the 2003 event, undertaken by Synovate Research for the Fireworks Society and Tourism Vancouver, reflected similar conclusions to a previous economic impact study conducted on behalf of Tourism Vancouver in 2001 and reported by the Vancouver Economic Development Commission. The 2003 Synovate study indicated that

- 25% of fireworks visitors live in Vancouver
- 43% come from other GVRD municipalities
- 12% come from other parts of the province, and
- 20% come from outside B.C.
- Fireworks visitors spent an average of \$66.20 during the day as a result of the fireworks, or nearly \$20 million total each night.
- the average expenditure for out of town visitors was \$137.
- 80% of out-of-town visitors stated that watching the Celebration of Light was a reason for coming to Vancouver,
- two-thirds of the visitors have come to Vancouver to watch them in the past five years
- most of the visitors stay in the area for between two and four days.

It is evident from these numbers that the Celebration of Light is a very popular summer tradition, with significant economic benefits. The number of people who watch the fireworks show each night far exceeds the viewership in the other Canadian cities that sponsor similar events; and given the immense crowds and impacts on mainly residential neighbourhoods the number and type of problems are relatively minor. However, some complaints are received each year. People who live within the closure area of the West End and Kitsilano have difficulty accessing their homes and parking areas. Other complaints have included trampled lawns and flowerbeds, people using lanes, alleys, buildings and gardens as bathrooms, and litter-laden beaches and streets. There are also issues such as noise and smoke created by the fireworks; and of course concerns about late night noise and hooliganism. Staff and Council also received several calls and letters during the 2002 and 2003 events about the use of a Police helicopter for crowd control. In conclusion, given the scale of the event and the number of people who attend, the overall number of complaints is surprisingly low.

The City's involvement in the Celebration of Light includes provision of Engineering, Park Board and Police services. The Special Events Office and the Manager of the Celebration of Light Society co-ordinate FEST involvement with a wide range of organizations; everything from Port and Coast Guard officials to Translink, BC Ambulance Service and Federal Explosive regulators. The Special Events staff representative co-ordinates the delivery of all City services - including Traffic Operations, Street Vending, Electrical and Sanitation requirements and Vancouver Fire & Rescue Services. The Park Board has its own staff overseeing their services, which are coordinated with the City's plan. Activities are coordinated through an activation of the Emergency Operations Center at ECOMM. Vancouver Police coordinate their activities with other adjoining municipalities, SkyTrain and Transit Security. Total cost for City services for the 2003 Celebration of Light was \$543,613, compared to \$396,855 in 2002. The majority of this cost, \$458,300, was for policing services, of which \$307,000 was funding approved by Council for the event, with the remainder coming from within the Police budget.

Policing

From a policing perspective 2003 was very successful. Prior to 2003 the trend was towards an ever increasing level of crimes being committed under cover of the large crowds that attended. In March of 2003 Council was provided a separate briefing by the police about the concerns the police had regarding citizen safety and the incidence of violence during the Celebration of Light. Council was advised that in order to attempt to address this violence, the level of police deployed had to be increased from 2002 levels. Council at that time acknowledged that the police had to take measures to deal with this disturbing trend. The estimated costs of the 2003 event were also discussed at that time.

While the police continue to see disturbing trends of youth drunkenness and hooliganism in 2003, they did not see the same number of extremely serious incidents (stabbing, assaults causing bodily harm) as in previous years. The police are attributing this success to the increased police presence and to a change in deployment tactics that allowed for increased intervention, however with only one year of a lack of serious incidents, it is too early to tell whether this is the correct hypothesis.

Policing costs for 2003 were estimated to be \$488,000. Actual costs came in at \$458,300, mainly due to the crowds being less confrontational and thus leaving the area earlier than in the past. This however still means that because event funding for police was capped at \$307,000, the Police Department had to divert \$151,300 from other uses to subsidize the costs of policing the 2003 event.

Police costs for 2004 are estimated at \$490,000.

It must be noted that, in order to try to reduce costs, the police employ a wide range of traffic control options for this event, ranging from simply placing volunteers at

barricades to Traffic Authority Special Constables. The bulk of the policing costs however come from having to deploy large numbers of officers to police the more than 50 city blocks, SkyTrain stations, beaches, parks and congested waterways and surrounding neighbourhoods that are directly impacted by the influx of 300,000 people nightly.

Alternative Scenarios

With an overall budget of \$1.3 million in hard costs, not including City services, and a \$2 million total budget, the City's \$543,614 contribution in 2003 makes it a major sponsor of the Celebration of Light. Given Council's concerns about the significant cost of City support for the event, and in particular the policing requirements, staff met with the Celebration of Light Manager to explore options that might lessen the City's financial commitment. We explored a number of alternatives, including:

A. Shortening the event to three nights instead of four

This would have serious repercussions on the nature of the event, and on the costs of producing the show, as it would no longer be classified as a 'competition', but instead as a 'demonstration'. Currently teams are given a set budget for fireworks materials by the producer, but add to them at their own cost to enhance their show, in hopes of winning the competition, which they use for marketing purposes. A two-team competition is not acceptable to the teams, and a three night three team show without a finale would not be considered a competition. A three night event would reduce the policing costs, however it is unclear of whether a full 25% reduction in costs could be realized as "per night" crowd numbers over three nights might be larger than for an event spread over four nights. The cost per night for the Society would also be significantly higher because they would still face the same fixed costs for items like travel, barge rental, set up and administration.

B Moving the event to July to tie in with Canada Day festivities.

Given some of the public's interest in having a fireworks show to commemorate Canada Day, there was consideration of an early July date for the Celebration of Light, particularly in light of increased sponsorship potential. Police and Translink concerns about the implications of the later start time for the show were significant detractions, as were the Society's concerns about the extra costs involved in bringing competitors to Canada and Vancouver that much earlier in the Fireworks season, when their travel costs could not be distributed among several Canadian events.

C. Moving the event to a later time in August

An early start time made possible by a shift in dates by a week or ten days could be marginally beneficial as it might encourage more families to attend, and might result in the area being cleared earlier each night. (Translink reports a significant difference in clearing Skytrain stations and buses with the 15 minute earlier start that was instituted in 2002). However, from a production perspective the situation is the same as if the fireworks were presented earlier in the year. Events in Quebec City

(six shows between July 24th & August 11th) and in Hull (five shows from July 31st to August 15th) mean airfares, accommodation costs and even immigration visa costs for the fireworks competition teams are shared between venues.

After extensive discussion it was agreed that overall budget implications for the Society and for the City would not be reduced proportionally by eliminating one night's show; nor would a change in date make any significant difference to the budget, as hard costs for signage, fencing, the barge rental etc. would remain constant, with only a minor adjustment for labours savings.

The Celebration of Light budget for 2004 is \$1.3 million, including \$800,000 for production and administration, \$365,000 for advertising, marketing and hospitality and \$110,000 for insurance, ambulance, security, sanitation and other miscellaneous expenses, but not including the cost of City services. In addition the sponsors donate in kind marketing and other services valued at \$525,000. The Society is currently facing a funding shortfall of \$350,000, and is seeking additional corporate sponsorship to make up this amount. Although the Celebration of Light is the largest free fireworks competition the world, the Society is also investigating ways in which people who watch and enjoy the fireworks can be encouraged to donate to help support the continuance of the event.

Options:

Council has several options available to it, all of which will have significant impacts on the Society, given the City's role as a major sponsor.

- A. Council can continue to support the Celebration of Light by covering the cost of all City services - estimated to be \$588,000 for 2004.
- B. Reduce or limit the City's contribution and require that corporate sponsors be found to help underwrite those costs. This would be extremely difficult to do given the challenges encountered over the last three years.
- C. End City sponsorship altogether and require the Society to provide full corporate sponsorship of City costs. If this were to happen for 2004 it is likely that the event would be cancelled altogether.

Without Council's support for the provision of city services it is very unlikely that the event will proceed in 2004; and if it has to be cancelled for one year the probability of reviving it would be doubtful. If Council decides to support the Celebration of Light as a Civic Event for 2004 the Society is also asking for a longer term commitment in order to allow the Society to work on long range corporate sponsorship plans.

FINANCIAL IMPLICATIONS

In the past two years Council has capped the amount of money available for City services at \$400,000. Police costs over and above those allocated for 2003 had to be

redirected from other policing initiatives. This practice is of great concern to the Police Department.

City services and Park Board expenses are expected to remain fairly constant (approximately \$98,000 for 2004 plus inflation), Policing costs are estimated to be \$490,000 for 2004. Estimates for subsequent years will only require contractual increases should the crime and disorder issues remain the same as 2003.

Based on 2003 allocation, plus an allowance for inflation, Finance has included \$408,000 in the current 2004 Budget estimate for the Celebration of Light. In order to fully fund the estimated policing costs this would have to be increased to \$588,000 as per recommendation A. Past budget history and estimated 2004 budget is summarized in the following table:

Celebration of Light Budget History & 2004 Estimate

Service	2002 Actual	2003 Budget	2003 Actual	2004 Budget Request
Police	\$ 316,281	\$ 307,000*	\$307,000	\$490,000**
E.O.C.	\$ 3,380	\$ 4,000	\$ 3,152	\$ 4,200
Fire Rescue	\$ 2,073	\$ 2,000	\$ 1,500	\$ 1,600
Sanitation	\$ 14,683	\$ 15,000	\$ 15,630	\$ 16,400.
Traffic Ops	\$ 21,865	\$ 30,000	\$ 25,561	\$ 28,100
Electrical Ops	\$ 3,320	\$ 3,000	\$ 1,126	\$ 3,400.
Park Board	\$ 35,253	\$ 38,000	\$ 37,569	\$ 39,300
Miscellaneous***		\$ 1,000	\$ 775	\$ 5,000
Total Funding	\$ 396,855	\$ 400,000	\$ 392,313	\$588,000
Police costs funded by the Department			\$ 151,300.	
TOTAL CITY COST			\$ 543,613.	

* Police had requested funding of \$488,000, however Council only approved \$307,000 for the event, with the difference being funded internally by the Police Department

** 2004 Police Budget based on 2003 actual experience plus a wage provision

*** Miscellaneous Expenditures in 2003 included funding for banners; in 2004 these expenditures include Special Event Office overtime charges, new banners and meeting costs.

CONCLUSION

Council's designation of the Celebration of Light as a Civic Event, and its commitment to provide City services at no cost to the Fireworks Society saved the annual summer Fireworks event when it was threatened with cancellation in 2001. Although the cost of policing has risen substantially since that time, the increase has resulted from circumstances well beyond the control of the organizers, and the Society is reluctant to assume responsibility for a cost that can only be determined after the fact. There is a strong possibility that, should Council decide not to continue sponsoring the cost of City Services, the Celebration of Light would be cancelled permanently.

An extensive exercise on the part of organizers and City staff to explore modifications to the event did not identify any significant cost-saving opportunities. Given the economic activity generated by the event, the number of visitors it brings to the City, and the significant number of Vancouver and GVRD residents who come to watch it each year, staff believes that the Celebration of Light is an event that Council should continue to support. We also believe that, by giving the Fireworks Society a multi-year commitment to provide City services at no charge to the Society, Council will be providing the stability the event needs to become an even more successful signature summer event for Vancouver and to attract more sponsors.

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