

NSPPEC COMPLEX

NOURISHING GROWTH

Nova Scotia Provincial
Exhibition Commission

March 2017



INTRODUCTION

“You can learn from the past, but you can’t live in it”

Wise words so very true for the Nova Scotia Provincial Exhibition Commission, the governing body of the NSPEC Complex. It is no secret the Commission has experienced turbulence in recent years. Since the acquisition of the property by the Farm Loan Board in 2014, and the very telling audit by KPMG in 2015, the Commission has worked hard to implement the recommendations put forth since that time.

As a result of a dedicated commitment to heed all recommendations in full, as well as taking into consideration local momentum for event attraction, combined with the central location of the grounds, the NSPEC Complex is poised and ready for growth.

All stakeholders have a role to play in changing the conversation, and there are a few points that all agree on – the grounds house nostalgia, historical significance, and they have untapped and unmatched potential in Atlantic Canada.

Within this document is cause for optimism. It’s time to be hopeful. Support from community members, the business community, the media, and all levels of Government is not only

needed, but, is vital to the preservation and success of the NSPEC Complex.



The mosaic icon, as seen in the NSPEC Complex logo is symbolic of how the NSPEC Complex is made up of similar yet different elements. The Truro Raceway, and Nova Scotia Provincial Exhibition event are the two primary entities associated with the Complex, however, it is also an event venue for a wide kaleidoscope of events. Everything from community meetings to large scale concerts drawing thousands of people.

Our Mission:

To provide the people of Colchester County with an agricultural, entertainment, and community centric gathering place where they can participate in events, conduct business, learn, and be entertained.

Our Vision:

To become a primary community gathering place that creates unique, memorable experiences.





THE REGIONAL LANDSCAPE

Event and sport tourism is the fastest growing segment of Canada's tourism industry, generating \$5.2 billion in annual spending (CanadianSportTourism.com).

To that end, the Town of Truro and the Municipality of the County of Colchester have joined forces to create an Event Attraction Committee responsible for identifying and securing major events for the region.

The vision of establishing Truro-Colchester as a prime event host destination in Atlantic Canada is well within reach.

Truro-Colchester has something no other community does: *location as an advantage and agriculture as a niche.*

As the hub of Nova Scotia, and situated between two international airports, Truro-Colchester is easily accessible to all Maritime residents and visitors, as well as travelers coming from far and wide.

Truro-Colchester does Agriculture like no other. Being home to Dal AC, Agri-tech Park, the NSPEC Complex, and surrounded by active farming communities, it is no wonder the area is considered by some to be the center of agricultural excellence in the province.

In addition, the Region has enjoyed above average growth in the multi-

cultural population. The business community is thriving. The reputation of the area is growing as one for successfully hosting major events, and unlike most others, the facilities and venues stand to do more. The NSPEC Complex is an important piece of the event host strategy and puzzle.

There is no facility quite like the NSPEC Complex in all of Atlantic Canada. Given its unique floor plan and onsite camping, the Complex is regularly sought out by promoters and rights holders representing some of the biggest acts and events from across the globe.

The Complex is a year-round operation, housed on 65 acres, and home to a multitude of facilities capable of playing host to a variety of events, community groups and long-term tenants. The Complex is also home to one of the oldest harness racing facilities in the country, and is the largest operator of horse racing in Nova Scotia,

The possibilities for the NSPEC Complex are limitless. However, challenges associated with the aging state of the facilities and infrastructure on site, as well as the questionable operation of the facility in years past, have prevented the Complex from realizing its unmatched potential. Partnerships, collaboration and a collective vision are the solution, for as they say, *"it takes a village."*

AT PRESENT

Should supports continue to be put in place over the next five years, the NSPEC Complex will become recognized as a premiere event venue within Atlantic Canada; a primary community gathering place that is known for creating unique and memorable experiences; a center of excellence for agriculture, and an entity all can be proud of.



The NSPEC Board and Staff are choosing to focus on the future, and incredible strides have been made in a very short time.

As a result of the March 2015, KPMG Operational Review of the NSPEC Complex, a number of recommendations focused on ensuring long-term sustainability and success for the Complex were provided. Since receipt of that report, the following measures have been taken in an effort to better the path forward:

1. A commission style governance structure has been implemented with a dependent Board serving in an advisory/visionary capacity.

Members of the Board include:

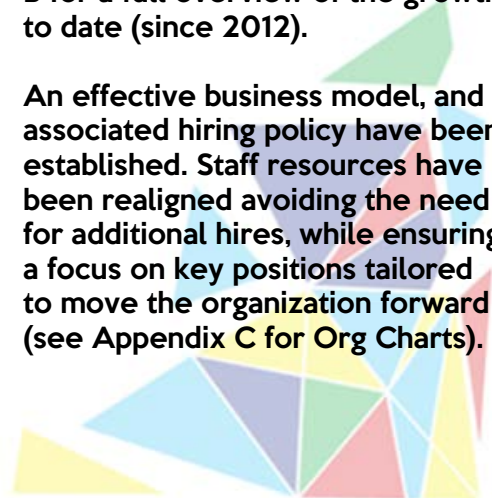
- Stu Rath, *Chair*
 - Prominent local businessman; background in finance
- Laurie Jennings, *Vice Chair*
 - Owner of Masstown Market; a community-minded resident with a focus on agriculture and supporting local

- Cameron MacEachen
 - Accountant; member of the Truro Harness Horse Owners Association
 - Arnold Hagen
 - Local businessman and resident; background in finance
 - Vacant (Local Farmer)
 - TBC
 - Jennifer Thompson
 - Manager, Finance and Planning (Department of Finance & Treasury Board) servicing the Department of Agriculture, non-voting member
2. A comprehensive review of revenues and expenditures has been conducted to enable more informed decisions relative to events, rentals, staffing and operations (see Appendix A – Comparative Income Statement).
 3. Internal controls and proper processes have been implemented to mitigate risk pertaining to finance and cash management.

4. A full comparative/market analysis has been performed to identify areas of improvement in terms of operational effectiveness and opportunities for growth.

Recognizing the global changes in the nature of horseracing, and noting that more than 65% of the NSPEC Complex revenues are derived from horse racing and associated activities, a great deal of attention has been focused on using and bettering this key element of the business. A new “Off Track Betting Room” has been created at Casino NS, and will serve as a primary revenue driver generating approximately \$100-200K profit each year. The total live wager on Truro’s product has also increased, in addition to the international reach. As an example, 8.2% of the total dollars wagered on Truro was done online through Portland, Oregon, and 11.8% was wagered online through the Isle of Man, in the UK. Please refer to Appendix B for a full overview of the growth to date (since 2012).

5. An effective business model, and associated hiring policy have been established. Staff resources have been realigned avoiding the need for additional hires, while ensuring a focus on key positions tailored to move the organization forward (see Appendix C for Org Charts).



NOTE: A full-service event management firm has also been contracted to assist with the execution of the Exhibition and major events, as well as all marketing and branding efforts.

6. A full needs assessment has been completed to identify deficiencies and priority needs relative to infrastructure and maintenance (see Appendix D – Deficiencies List).

7. In addition to retaining and/or enhancing existing events, a full event schedule has been developed for 2017/2018, with a multitude of bookings confirmed.



www.dal.ca



www.trurodaily.com



www.trurodaily.com

2017/2018 EVENT LISTING



- NS Equestrian Federation (Jan. 28-29)
- DAL AC Woodsmen Competition (Feb. 9-12)
- Maritime Intercollegiate Judging Competition (Mar. 4)
- Truro Rugby Sevens (Mar. 10-12)
- Cobequid Dog Club (Mar. 21 – 24)
- Meet and Greet with George Teague (Mar. 24)
- Oxford Food Safety (Apr. 4-5)
- Racing Forensics Workshop (Apr. 8)
- Farm Safety (Apr. 22)
- Canine Agility Association of NS (Apr. 29-30)
- Craft Brewers Association of NS/NSPEC Craft Brew Event (May 6)
- County of Colchester Hazardous Waste Drop-Off (May 13)
- Canine Agility Association of NS (May 19-21)
- Hubtown Youth Fun Run (Jun. 3)
- Yuk Yuks (Jun. 13)
- 4H Achievement Day (Jun. 24-25)
- Weather Backup – Village of Bible Hill/County Canada Day Celebrations (Jul. 1)
- EastGen 4H Showcase (Jul. 14-16)
- Atlantic Grand Circuit Week (Jul. 16-23)
- Downeast Bluegrass Festival (Jul. 28-30)
- Nova Scotia Provincial Exhibition (Aug. 22-27)
- Maritime Barrel Racing Association (Sept. 23-24)
- Cobequid Dog Club (Oct. 6-8)
- Atlantic Dairy Championships (Oct. 10-15)
- MBRA events (March 4-5, May 13-14, Aug. 26-27, Sept 23-24)

Weekly live harness racing and daily live simulcast racing.
Visit www.nspe.ca for more info!



8. A number of partnerships, networks and collaborative endeavors have been revitalized and/or created. Examples include:

- Offering parking and transportation services to the Colchester Highland Games & Gathering (inaugural event)
- Working with other event venues in the community to ensure the size and scope of an event fits the venue, and to avoid hosting competitive events within similar timeframes

- Serving as a secondary location for Chase the Ace fundraisers for both the Colchester Branch of the Royal Canadian Legion as well as the Colchester Community Workshop
- Offering simulcast betting at Casino NS and Brewsters in Halifax Regional Municipality
- Purchasing/sharing of resources with organizations such as the Colchester East Hants Health Centre Foundation



9. An extensive community engagement program was executed in 2016, and continues in 2017 to determine what key stakeholders and community members need, and want to see from the NSPEC/NSPEC Complex.

From the community engagement sessions conducted to date, it has become overwhelmingly clear that residents, business owners, visitors, government officials, community members and others, despite past challenges, still have infused hope, passion, a great deal

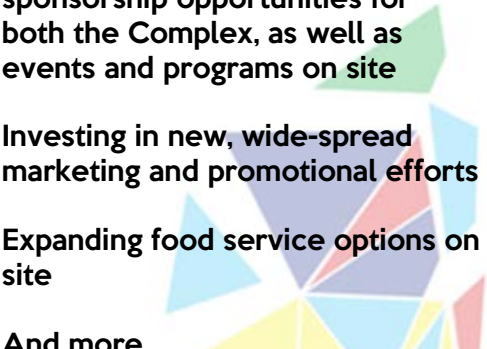
of pride and belief in the potential of the NSPEC Complex. With the success of the venue's signature event, the Nova Scotia Provincial Exhibition's 70th Anniversary celebration in 2016; which saw an increase in attendance of more than 50%, an increase in net income of more than 28% (compared to 2015), and more than \$100,000 in cash and in-kind sponsorship, not to mention, a record breaking closing day with more than 6,000 people on site; the momentum has continued to rise, and faith in the NSPEC Complex has been renewed.

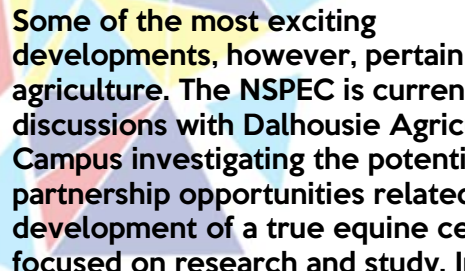




WHAT'S NEXT

Building on that restored faith, the Board and Staff of the NSPEC Complex have refocused their efforts on getting innovative. In addition to those noted above, they continue to shape new opportunities, examples of which include:

- ❖ Creation of the first-ever NSPEC Complex Planning Committee with representatives from:
 - Department of Agriculture
 - Colchester County
 - Town of Truro
 - 4H
 - Truro Harness Horse Owners Association
 - Community Member(s)
 - Tourism and/or Economic Development
 - NSPEC (Event Attraction Committee also represented here as the GM is a Member)
 - Dal AC
 - Perennia
 - Chamber and/or Business
 - Forever Memories Equestrian Center
 - Community
 - ❖ Partnering with the Bible Hill Garden Club to build a Community Garden for the Colchester Food Bank and/or Truro Homeless Outreach
 - ❖ Hosting standalone events including everything from Monster Trucks, to Cirque du Soleil, to Mud Hero, major concert events, car bingo, antique car shows, Queen's Plate, etc.
 - ❖ Investigating the return of annual or owned events including Soul Fest, Rib Fest, Atlantic Horse Fair, the Atlantic Fall Fair and Blues Fest
 - ❖ Utilizing and marketing various facilities on site for milestone events including birthday parties, weddings, anniversary parties, appreciation events, etc.
 - ❖ Coordinating and executing themed Camping Weekends in conjunction with various local not-for-profit organizations
 - ❖ Offering assistance and space to local charity and not-for-profit organizations conducting fundraisers
 - ❖ Investigating new long-term tenant options
 - ❖ Exploring new funding and sponsorship opportunities for both the Complex, as well as events and programs on site
 - ❖ Investing in new, wide-spread marketing and promotional efforts
 - ❖ Expanding food service options on site
 - ❖ And more...
- 



Some of the most exciting developments, however, pertain to agriculture. The NSPEC is currently in discussions with Dalhousie Agricultural Campus investigating the potential for partnership opportunities related to the development of a true equine center focused on research and study. In addition, noting the facilities and amenities available at the Complex, opportunities for research, development and demonstrations associated with heat and energy production, farming equipment and other engineering projects are also being explored. The NSPEC is engaged in similar discussions with John Deere regarding a potential collaboration pertaining to farm and tractor builds. They are also planning to further explore collaboration with Perennia, particularly with reference to the Innovation Centre, and a possible expansion via use of land and/or space within one or more of the existing facilities.

In addition, staff at the NSPEC have established relationships, and continue to maintain regular communications with other agricultural societies across North America, as well as the Exhibition Association of Nova Scotia, the Canadian Association of Fairs and Exhibitions and fellow exhibition organizers throughout the Maritimes. The center of these relationships revolving around best practices, collaboration and innovation.

It is clearly evident that the NSPEC Complex, although more than capable of serving as a multi-purpose venue, playing

host to a multitude of user groups and events, is committed to its true roots in agriculture. When conducting his assessment of Truro-Colchester, Roger Brooks reiterated the need for our community to stake claim to our “niche;” that niche is Agriculture. It is for these reasons, as well as those outlined above, that the Nova Scotia Provincial Exhibition Commission Complex has the full potential to be, and should be, as the Minister of Agriculture, Mr. Colwell has expressed, the Center of Excellence for Agriculture in Nova Scotia.





ARE YOU READY?

As defined in Nova Scotia's Homegrown Success,

“The vision of a stronger Nova Scotia with vibrant rural economies is inextricably linked to an agricultural industry that sustains itself and sustains those things valued by Nova Scotians. It is an innovative industry able to compete in a dynamic marketplace and supported by strategic government investments that focus on growth and development. Government is launching this plan, Homegrown Success, as a means of embarking on fundamental changes—changes to support an industry that seeks to prosper in the best interests of all Nova Scotians, today and into the future.”

With traffic numbers of more than 70,000 visitors per year, and climbing, the NSPEC Complex is poised to serve as a catalyst in this endeavor. To realize the full potential of not only the venue, but also the region, all stakeholders must work together to nourish growth and see the collective vision through to fruition.

With representation from our municipalities, local business and community members on Committees including the Truro-Colchester Event

Attraction Committee, Tourism Committee, Economic and Business Development Committees, all working towards a bigger and brighter future for our region, it quickly becomes evident that working together is the only option. It is easy to see from the momentum building within the community, and within Province, it is working, but it must continue and more is needed.

In addition to providing funding, municipal and provincial partnerships are becoming the norm, in particular, for services (in-kind) including snow removal, emergency response, water management, etc.; all supporting regional collaboration and resource efficiency. Investment in the NSPEC Complex, via contributions to infrastructure improvements and purchases, joint hosting of events, and/or in-kind services will result in our residents deriving direct benefit socially, and culturally, while at the same time enabling the NSPEC Complex to serve as a foundational contributor to the economy.

The NSPEC has done all it can to stabilize and improve given current resources. Now, funding and partnerships are needed for essential infrastructure improvements so the staff at the NSPEC Complex can continue to make it great.

As the newly released Nova Scotia Culture Action Plan clearly states, “Together, we will keep our communities strong and vibrant,” and that couldn't be more true.

The NSPEC is ready. Are you?



Appendix

A – NSPEC Comparative Income Statement

B - Total Wager on Truro Raceway Product

C – Organizational Charts

D – Deficiencies List (Infrastructure Needs)

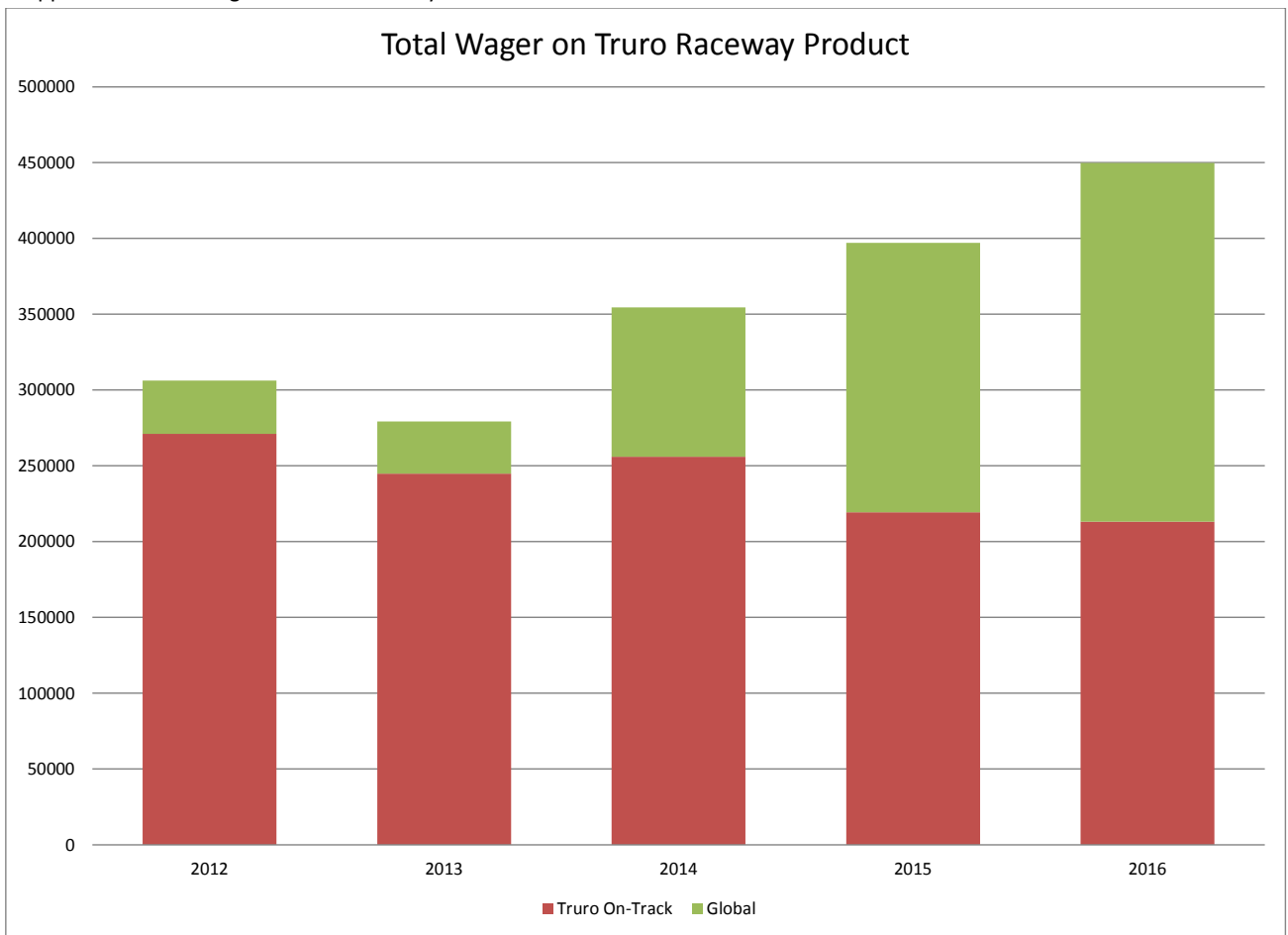
Appendix A:
Nova Scotia Provincial Exhibition Commission
Comparative Income Statement

	Actual Jan 01, 2016 to Dec 31, 2016	Actual Jan 01, 2015 to Dec 31, 2015	Difference
REVENUE			
Sales Revenue			
Wager	1,406,918.68	1,469,808.02	-62,889.34
VLT Revenue	552,200.00	559,170.00	-6,970.00
Grants & Subsidy	198,417.11	90,553.00	107,864.11
Purse Subsidy	263,925.30	257,391.64	6,533.66
Horse Sale Revenue	15,242.00	13,728.42	1,513.58
Starting Fees and Purse Sponsors	105,369.00	83,389.00	21,980.00
Rental Revenue	97,016.05	91,261.46	5,754.59
Stall Rentals	108,271.08	113,449.10	-5,178.02
Winter Storage 2014-15	40,496.60	32,436.06	8,060.54
Program Sales	12,367.56	12,616.43	-248.87
Food and Drink	43,025.15	29,470.44	13,554.71
Misc/Admin Revenue	6,361.85	15,623.89	-9,262.04
Exhibition	262,444.16	216,421.69	46,022.47
Net Sales	3,112,054.54	2,985,319.15	126,735.39
			0.00
Other Revenue			
MUSICAL RIDE	0.00	16,953.42	-16,953.42
Miscellaneous Revenue	55,966.96	15,250.66	40,716.30
Total Other Revenue	55,966.96	32,204.08	23,762.88
			0.00
TOTAL REVENUE	3,168,021.50	3,017,523.23	150,498.27
			0.00
EXPENSE			
Cost of Goods Sold			
Total Cost of Goods Sold	18,876.56	15,566.94	3,309.62
			0.00
Payroll Expenses			
Total Payroll Expense	502,784.55	572,035.42	-69,250.87
			0.00
General & Administrative Expenses			
Administration Expenses	12,270.43	49,228.53	-36,958.10
Advertising and Promotion	20,235.12	22,291.23	-2,056.11
Amortization	6,022.44	7,527.96	-1,505.52
Attractions Expense	14,060.00	8,580.70	5,479.30
Bank charges & Interest	18,285.60	12,127.04	6,158.56
Business Fees & Licenses	39.98	677.27	-637.29
Casual Labour	31,624.66	23,532.90	8,091.76
Cleaning Supplies	7,481.64	9,045.27	-1,563.63
Currency Exchange & Rounding	2,779.23	52,400.77	-49,621.54

Decoder Expense	103,183.35	75,187.13	27,996.22
Equipment/Supplies	5,172.42	5,111.80	60.62
Event Expense	26,216.10	13,025.67	13,190.43
Furnace Fuel	22,444.19	41,255.32	-18,811.13
Garbage Removal	21,368.11	25,187.25	-3,819.14
Harness Racing Expense	9,288.69	7,754.05	1,534.64
Insurance	47,931.49	40,758.37	7,173.12
Interest Long Term	0.00	2,086.37	-2,086.37
Interest on Overdue	67.08	7,390.67	-7,323.59
Judging Fees	2,180.05	2,920.00	-739.95
Manure Removal	10,210.43	10,470.00	-259.57
Memberships, Dues & Licenses	3,781.86	2,667.83	1,114.03
Miscellaneous Expenses	12,555.29	13,826.87	-1,271.58
Motor Vehicle Exp Total	41,537.26	61,487.78	-19,950.52
Office Expense	15,605.83	18,936.11	-3,330.28
Pari-Mutuel Exp. CPMA Feds	52,719.78	53,083.37	-363.59
Pari-Mutuel Tote Lease and Expenses	145,943.73	168,251.31	-22,307.58
Photocopy & Printing	5,034.89	5,561.73	-526.84
Prize Money	23,404.15	22,708.06	696.09
Professional Fees	62,319.35	59,848.03	2,471.32
Program Expense	12,952.47	14,107.95	-1,155.48
Propane	6,366.52	4,147.43	2,219.09
Property Taxes	3,022.20	7,150.88	-4,128.68
Purse Pool Expense	303,396.08	395,682.68	-92,286.60
Purse - Non Truro Raceway	108,130.00	108,526.75	-396.75
Farm Loan Lease	25,200.00	0.00	25,200.00
Rental	17,012.99	41,851.30	-24,838.31
Repair & Maint. -Buildings	88,271.94	55,571.04	32,700.90
Repair & Maint. Equipment	37,041.86	23,519.45	13,522.41
Repair & Maint. Grounds	18,681.15	26,944.15	-8,263.00
Security Expense	19,972.25	13,105.93	6,866.32
Standardbred Canada	29,877.59	30,471.17	-593.58
Supplies	12,726.82	10,834.56	1,892.26
Tab IVR Admin & Tote Fees	118,853.56	91,761.43	27,092.13
T.T. Operator percent	69,928.73	99,285.58	-29,356.85
Telephone	31,659.22	34,092.01	-2,432.79
THHOA Purse Expense	10,123.32	11,290.67	-1,167.35
Utilities	84,248.36	95,802.47	-11,554.11
VLT Expenses	527,192.63	535,986.81	-8,794.18
3% Wager Fees Simul	176,170.35	130,529.92	45,640.43
Total General and Admin. Expenses	<u>2,424,591.19</u>	<u>2,556,066.57</u>	<u>-131,475.38</u>
			0.00
TOTAL EXPENSE	<u>2,946,252.30</u>	<u>3,143,668.93</u>	<u>-197,416.63</u>
			0.00
NET INCOME	<u><u>221,769.20</u></u>	<u><u>-126,145.70</u></u>	<u><u>347,914.90</u></u>

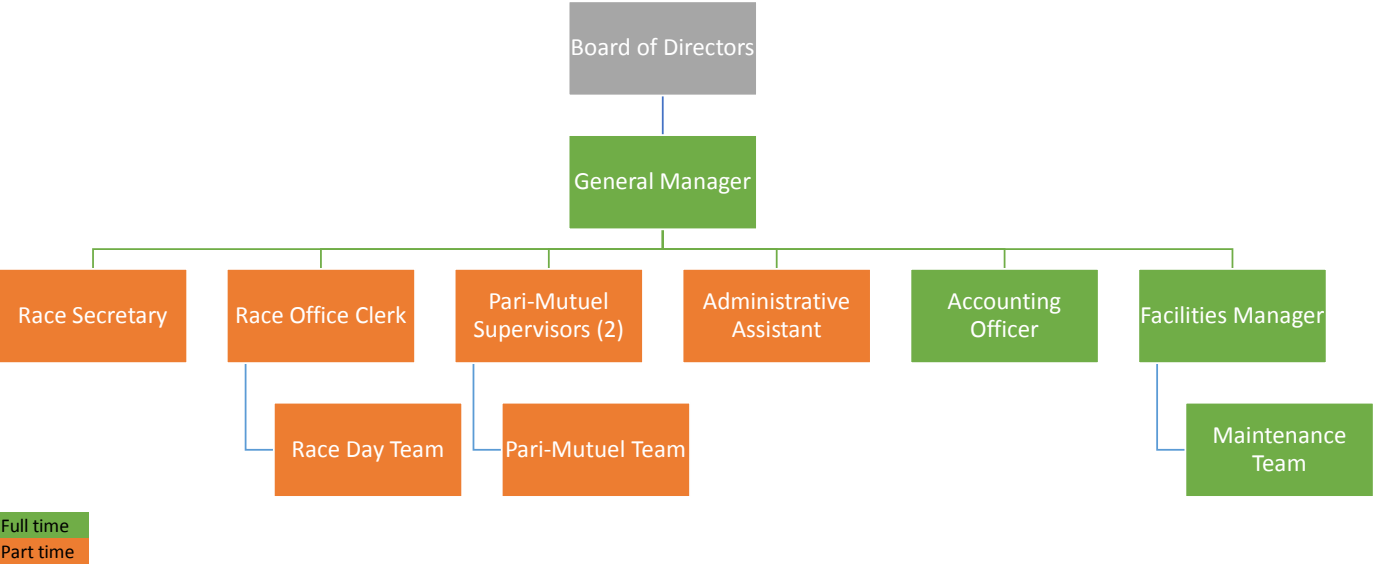
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Appendix B: Total Wager on Truro Raceway Product

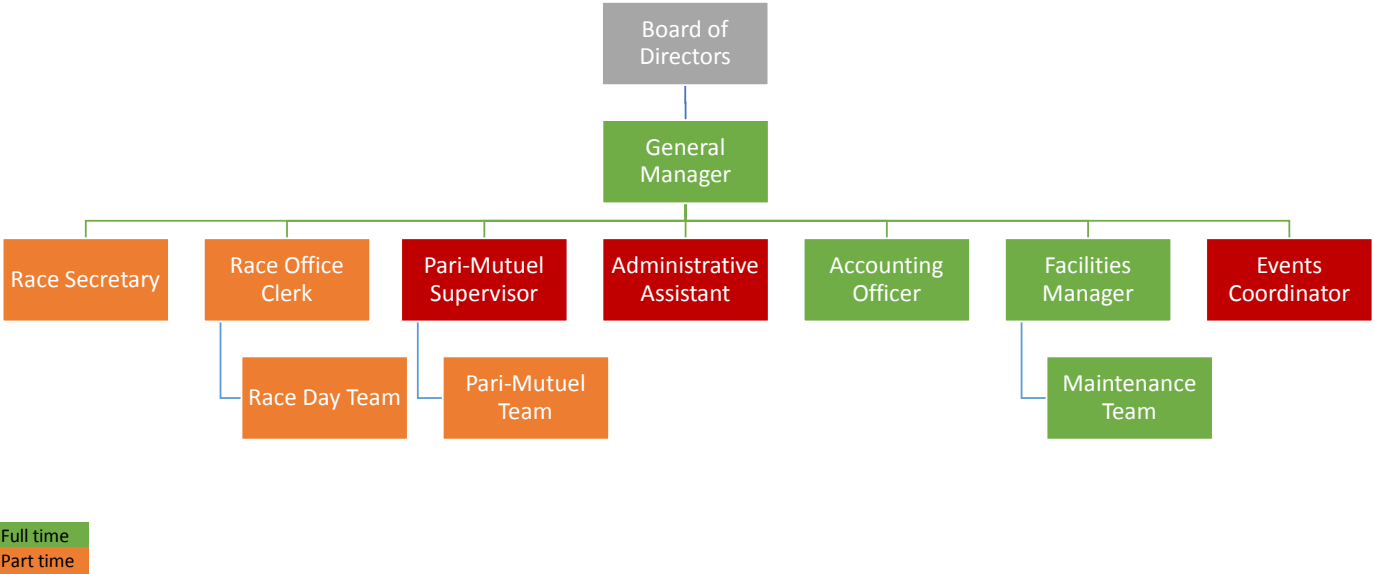


Appendix C: Organizational Charts

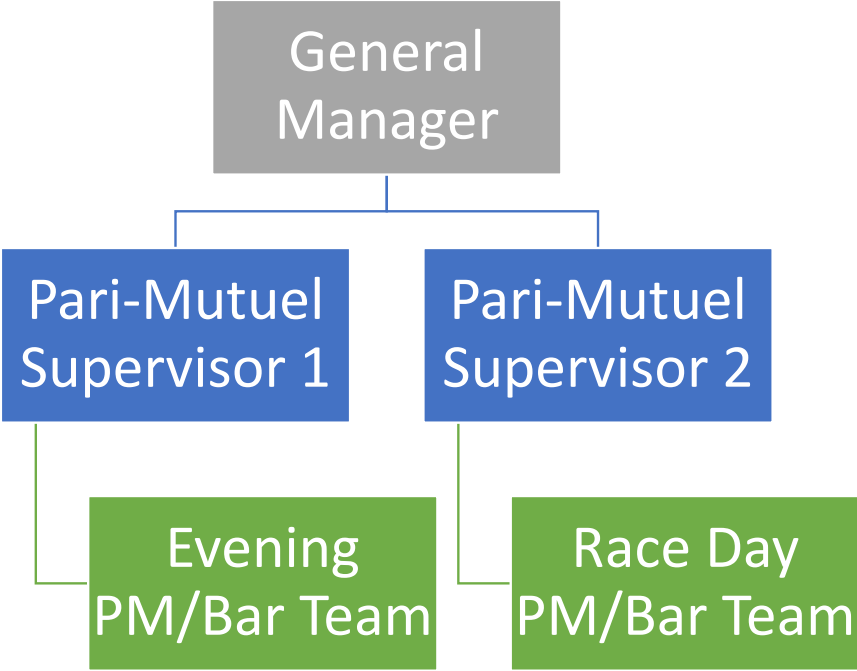
Existing



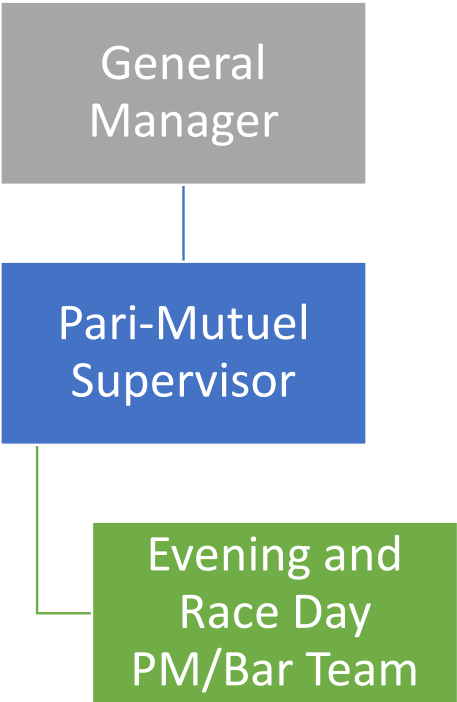
Proposed



Current



Proposed



Appendix D: Infrastructure Needs

Building/Structure deficiencies

1. *Exhibition Hall*

- a. Complete installation of roof. One entire half is incomplete and is currently without shingles
- b. Upgrade water system to tie into town water supply rather than relying on well water
- c. Install a sprinkler system
- d. Fire alarm system
- e. Replace bay doors with more functional and energy efficient doors
- f. Improvements to air quality in office area
- g. Install fire separation between rentable hall and offices

2. *Industrial Building*

- a. Upgrade water system to tie into town water supply rather than relying on well water
- b. Electrical system upgrades
- c. Replace bay doors with more functional and energy efficient doors
- d. Install fire separation under stairways

3. *C.A. Douglas Grandstand*

- a. Roof repairs needed
- b. Window replacement to more energy efficient
- c. Renovation of Simulcast area

4. *Campground*

- a. Upgrade water system
- b. Upgrade electrical system

5. *Agridome*

- a. Upgrade water system to tie into town water supply rather than relying on well water
- b. Insulation of walls

6. *Horse Pavilion*

- a. Upgrade water system to tie into town water supply rather than relying on well water

7. *Horse Barns*

- a. Mold remediation
- b. Air improvement systems

Property Deficiencies

1. Water supply not tied into municipal system for all buildings and campground
2. Catch basin and drainage needs enhancement for all areas