



To: SPECIAL COUNCIL
Meeting Date: 6/7/2022
Subject: PGA Canada Tour Championship Event Sponsorship
Submitted By: Lesley Head, Director, Recreation and Culture
Prepared By: Don Crowder, Recreation Coordinator - Sport
Report No.: 22-061-CD
File No.: C1101
Wards Affected: All Wards

RECOMMENDATION(S):

THAT Report 22-061-CD PGA Canada Tour Championship Event Support be received;
AND THAT Council support the request to sponsor the 2022 PGA Canada Tour Championship, taking place at Deer Ridge Golf Club, September 12-18, 2022;
AND FURTHER THAT Council approve a financial contribution of \$5,000 to support the PGA Canada Tour Championship from the Municipal Accommodation Tax Reserve Fund.

EXECUTIVE SUMMARY:

Purpose

- To support the PGA Canada Tour (Fortinet Cup) Championship while promoting sport tourism in Cambridge and Waterloo Region.

Key Findings

- In 2021, PGA Canada Tour was exploring Waterloo Region as a potential stop for the Mackenzie Tour. Due to the restrictions of COVID-19, the opportunity to host in Waterloo Region was postponed.
- In 2022, PGA Canada changed the tour title to the Fortinet Cup, mirroring the competitive structure of the points-based competitions on the PGA TOUR (FedExCup) and PGA TOUR Champions (Charles Schwab Cup).
- Deer Ridge Golf Club has been selected as the 2022 venue for the Fortinet Cup Championship.

- Based on the location and its proximity to Cambridge, the City of Cambridge's hotels, restaurants and stores will see benefit from the event.

Financial Implications

- A request to have the regional Municipalities sponsor the event was received
- Staff are recommending a \$5,000 investment be provided from the Municipal Accommodation Tax Reserve Fund.
- The economic impact to Waterloo Region for this event is estimated between \$2-4 million dollars.

STRATEGIC ALIGNMENT:

- Strategic Action; or
- Core Service

Objective(s): ECONOMIC INCLUSION AND SUPPORT - Establish and extend inclusive programs to support business readiness and workforce development and help local businesses to thrive

Strategic Action: Create and activate spaces that offer things for people to do

Program: Tourism Promotion & Visitor Information

Core Service: Special Events (Independent)

Supporting the PGA Fortinet Cup Championship would drive economic opportunities to our hospitality and business sectors, including hotel accommodation, restaurants and stores.

BACKGROUND:

In April 2019, Council approved Staff Report 19-126(CD) Municipal Accommodation Tax (MAT) which included potential uses for the municipal share of those revenues. Potential uses included Collaborative Tourism Marketing and Grant Funding for International, National and Provincial scale events, including sports. Council further directed staff to prepare a policy which would identify approved uses for the MAT. Staff from Economic Development will be preparing a staff report with this policy for Council approval in Q4 of this year.

On April 14, 2022, PGA TOUR Canada announced the Fortinet Cup, a season-long points race that concludes with the Fortinet Cup Championship, where the top 10

players on the points list will earn membership on the 2023 Korn Ferry Tour and the Fortinet Cup Champion will receive full status on the Korn Ferry Tour and an exemption into the 2023 RBC Canadian Open. The Fortinet Cup Championship event for the 2022 season will be taking place at Deer Ridge Golf Club, located on the boundary between Kitchener and Cambridge.

The Fortinet Cup mirrors the competitive structure of the points-based competitions on the PGA TOUR (FedExCup) and PGA TOUR Champions (Charles Schwab Cup). This is a momentous occasion for PGA TOUR Canada and the Waterloo Region, as this marquee event has been elevated within the PGA TOUR Canada ecosystem.

PGA TOUR Canada has approached Explore Waterloo Region, Waterloo Region Sport Hosting Office, City of Kitchener and City of Cambridge staff, seeking financial and in-kind support in exchange as a sponsor of the event.

The City of Kitchener, Explore Waterloo Region and Waterloo Region Sport Hosting Office will be providing support to this event, in addition to the private financial support that is being provided by the community and Tour sponsors. The City of Cambridge's financial support would represent approximately 2% of the overall support for this event.

Due to the location of Deer Ridge Golf Club, it is anticipated that Cambridge's hotels, restaurants and stores will experience significant economic benefit from this event.

ANALYSIS:

Use of MAT Funds

In absence of a policy to direct use of MAT funds, staff are seeking Council approval to use MAT funding to sponsor the 2022 Fortinet Cup Championship.

In order to maximize the benefits of being a sponsor for the event, a decision is required by the end of June. PGA Canada Tour has provided the City with an opportunity to customize its sponsorship package, from a list of appropriate benefits, based on the dollar amount. Sponsor benefits will look to promote golf in our community and identify Cambridge as a community of opportunity for future sport hosting.

Following an approved policy, which will define eligible uses for MAT funds, staff will not need to seek Council approval for similar requests in the future.

EXISTING POLICY / BY-LAW(S):

There is no existing policy/by-law.

FINANCIAL IMPACT:

The Municipal Accommodation Tax reserve fund has collected revenues since 2019 and has a balance of \$594,526 as of April 30, 2022. The requested dollar amount of \$5,000 can be taken from the reserve while leaving the reserve fund in good standing.

PUBLIC VALUE:

Collaboration:

Collaboration will involve working in partnership with PGA Canada Tour, Waterloo Region Sport Hosting Office and the City of Kitchener as we develop this project. A collective effort is important to host a national championship. While the event itself will take place in Kitchener, Cambridge will play an important role in providing support services such as hotel accommodation. This collaborative approach supports the common goal of increasing sport tourism in Waterloo Region.

ADVISORY COMMITTEE INPUT:

N/A

PUBLIC INPUT:

Posted publicly as part of the report process.

INTERNAL / EXTERNAL CONSULTATION:

Staff in Recreation & Culture, Corporate Enterprise – Economic Development and Corporate Services – Financial Services have contributed to the content of this report.

CONCLUSION:

The City of Cambridge has an opportunity to contribute to a national championship (Canada PGA Tour – Fortinet Cup) that will support sport tourism in the city as well as a bigger reach in Waterloo Region.

In order to support this event, funds are being requested through the use of the Municipal Accommodation Tax Reserve Fund. The contribution of \$5,000 will identify the City as a sponsor of the event and increases global awareness for sport hosting opportunities in our community.

REPORT IMPACTS:

Agreement: **No**

By-law: **No**

Budget Amendment: **No**

Policy: **No**

APPROVALS:

This report has been reviewed by the Director, Chief Financial Officer, City Solicitor, Deputy City Manager and City Manager.

ATTACHMENTS:

None.