

Calgary



CITY OF CALGARY
RECEIVED
IN COUNCIL CHAMBER

JUN 19 2017

ITEM: 4.1.4 C2017-0541
Distribution
CITY CLERK'S DEPARTMENT



OLYMPIC BID EXPLORATION UPDATE

2017 June 19

Administration's Project Team Role

- Governance Structure
- Project Chartering and Milestone Delivery
- Feasibility Assessment
- Navigating Internal Processes / Access to Subject Matter Experts
- City Shaping

Administration's Review and Evaluation of CBEC's Report

- Evaluation, review and assessment in progress
- Administration's Feasibility Assessment tool in use

CBEC Sub-Committees

Public
Engagement &
Community
Impact

Government
& Stakeholder
Relations

Master
Facilities Plan

Security

Finance &
Investment

- **Calgary Bid Exploration Committee**
- *Presentation of Findings to Date ...*
 - **19 June 2017**

Common Olympic Acronyms

- CBEC: Calgary Bid Exploration Committee
- COC: Canadian Olympic Committee
- CPC: Canadian Paralympic Committee
- GDP: Gross Domestic Product
- IOC: International Olympic Committee
- IBC: International Broadcast Centre
- MFP: Master Facilities Plan
- MPC: Main Press Centre
- NOC: National Olympic Committee
- NPC: National Paralympic Committee
- OCOG: Organizing Committee for the Olympic Games
- OPWG: Olympic and Paralympic Winter Games
- VANOC: Vancouver Organizing Committee for the 2010 OPWG;
the OCOG responsible for organizing the 2010 OPWG

A reminder regarding the Calgary Bid Exploration Committee ...

✓ We are...

... **developing an initial concept** for the Games if Calgary chooses to bid

... an **independent volunteer Board** representing diverse perspectives

... leveraging **the expertise of external consultants** with Games experience

... **funded by the City** of Calgary regardless of our recommendation

✗ We are not...

... developing **the detailed plans required to host the Games**

... trying to "get to yes" nor are we **beholden to a particular outcome**

... **relying only on our experience** and perspectives

... **funded based on our recommendation**

CBEC estimated to finish mandate well within budget

C\$1.8M of savings vs. original business plan; equivalent to 39% below budget

	Forecast to August 31, 2017 (\$ 000s)	Approved December Budget (\$ 000s)	Variance (\$ 000s)	Variance (%)
Administration	765	738	(27)	-4
Venues	1,400	2,346	946	40
Stakeholder relations	202	200	(2)	-1
Finance & investment	123	485	362	75
Public engagement & community impact	332	605	273	45
Contingency	40	326	286	88
TOTAL	2,862	4,700	1,838	39

We have structured our analysis to answer two questions

...

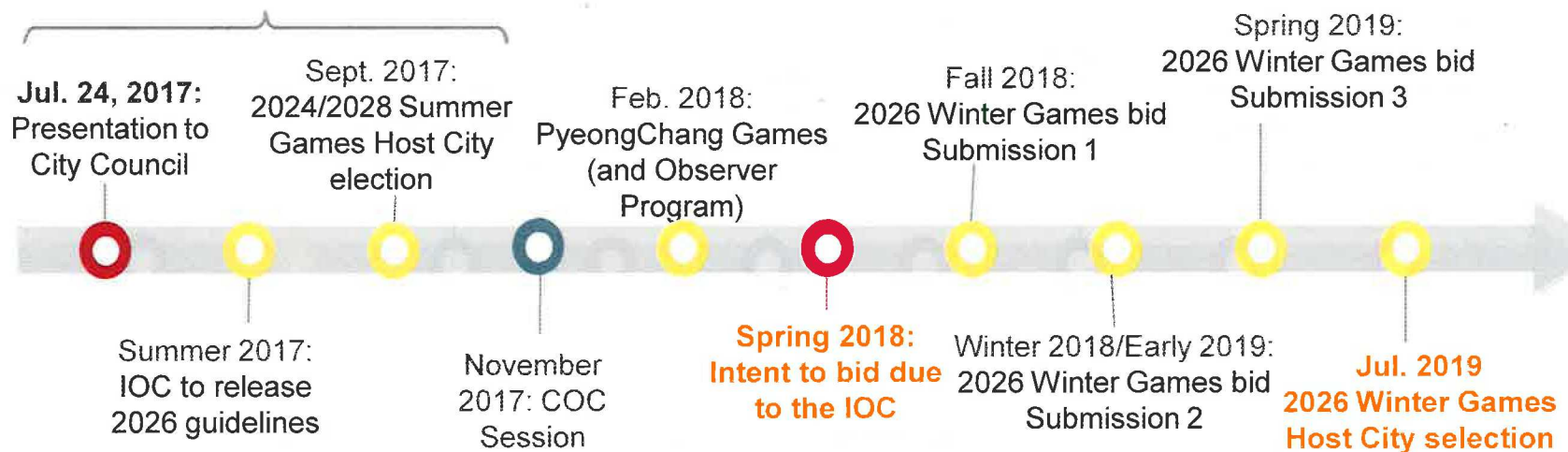
- 1** Is it feasible for Calgary to successfully host the 2026 Olympic and Paralympic Winter Games in a financially responsible manner?
- 2** And if so, is it prudent for Calgary to make a bid?

Our timeline through July 24, 2017 ...



If the City chooses to proceed, here is our current expectation of the go-forward timeline and milestones ...

If Calgary proceeds, time between now and the Spring of 2018 can focus on **addressing cost estimate uncertainties and seeking support from other levels of government**



City of Calgary milestones



COC milestones



IOC milestones

We are conducting an exhaustive and robust evaluation of whether or not to bid ...

Our work to date

100+ **Interviews conducted** with community groups and stakeholders

~2,000 **Respondents** to our representative survey of Calgary and area

15,000+ **Individuals provided feedback** through our online tool

7 **Workshops with the IOC, COC, VANOC and the No Olympics movement**

4 **Last Winter Games benchmarked** in detail plus the 2018 and 2022 bids

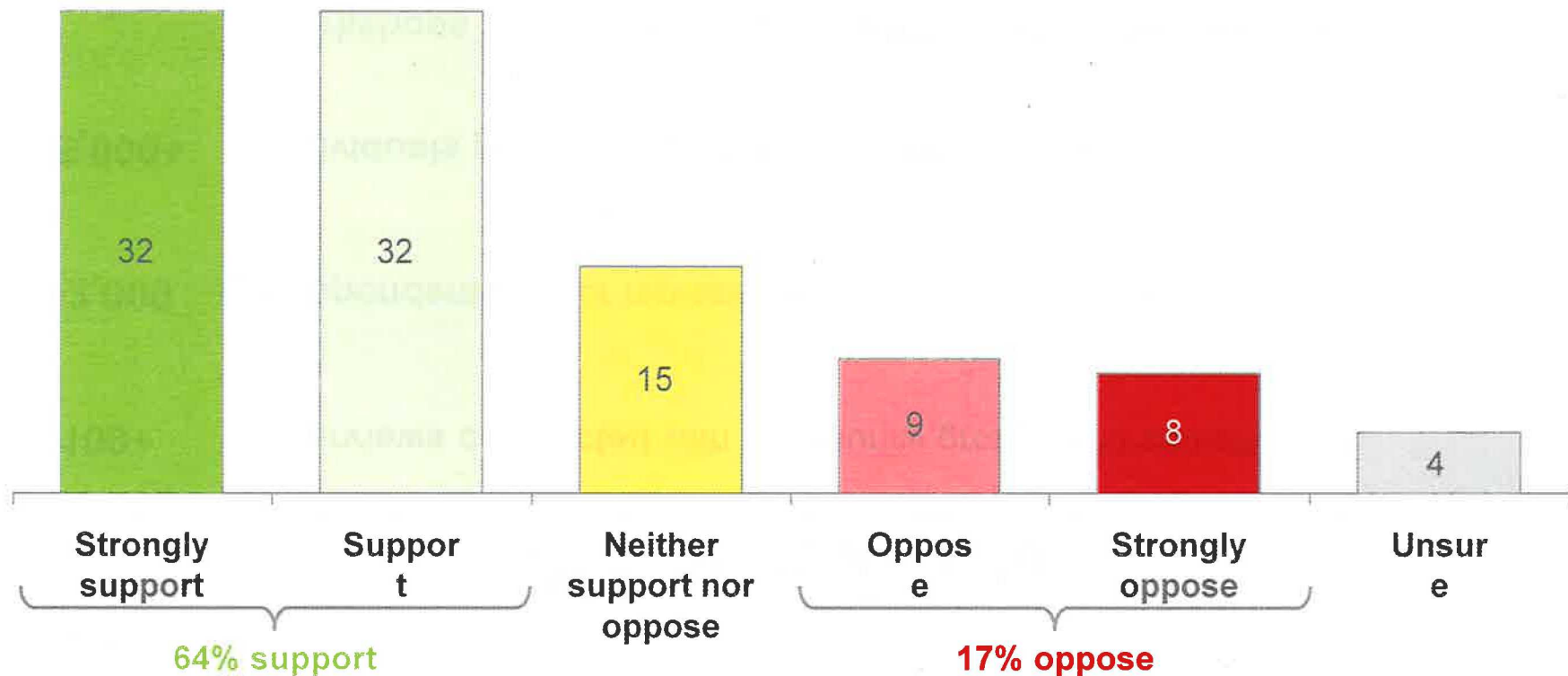
30+ **Firms that provided specialized support** (e.g. economic impact assessment, financial analysis, engineering) **fully or partially pro-bono**

The public is broadly supportive of Calgary bidding

...

64% of Calgary and Bow Valley residents surveyed support bidding¹

Percentage of respondents (%)



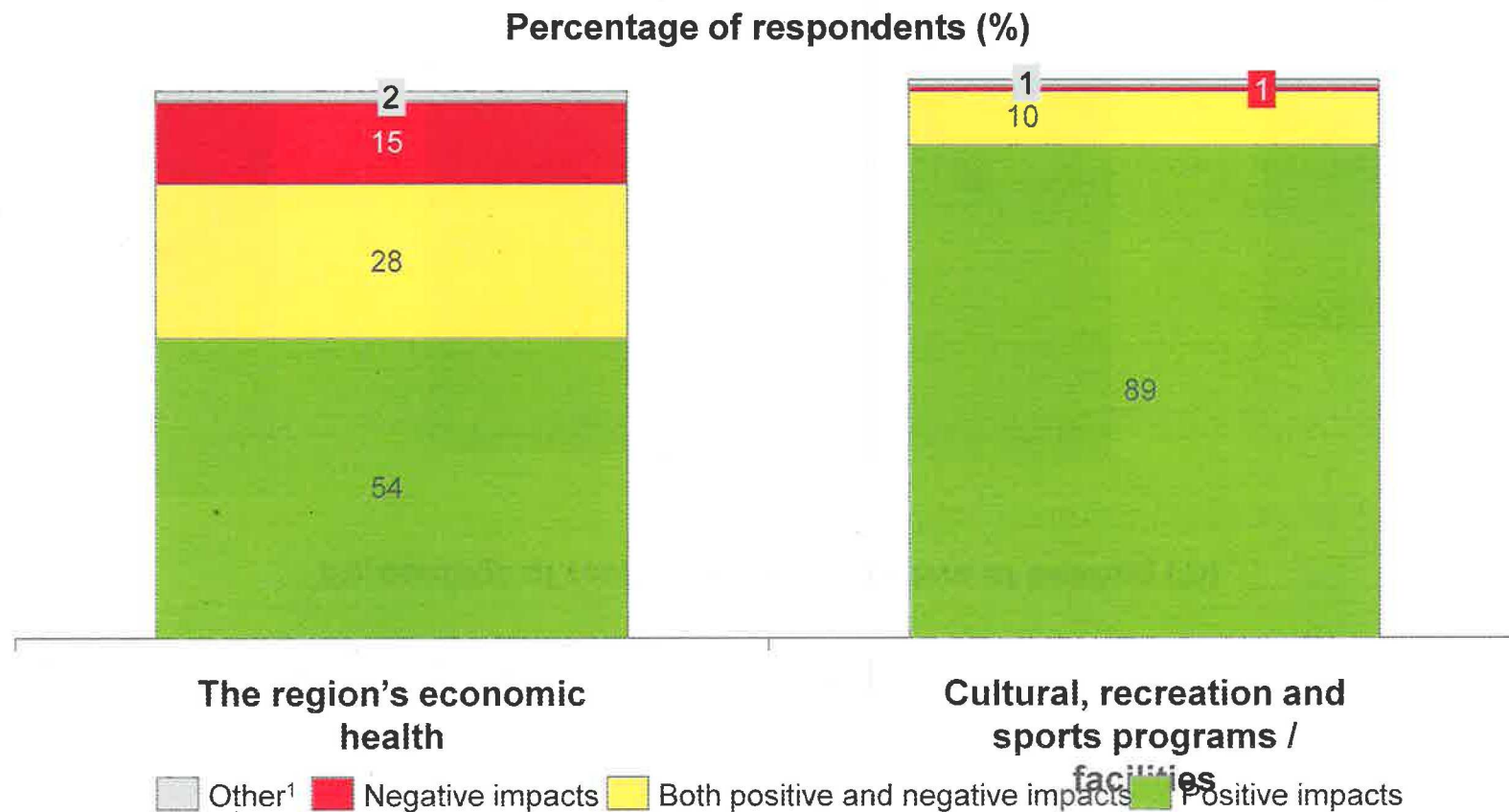
¹ Based on results of scientifically valid survey including both telephone and online responses

Note: Levels of support were relatively consistent across all forms of engagement (57% support / 38% opposed using online guided feedback tool, 60% support / 19% opposed through online survey, 68% support / 14% oppose through phone survey)

Source: Stone Olafson analysis

...and see the Games as positively contributing to the region's economic health, culture, recreation and ecosystem

The public sees an opportunity for positive socioeconomic impacts



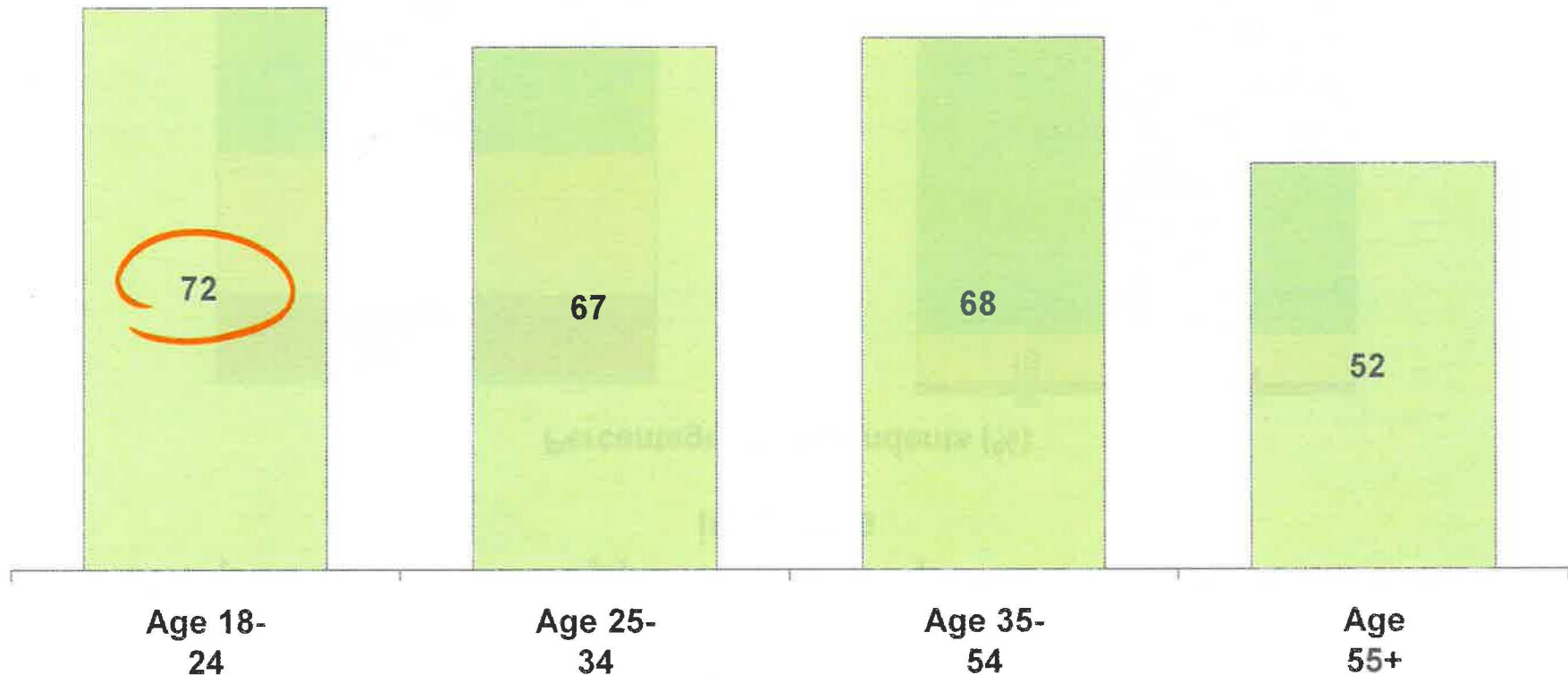
1. Includes Don't know / refused and No Impact
Note: Totals may not add to 100% due to rounding
Source: Stone Olafson analysis

Of note, young Calgarians are most supportive of the Games

...

72% of those aged 18 to 24 are supportive of bidding

Percentage of respondents supportive of bidding (%)



All stakeholders expressed concern about cost and impacts on government funding and debt levels ...

1 in 3

Survey respondents think the negative economic impacts to the region will outweigh economic benefits

~40%

Of sports community respondents indicate the economic implications of hosting would influence their level of support

~48%

Of survey respondents think the Games would negatively impact governments' debt levels and financial stability

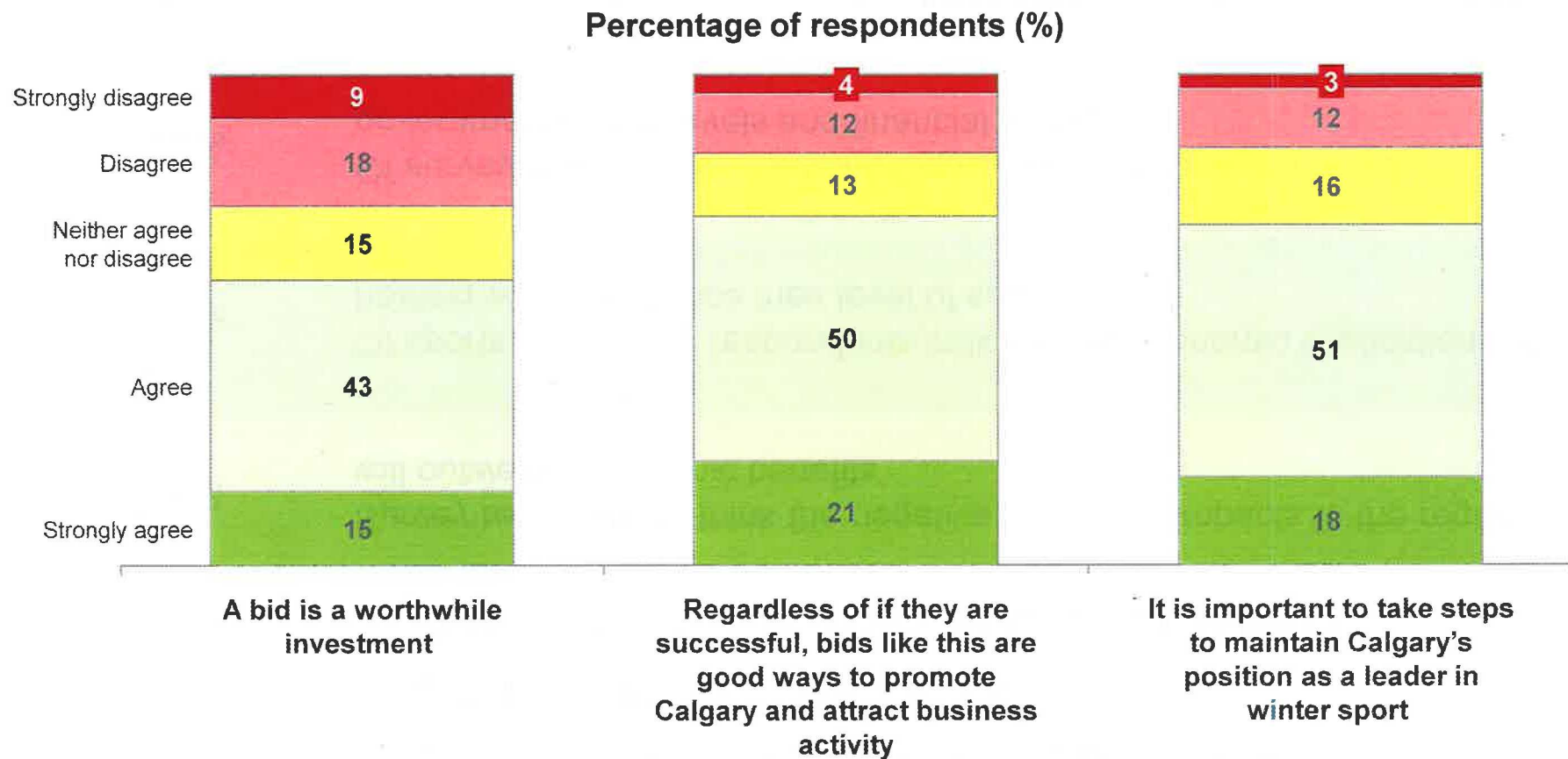
Almost
half

Of all comments in the online guided feedback tool raised questions or concerns with costs

Ongoing public and stakeholder support will be closely tied to overall costs and economics

The public equally believes that a bid could bring multiple benefits, even if it is unsuccessful ...

Worthwhile investment, good city promotion, maintain Calgary's winter sports leadership



Note: Totals may not add to 100% due to rounding
Source: Stone Olafson analysis

Benefits of a bid, even if unsuccessful ...

**Improve
perceptions
& awareness
of Calgary's
brand**

Multi-month bidding process results in media coverage

Can build awareness and interest in bid cities as destinations for tourism and foreign investment

Further develop Calgary's position as a major event host city

**Consideration
of Calgary's
future priorities**

Accommodation concepts could be leveraged to accelerate development of various forms of housing in Calgary and the Bow Valley

Advance projects that help reach Calgary's long-term vision

- **Revitalization of city centre**
- **Revitalization of 1988 Olympic venues**

Continued public support for a bid requires ...

- 1** Controls in place to ensure financial plans are well managed to avoid cost overruns
- 2** Incorporation of public expectations on social, cultural, sports and environmental issues into a vision for Calgary that drives its legacy
- 3** Transparency and community engagement is critical

Calgary '88 investments have created 30 years of public benefits for Calgarians, Albertans and Canadians



Array of
sporting
infrastructure



Canmore Nordic Centre



Winsport



Olympic
Oval



Ability to host
World Cup
Championship
calibre events



2017 World Sprint Championships



2013 IBSF¹ World
Cup



2015 Cross-
country World
Cup



Facilities
and
infrastructure
which
remain in
use today



U of C & MRU Residences



Olympic Plaza



A culture of
sport and
volunteeris
m



Culture of
sport



Culture of
volunteerism (e.g.,
post-2013 flood)

A 2026 bid and Games could help renew this legacy which
~71% of the public feels is important

Calgary '88 investments have created 30 years of public benefits for Calgarians, Albertans and Canadians

- **Array of sporting infrastructure**
- **Ability to host World Cup Championship calibre events**
- **Facilities and infrastructure which remain in use today**
- **A culture of sport and volunteerism**

**A 2026 bid and Games could help renew this legacy which
~71% of the public feels is important**

The Games have evolved and grown since 1988

...



**Calgary
1988 Games**



**Possible Calgary
2026 Games**

	Calgary 1988 Games	Possible Calgary 2026 Games	Change
Athletes	1,400 Olympians	~3,000 Olympians ~800 Paralympians	~2.7x
Countries participating	57	~102	~1.8x
Events	46 Olympic	~100 Olympic ~80 Paralympic	~3.9x
Media	6,800	~15,000	~2.2x
Paralympics	<i>Held separately in Austria</i>	<i>Held after Olympic Games</i>	Added to host city

Source: Calgary 1988 Games official report, Pyeongchang 2018 bid book, Beijing 2022 bid book, Olympic Summer Games and Broadcast Rights: Evolution and Challenges in the New Media Environment (2009). CBEC estimates

The MFP is an important part of overall assessment ...

- **Provides a concept for sports venues, villages, accommodation, media facilities and transportation**
- **Outlines legacy opportunities and prospective capital costs**
- **Reflects requirements to update facilities regardless of bidding**

The MFP was developed using six principles ...

- ① Re-use existing facilities wherever possible**
- ② Effectively leverage infrastructure and facilities otherwise planned**
- ③ Meet all technical specifications**
- ④ Cluster venues to support efficient and effective operations and minimize security cost**
- ⑤ Balance legacy aspirations with a responsible, realistic concept**
- ⑥ Align with the IOC's Agenda 2020**

MFP three phase development process ...

Phase 1: Pre-planning

- Strong collaborative process with Olympic, local and sport stakeholders
- Informed consultation














Phase 2: Due Diligence

- Assembled multi-disciplinary project teams
- Assessed all existing, available and otherwise planned venues

Phase 3: Detailed Concept Development and Cost Estimation

- Identified venue gaps and required upgrades
- Developed cost estimates to address

MFP concept uses existing venues and leverage the plans of others ...

Stampede Cluster	 Grandstand (Ceremonies, medals and live site)	 NEW Victoria Park Event Center <i>(Hockey I)</i>	 Saddledome (Figure skating & short-track)	 Agrium Centre (Figure skating practice)	 Corral (Hockey II)	 BMO Centre/Big 4/Demountables (IBC/MPC)
WinSport Cluster	 Ski hill (Moguls, aerials, half-pipe and big air)	 Sliding track (Bobsleigh, skeleton, luge)				
University Cluster	 Olympic Oval (Speed skating)	 NEW Fieldhouse <i>(Curling)</i>				
Mountain Zone	 Canmore Nordic (Cross-country and biathlon)	 Lake Louise (Alpine events ²)	 Nakiska (Cross events and PGS ³)			

1. International Broadcast Centre/Main Press Centre 2. Downhill, Super G, Combined 3. Giant Slalom, Slalom 4. Parallel Giant Slalom
 Source: CBEC Master Facilities Plan Concept

Our concept re-uses nearly all facilities from 1988 Games ...

Facility	1988 Winter Games	Prospective 2026 OPWG
Saddledome	Hockey & Figure Skating	Figure Skating & Short Track Speed Skating
Stampede Corral	Hockey & Figure Skating	Hockey 2, Sledge Hockey
Olympic Oval	Speed Skating	Speed Skating
Max Bell Centre	Curling & Short Track Speed Skating	Training Venue
Canada Olympic Park	Bobsleigh/Luge & Ski Jump	Bobsleigh/Luge/Skeleton, Freestyle Skiing, Snowboarding
Canmore Nordic Centre	Cross Country Skiing, Nordic Combined & Biathlon	Cross Country Skiing, Biathlon, Para-Nordic
Nakiska	All Alpine Skiing	Alpine Technical Events (PGS, Ski & Snow Board Cross, Para-skiing, Para-snowboard)
University of Calgary	Olympic Village	Option for Athletes' Village
Father David Bauer	Hockey & Figure Skating	Training venue

Supply does not meet Games accommodations requirements

...

Accommodations	City	Mtn	Total Beds	Notes
Total Demand	21,330	8,355	29,685	Olympic Family, Media, Workforce, Security
Total Supply	18,230	8,885	27,115	90% of existing and projected hotels, mountain vacation rentals and post-secondary residences
Net surplus (requirement)	(3,100)	530		

Games accommodations opportunity ...

Solution	Beds	Notes
Affordable Housing	1,500	Build 800 units for “just in time” delivery (2025)
New Student Residences	800	Residence additions at various post-secondary institutions
Subsidized Seniors Housing	420	Address on-going need for below market seniors housing
Modular Solutions <i>includes contingent beds</i>	~660	Lease of short term modular housing solutions
Total	3,380	

Athletes' Villages requirements create opportunity

...

Opportunities in Calgary & Bow Valley Corridor

Athletes' Villages

City Village	3,650
Mountain Village	2,350
Total Beds	6,000

City Village:

- Proximity to venue clusters
- Convenience for transportation
- Alignment with City's development priorities

Mountain Village:

- Address shortage of affordable, attainable and service-sector employee housing

The City of Calgary's transportation department concludes ...

- “Calgary is well positioned, from a transportation perspective, to host the 2026 Olympic Winter Games.”
- “... there should be no incremental capital costs from the Olympic games.”
- “Many of the [Olympic transportation] strategies align with The City of Calgary's goals in the Calgary Transportation Plan ...”

What the right MFP concept means for Calgary and the Bow Valley Corridor ...

- Re-use/reinvigorate legacy facilities
 - Meet present day technical specifications
- Renew Calgary's position as the center for high performance winter sport
- Convert athletes'/media accommodations into student, senior or low-income housing

Overall view of the Games revenues and costs ...

Estimated Costs

less

Estimated Revenues

Category	C\$ (millions 2017)
Games Operating Costs	2,615
Facilities	450
Accommodations	460
Security	610
Required Gov. Expense	300
Endowments	135
Total Games Costs	4,570
Bid	40
Total Olympic Costs	4,610

Category	C\$ (millions 2017)
Net IOC Contribution	700
Domestic Sponsorship	820
Ticketing	320
Other Revenues	350
Ttl Operating Revenues	2,190
Bid Sponsorship	10
Total Revenues	2,200
<u>Equals</u>	
Net Funding Required	2,410

Federal government funding model will help close the gap...

Funding two major multi-sport events are every ten years

- Past examples have included Winter OPWG, Commonwealth Games,
Pan-Am Games

Federal funding provides for

- 50% of total government funding

IOC's contribution and federal funds are available *only if* the Games are hosted and would inject billions of dollars into Alberta economy

Games Operating Costs and Revenues

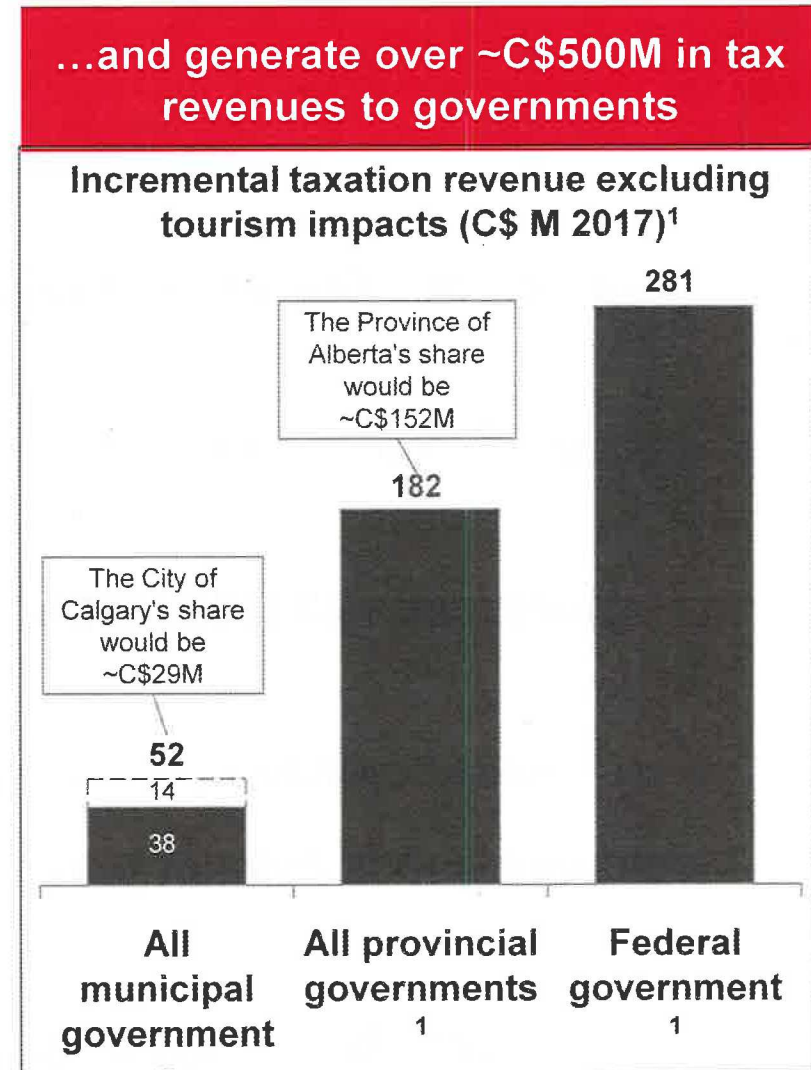
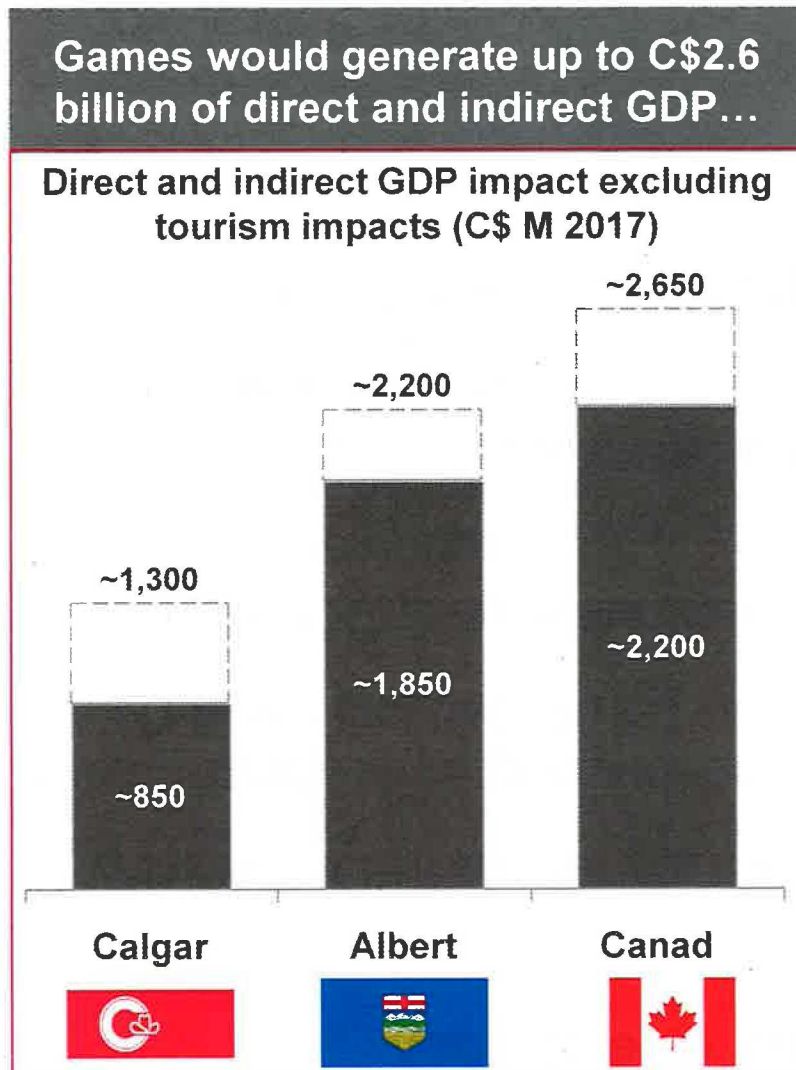
...



Options to close the operating gap ...

- Work with Olympic partners to maximize domestic sponsorships
- IOC candidature guidelines for 2026 remain in development (expected late July 2017)
 - The IOC is considering relaxing certain host city operating requirements
 - The IOC is considering providing select cost-relieving Games operating services
 - Work with the IOC to identify further cost saving opportunities

Hosting the Games would have meaningful economic impacts ...



1. All provincial governments and federal government based on Conference Board of Canada report which estimates a broader set of taxation revenue than the Deloitte report
 Note: Alberta GDP impacts are inclusive of Calgary GDP impacts; Canada GDP impacts are inclusive of Calgary and Alberta GDP impacts
 Source: Conference Board of Canada Economic Impact Assessment Report; Deloitte Economic Impact Analysis

Summary of economics ...

- Investments in a prospective Calgary Games:
- \$700 million net IOC contribution
- > \$1 billion CDN in federal contribution
- > \$800 million CDN in domestic sponsorship
- Investments generate:
- \$2.2 – \$2.6 billion in GDP impact (GDP to investment multiplier is 1.1)
- Greater than \$500 million in taxation revenues
- 24,000-27,000 person/years of employment (20,000-22,500 in Alberta)
 - Across a wide variety of industries, including arts, sports, entertainment, recreation, building construction, accommodations and food services, transportation warehousing, etc.

Games support the City's Triple Bottom Line objectives ...

City Centre community revitalization

Stampede Park cluster as hub for the Games:

- East Village/Vic Park Revitalization
- Accessible, attainable and affordable housing (+800 units)
- Catalyst for cultural and entertainment district

An Olympics for all Calgarians

Affordable, accessible and inclusive:

- Opening and Closing Ceremonies and open air celebrations
- Cultural Olympiad to showcase local artists & cultural organizations
- Retrofit/upgrade to make facilities fully accessible to all

Enhance Calgary's future

"The closing ceremonies to the 2026 Games will be the opening act to Calgary's future"

- Economic diversification, entrepreneurial opportunities and job creation
- Strengthen partnerships with Indigenous Peoples
- Cement Calgary's status as a Winter Sport City

Potential negative impacts to be mitigated ...

Social

Increased competition for charitable sponsorship

Decreased mobility for marginalized communities in the city centre due to increased security

Residents displaced in favour of Olympic visitors

Sport & Cultural

Facility clusters do not reach into every city quadrant

Cost of ongoing operation and programming of sport facilities beyond the Games

No investment in cultural legacy infrastructure

Economic & Environmental

Business disruptions

GHG emissions from transportation

Traffic congestion

In addition, the Games would provide several other benefits to Canmore/Bow Valley Corridor ...

- Attainable and affordable housing for mountain communities
 - 670 units of perpetually affordable housing and employee housing included as part of mountain village requirements
- Reinforce Canmore/Bow Valley Corridor as winter sport and recreation hub
 - Additional upgrades/improvements to Canmore Nordic Centre
 - Accessibility and training facility upgrades and improvements to Nakiska

We have begun dialogue with Indigenous Peoples ...

CBEC has engaged with several local communities including:

- All Treaty Seven Nations
- Métis Nation of Alberta

To date, in our engagement, we have heard these common themes:

- A legacy -- involvement throughout including economic participation (such as job creation and volunteering)
- Recognition of their history and accomplishments
- Acknowledgement of Indigenous Peoples rights and furthering reconciliation

Avenues of continued work ...

- Continue the dialogue with COC/IOC
 - On the timelines and candidature process for the 2026 Games
 - Positive progress on hosting requirements and associated costs
- Advance **the dialogue with provincial and federal governments**
 - Understand process, procedures and policies in respect of support for international major multi-sport events
 - Understand alignment/misalignment with objectives
- Follow up on any questions on Council and Administration from today
 - Finalization of analysis in support of development of CBEC's final recommendations
 - Presentation of recommendation to Council July 24

Calgary



Benefits of Bid Exploration

- Supports infrastructure plans
- Legacy to address community need
- Demonstrate transparency
- Listening to citizens

The City of Calgary's review of CBEC's work is approach to the exploration is:

Objective

The City of Calgary's review of CBEC's work is approach to the exploration is:

Balanced

The City of Calgary's review of CBEC's work is approach to the exploration is:

Comprehensive

Conclusion



Next Steps

2017 July 5
CBEC's final report
provided to Council

CBEC /
Administration
Available to
Members of Council

2017 July 24
CBEC
Recommendations
& Administration's
Report to Council