

OLYMPIC BID EXPLORATION UPDATE

EXECUTIVE SUMMARY

Subsequent to Council's recommendations on 2016 June 20 (C2016-0537), the 2026 Olympic Bid Exploration has been initiated, which includes formation of a not-for-profit corporation and execution of a Funding Agreement. At the time of the 2016 June report the Corporation was identified as the Bid Exploration Committee (BIDEXCO), and is now being incorporated and referred to as the Calgary Bid Exploration Committee (CBEC). Board membership of CBEC has been confirmed and an announcement was released to the public on 2016 September 19. In addition, a Funding Agreement between CBEC and The City is being executed. The Funding Agreement sets out the responsibilities, terms and conditions between The City and CBEC, and articulates the work to be completed for the bid exploration. This report provides an update on progress thus far and seeks Council approval on two areas that the General Manager of Community Services will require authority going forward.

As The City works collaboratively with Tourism Calgary and Calgary Sport Tourism Authority to finalise these initial bodies of work, the following key pieces of information have emerged:

- 1) Calgary is the only Canadian city considering a domestic bid. Without a domestic bid competition, CBEC will have the opportunity to refine project's deliverables milestones and timelines (see Attachment #1).
- 2) The Funding Agreement was developed and includes a provision that the release of funds will be scheduled based on the accomplishment of deliverables rather than a set date.
- 3) The City has been developing a project plan and charter to more clearly articulate expectations of CBEC and outline The City's supporting roles and responsibilities. In order for work to advance, it is critical for both The City and CBEC to work in partnership to meet project outcomes and achieve sufficient return on investment (ROI).

The considerations outlined above provide the rationale for the recommendations in this report. The General Manager of Community Services (CS) is seeking official authority to make discretionary amendments to deliverables, milestones and timelines for the Olympic Bid Exploration project. Further, it is being recommended that the General Manager of CS as having the authority to exercise the rights associated with The City's membership share in CBEC (there are two equal ownership interests of the non-profit company: The City and Tourism Calgary), including the right to cast votes on behalf of The City, following a Council briefing.

ADMINISTRATION RECOMMENDATION(S)

That Council:

1. Approve the General Manager of Community Services as having the authority to refine the deliverables, and amend the milestones and timelines associated with the Olympic Bid Exploration, with project material changes still requiring Council approval, and
2. Approve the General Manager of Community Services as having the authority to exercise the rights associated with the City's membership share in the non-profit company, Calgary Bid Exploration Committee, including the right to cast votes on behalf of The City, following a Council briefing.

OLYMPIC BID EXPLORATION UPDATE

PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 June 20, Council approved the C2016-0537 “CSTA Update” which endorsed a Bid Exploration for the 2026 Olympic and Paralympic Winter Games (OPWG). Council approved the formation and funding for BIDEXCO (up to \$4.7 million for BIDEXCO work and \$0.3 million for Administration support), for the purpose of carrying out the Bid Exploration which will determine a recommendation regarding the notice of intent to bid for 2026 OPWG. Through C2016-0537, the General Manager of CS has the authority to negotiate and execute the Funding Agreement.

BACKGROUND

Calgary’s 1988 Winter Olympic Games is recognised internationally as a model for creating a lasting legacy post-Olympics. The Calgary Games Committee was intentional in building permanent sport infrastructure and a sustainable operating model rather than temporary amenities commonly erected for similar events. The committee’s strategic decisions continue to benefit Calgarians at all levels of sport. It is this same vision, fiduciary responsibility and drive for sustainable infrastructure that positions Calgary well as the potential host for the 2026 Winter Olympic and Paralympic Games (OPWG).

Calgary Sport Tourism Authority (CSTA), operated by Tourism Calgary, was established in 2005 and is a collaboration of citizens and leaders from the private sector, Calgary Economic Development, Tourism Calgary, Calgary Sport & Entertainment, Canadian Sport Institute, WinSport, Calgary Hotel Association and The City of Calgary. As delineated in the Civic Sport Policy, CSTA’s framework is a platform of research and due diligence, pursuing major sport and cultural events that help to advance social, cultural and economic objectives, while enhancing Calgary’s brand and improving quality of life for its residents. Based on event selection criteria developed by CSTA, members work together to evaluate and recommend sporting event opportunities that bring significant benefits across a broad range of municipal priorities.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Initial steps in the bid exploration process were focused on two major deliverables: establishment of a bid exploration corporation and, development and sign off of a Funding Agreement to ensure accountability with City funds. City Administration and Tourism Calgary/Calgary Sport Tourism Authority (CSTA) have been working together to successfully accomplish these deliverables.

Establishing Calgary Bid Exploration Committee (CBEC)

Administration has been working with CBEC lawyers to incorporate the committee as a Provincial non-profit organization in order to execute the bid exploration work. The associated bylaws, which govern the committee and restrict its powers are being finalized by CBEC lawyers and will be satisfactory to City of Calgary Administration prior to sign off by the General Manager of Community Services.

The membership composition of CBEC and its Chair were announced publicly on 2016 September 19 (see Attachment 2 – Media Release and Board Members of Calgary Bid Exploration Committee). CBEC members demonstrate a blend of the core expertise and attributes necessary for a successful working committee to deliver on the committee’s purpose. Although individual members are not required to have all of the core expertise and attributes,

OLYMPIC BID EXPLORATION UPDATE

the board as a whole demonstrates the depth and breadth of the expertise and attributes listed below:

- Governance
- Community engagement
- Corporate experience
- Risk management
- Cultural expertise
- Major projects
- Sports – national and international or Olympic/Paralympic sports experience
- Legal
- Finance
- Government relations
- Communications
- Stakeholder relations
- International operations
- Fund development
- Bilingual in both official languages

CBEC's membership not only demonstrates a variety of skill sets, but is also diverse in terms of gender, age, ethnic origin, visible minorities and language competencies. Membership also includes an indigenous person in accordance with Canada's Truth and Reconciliation Commission recommendations. Both The City and the Chair of CBEC see great value in intentionally creating a working committee that reflects Calgarians and Canadians to deliver on this important work. CBEC will have an opportunity to establish other sub-committees as required. As presented in the C2016-0537 report to Council, sub-committee considerations could include; Government/Stakeholder input, Facilities/Venues input and Sport/Athlete input.

The structure of the CBEC management team is also being confirmed. The proposed team composition includes a General Manager/CEO, the Director of Bid Exploration, a Project Coordinator and an office support staff member.

Development and signing of the Funding Agreement

The Funding Agreement sets out the responsibilities, terms and conditions between The City and CBEC, and articulates the work to be completed in exchange for City funding. The funds will be provided to the committee in instalments in accordance with the procedures laid out in the agreement. Project reporting will be required in the form of monthly reports to ensure accountability and achievement of key deliverables and milestones in advance of the release of funds. The agreement also includes procurement principles, which support an open, fair and transparent process that ultimately provides for the timely delivery of the project. The Funding Agreement content and form will be reviewed by the City Solicitor to be deemed satisfactory, and will be signed off by the General Manager of CS, City Clerks, and CBEC. City Administration, through a Community Services Working Group, will monitor the requirements of the Funding Agreement throughout the bid exploration work.

Project Timelines

Once CBEC and the Funding Agreement are in place, the work of CBEC will begin immediately and be conducted over the next 12 months. The timelines referenced in the 2016 June 20 (C2016-0537) include multiple stage gates, with a report back to Council in 2017 January and 2017 April. The 2017 April report to Council was to include recommendations on whether to pursue a domestic bid competition. A recent update from the Canadian Olympic Committee (COC) has declared Calgary as the only Canadian city interested in submitting a bid for the 2026 OPWG. Without a domestic bid competition, the stage gates, including milestones and timelines, need to be amended in accordance with COC's revised requirements. In addition, The City is finalising a project plan and charter to more clearly articulate expectations of CBEC and

OLYMPIC BID EXPLORATION UPDATE

outline the City's supporting roles and responsibilities. Subsequently, CBEC will also be going through a process to affirm their work for the bid exploration. As both parties prepare and collaborate for upcoming milestones further changes may be required. Based on this update, the General Manager of CS is seeking the authority from Council to make the necessary amendments, now and throughout the project, with material changes still requiring Council approval. Providing the General Manager with authority will allow the project to adjust quickly and accordingly. The intent to provide Council with recommendations about whether to pursue the formal bid process in 2017 July remains unchanged. An Expression of Interest to enter the official International Olympic Committee (IOC) bid process is required by 2017 September.

Return on Investment

Notwithstanding Council's decision to proceed with a bid, a significant outcome of the bid exploration process is to produce sufficient return on investment (ROI) for City funding. In order to achieve this ROI, the Community Services Working Group will explore how a bid exploration could advance other work underway at The City. Examples of projects to be explored and leveraged include, but are not limited to: CalgaryNext/Plan B, the Green Line, the TELUS Convention Centre, the Corporate Affordable Housing Strategy and The Culture Plan. The leveraging of these projects will contribute to the alignment of City infrastructure plans and maintaining our position as a winter sport city.

City of Calgary Resources

Part of the Council-approved funding for the bid exploration, includes up to \$300,000 to cover City Administration costs with additional resourcing to be provided in kind by Community Services. Allocation of the \$300,000 will be determined after CBEC's work plan has been developed. In the meantime, a Community Services Working Group from City Administration has been put in place to facilitate project chartering (from a City perspective), develop the Funding Agreement, support the on-boarding of CBEC members, and manage the execution of the Funding Agreement moving forward. This core working group is being provided through Community Services with support from subject matter experts in other departments.

The Master Hosting Plan (MHP)

Part of the work CBEC is tasked with is to create a Master Hosting Plan (MHP) may include:

1. Vision and Legacy Plan
2. Concept and Feasibility Plans for
 - Sport and venues;
 - Accommodations and villages; and
 - A preliminary review of Transportation, Mobility and Security requirements.

Upon completion of the MHP, high level venue and concept studies for new builds and/or renovations will be initiated to provide better estimates of cost, potential delivery strategies, risk mitigation and post-games use. This will include financial options to serve as a basis for government funding determination. The completion of this work will support The City in determining if it is feasible and sustainable to proceed with an international bid and, if a bid is pursued, how best to position Calgary as a strong host city.

Work on the MHP will begin immediately and be overseen by CBEC with due diligence and accountability being confirmed by The City. The final recommendations will be presented to

OLYMPIC BID EXPLORATION UPDATE

Council in 2017 July with a completed MHP delivered by 2017 fall. Should the decision be made not to proceed with an Expression of Interest to the International Olympic Committee (IOC), findings from the bid exploration process will provide The City with information that would assist in considering future infrastructure and sport venue investment. This information will assist Calgary in maintaining its position as a national and international sport training centre.

City's membership share in the Calgary Bid Exploration Committee

CBEC has two members with equal ownership interests: The City and Tourism Calgary (the members of a non-profit company have a similar role to shareholders in a for-profit corporation). To protect The City's interests, many powers that would typically reside with the Board of Directors are being reserved by the CBEC members (i.e. The City and Tourism Calgary). These reserved powers include the ability to elect the Board of Directors, approving the appointment of CBEC's General Manager, removal of a Director(s) if necessary, and admitting any new members to CBEC. Given CBEC's relatively short time-frame to complete the MHP, it is important that CBEC members have the ability to quickly and efficiently vote, sign resolutions, or otherwise approve CBEC actions. This expedited process will require a representation from City Administration who has the authority to make decisions on behalf of The City; therefore as stated in Recommendation 2, it has been determined that The General Manager of CS is most suited to act as The City's primary representative with the ability to cast votes on The City's behalf.

Stakeholder Engagement, Research and Communication

The City of Calgary Administration and CSTA have identified preliminary stakeholder including partner municipalities, prominent community members, venue owners/operator, sport, and multiple levels of government. These stakeholder have been engaged at the onset of investigation and informed of the progress thus far.

Preliminary plans have been developed to formally engage key stakeholder groups further in the bid exploration as part of a stakeholder outreach plan. Consultation and engagement will occur in many forms throughout the year and many of these organizations will be involved in the investigation of the bid viability.

Strategic Alignment

Exploring an Olympic bid aligns with Council Priorities for 2015-2018 in the following ways:

- P2 Advance purposeful economic diversification and growth.
- P3 Support civic, business and community partners, as well as business revitalization zones, to collaborate and attract local and global investment.
- P5 Seek out partnerships with other governments and community partners to achieve community well-being.
- W2 Be as efficient and effective as possible, reducing costs and focusing on value for money.

The outcomes and deliverables of this phase also align to specific tactics in the Economic Strategy for Calgary's strategy one, *Tell Calgary's unique and compelling story with one voice* and strategy two, *Build and promote Calgary as a city to live a creative, active life*, as outlined below:

OLYMPIC BID EXPLORATION UPDATE

- Support the investigation of convention space needs
- Support sport and sport tourism development
- Support efforts to increase hotel rooms in the Centre City
- Promote Calgary as a destination for national and international sporting events
- Attract and leverage world class events and festivals
- Redefine western values to focus on Calgary's spirit of neighbours helping neighbours, welcoming newcomers and a 'can-do' attitude

Further alignment is evident with the Civic Sport Policy; Festival and Events Policy, Calgary's Civic Arts Policy, Poverty Reduction Strategy and Capital Plan objectives; Recreation Master Plan Outcomes Focused Planning goals; Centre City Plan vision and principles; Sustainability Direction 2020 objective; Calgary Economic Development Strategy areas of focus; Municipal Development Plan objectives, imagineCalgary targets and the International Olympic Committee Agenda 2020 recommendations. Further, Administration is currently developing a Civic Cultural Plan of which the potential OPWG can serve as a catalyst in these discussions and in realizing outcomes of the Civic Cultural Plans/vision for Calgary.

Social, Environmental, Economic (External)

An Olympic Bid Exploration would continue to establish Calgary as a leader in the sport development industry enhancing Calgary's profile as a host city for major sport and cultural events and position sport as an integral part of Calgary's culture. Albertans continue to demonstrate resiliency throughout difficult times, and this project has the potential to tell our story and share our vision on an international stage.

The potential Bid Exploration would inform The City's Infrastructure Investment Plans and allow a strategic approach to prioritizing which City infrastructure is due to be life-cycled, re-purposed or enhanced, as well as opportunities to advance the affordable housing initiative for the future, and invest in sports or cultural amenities that will be enjoyed for years to come.

The proposed Bid Exploration demonstrates The City's commitment to economic development, creation of new jobs, encouragement of innovation, and the importance of having social and cultural aspect of the city while mitigating financial risk.

Financial Capacity

Current and Future Operating Budget

In addition to the \$300,000 provided for City resourcing, Council approved an operating budget of up to \$4.7 million for the completion of the MHP, and the information required to make a decision to pursue a 2026 OPWG bid. Tourism Calgary/ Calgary Sport Tourism Authority (CSTA) have created a preliminary operating budget for the execution of the work required; however, the budget has not yet been validated and endorsed by CBEC. The City has made it clear that City funds related to this work will not exceed the approved amount.

Attachment 1 provides an updated outline on the deliverable, milestones and timelines for CBEC's work. Through the process of developing the Funding Agreement, the release of funds will be aligned with, and dependent on, CBEC's deliverables. This allows the General Manager of Community Services a more suitable means of releasing funds to CBEC through stage gates based on deliverables, rather than on specific dates.

OLYMPIC BID EXPLORATION UPDATE

Current and Future Capital Budget

There are no capital budget implications associated with this report.

Risk Assessment

Advancing the bid exploration will provide additional information to help identify and minimize risks associated with further pursuing the 2026 OPWG. Tight timelines continue to be one of the greatest challenges and will impact the scope of the work and level of detail of the MHP. Recommendation 1 will assist in the mitigation of this risk. With this in mind, it is essential for CBEC to ensure their recommendations to Council by 2016 July contains sufficient information for an informed decision to bid or not come 2017 July. CBEC must also confirm the budget proposed by CSTA aligns with the project plan to complete the work.

Additional risk includes public perception of the project which will be mitigated through a strong communications plan outlining expectations, deliverables and clear messaging that, at this stage, the project is an exploration rather than a bid. A communication plan for the overall bid exploration is under development and will ensure clear and transparent information to the public and all project stakeholders.

Dispute resolution and other member decisions requires a clear delegation of authority to exercise the rights associated with the City's membership share in the non-profit company, CBEC, including the right to cast votes on behalf of The City. As well, if the authority is not assigned to one representative, member decisions could be time consuming and have a negative impact on timelines and the achievement of key deliverables. Recommendation #2 will assist in the mitigation of this risk.

Lastly, a strong government relations plan is being developed, with key connections to all levels of government. Support from all levels of government is essential. If at any point there is indication that the Provincial or Federal government are not in support of a bid for the 2026 OPWG, the work of CBEC will be re-evaluated and/or ceased. Depending on the timing of the information from other levels of government, there may be some value to The City to complete some of the work as long as it aligns with return on investment as determined by The City.

REASON FOR RECOMMENDATIONS:

Recommendations in this report provide the General Manager of CS with the authority to refine deliverables and adjust timelines and milestones with project material changes still requiring Council approval. This will allow for CBEC to manage the project as necessary, but will also ensure that the project is being delivered to the satisfaction of The City through the General Manager of CS.

Further, as having the authority to exercise the rights associated with The City's membership share in the non-profit company, Calgary Bid Exploration Committee, including the right to cast votes on behalf of The City, the General Manager of CS will be able to manage decisions of CBEC in a timely manner, following a Council briefing.

Attachments

1. Amended Deliverables, Milestones and Timelines
2. Media Release and Board Members of Calgary Bid Exploration Committee (CBEC)