

**City Secretariat Report to  
2026 Olympic and Paralympic Winter Games Assessment  
Committee  
2018 July 24**

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OPC2018-0940**

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## **2026 Olympic and Paralympic Winter Games City Secretariat Update**

### **EXECUTIVE SUMMARY**

On 2018 July 17, the City Secretariat (the “Secretariat”) presented report OPC2018-0866 titled “2026 Olympic and Paralympic Winter Games (OPWG) Secretariat Update” to the Assessment Committee. The report outlined the Secretariat’s primary roles: (a) reviewing the exploration of a potential bid to host the 2026 Games in Calgary; and (b) providing advice to assist the Assessment Committee and Council in assessing opportunities, risks and issues associated with bidding for and potentially hosting the 2026 OPWG.

This report:

- provides additional information about the Secretariat’s mandate;
- includes information about negotiations for a Multi-Party Agreement (“MPA”) to address cost sharing to cover investments required should Calgary bid for the 2026 OPWG; and
- contains advice from the Assessment Committee’s Engagement Advisory Sub-Committee.

### **SECRETARIAT RECOMMENDATIONS:**

The Secretariat recommends that the 2026 Olympic and Paralympic Winter Games Assessment Committee:

1. Receive this report for information; and
2. Adopt the revisions to the Engagement Advisory Sub-Committee Terms of Reference outlined in Attachment 4.

### **PREVIOUS COUNCIL DIRECTION / POLICY**

Previous Council Direction is outlined in Attachment 1.

### **BACKGROUND**

The Secretariat is continuing to conduct due diligence on behalf of The City, the Assessment Committee and Council on opportunities, risks and issues associated with bidding for and hosting the 2026 OPWG. Bylaw 28M2018 sets out the terms of reference for the Committee.

At the 2018 April 23 Regular Meeting of Council, Council considered Report C2017-0616 titled “Olympic Bid Exploration” and received for information Terms of Reference for the Engagement Advisory Sub-Committee that outlined that the Sub-Committee is to provide the Assessment Committee with monthly updates on engagement activities and summary reports to Council in 2018 June and October. The Sub-Committee has begun its work and its report is included as Attachment 4.

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### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

#### **1. Secretariat Mandate**

The structure of the Secretariat was presented to the Assessment Committee on 2018 June 12 in Report OPC2018-0737 titled “2026 Olympic and Paralympic Winter Games City Secretariat Update”. At the Committee’s 2018 July 17 meeting, the Secretariat was asked to provide more detailed information about its mandate, in particular specifying its roles and responsibilities relative to the Assessment Committee. The Secretariat’s mandate is included as Attachment 2. A key responsibility of the Secretariat is to negotiate the terms of the MPA for the Assessment Committee’s and Council’s consideration.

#### **2. Multi-Party Agreement (MPA)**

Previous Canadian bids for large sporting events such as the Olympic or Pan-Am Games have used a multi-party agreement as a means for key stakeholders to reach agreement on critical issues before submitting a bid. The MPA will set forth each party’s rights, obligations and liabilities in relation to hosting the 2026 OPWG. The City is taking the lead in coordinating the MPA negotiations between the parties.

The Secretariat has established an MPA negotiating team that will be responsible for the MPA negotiation (the “Negotiating Team”). The Negotiating Team reports to the City Manager and the City Solicitor and General Counsel.

The MPA does not commit The City to submit a bid for the 2026 OPWG. Council’s final decision to submit a bid will be informed by the results of the MPA negotiations and the result of the vote of the electors.

#### **Parties to the MPA:**

The initial parties to the MPA will be The City, the Government of Canada (“GoC”), the Government of Alberta (“GoA”), the Canadian Olympic Committee (“COC”), the Canadian Paralympic Committee (“CPC”), Calgary 2026 Bid Corporation (“Calgary 2026”) and the Town of Canmore (“Canmore”) (the “Parties”). If Calgary bids for the 2026 OPWG and the Games are awarded to it, a hosting corporation (“Hostco”) will be incorporated and will also become a party to the MPA. Hostco will be the organization (along with The City and the COC) that is generally responsible for planning, organizing, financing, and staging the 2026 OPWG.

#### **City Negotiating Team’s Key Objectives:**

The City Negotiating Team will take a fair, balanced, public-interest based approach to determining fiscal and other contributions required by the Parties to host the 2026 OPWG. The Negotiating Team’s view is that the approach of the Parties should be aligned with their fiscal capacity and legacy opportunities that are associated with hosting the 2026 OPWG. This will involve:

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- achieving binding commitments from the Parties that will identify each Party's financial and other obligations;
- defining the Hostco governance structure;
- identifying the key activities Hostco will undertake;
- identifying legacies that will be achieved as a result of hosting the 2026 OPWG; and
- mitigating The City's risk associated with potentially bidding for and hosting the 2026 OPWG, including risk associated with signing the International Olympic Committee ("IOC") Host City Contract and other agreements.

**Council-Approved Principles Guiding The City's Negotiations:**

The City's Negotiating Team will conduct MPA negotiations in good faith and in a respectful manner.

At the 2017 July 31 Combined Meeting of Council, after considering Report C2017-0616 titled "Olympic Bid Exploration", Council endorsed the following "Principles for Pursuing the 2026 OPWG" in Attachment 4 as "critical criteria to be addressed prior to The City of Calgary moving beyond the IOC's Invitation Phase":

1. *We believe that is reasonable for the capital costs for the facilities to host the 2026 OPWG be borne by entities including the municipal, provincial and federal governments given that the assets will generate long term benefits for the community;*
2. *We believe that is reasonable that the security costs for hosting the 2026 OPWG be borne by other orders of government, in addition to their contribution to the capital costs for the 2026 OPWG, given the international nature of the event.*
3. *We believe that Canadian taxpayers should not contribute to the direct operating costs of hosting the 2026 OPWG (other than security costs). We believe that it is reasonable for the operational cost of the 2026 OPWG should be covered by ticket sales, sponsorship, broadcast rights, IOC contributions and other earned revenues.*
4. *The City has limited debt capacity and it would be challenging for The City to incur additional debt with respect to the 2026 OPWG including the facilities that are already being contemplated by The City. Thus there must be a financial structure that accommodates the cash flow and debt level constraints of The City.*
5. *We believe that if the IOC requires financial guarantees in the host city contract, such guarantee must be provided by an entity other than The City or deemed to be at a level acceptable to The City."*

The City's Negotiating Team will be guided by these principles during the negotiations, however, it is important to note that Attachment 3 also provided that "these principles may be further modified as additional information becomes available and are not meant to be exhaustive". The Negotiating Team will also be guided by Council Directives, decisions, policies, programs, strategies, and plans.

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The team will provide the Assessment Committee with an update on the status of these negotiations on 2018 September 4.

**Key Topics to be Addressed:**

The MPA is a complex agreement. At this point, the Negotiating Team anticipates negotiations to include the key topics outlined in Attachment 3 but additional matters for negotiation are likely to arise during the course of discussions.

**Process of Negotiations:**

As indicated to the Assessment Committee on 2018 July 17, the Parties met on 2018 July 11 and 12 to begin discussions in regard to the confidential draft hosting plan provided by Calgary 2026 (the “Government Submission”). It is anticipated that each Party will now identify a team to negotiate the MPA. Meetings need to begin immediately given short timeframes to bid on the 2026 OPWG and Secretariat’s desire to report to the Assessment Committee and Council in early September on the status of the negotiations. MPA negotiations will be an iterative process, likely involving several draft versions of the MPA that will be further refined until final agreement is reached. The execution of the MPA and any associated agreements will be subject to approval by the Assessment Committee and Council.

**3. Report of the Assessment Committee’s Engagement Advisory Sub-Committee:**

At the Regular Meeting of Council on 2018 April 23, after considering Report C2018-0505 titled “Updated Olympic Bid Proposed Public Engagement Approach Status Update”, Council approved the Engagement Approach outlined in Attachment 1 and confirmed that the purpose of the engagement program is:

- to inform and educate the public about the bid process;
- to seek public input into whether or not Calgary should submit a bid; and
- to identify issues, concerns and opportunities for stakeholders of a potential bid and respond to questions.

It was initially contemplated that the engagement program would run from 2018 April to September 1 and would be funded by Calgary 2026. However, since Calgary 2026 was not incorporated until 2018 June 7, as indicated to the Assessment Committee on 2018 July 17, there was a need to further discuss with the Engagement Advisory Sub-Committee the nature and extent of its engagement program relative to the program Calgary 2026 will be undertaking. Given this, the City Manager asked the Engagement Advisory Sub-Committee to review the Public Engagement Approach that Council approved on 2018 April 23 and provide recommendations to the Assessment Committee on changes to the approach required to ensure that the Sub-Committee’s program was designed to “reflect the diverse and varied interests of Calgarians and key stakeholders” and adhered to Council’s guiding principles for the program. Attachment 4 contains the result of the Sub-Committee’s review.

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### **Stakeholder Engagement, Research and Communication**

The Secretariat met with representatives of Calgary 2026, the GoA, the GoC, the COC, the CPC, and Canmore on July 11 and 12 to discuss the Government Submission. Negotiations between the parties on the MPA will begin immediately.

The Secretariat has also been working with the Engagement Advisory Sub-Committee to refine and revise the public engagement approach and the Sub-Committee mandate.

### **Strategic Alignment**

Consideration of City policy documents and the achievement of Council's Directive of a Well-Run City will be important throughout the MPA negotiations. City policies considered to date include:

- Imagine Calgary;
- Municipal Development Plan;
- Calgary Transportation Plan;
- Sustainability Policy;
- Culture Policy;
- Sport Policy;
- Environment Policy;
- Accessibility Policy;
- Integrated Risk Management Policy;
- City Centre Policy;
- Triple Bottom Line Policy;
- Welcoming Community Policy;
- Affordable Housing Strategy; and
- Indigenous Policy.

### **Social, Environmental, Economic (External)**

Social, environmental and economic benefits and impacts will be considered throughout the MPA negotiations.

### **Financial Capacity**

#### ***Current and Future Operating Budget:***

There are no new operating requests as a result of this report.

#### ***Current and Future Capital Budget:***

There are no capital impacts as a result of this report.

### **Risk Assessment**

#### **Secretariat Mandate:**

Time is short for the Secretariat to complete the required thorough and comprehensive due diligence review. To help mitigate this risk, the Secretariat team has developed a comprehensive timeline of deliverables and important dates as well as a critical path for project-

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related work streams. In addition, the Secretariat is engaging with a number of internal stakeholders and subject matter experts to assist with the review process and plan development. Significant legal resources and staff with financial expertise have been devoted to this project to conclude the due diligence exercise and to help identify, assess and mitigate risks associated with the potential bid. The Secretariat is committed to conducting its due diligence review with a view to the Ipsos article “Unlocking the Value of Reputation” and the risk framework previously shared with the 2026 OPWG Assessment Committee by the City Manager.

### **MPA Negotiations:**

Negotiating the MPA is also subject to tight timelines. There is risk in conducting negotiations within such tight time constraints. To help mitigate this risk, the Negotiating Team will schedule regular and frequent meetings with the Parties. The Negotiating Team will engage with a number of internal stakeholders and subject matter experts to assist with the negotiations and external legal advisors or consultants will be retained as required to support the negotiations and drafting of the MPA.

### **Engagement Advisory Sub-Committee’s Report:**

The Sub-Committee’s attached report (Attachment 4) helps mitigate the risk of potential confusion around the roles and responsibilities between The City of Calgary and the Engagement Advisory Sub-Committee’s mandate.

### **REASONS FOR RECOMMENDATIONS:**

The Secretariat is the Administration team assigned to conduct due diligence on the 2026 OPWG project on behalf of The City of Calgary, the 2026 OPWG Assessment Committee and Council. Part of this due diligence is to keep Committee and Council members informed of key initiatives of the project.

### **ATTACHMENTS**

1. Attachment 1 – Previous Council Direction
2. Attachment 2 – City Secretariat Mandate
3. Attachment 3 – Key Topics to Discuss During MPA Negotiations
4. Attachment 4 – Engagement Advisory Sub-Committee Report – Revisions to the Terms of Reference