

2026 Olympic and Paralympic Winter Games City Secretariat Update

EXECUTIVE SUMMARY

On 2018 July 30, after considering verbal report VR2018-0067, Council directed the City Secretariat to continue to evaluate Calgary 2026's draft hosting plan for the 2026 Olympic and Paralympic Winter Games (OPWG) and negotiate proposed terms of a cost sharing arrangement to host the Games should a bid proceed. The Secretariat was directed to report to Council on September 10 with the opportunities, benefits, issues, risks, and costs associated with a potential bid.

Significant refinement of the draft hosting plan and validation of operating and capital costs and revenues has been undertaken by Calgary 2026 since 2018 June 25 when an overview of portions of the plan were shared with Council. This work allowed for very productive conversations to occur between representatives of Calgary 2026, Government of Canada (GoC), Government of Alberta (GoA) and City Secretariats and the Town of Canmore on August 14 and 15. Each organization is focused on continuing its review of the draft plan and determining the nature and extent of, and timing associated with securing, the approvals that would be required to make the necessary investments should a bid proceed. In the interim, the draft plan remains confidential given that refinements to it continue and bidding for the Games is a competitive process.

Calgary 2026 will share its hosting plan for the OPWG with Council on September 10. The plan will include the Games concept and will outline the investment required and legacy that can be achieved should Calgary bid for and be chosen to host the Games. Proposed cost sharing arrangements will not be available at that time but discussions with the GoC and GoA are underway to determine how quickly their funding deliberations might occur. Both orders of government are aware that it is essential that this information be made available as soon as possible to allow Calgarians to be well informed when casting their vote on 2018 November 13 as to whether they are for or against hosting the 2026 OPWG.

In the meantime, the Secretariat wishes to provide an update on developments on this project since its 2018 July 30 report to Council:

- Attachment 2 contains a report outlining the result of research that the City Manager commissioned to establish baseline information about citizens' attitudes and perceptions and to secure advice about how they would like to receive further information. These results have been shared with Council's Engagement Advisory Sub-Committee to assist them in developing their engagement strategy; and
- The report provides an update from the City Secretariat on the further due diligence it has undertaken since July 30 and includes an updated risk register indicating progress in managing or mitigating risk associated with this project. The risk register is confidential because it includes, among other confidential information, legal, business and financial advice about The City's cost sharing negotiations.

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SECRETARIAT RECOMMENDATIONS:

That the 2026 Olympic and Paralympic Winter Games Assessment Committee:

1. Receive this report for information; and
2. Keep the closed session presentation and discussions and Attachment 3 confidential pursuant to Sections 23, 24, 25, and 27 of the Freedom of Information and Protection of Privacy Act.

PREVIOUS COUNCIL DIRECTION / POLICY

Previous Council Direction is outlined in Attachment 1.

BACKGROUND

On 2016 June 20, Council considered Report C2016-0537 titled “Calgary Sport Tourism Authority (CSTA) Update” and adopted the CSTA’s recommendation that The City endorse the exploration of a bid to host the 2026 OPWG in Calgary and request that the Mayor advise the Canadian Olympic Committee (COC) of The City’s interest in hosting the 2026 OPWG.

Attachment 1 to that report outlined the CSTA’s rationale as to why The City should consider exploring a bid despite challenging economic times in Alberta and Calgary. The CSTA’s view was that “The recent economic slowdown in Alberta has highlighted that The City of Calgary and the province should identify opportunities to stimulate and develop our economy”. The CSTA felt that the benefits related to bidding for and hosting the Games would be considerable and had the potential to align closely to The City’s long-term goals with respect to economic opportunity, sport development, social development, and cultural enrichment.

Council established the Calgary Bid Exploration Committee (CBEC) to oversee the Exploration Stage of the bid. CBEC’s board structured its work under the following five sub-committees, each charged with exploring critical aspects of a potential bid:

- Public engagement and community impact;
- Government relations and stakeholder engagement;
- Master facilities planning;
- Security; and
- Finance and investment.

On 2017 May 31, CBEC submitted its Feasibility Study and Conceptual Master Hosting Plan to Administration. The CBEC report concluded that it was feasible for Calgary to host the 2026 OPWG but recommended additional work to determine whether hosting the Games would be prudent. Administration provided Council with its evaluation of CBEC’s work on 2017 July 31.

The City Secretariat is now responsible for reviewing Calgary 2026’s draft hosting plan for the 2026 OPWG and advising the Assessment Committee and Council on opportunities, benefits, issues, risks, and costs associated with bidding for and hosting the 2026 OPWG.

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INVESTIGATION: ALTERNATIVES AND ANALYSIS

The City Secretariat, GoC, GoA, Town of Canmore, COC, and the Canadian Paralympic Committee have received a revised draft hosting plan from Calgary 2026 and significantly enhanced financial information about the investment that would be required to host the 2026 OPWG in Calgary. The receipt of this information allowed for meaningful discussions to occur between The City, the GoC, the GoA, the Town of Canmore, and Calgary 2026 on August 14 and 15 about cost sharing arrangements that would be required to stage the Games should a bid to host proceed. Those discussions will continue throughout August with a view to providing Council with as much information as is available in this regard on September 10. In the meantime, outlined below is information about due diligence the Secretariat has undertaken since its last report to Council on July 30:

- **Financial Review:** A detailed review of Calgary 2026's capital budget by both City staff and an independent third party financial consultant is underway, preliminary comments have been shared with Calgary 2026 and updates to the budget are being discussed.

The City Secretariat has now received Calgary 2026's complete operating revenue and expense budgets and these are being reviewed. Information about potential impacts on The City's debt capacity should Calgary pursue a bid will be provided to Council on September 10. An economic impact analysis and an analysis of potential return on any City investment will also be available on September 10.

Preliminary budgets for GoC, GoA and City essential services that would be required to host the Games have been shared between the orders of government and work is underway to ensure alignment with proposed Games' operating budgets to identify any overlaps or gaps in information. "Essential services costs" are incremental costs for additional core services that would be required to host the Games. Examples include costs related to transportation, emergency management and bylaw services and costs related to services provided by agencies such as Transport Canada, Canada Border Services and Alberta Health.

Calgary 2026 continues to work with the RCMP, the Calgary Police Service and other law enforcement agencies to establish the security budget that would be required to host the Games. The Secretariat anticipates receiving a draft security budget by the end of August.

- **Policy Alignment Review:** The City Secretariat engaged Robert Virkutis, a senior strategist with Intergovernmental and Corporate Strategies, to assess alignment between the draft hosting plan and the advancement or achievement of Council Directives, plans, policies, and strategies. Initial analysis reveals strong alignment with the objectives of ImagineCalgary, the Municipal Development Plan, the Calgary Transportation Plan, and key strategic plans and policies. The result of this review will be shared with Council on September 10.

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- **Legacy and Sustainability Review:** Legacy impacts have been considered and a sustainability review conducted. The result of this review will be shared with Council on September 10. It is clear from reviews and discussions to date that hosting the Games has the potential to serve as a catalyst for both the construction of the much needed affordable housing in Calgary identified in federal, provincial and municipal affordable housing objectives and the enhancement to sport infrastructure that will be required to ensure continued community and other use.

In terms of sport infrastructure, investments included in the draft hosting plan align with City priorities from a sport, community recreation, sport tourism, and event hosting perspective and with Calgary Recreation's long-term investment priorities and plans.

In terms of affordable housing, the draft hosting plan contemplates the construction of new housing units required to partially address accommodation needs were the Games to be held in Calgary. The GoC, GoA and City have all identified a crucial need for additional affordable housing in Calgary. Discussions are underway to determine whether securing the right to host the Games might serve as a catalyst to advance the timing of the construction of these units. The draft hosting plan contemplates both modernizing existing housing stock and constructing new units in close proximity to transit, amenities and support services that would be of assistance to tenants.

The sustainability review indicates alignment with Municipal Development Plan principles of venue re-use, clustering and new construction within developed areas. Accessibility is built in throughout venue design. Provisions have been made for environmental management strategies including those relating to carbon management, sustainable sourcing, zero waste, and food strategies. The result of the sustainability review will be provided to Council on September 10.

- **Securing Funding for the Vote of the Electors:** On August 9, the GoA signed a Grant Funding Agreement with The City that committed the GoA to providing The City with \$2 million to fund the 2018 November 13 vote of the electors. The City has received \$1 million of these funds. The balance will be paid to The City two weeks prior to the vote.
- **Negotiating cost sharing/the Multi-Party Agreement (MPA):** The City has taken the lead in coordinating MPA negotiations with the GoC and GoA. Dr. Penny Ballem, who served as Vancouver's City Manager during the 2010 Games, facilitated discussions between the parties on August 14 and 15 and significant progress in understanding the opportunities and implications of the draft hosting plan was made during those discussions. An advisory committee is assisting the City negotiating team. The City negotiating team includes the City Manager and City Solicitor and General Counsel. Negotiations are continuing. Council will be provided with an update on the status of these discussions on September 10.
- **Response to Notice of Motion titled "Olympic BidCo Transparency and Accountability Exploration":** This Notice of Motion was referred to Law on July 30 with a request for a written legal opinion. As the City Solicitor and General Counsel advised Council on July 30,

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Calgary 2026 is not subject to the Freedom of Information and Protection of Privacy Act. That Act applies only to records in the custody or control of a “public body” as that term is defined in the Act and Calgary 2026 does not fall within the definition of “public body”. The City Solicitor and General Counsel also advised Council that even if the GoA chose to amend the Act to make Calgary 2026 subject to its provisions, because the Act balances access to information with the protection of privacy, there are many provisions of the legislation that would allow Calgary 2026 to keep certain information confidential given that bidding for the OPWG is a competitive process. Examples of information that the Act allows to remain confidential include legal advice, advice from officials, personnel information, third party financial information, commercially sensitive information, information related to security and safety, and information the release of which would result in an impact on negotiations.

On August 9, the City Manager advised the Board of Calgary 2026 of this Notice of Motion and Council’s interest in transparency. The Board has indicated its desire to develop a Transparency Policy and CEO Mary Moran has been asked to share her research into the creation of such a policy with the Board at its August 30 meeting.

- **Research:** The City Manager commissioned a study to establish baseline information about citizens’ attitudes and perceptions and to obtain information about how Calgarians would like to be informed about a potential bid for the OPWG. NRG Research Group, a national public opinion research company, was engaged to conduct a Citizen Perspectives telephone survey in late July. NRG staff contacted 500 Calgarians via their landlines and cell phones to seek their perspectives. To ensure that data was gathered from a representative group of Calgarians, NRG set sample quotas by age, gender and city quadrant of the general population aged 18 or older.

Important feedback was obtained about Calgarians’ information and awareness needs. These results have been shared with Council’s Engagement Advisory Sub-Committee to assist them in developing an engagement program. Survey results are included in Attachment 2.

- **Public Engagement:** The Engagement Advisory Sub-Committee has continued to meet to discuss citizen engagement opportunities. On August 2, The City released the Sub-Committee’s Request for Proposal (RFP) seeking proposals to develop and implement a thorough, robust and neutral public engagement program related to the potential bid. The RFP closes on August 27. Sub-Committee members are scheduled to meet shortly after the closing to review the submissions and select a proponent. The Sub-Committee will provide an update to Council on September 10.

Stakeholder Engagement, Research, and Communication

The Secretariat continues to engage with internal and external stakeholders. Staff within every Department at The City have been engaged in assessing the draft hosting plan, in determining City essential service needs and costs, and in assessing potential sites for live events leading up to and during the OPWG should a bid proceed.

500 Calgarians were engaged through the NRG Research Group’s Citizen Perspectives telephone survey in late July.

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Secretariat staff have met with the members of the Engagement Advisory Sub-Committee to assist in releasing their RFP to market.

Strategic Alignment

Social, Environmental, Economic (External)

As indicated earlier in this report, work continues to ensure alignment between the activities and objectives of the draft hosting plan and Council's Directives, policies, plans, and strategies.

Financial Capacity

Current and Future Operating Budget:

Finance staff and external financial advisors are assessing financial implications of the draft hosting plan on City current and future operating and capital budgets. This includes an assessment of potential implications of hosting the OPWG on The City's debt and debt capacity, particularly in light of other major City initiatives. Return on investment and economic impact are also being assessed.

Current and Future Capital Budget:

See above.

Risk Assessment

In addition to assessing opportunity and benefit associated with potentially bidding for and hosting the 2026 OPWG, the Secretariat continues to assess the nature and extent of legal, business, financial, operational, reputational, and other risk that might be associated with bidding for and hosting the Games and considering risk mitigation and management strategies.

Considering whether to bid for and host an Olympic and Paralympic Winter Games is a unique and complex project and this project remains subject to very tight timelines. However, recent developments on this project as outlined in this report, including the receipt of greatly enhanced financial information from Calgary 2026 and constructive August 14 and 15 discussions with Calgary 2026 and representatives of the GoC, GoA and Town of Canmore Secretariats, have helped mitigate some of the risks identified by the City Secretariat in the past. The Secretariat is hopeful that other risks may be mitigated prior to the Secretariat's September 10 report to Council or that, at a minimum, the Secretariat will be able to include additional risk mitigation strategies for Council's consideration at that time.

In the meantime, the City Secretariat is continuing to update its project risk register keeping in mind The City's integrated risk management framework, the risk management information provided to Council by the City Manager and the IPSOS reputation management advice shared with the Secretariat.

Current risks associated with this project that need to remain confidential at this time due to the status of negotiations and the competitive nature of the bid process are outlined in Attachment 3.

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REASON FOR RECOMMENDATION:

The Secretariat is comprised of City staff charged with conducting due diligence on the 2026 OPWG project on behalf of The City of Calgary, the 2026 OPWG Assessment Committee and Council. A key objective of the Secretariat is to ensure that the Committee and Council are provided with frequent and comprehensive reports on the status of the Secretariat's work to ensure a clear understanding of the opportunities, benefits, issues, and risks associated with bidding for and hosting the Games.

ATTACHMENTS

1. Attachment 1 – Previous Council Direction
2. Attachment 2 - 2018 Citizen Perspectives Survey
3. Attachment 3 – City Secretariat Risk Register (Confidential)