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CITY CLERK'S DEPARTMENT

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Calgary Bid Exploration Committee – Feasibility Study and Conceptual Planning Plan

SUPPORTING RATIONALE

In this section are the answers to 14 key questions we have used to objectively assess and define feasibility:

Is a Calgary bid feasible?

1. **Is the concept to host the Games reasonable and realistic?** *Yes. Supporting information is included in Sections 4, 5, and 6. This supporting documentation and analysis includes a representative concept for the Games as well as an evaluation of options for hosting.*
2. **Is it reasonable to expect that the representative concept venues could be ready in time for a 2026 OPWG?** *Yes. This is based on the concept outlined in Section 4; however, we note that should a BMO Centre expansion be proposed, it must begin construction 66 months prior to the time that it's required for the Games, as outlined in Section 4.2.2. In addition, our concept relies on the timely completion of a new event centre/hockey arena. Although we do not endorse construction of this facility solely for the purposes of hosting the Games, based on the timelines for construction for similar facilities, we believe it is reasonable that such venue could be ready for 2026.*
3. **Is it reasonable to expect that the representative concepts for athletes' housing and other required accommodations could be put in place in time for a 2026 OPWG and do they provide a meaningful and important legacy for the Games?** *Yes. CBEC enlisted the assistance of the City of Calgary's wholly-owned subsidiary, Calgary Municipal Land Corporation (CMLC), to assist in developing concepts for athletes' housing and other required accommodations. Those concepts are well aligned with the City of Calgary's Triple Bottom Line Policy, the Town of Canmore's attainable housing needs and similar policy objectives of the Governments of Alberta and Canada, with a portion of each village being transitioned to attainable or*



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affordable housing. The athletes' village for mountain venues also provides an opportunity for public-private partnerships resulting in a legacy of attainable and affordable housing for the mountain communities in the Bow Valley Corridor. Athletes' housing and accommodations could result in approximately 800 new housing units being converted to affordable family or seniors housing, approximately 800 new post-secondary housing units being added and approximately 660 new modular housing units being available for affordable housing across the province post the Games.

4. **Are the cost estimates realistic?** *Yes. All estimates reflect significant diligence. To determine venue capital costs, we retained local architecture, engineering and quantity surveyor firms, many of which worked on the original installations of the 1988 Olympic venues to determine the concept level details and corresponding estimates for the Olympic costs. In respect of all other costs, we were fortunate to have the financial expertise of one of the top three strategy management consulting firms, Boston Consulting Group, which has extensive Olympic experience. These estimates take into account the actual experience of prior Games, particularly Vancouver 2010, including the causes of budget overruns. We have also estimated sustaining capital to maintain the ongoing legacy of winter sport facilities in Calgary.*
5. **Will the International Sport Federations (IF) accept the venues identified in CBEC's representative concept?** *Yes. In developing the MFP CBEC retained experts who not only have experience in past Olympic Games but have direct experience working for the IOC, and International Sport Federations. Various sport experts, NSOs and a number of IFs were also consulted and indicated the venues would meet the OWPG requirements as well as requirements for future international events.*
6. **Are the operators/owners likely to agree to the modification and use of their facilities on reasonable terms?** *Yes. All the operators/owners of venues proposed*

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in our concept have been part of a significant dialogue on the prospect of a 2026 OPWG and the use of their venue.

- 7. Does the CBEC representative concept satisfy the International Olympic Committee's Agenda 2020?** *Yes. The MFP concept incorporated seven guiding principles, which are well aligned with Agenda 2020, the IOC roadmap for the future of the Olympic Movement. It is based on the principles of making bidding for and hosting Games less costly and complex and increasing the flexibility with respect to what is best for bidding cities. The representative concept is shown in Figure 4.5.*
- 8. Does the CBEC representative concept minimize Games-specific infrastructure investments and leverage Calgary and the region's recently completed and/or planned projects?** *Yes. All facilities developed for the 1988 Games have been incorporated into the concept. In addition, the Stampede Park cluster leverages a major Calgary gathering place by furthering its year-round value. This is also in alignment with the City's plans to revitalize the Rivers District into a vibrant hub for urban arts and culture. This is shown in Figure 4.5.*
- 9. Has CBEC defined a security framework or model that yields reasonable security costs and minimizes risk?** *Yes. The security framework is detailed in Section 7 of the report. The security framework was developed in consultation with the Calgary Police Service and the RCMP. The learnings of security planning and execution from a number of major Canadian hosting events, including Vancouver 2010, Toronto and Huntsville G8/G20 meetings in 2010, and the 2015 Toronto Pan Am and Parapan Am Games, have been incorporated into this framework. Key factors in reducing costs are the use of venue clusters and an active risk management approach to security. It should be noted that any increase in the local or national threat level will likely result in a corresponding increase to security costs*

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- 10. Are the facilities identified in CBEC's concept sustainable and is required government funding aligned with existing government's plans, priorities and policies?** *Yes. The narratives in Sections 1.4 and 6.1.1. explain the Government of Canada's International Major Multi-Sport Event Hosting policy. The Government of Alberta also supports Alberta Sport Connection (ASC), which has developed a 2014-2024 Alberta Sport Plan that aligns with numerous Government of Alberta priorities. The Plan has a focus on advancing sport in Alberta and identifies the need for investment for development and maintenance of sporting infrastructure, all of which are consistent with the sustainable nature of our concept and the long-term objectives of hosting an OPWG.*
- 11. Does the COC support CBEC's work and representative concept?** *Yes. Private and public comments from the COC demonstrate their support for our developed concept. See also Figure 3.1. Hosting the 2026 OPWG is consistent with the COC's vision of Canada being a world leader in sport.*
- 12. Does the hosting concept address the City of Calgary's Triple Bottom Line policy?** *Yes. Calgary's Triple Bottom Line Policy is addressed specifically in Sections 4.3, 8 and 10 of CBEC's report. Two independent studies by The Conference Board of Canada and Deloitte LLP make the strong economic case for the Games in terms of jobs, growth to the economy, and tax revenue generated. The social, cultural and sport organizations we interviewed were supportive of the potential for the social return on a prospective Games investment. An Olympic bid could provide a framework for alignment among Calgary's social agencies and Civic Partners, providing new opportunities for cooperation, more efficient operation and thousands of Calgarians working together within a unifying vision. Social agencies may continue to benefit from a renewed passion for volunteerism from a new, more diverse generation of Calgarians. The environmental footprint of the Games is minimized through the strong reuse and revitalization of existing facilities. The Master Facilities*

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Plan (MFP) concept has the potential to advance goals of key City policies, including Imagine Calgary, Calgary's City Center and Victoria Park Plan.

13. Is the CBEC concept consistent with Calgary hosting an inclusive and community-focused OPWG? *Yes. Initial polling indicates a coalition of support from the public and key stakeholders. Calgary also has a population that would support the Games in terms of the volunteer effort and cooperation required to manage the scale of community effort needed to host. Further, the concept developed by CBEC appears to align with citizens' desire for inclusivity and broad access to a Games. The use of the Stampede Park cluster affords the opportunity to create a hub of activity, and open festival type atmosphere showcasing Calgary, Alberta and Canadian diverse cultures.*

14. Does CBEC have a compelling vision for hosting the Games? *The members of CBEC believe the global vision for a 2026 Calgary Games would need to be crafted by a future Calgary bid committee with significant input from the local community and stakeholders across the country. However, we did ask ourselves what our vision is for bidding for the Games – why might Calgary consider bidding again to be an Olympic and Paralympic host, and what might bidding bring to our city and region?*

We were motivated by the concept of community.

Sport creates community. It unites us in the awe of achievement. Through sport we share the truly human stories of tenacity, disappointment, victory, grace. Whether at work or home, with friends or strangers, we come together to celebrate competition, not conflict. Sport participation and volunteering is a powerful tool for new citizens to learn about Canadian culture and to feel connected to their community. Hosting the Olympic and Paralympic Games will significantly increase the sense of belonging in the community through widespread participation opportunities as volunteers, suppliers, employees,

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contractors and spectators offering all Calgarians a shared experience that will define our future, together. The Paralympics broaden perceptions of ability and transform lives far beyond the rinks and the slopes.

We've seen the power of the Olympic community in Calgary before. The legacy of the 1988 Games lives on in our city. Our volunteers and ambassadors rose to the occasion and welcomed the world. Calgary and the Bow Valley Corridor are the hub of a diverse, resilient southern Alberta community. The opportunity to rekindle our volunteer spirit through another iconic community, sport and cultural moment in Calgary 2026 would reaffirm this hallmark characteristic and core value of our community for future generations.

That is who we are and what we do.

For Calgary and 2026, from bid to Games and beyond, we will put community first. We will create a legacy of collective achievement and bonds of unity. This is Calgary's next chapter.

*And while events eventually end, **community lasts**, and matters today more than ever.*

The City of Calgary Administration retained Penny Ballem, former city manager for the City of Vancouver, who served as a member of the VANOC board of directors as its advisor to the City. Dr. Ballem described CBEC's work as thorough, balanced, objective and comprehensive and indicated that this type of thorough consideration will stand as the benchmark for future potential host cities to follow.

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Is a Calgary bid prudent?

Further exploration is required

As stated in Section 1.0, we believe, given the potential benefits, further exploration of a potential Calgary bid should be undertaken and is required to reasonably and responsibly answer whether or not it is prudent to bid for the 2026 OPWG. Our determination of significant potential economic and social benefits is reinforced by the following.

The Games are a significant undertaking and the IOC has recognized this. Agenda 2020 is framed as the IOC outline for change, providing a roadmap to reduce the costs of bidding, to provide a substantial financial contribution from the IOC and to enable candidate cities to present a project that fits their sporting, economic, social and environmental long-term planning needs.

The IOC engaged with CBEC throughout our process via ongoing dialogue in addition to three formal meetings. The first was a face-to-face meeting with CBEC, the second was a conference call with other potential bid cities for the 2026 OWPG (Sion, Switzerland; Innsbruck, Austria; and Stockholm, Sweden) and the third as a one-on-one call with CBEC. We have found the IOC's work with us throughout this process represents an openness and responsiveness that is both significant and unprecedented when compared to the experiences of past Olympic bid and host cities.

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As noted in Section 1.4, many legacy benefits could accrue to Calgary and the region from hosting the Games. Winning the right to host the Games would likely result in a substantial amount of federal government funding plus offer the potential for a further cash infusion to our region of over \$2 billion that would otherwise not be available:

- \$700 million in net IOC contributions
- \$820 million in sponsorship
- \$320 million in event ticketing revenue
- \$350 million in merchandising, licensing and related revenue

CBEC's evaluation looks beyond the direct cost and revenue estimates for the Games. Two respected independent organizations (The Conference Board of Canada and Deloitte LLP) undertook an examination of the economic impact that hosting a Games could have in Calgary, Alberta and Canada as a whole. Both examinations evaluated the impact of bidding and potentially hosting the Games in the years leading up to as well the year of the Games.

Based on CBEC's current financial estimates, Deloitte and the Conference Board estimate the impact over that time to be approximately \$2.7 to \$3.1 billion¹ in additional economic activity (goods and services being bought and sold) including tax revenue to all levels of government.

Hosting the 2026 OPWG could also generate an average of 3,000 jobs per year over the nine-year period leading up to and including the Games, with the majority of employment generated in 2025 and 2026.

These impacts do not include the consequential ripple-effect economic impact driven by Games-related investment and employment leading up to and during a potential 2026 OPWG or long-term tourism benefits the region could experience that may further benefit

¹ The initial assessment of Economic impact was prepared on the basis of CBEC's initial estimates (As of March 31, 2017) for the Games. Those estimates have been updated and are reflected in these numbers.

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local businesses and organizations. These induced economic benefits result from those employed in Games-related activities spending money in the local economy on things like rent/accommodations, meals, entertainment, transportation and discretionary goods.

Much of this economic development activity will have a legacy value on Calgary in infrastructure revitalization, social and cultural development and highlight Calgary's many positive attributes in the global economy.

As noted in Section 1.0, CBEC believes the potential economic and social benefits of hosting the Games are significant enough to warrant careful consideration of bidding. We have identified there is an existing coalition of support from the public, as well as from social, cultural and sport organizations. Hosting the Games would galvanize an existing spirit of volunteerism and provide opportunities for a new, more diverse generation of Calgarians to get involved. All of this aligns with a vision for a potential Games bid framed around the concept of community. But further due diligence is required, based on obtaining answers to the noted questions in Section 1.0, before anyone can reasonably or responsibly declare with confidence whether or not a Calgary bid for the 2026 OPWG is prudent.

When CBEC was created, we were given a deadline for our recommendation of July 24, 2017. That date was based on an IOC timeline – candidate cities for the 2026 OPWG had to formally indicate their intention to bid by September 13, 2017. Since then CBEC and other potential bid cities have been advised by the IOC of the following changes to their schedule:

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- On July 11 2017, the IOC announced the invitation phase has been extended with the deadline for submitting a letter of intent to bid for the 2026 OPWG being reset to September 2018 and the Candidature process will be from October 2018 until October 2019. The reduced bidding period and the increased access to IOC expertise during this phase should result in cost savings for bidding cities.
- CBEC also expected to have the Candidature Guidelines for the 2026 OPWG to assist in our deliberations; however, the IOC has delayed their release until later this year. While the details are not yet clear, preliminary indications from the IOC are they would be customizing its requirements based on the nature of the bidding city. This may have a material impact on CBEC's financial estimates.

The 2026 OPWG Host City Contract is now expected to be released by the IOC in the spring of 2018. The 2026 OWPG process will be the first Games cycle to benefit from the complete Agenda 2020 reform. A thorough understanding of these changes and their impact is required to reasonably make a responsible recommendation to Council.