




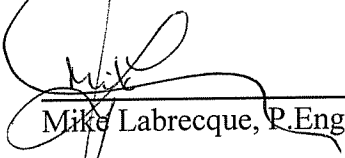
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Halifax Regional Council
August 9, 2005
Committee of the Whole

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Mike Labrecque, P.Eng., Director, Transportation & Public Works

DATE: August 4, 2005

SUBJECT: 2014 Commonwealth Games - Domestic Bid

ORIGIN

This report relates to the following previous Council Reports and decisions:

- June 29, 2005 Report and recommendation to Council to submit a letter of intent expressing HRM's interest in hosting the 2014 Commonwealth Games
- Approval to withdraw up to \$5000 from the Special Events Reserve (Q315) in support of the Letter of Intent to Commonwealth Games Canada.

RECOMMENDATIONS

It is recommended that:

1. Council approve the Bid Executive Committee Structure outlined in this report and endorse HRM's bid to host the 2014 Commonwealth Games; and
2. Council approve a withdrawal from the Major Events Facility Reserve, Q319 not to exceed \$375,000, to fund 50% of the Halifax Domestic Bid for the 2014 Commonwealth Games.

BACKGROUND

1. HRM indicated its desire to host the 2014 Commonwealth Games by submitting a Letter of Intent, cosigned with the Premier, along with the \$5000 fee to The Commonwealth Games Canada (CGC) on July 13, 2005.
2. Province of Nova Scotia has approved 50% of expenditures relative to the Domestic Bid not to exceed \$375,00 at Cabinet, dated July 13, 2005.
3. HRM, the Province of NS, and the Trade Centre LTD have formed a strong partnership leadership team to compile the Domestic Bid. Corporate leaders have also been engaged.
4. The Domestic Bid is to be completed and submitted to the CGC by November 2005, with the successful Candidate City to be announced in December 2005.
5. During April 2006, the CGC and the successful Candidate City will work to develop and promote the International Bid.
6. Deadline for submission of Canada's Bid to the International Commonwealth Games (ICG) committee is March 2007.
7. Site visits and presentations will take place in the Fall of 2007.
8. Selection of the 2014 Commonwealth Games Host City will be announced in November 2007.

DISCUSSION

The 2014 Commonwealth Games will be 10 days of sport and cultural events. The Commonwealth Games is the third largest multi-sport event in the world. After consultation with the Federal Government and the International Commonwealth community, CGC determined that conditions were very positive for Canada to successfully win the international bid.

This bid, jointly submitted and signed by the Mayor of the HRM and the Premier of the Province of NS, demonstrates a significant desire and understanding of the benefits to citizens should HRM be chosen the Host City for the 2014 Commonwealth Games. Inherent in the Domestic Bid process, if successful, is the approval to engage in the International Bid process.

Games Overview

Participants

- ▶ 6,000 international athletes
- ▶ 15-20 sports
- ▶ 72 participating Commonwealth Nations
- ▶ television viewing audience in excess of 1 billion
- ▶ 10,000 Atlantic Canadian volunteers
- ▶ 635,000 National and International spectators including the head of the British Royal Family and many Heads of State from attending Nations

Economic Impacts (based on 2002 Economic Impact Study)

- ▶ Access pre-committed Federal funding for infrastructure development (over \$200 million of Federal funding was committed to the unsuccessful Hamilton 2010 Commonwealth Games bid)
- ▶ \$450 million in capital investment, Games operation, Visitor spending
- ▶ 7,000 jobs measured in person-years of employment
- ▶ \$163 million in provincial household income
- ▶ Federal Tax revenue \$25 million to \$40million, Provincial Tax revenue \$15 million to \$20 million, and Municipal Tax revenue about \$2.5 million

Tourism Impacts

- ▶ International branding potential for NS
- ▶ Hundreds of hours of free international television and media coverage
- ▶ New sports infrastructure will enhance HRM's and NS's profile as a major sport destination

Community Impacts

- ▶ Leadership and volunteer opportunities for thousands of citizens in HRM and beyond
- ▶ Improved sport, wellness and lifestyle through a culture of physical activity being promoted through the games

Legacies

- ▶ New, operationally viable sport infrastructure
- ▶ Recapitalised and upgraded network of existing sport facilities
- ▶ Athlete-specific funds and programming - new access and sport development opportunities for Atlantic Canadians
- ▶ New and / or upgraded transportation and accommodation infrastructure
- ▶ HRM will join other Canadian cities such as Victoria, Vancouver, Edmonton, Hamilton, Calgary, Montreal, and Winnipeg as Hosts of major international games

Bid Executive Committee Structure

The domestic bid process for Halifax will be overseen by a Bid Executive Committee, representative of the partners as follows:

George McLellan	Chief Administrative Officer	Halifax Regional Municipality
Duff Montgomerie	Director, Community Relations	Province of Nova Scotia
* Fred MacGillivray	President & CEO	Trade Centre Limited
Dan English	Deputy CAO	Halifax Regional Municipality
Scott Logan	Assistant Deputy Minister	NS Health Promotion
Jamie Ferguson	Chief Executive Officer	Sport Nova Scotia

Ken Bagnell	President & NCI Director	Canadian Sport Centre Atlantic
John Knuble	VP Nova Scotia, ACOA Corporate Community Representative * Bid Chair	

Regional Council will be fully represented throughout the bid process by the designated representatives listed above, and all communication with Regional Council will take place through regular means.

In addition to the above Executive Committee, Events Halifax will act as a secretariat for the bid process. There will also be a number of working groups created to bring the bid together, staffed with HRM staff, provincial staff, contracted resources, and volunteers. This part of the process is just taking shape and will be communicated later.

Working Bid Development Costs

Administrative and Finance	\$210,000
Communications and Consulting	\$275,000
Marketing	\$125,000
Event Specifics	\$140,000
Total Projected Costs	\$750,000

One of the first tasks of the Executive Committee will be to validate, further detail, and approve the bid development budgets.

All bid development expenditures will be approved by the Executive Committee in accordance with the attached Bid Budget Spending Authorities and Procedures.

Combined Games Capital and Operating Expenses

Should Halifax be selected as the Host City for the 2014 Commonwealth Games, the total cost of infrastructure and operations will likely be in the \$500 million dollar range, as was evident in the earlier Commonwealth Games bid. The Federal Government, in anticipation of Hamilton winning the 2010 Games, committed \$200 million capital dollars to that event. It is expected that a similar level of federal financial support will be made to the 2014 Games. The 2014 Commonwealth Games represent a unique and very significant opportunity to use local dollars (municipal/provincial) to leverage federal government funds, to deliver an infrastructure and games legacy for not only Halifax, but the entire Atlantic Region.

The detailed operating and capital budget for the 2014 Games will flow from the strategy required to win the bid. Over the past few weeks, through the Executive Committee, work has begun to shape an approach for the following areas:

Technical

- Facilities - Sport and Non-Sport
- Athletes Village
- Sport Program
- Legacy
- Operations
- Technical Sports / Officials

Finance

- Administration
- Budgets and Business Plan
- Funding and Government Support

Promotion

- Marketing
- Communications
- Stakeholder, Corporate and Community Relations
- Bid Plan
- Cultural Program

Next Steps

We are anticipating some announcement from Commonwealth Games Canada to the bid cities soon, regarding further details of the bid process. In the interim, bid preparation work will continue.

BUDGET IMPLICATIONS

The following costs are estimates based on historical research.

Domestic Bid - approximately \$750,000 co-funded 50/50 with the Province of Nova Scotia for a total not to exceed \$375,000 from the Operating Reserve Q319. There is a strong likelihood that HRM's share will be partially offset through corporate sponsorships.

Should the Domestic Bid be successful, HRM will participate in the International Bid process at an anticipated total cost of approx \$1.5 M. These costs will also be shared with the Province and will be partially offset through corporate sponsorships. The final approval and the funding sources for the International Bid, and the games, will be approved by Council.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Capital budget, procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved, this will increase the 2005/06 withdrawals from reserves.

ALTERNATIVES

Council may choose not to endorse HRM's Domestic Bid to host the 2014 Commonwealth Games as cost shared with the Province of NS. This is not the recommended alternative. This will likely be one of only a few opportunities of this significance for some time, and the potential benefits of hosting the Games are significant. The 2014 Commonwealth Games represent a significant opportunity to use local dollars (municipal/provincial) to leverage federal government funds, to deliver an infrastructure and games legacy for not only Halifax, but the entire Atlantic Region.

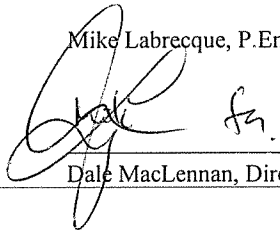
ATTACHMENT

Bid Development Spending Authorities and Procedures (Draft)

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Mike Labrecque, P.Eng., Director

Report Approved by:



Dale MacLennan, Director Financial Services 902-490-6308

Bid Development Spending Authorities and Procedures

- Bid budget to be approved by the Executive Committee
- Executive Committee agree to Purchase Authorization levels as follows:
 - Executive Committee greater than \$20,000
 - COO (ED Events Halifax), less than \$ 20,000
- Assign specific authorization
 - Executive Committee Fred MacGillivray and George McLellan
 - COO (and his delegate when away)
- Reporting
 - To: Working Group and Executive Committee
 - Frequency: Weekly
 - Content: Budget; Actual; Commitments; who authorized; Vendor & description
- Invoices paid by HRM direct.
- Payment: Invoices presented for payment will require authorization to be paid. If authorization not given and cannot be provided – whoever authorized expenditure will pay.
- Procurement:
 - Less than \$20,000 - Seek best value of goods/services at COO level, quotes if possible for over \$5,000
 - Greater than \$20,000 – Steering Committee level – must have written quotes at a minimum - as evidence of best price
- Frequency of progress billings to HRM and PNS
 - July to Sept 30
 - Oct 1 – Nov 30
 - or at \$400,000 intervals

- Agreed to elements outlined in an MOU or exchange of letters between HRM and Province of NS as funding partners.
- Current Estimated Budget for National Bid \$750,000.00
- Confirmed funding sources:

HRM	\$375,000 (Major Events Facilities Reserve – Aug 9th)
Prov. NS	\$375,000