



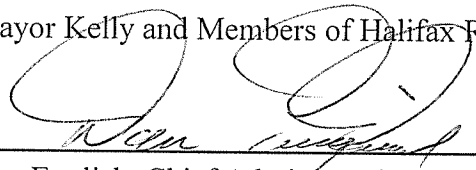
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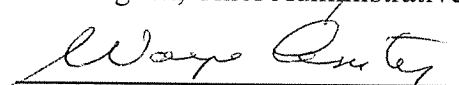
10.1.11

Halifax Regional Council  
December 12, 2006

**TO:** Mayor Kelly and Members of Halifax Regional Council

**SUBMITTED BY:**

  
\_\_\_\_\_  
Dan English, Chief Administrative Officer

  
\_\_\_\_\_  
Wayne Anstey, Deputy Chief Administrative Officer - Operations

**DATE:** December 8, 2006

**SUBJECT:** 2011 Canada Winter Games Budget

### **ORIGIN**

- Staff Report dated January 25, 2005, in which Council approved HRM moving forward with **Phase I** of the Canada Games Bid
- Staff Report dated March 29, 2005, providing information on **Phase II** of the Bid
- Staff Report dated May 24, 2005, providing information on **Phase III** of the Bid
- In Camera Staff Report dated April 25, 2006
- Staff Report dated October 24, 2006: Council adopted the Terms of Reference and budget for the Bid Committee process.
- Staff Report dated November 7, 2006 providing information on the Bid Process

### **RECOMMENDATION**

It is recommended that Regional Council:

1. Approve the 2011 Canada Winter Games budget as indicated in Attachment A; and
2. Authorize staff to submit the bid for the Canada Winter Games..

## **BACKGROUND**

The Halifax Regional Municipality has been selected to compete with two other communities; the Highland Region and Hub Central Nova, for the 2011 Canada Winter Games. Bid Documents are due on December 28, 2006. The Canada Games Council will review the three bids and make a recommendation to the Province. The successful bid community will be announced in mid February, 2007.

Council's last meeting prior to the deadline for bid submissions is December 12, 2006. Since it is necessary for Council to approve the Canada Games budget prior to completing and submitting the bid, the purpose of this report is to:

- update Council on the status of the bid;
- seek approval of the proposed capital and operating budgets for the Games; and
- seek authorization for staff to submit the bid.

## **DISCUSSION**

### **The Benefit of Hosting the 2011 Canada Winter Games**

The Canada Games is a celebration of youth, sport, culture and community. They are the product of ongoing collaboration between the Federal government, provincial/territorial governments, host municipalities, the private sector and the Canada Games Council. Since 1967, nearly 50,000 athletes have participated in the Games with hundreds of thousands having engaged in try-outs and qualifying events. More than 90,000 coaches, officials and volunteers have been directly involved in the planning and staging of the Games.

While the primary reasons for hosting the Canada Games are to contribute to sport and athlete development across the Municipality, the Games are also about community development and pride. The Canada Games create economic, social and cultural benefits that impact participants, volunteers and spectators in particular and more generally the host region and province.

The 2011 Canada Winter Games will become an icon for active, healthy living in Halifax and across the province of Nova Scotia. The Games will be a launching pad to inspire residents toward a culture of physical activity and active healthy lifestyles.

Hosting the Games will include approximately 3500 athletes, coaches and managers; 450 technical officials; 400 media and broadcast professional; and 6,000 guests and VIPs. It should be noted that this will be during the tourism off season. HRM has hosted numerous significant cultural and sporting events successfully. The 2011 Canada Winter Games will be the Region's first experience hosting a major multi-sport event since the original Canada Summer Games. The Canada Games is the nation's largest multi-sport event. Successful hosting of this event will contribute to the Region's reputation as a globally competitive, creative community and a premiere events hosting destination in Canada.

The Sports Tourism Economic Assessment Model modestly predicts the following economic impacts:

- the combined total of visitor spending as a result of hosting the Games to be approx. \$38 million;
- expenditures generating a total of \$81 million in economic activity in the province and \$59.5 million in HRM; and
- approximately 891 person years of work for HRM and approximately 233 person years of work for the remainder of the province

### **The 2011 Games Bid**

The 21 sports included in the 2011 Winter Games are:

Alpine Skiing	Ringette
Archery	Shooting
Artistic Gymnastics	Snowboarding
Badminton	Speed Skating
Biathlon	Squash
Boxing	Synchronized Swimming
Cross Country Skiing	Wheelchair Basketball
Curling (men's & women's)	
Figure Skating	
Freestyle Skiing	
Hockey (men's and women's)	
Judo	

The venues chosen to host the sporting events, along with the opening and closing ceremonies have been chosen to promote the diversity of the Region without compromising the care and comfort of the athletes. Minimizing athletes' travel time is a significant factor enabling them to achieve peak performances and is a critical evaluation criteria for the Canada Games Council. The venues include:

Cole Harbour Place	Mainland Common - Canada Games Park
Dalhousie University Dalplex	St. Margaret's Centre
Dartmouth Sportsplex	St. Mary's University Tower Complex
Halifax Common	Ski Martock
Halifax Forum	Ski Wentworth
Halifax Metro Centre	

### **The 2011 Legacy Project**

Rapid population growth in the western portion of HRM has put a strain on existing recreation facilities and highlighted the need to begin planning for the construction of new ones. A 1998 study by Burke Oliver Consultants Ltd. identified the Mainland Common as the preferred location for the new facility. In the fall of 2002, a residents survey was conducted in this area which reinforced the strong community support for a new facility and continued implementation of the Mainland Common plan.

The 2011 legacy would include a multipurpose field house which may be attached to the Mainland Common pool already approved by Council. The facility and adjacent property would be named the Canada Games Park. By constructing the pool and multipurpose field house together, the Municipality will realize efficiencies from shared dry land amenities such as change rooms, child minding and reception areas. This will result in both capital and operating cost savings.

The field house will meet or exceed national technical specifications for many different sports. This facility will help to train athletes and add a key component to the Region's inventory of facilities. In addition to the intrinsic value of having such a facility, this will increase HRM's ability to host major national and international events.

Because of its multi-use orientation, the community will further realize their vision of a multi-purpose and multi-district community centre. Long term programming will increase the community's opportunity for leading healthy active lifestyles through participation in physical activity, cultural and leisure pursuits.

Other valuable legacies left by the Games include improvements to HRM's multi-district recreation facilities; new sport programming and equipment; a human legacy which creates stronger and more active communities and finally; that intangible legacy of national awareness and attention which the host community experiences in welcoming the country over a two week period.

### **The 2011 Games Budget**

As previously indicated, the Federal and Provincial/Territorial Governments are continuing to review the Canada Games financial framework. This is expected to be approved in February during the Games in Whitehorse. The Canada Games Council has agreed to move forward with the 2011 Bid on the understanding that the planning figures provided are solid. Should substantial changes occur as a result of discussions in Whitehorse, the Council reserves the right to review the implications on the award of the Games to Nova Scotia. Similarly, bid committees have the right to review the implications to accepting the award of the Games.

Bid communities have been asked to include the following revenues in their budgets:

Government of Canada -	operating	\$6,750,000
	capital	\$2,000,000
Province of Nova Scotia -	operating	\$6,750,000
	capital	\$2,000,000
Municipal Government -	capital	\$2,000,000

This does not preclude the three levels of Government from further contributing to operating funding through cash contribution, value in kind or both; or committing to capital funding over and above the two million.

### **In Kind Contributions**

The Capital Budget Value In Kind line item under revenues, is consistent with last week's presentations made on Community Development and Infrastructure. The \$1.25 million reflected will be part of the proposed Multi-District facility improvement program and part of HRM's five year capital budget plan.

Since 1989, each edition of the Canada Games reached their budget target and all of them have left a financial legacy to their host communities. For example, the 2005 Canada Summer Games in Regina finalized their books with a \$3.2 million surplus in operating which was used to develop the Building Dreams and Champions Legacy Program.

### **BUDGET IMPLICATIONS**

The budget developed during the bid process to date is attached as Appendix A. The budget is still a work in progress and there will be some additional refinements prior to submission of the bid. The budget also presents a conservative estimate of revenues which could be higher. The budget however is an accurate reflection of the orders of magnitude for the revenues/expenditures required to host the Games while also as investing in a legacy of new and improved recreation facilities throughout the Region. Staff will return to Council in early January to review the submitted budget with Council prior to the Canada Games Council's bid evaluation visit in late January.

If HRM's bid is successful, the budgeted requirements will be built into future operating and capital budgets. As noted above, the proposal to invest additional capital expenditures on the Region's major recreation facilities in coming years has already been discussed with Council and will be built into a 5 Year Capital Plan.

### **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

### ALTERNATIVES

1. Council can approve the proposed Canada Games budget. This is the recommended course of action. As mentioned in the report, the budget will change slightly before the bid is finalized. Staff will review the final budget with Council in early January prior to the Canada Games Council's bid evaluation visit.

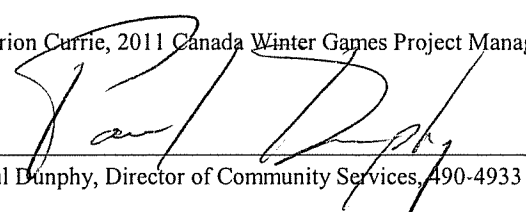
2. Council can decide not to approve the budget. This course of action is not recommended. Since Council does not meet again before the bid submission deadline, a delay in approving the budget would jeopardize the bid.

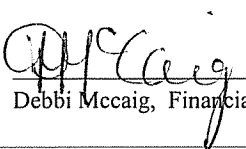
### ATTACHMENTS

#### 2011 Canada Winter Games Budget

If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Marion Currie, 2011 Canada Winter Games Project Manager, 490-6735

Report Approved by:   
Paul Dunphy, Director of Community Services, 490-4933

Financial Approval by:   
Debbi Mccaig, Financial Services, 490-7203

## HRM DRAFT CAPITAL BUDGET - 2011 WINTER GAMES

<b>Capital Expenses</b>	<b>Downtown</b>
New Facility: Field House	8,000,000
New International Ice Surface	250,000
Existing Venue Upgrades	1,750,000
Athletes' Village	250,000
Sport Equipment	1,200,000
IT	570,000
Contingency	1,000,000
Net HST	400,000
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	<b>13,420,000</b>
 <b>Capital Revenues</b>	
*Federal Govt.	2,000,000
*Province	2,000,000
*HRM	2,000,000
Asset Recovery	320,000
VIK: recapitalization of Multi-District Facilities	1,250,000
Community Partnerships & Corp Sponsors	2,000,000
Net additional HRM contribution	3,850,000
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	<b>13,420,000</b>

\*Note: Minimum level of funding guaranteed from three levels of government

## HRM DRAFT OPERATING BUDGET - 2011 WINTER GAMES

### ***Operating Expenses***

	<b>Downtown</b>
Admin & Finance	5,550,000
Athlete Services	4,000,000
Community Relations	350,000
Culture Program	250,000
Ceremonies & Protocol	1,250,000
IT	1,000,000
Language Services	350,000
Logistics (incl. opening & closing ceremonies)	2,200,000
Marketing	1,500,000
Merchandising	1,000,000
Sponsorship	1,000,000
Sport	1,100,000
Venues	2,000,000
Portable Ice Equipment	500,000
Volunteers	1,000,000
Net HST	800,000
Canada Games Legacy	1,155,500
	<b>- 25,005,500</b>

### ***Operating Revenues***

Federal Govt	6,750,000
Provincial Govt.	6,750,000
Ticket Sales	1,305,500
Merchandise	1,200,000
Sponsorship	5,000,000
Value-In-Kind (VIK)	4,000,000
	<b>25,005,500</b>