

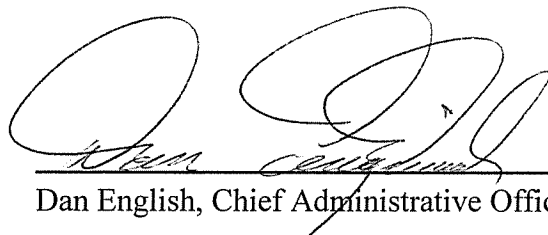


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**Halifax Regional Council**  
**February 27, 2007**

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

**SUBMITTED BY:**



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Dan English, Chief Administrative Officer

**DATE:** February 21, 2007

**SUBJECT:** 2014 Commonwealth Games Bid Update

**INFORMATION REPORT**

**ORIGIN**

At the January 30, 2007 Committee of the Whole meeting of Halifax Regional Council, the Chief Administrative Officer presented an update on progress and upcoming key dates. At that time, a commitment was made to provide regular updates to Council.

## **BACKGROUND**

The Commonwealth Games funding partners - Halifax Regional Municipality, the Province of Nova Scotia, and the Federal Government - mandated the 2014 Commonwealth Games Bid Society to develop proposed Capital and Operating Estimates for hosting the Commonwealth Games in Halifax in 2014. It was understood these estimates would then be provided to the funding partners for review and determination by the funding partners of their respective contributions and guarantees. On January 29 2007, after a process of significant preparatory work, each funding partner received a large volume of proposed budget information developed by the Bid Society. This material includes capital and operating estimates, a proposed business plan, Class "C" architectural plans and estimates for proposed Games infrastructure, environmental assessments, and all associated supporting documentation. Staff from the three funding partners are now actively involved in a process of due diligence and a detailed review of this information. HRM staff will return to Council in March with options and recommendations particularly related to HRM's contribution to the Total Games Budget. Simultaneous to this process, staff are negotiating a Multi-Party Agreement (MPA) with the other partners involved which will, when respective approvals are received, serve to align the contributions and commitments of each partner collectively to support a total Games Budget.

## **DISCUSSION**

The information received from the 2014 Bid Society outlines proposed Games Operating and Capital Estimates, and therefore at this time does not represent a Total Games Budget. Government contributions have yet to be identified and are in the process of being negotiated. Once each government partner has formalized its contribution, the funding or revenue portion of the budget will be established and the Total Games Budget finalized. It is incumbent on each funding partner to conduct a significant review of the information received prior to identifying a proposed contribution to the Games budget. For HRM, this due diligence process includes risk identification, affordability analysis, economic impact analysis, and benefits and legacy review. In addition to the significant due diligence being conducted by staff internally, external experts have been engaged to review the proposed Operating and Capital estimates, and offer comments on potential risks and issues as well as adjustments that should be considered. As Council is aware, HRM, the Province, and ACOA have commissioned a consultant to prepare an Economic Impact analysis to outline the potential benefits and legacy of the Games. As discussed at the previous Council update, staff will be returning to Council as soon as all necessary analysis and due diligence has been conducted. Only then can complete and well informed options related to HRM's total contribution to the Games budget along with legacy return on investment, be presented to Council for deliberation.

Now that the proposed 2014 Games Operating and Capital Estimates have been received, HRM staff are in the process of negotiating a Multi-Party Agreement (MPA), subject to Council approval, with the Provincial Government, the Federal Government, Commonwealth Games Canada, and the 2014 Bid Society. The MPA will determine and clarify roles and responsibilities of the five partners in relation to all aspects of the Games, and document the contribution levels and associated funding conditions of each of the three funding partners. As this is a legal contract negotiation, and given the nature of discussions, it would only seem prudent and in the best interest of the municipal taxpayer, that these discussions take place In Camera. Legal Services has advised that such discussions are consistent with the provisions of the MGA.

To publically release details of the MPA before it is approved and agreed upon by all partners could place these negotiations in jeopardy. The MPA will be brought to Council for approval once the basic document has been drafted and the content agreed to in principle by all partners at the senior staff level. Approvals will then be required by HRM Council, the Provincial Cabinet, and the Federal Cabinet as to the individual partner contributions and commitments. Ultimately, the contributions of the respective government partners will determine the amount of the approved Total Games budget.

As outlined at the January 30, 2007 Council meeting, proposed dates for staff to return to Council are March 6, and March 20, 2007. These dates are currently on target but may change based on factors such as availability of final information from external consultants and progress of MPA negotiations. This must be complete in time for the Bid to be finalized and officially lodged by May 9, 2007. The final budget, partner contributions and Bid plans will be released at that time. In the meantime, the 2014 Bid Society is planning to announce some aspects of the Bid prior to May. For example, the Bid Society, in partnership with HRM, are in the process of negotiating venue use agreements with all proposed Games and non-Games facilities. Individual venues and proposed investments in said venues will be publically announced once discussions have been held and a venue agreements signed or underway with the owner. All announcements will be contingent on final approval of the total Games budget.

### **BUDGET IMPLICATIONS**

There are no budget implications as a direct result of the material discussed herein.

### **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.

### **ATTACHMENTS**

None

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

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