Agenda – Council – June 25, 2014

Report – Standing Policy Committee on Protection and Community Services – June 13, 2014

Item No. 8 2017 Canada Summer Games – Capital Legacy Project and In-Kind Contribution

STANDING COMMITTEE RECOMMENDATION:

On June 18, 2014, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Protection and Community Services and submitted the following to Council:

1. That that the *Sport for Life Centre Fieldhouse* be approved as the principal capital legacy project for the 2017 Canada Games and that up to $1 Million of the City of Winnipeg's $3 Million 2017 Canada Games capital contribution be applied to the *Sport for Life Centre Fieldhouse* Legacy Project, conditional upon an equal capital contribution of up to $1 Million from both the Federal and Provincial governments.

2. That subject to receipt from the 2017 Host Society of a detailed request acceptable to the Chief Financial Officer for the provision of in-kind services by the City, an in-kind contribution of City services for the 2017 Canada Games to a maximum value of $1,294,500 in 2017 ($600,000 to be funded through the Special Event Tourism Fund, and the balance of $694,500 from the City), with the cost of any additional City services to be the responsibility of the 2017 Host Society, be approved.

3. That the City of Winnipeg enter into a grant agreement with the 2017 Host Society that sets forth the terms and conditions pursuant to which the City of Winipeg will provide its $3,000,000 cash contribution and the $1,294,500 in-kind contribution.

4. That in accordance with the March 20, 2013 Council decision "Contribution to Host the 2017 Canada Summer Games in Winnipeg", the City of Winnipeg enter into a shared indemnification agreement with the Province of Manitoba.

5. That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the grant agreement with the 2017 Host Society and the shared indemnification agreement with the Province of Manitoba in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

6. That the Proper Officers of the City be required to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Protection and Community Services – June 13, 2014

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 18, 2014, the Executive Policy Committee concurred in the recommendations of the Standing Policy Committee on Protection and Community Services, and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On June 13, 2014, the Standing Policy Committee on Protection and Community Services concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

STANDING COMMITTEE RECOMMENDATION:

On April 14, 2014, the Standing Policy Committee on Protection and Community Services passed the following motion:

WHEREAS the City of Winnipeg will be hosting the 2017 Canada Summer Games;

AND WHEREAS the City, Province and Federal Governments will each be providing $3 million for capital projects relating to Games ($9 million total);

AND WHEREAS the Games require that $3 million of the above-noted $9 million be designated for a “major legacy project”;

AND WHEREAS the City of Winnipeg has not yet designated its preference for a major legacy project;

THEREFORE BE IT RESOLVED that the Winnipeg Public Service report back to the Standing Committee on Protection and Community Services within 60 days on recommended options for a “major legacy” project related to the 2017 Canada Summer Games funding, specifically including consideration of the Sport Manitoba Sport for Life Centre expansion project as part of this report.

ADMINISTRATIVE REPORT

Issue: **2017 Canada Summer Games – Capital Legacy Project and In-Kind Contribution**

Critical Path: Standing Policy Committee on Protection and Community Services; Executive Policy Committee; Council

AUTHORIZATION

Author	Department Head	CFO	A/CAO
K. Knudsen	C. Wightman	M. Ruta	D. Joshi A/CAO

RECOMMENDATIONS

1. That Council concur with the recommendation that the *Sport for Life Centre Fieldhouse* be approved as the principal capital legacy project for the 2017 Canada Games and that up to $1 Million of the City of Winnipeg's $3 Million 2017 Canada Games capital contribution be applied to the *Sport for Life Centre Fieldhouse* Legacy Project, conditional upon an equal capital contribution of up to $1 Million from both the Federal and Provincial governments.

2. That subject to receipt from the 2017 Host Society of a detailed request acceptable to the Chief Financial Officer for the provision of in-kind services by the City, Council approve an in-kind contribution of City services for the 2017 Canada Games to a maximum value of $1,294,500 in 2017 ($600,000 to be funded through the Special Event Tourism Fund, and the balance of $694,500 from the City), with the cost of any additional City services to be the responsibility of the 2017 Host Society.

3. That the City enter into a grant agreement with the 2017 Host Society that sets forth the terms and conditions pursuant to which the City will provide its $3,000,000 cash contribution and the $1,294,500 in-kind contribution.

4. That in accordance with the March 20, 2013 Council decision "Contribution to Host the 2017 Canada Summer Games in Winnipeg", the City enter into a shared indemnification agreement with the Province of Manitoba.

5. That the Chief Administrative Officer be authorized to negotiate and approve the terms and conditions of the grant agreement with the 2017 Host Society and the shared indemnification agreement with the Province of Manitoba in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

6. That the Proper Officers of the City be required to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As part of the Canada Summer Games Bid to Host process, a capital legacy project is required to be identified for the upcoming 2017 Games.

The 2014 Council approved Capital Budget includes a 2017 Canada Summer Games capital program of $3 Million to be advanced over a 4 year period (2014-17) and which also requires the identification of a legacy project or projects that are agreeable to the City.

On April 14th, 2014, the Standing Policy Committee on Protection and Community Services requested that the Winnipeg Public Service report back within 60 days on recommended options for a "major legacy" project related to the 2017 Canada Summer Games funding, specifically including consideration of the Sport Manitoba Sport for Life Centre expansion project as part of this report.

In addition, certain other Canada Games-related matters need to be approved by Council in order to finalize the City's financial and in-kind commitment to the games; namely:

- approval of a contribution of in-kind services by the City
- authorization to enter into a funding agreement with the 2017 Host Society outlining the terms and conditions of the City's financial and in-kind contribution
- authorization to enter into a shared indemnification agreement with the Province of Manitoba, in accordance with the March 20, 2013 decision of Council "Contribution to Host the 2017 Canada Summer Games in Winnipeg".

IMPLICATIONS OF THE RECOMMENDATIONS

The Canada Games Council (CGC) is the franchise holder for the Canada Games and operates under mandate approved by the Federal, Provincial and Territorial Governments. The Council is responsible for setting hosting and venue standards and ensuring that each Games meets or exceeds standards. The Games Council standards require the identification of a major capital development project that acknowledges the part played by the Games in constructing or redeveloping such a facility. The branded facility is a venue built to host one or more of the sports within the games.

The Public Service has reviewed the proposed venue plan and after such due consideration, it is recommended that Council approve the Sport for Life Centre (to be renamed the *Canada Games Sport for Life Centre*) as the capital legacy project for the 2017 Canada Summer Games. The Sport for Life Centre has been identified as the wrestling venue and is also being considered as a potential venue for additional sports.

As such, it is recommended that up to $1 Million of the City of Winnipeg's 2017 Canada Summer Games $3 Million capital contribution be earmarked toward the development of the

Sport for Life Centre Fieldhouse conditional upon an equal capital contribution of up to $1 Million from both the Federal and Provincial governments.

In addition, the City has received a request for a contribution of in-kind services not to exceed a value of $1,294,500. Economic Development Winnipeg Inc. has agreed to provide a grant of $600,000 from the Special Event Tourism Fund to be applied toward the cost of such in-kind services, with the balance of $694,500 to be provided by the City. The 2017 Host Society will be required to submit a detailed request for City services for the approval of the Chief Financial Officer. Any additional City services exceeding the in-kind contribution to be provided by the City shall be paid for by the 2017 Host Society.

HISTORY

Winnipeg was awarded the 2017 Canada Summer Games in the spring of 2013. The Games are the largest sporting event of its kind in Canada, with approximately 5,000 athletes expected to compete in 17 sports over a two-week period in July/August of 2017. The Games are projected to attract over 30,000 games families and visitors, with an economic impact of over $160 Million.

The approved Winnipeg Bid included a $26.5 Million operating budget and a $24 Million Capital budget. Included in the $24 Million Capital Budget is $18 Million relating to the Sport for Life Centre Phase II Fieldhouse Improvements (identified as the potential capital legacy project) funded by $6 Million from the Province of Manitoba and planned private funding of $9 Million; leaving a shortfall of $3 Million being requested equally from each level of government.

The City of Winnipeg 2014 Operating and Capital Budget approved by Council includes a $3 Million capital contribution towards the 2017 Canada games to be advanced over a four- year period ($750,000 per year from 2014-2017) for the purposes of an equally shared indemnification agreement with the Province of Manitoba, a facilities upgrade program, and a legacy project or projects, that are agreeable to the City.

The Sport for Life Centre is a unique and advanced resource that offers new opportunities to our City and Province and improves access to sport and training across Manitoba. The Centre will include an 80,000 square foot field house that will provide seamless transition between training, coaching, testing, and therapy. The field house will feature an indoor running surface, sprint track, multi-sport space, strength and conditioning areas, aerobic training space, multi-use court space and plyometric training and testing.

Criteria that guide the Capital program include the following:

1. Meet Canada Games Hosting Standards (set by the relevant National Sport Organization)
2. Support relevant Provincial Sport Organization's sport facility development objectives
3. Meet objective of an Athlete-centred Games
4. Assist in future hosting opportunities (including those through the relevant National Sport Organization)
5. Venues that have hosted similar events previously
6. Cost sharing for permanent improvement

FINANCIAL IMPACT

Financial Impact Statement **Date:** June 4, 2014

Project Name: **First Year of Program**

2017 Canada Summer Games – Capital Legacy Project and In-Kind Contribution

	2014	2015	2016	2017	2018
Capital					
Capital Expenditures Required	$ 750,000	$ 250,000	$ -	$ -	$ -
Less: Existing Budgeted Costs	750,000	250,000	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ 1,294,500	$ -
Less: Incremental Revenue/Recovery	-	-	-	600,000	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ 694,500	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ 694,500	$ -

Additional Comments:

That the Sport for Life Centre Fieldhouse be approved as the principal capital legacy project for the 2017 Canada Games. The Council approved City of Winnipeg 2014 Capital budget includes a $3 million capital contribution to the 2017 Canada games ($750,000 over 4 years). The expected legacy project cost of $1 million be allotted from the $3 million approved Capital Contribution; capital project 0400001614 and 0400001615.

The provision of in-kind services by the City up to a maximum value of $1,294,500, of which $600,000 is funded by Economic Development Winnipeg's Special Event Tourism Fund and the balance of $694,500 by the City. Any additional costs for City services is the responsibility of the 2017 Host Society.

The City's portion of in-kind costs requires a budget adjustment.

(Original signed by)

Fernando Dela Cruz
Acting Manager of Finance (Campus)
Corporate Finance Department
Cindy Fernandes, CMA
Manager of Finance, Community Services

CONSULTATION

In preparing this report there was consultation with:

City Clerk's Department
Corporate Finance Department
Legal Services Department

SUBMITTED BY

Department:	Community Services
Division:	Office of the Director
Prepared by:	Kathy Knudsen, Manager Strategic Management & Business Support Services
Date:	June 4, 2014
File No.	