Minutes – Executive Policy Committee – November 17, 2021

REPORTS

Item No. 12 Value in Kind for Major Special Events Policy and Value in Kind Grant to the World Police and Fire Games 2023 Host Society Inc.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the Value in Kind for Major Special Events Policy as outlined in Appendix A be approved.

2. That the City enter into, execute, and deliver a Sub-Lease Agreement at 457 Main Street for consideration of $1.00 in favour of the WPFG 2023 Host Society Inc. for the period of September 2021 to September 2023 and that the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions of the sublease in accordance with this report and such other terms and conditions determined necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

3. That the City enter into, execute and deliver a value-in-kind grant agreement with the WPFG 2023 Host Society Inc. to provide goods and services for the 2023 World Police and Fire Games to a maximum in-kind value of up to $493,634 and/or such other agreements as determined necessary by the City Solicitor/Department of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

4. That the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions of the value-in-kind grant agreement with the WPFG 2023 Host Society Inc. and Ancillary Agreements 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.

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

DECISION MAKING HISTORY:

Moved by Councillor Rollins,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Yea:	Bowman, Allard, Browaty, Gillingham, Gilroy, Mayes, Rollins	7
Nay:		0

Carried

ADMINISTRATIVE REPORT

Title: Value in Kind for Major Special Events Policy and Value in Kind Grant to the World Police and Fire Games 2023 Host Society Inc.

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Dryburgh	M. Jack	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

This report seeks authorization for the following items:

1. A Value in Kind Policy applicable to "Major Special Events" as defined in the Policy.
2. An initial value-in-kind grant of up to $493,634 to the WPFG 2023 Host Society Inc. (WPFGHS) based on the proposed Value-in-Kind for Major Special Events Policy.
3. A $1.00 sublease with WPFGHS for 5,270 square feet on the 8th floor of a City leased building at 457 Main St. from September 2021 to September 2023 (the value of which is included as part of the initial value-in-kind grant).

The proposed Value-in-Kind for Major Special Events Policy (the "Policy") will establish a process through which the Public Service reviews and recommends requests for non-cash contributions of City goods and services for Major Special Events to Council. Major Special Events are defined in the Policy and are intended to include significant events such as the Grey Cup, Juno Awards, Canada Summer Games, 2023 World Police and Fire Games and similar.

WPFGHS is organizing the 2023 World Police and Fire Games (WPFG), which will be held in Winnipeg from July 28 to August 6, 2023. The Public Service is recommending an initial value-in-kind grant of up to $493,634 to WPFGHS based on the proposed Policy. This includes a sublease of office space at 457 Main Street retroactive to September 1, 2021 (value of $262,390) and the secondment of a representative from the Winnipeg Fire and Paramedic Service to the WPFGHS (value of $231,244). These are the highest priority items identified by the WPFGHS at this time. The Public Service expects future applications for value-in-kind contributions will be brought by the WPFGHS once a more detailed event plan is finalized. Such applications would be considered and recommended to Council for approval under the proposed Policy, as needed.

RECOMMENDATIONS

1. That the Value in Kind for Major Special Events Policy as outlined in Appendix A be approved.

2. That the City enter into, execute, and deliver a Sub-Lease Agreement at 457 Main Street for consideration of $1.00 in favour of the WPFG 2023 Host Society Inc. for the period of September 2021 to September 2023 and that the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions of the sublease in accordance with this report and such other terms and conditions determined necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

3. That the City enter into, execute and deliver a value-in-kind grant agreement with the WPFG 2023 Host Society Inc. to provide goods and services for the 2023 World Police and Fire Games to a maximum in-kind value of up to $493,634 and/or such other agreements as determined necessary by the City Solicitor/Department of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

4. That the Chief Administrative Officer be delegated the authority to negotiate and approve the terms and conditions of the value-in-kind grant agreement with the WPFG 2023 Host Society Inc. and Ancillary Agreements 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.

5. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Council approval is required for the Value-in-Kind for Major Special Events Policy.

Council approval is required for the City to enter into the proposed sub-lease at 457 Main Street in favour of the WPFG 2023 Host Society Inc.

Council approval is required for the value-in-kind grant to the WPFG 2023 Host Society Inc. and to enter a grant agreement with the WPFG 2023 Host Society Inc. for this purpose.

Council approval is required to delegate authority to the CAO to negotiate and approve the terms the sub-lease agreement, value-in-kind grant agreement and Ancillary Agreements.

IMPLICATIONS OF THE RECOMMENDATIONS

If the Policy is approved the Public Service will use it to review and recommend value-in-kind grants for Major Special Events to Council for its consideration and approval.

If the value-in-kind grant of up to $493,634 for the 2023 WPFG and related authorizations to give effect to its terms are approved, the Public Service will enter into a value-in-kind grant agreement, sublease agreement and the Ancillary Agreements, as needed, with the WPFGHS for this event.

There are no incremental budget implications for the City related to the sublease to WPFGHS because the City is already funding the cost of the main lease for this building within existing

budgets and any tenant improvements or any other occupancy costs for the sublease will be the responsibility of the WPFGHS.

All costs associated with the secondment and the associated backfill position can be managed within the WFPS existing budget without any need for incremental budget resources.

HISTORY/DISCUSSION

Winnipeg has supported the hosting of major events in the past such as the Grey Cup, the Pan American Games, the Juno Awards and the 2017 Canada Summer Games through cash and value in kind contributions. These events also typically attract financial support from other levels of government. The Public Service has considered and recommended value-in-kind support for previous major special events to Council on a case by case basis, but without a formal policy to guide these decisions.

Proposed Value-in-Kind Policy for Major Special Events

The Policy includes the following key elements:

- Defines a "Major Special Event" as a sports, cultural or arts event to be held in Winnipeg on a non-annual basis that is of national or international significance, hosted by an organization other than the City of Winnipeg, and that has secured financial support for the event from the provincial and/or federal government;
- Defines eligible value-in-kind goods or services;
- Provides a method for calculating the value of value-in-kind goods and services and limits the value of City value-in-kind grants for Major Special Events to 10% of the projected total direct spending on local goods and services by participants, spectators and the organizer of the event;
- Creates a Value-in-Kind Grant Representative responsible for the review and recommendation of value-in-kind applications;
- Requires Council approval for all value-in-kind grants for Major Special Events;
- Outlines the process for obtaining and dispersing the goods and services contained in a value-in-kind grant that has been approved by Council;
- Establishes a mechanism for reporting back to Council on value-in-kind contributions approved pursuant to the Policy.

Based on consultations with stakeholders and a review of previous value-in-kind grants for Major Special Events such as the 2015 Grey Cup and 2017 Canada Summer Games, a general guideline limiting the City's value-in-kind grant from all sources to 10% of the projected direct spending on local goods and services per event is proposed. The Policy does not guarantee that the event will automatically receive this level of value-in-kind support from the City because the Policy allows consideration of other factors in determining the value-in-kind grant, including the number of people expected to attend the event (including those from out of province), event duration, and financial contributions to the event from other levels of government.

The Policy defines value-in-kind goods and services under 2 categories:

- Type A are those that the City regularly provides to the public for a fee, such as rental of recreation facilities, parking, dedicated transit service and police services that are directly related to an event such as crowd control and parade escorts.

- Type B are those that the City does not typically provide to the public on a regular basis but does provide to external organizations on a case by case basis such as office and warehouse leasing, land and open space leasing as well as staff secondments.

Further details on this Policy can be found in Appendix A to this report.

2023 World Police and Fire Games

The World Police and Fire Games (WPFG) are held every 2 years. They are an Olympic style athletic competition that attract athletes from 70 countries competing in 60 events. Participants include firefighters, law enforcement and officers from corrections, probation, border protection, and customs officials.

The 2023 WPFG were awarded to Winnipeg in 2017 and will be held from July 28 to August 6, 2023. With over 8,500 participants and 32,677 visitor days projected, the 2023 WPFG would surpass the number of participants from the 1999 Pan Am Games and the 2017 Canada Summer Games and would be among the largest sporting events held in Winnipeg to date. The WPFGHS has developed an operating budget for the games of approximately $17 million.

The WPFGHS has secured cash commitments for the 2023 WPFG from all three levels of government including:

- $2.0 million from the Government of Canada;
- $4.9 million from the Province of Manitoba, and
- Up to $1.5 million from the Special Events and Tourism Fund, which is sourced from the City's Accommodation Tax and administered by Tourism Winnipeg.

Highlights of the projected economic impact of the 2023 WPFG conducted by Tourism Winnipeg and reviewed by the City's Economic Research Group are summarized as follows:

- Total direct spending on local goods and services of $19.6 million.
- Supports 131 direct full-time equivalent jobs and increased personal income of $4.6 million.
- Increased demand for 26,981 hotel room nights
- Increased tax and other revenue of approximately $1.0 million for Canada, $1.6 million for Manitoba and $578,000 for Winnipeg.

WPFGHS has already secured many of the local venues for the 2023 WPFG including the RBC Convention Centre, the University of Winnipeg, the University of Manitoba as well as the Forks and Cindy Klassen Recreation Centre.

Proposed Value-in-Kind Grant for the 2023 WPFG

Previous WPFG events held in Burnaby, B.C. (2009) and Fairfax, Virginia (2015) attracted value-in-kind support from these host cities of $1.3 million and $3 million, respectively, in addition to cash contributions. Most of the value-in-kind contributions in these cities consisted of staff secondments, usage of office space, extra duty police officers and transit services.

Two of the most recent Major Special Events held in Winnipeg, including the 2015 Grey Cup and the 2017 Canada Summer Games, involved value-in-kind contributions from the City of $320,000 and $694,500, respectively, in addition to cash support from the City for these events.

Based on the proposed Policy, the WPFGHS is eligible to apply for a value-in-kind grant of up to $1.96 million from the City, which is 10% of the projected direct spending on local goods and services associated with this event.

A working group comprised of several City departments, the Office of Film and Special Events and the WPFGHS is developing a detailed event plan for the 2023 WPFG which will result in a more comprehensive request to Council for value-in-kind goods and services in the future. However, it is currently recommended that Council approve an initial value-in-kind grant of $493,634, which addresses two of the most immediate priorities for the WPFGHS including:

Office sublease at 457 Main St - $262,390

This sublease involves 5,270 sq. ft. of space on the 8th floor of a City leased building at 457 Main St. from September 2021 to September 2023, which will serve as the administrative headquarters of the 2023 WPFG. The space in question has been used in the past by the City for special project teams, training and meetings. However, alternate arrangements can likely accommodate future demand for such purposes therefore making this space at 457 Main St. available for use by the WPFGHS.

The City entered into a Short-Term Use Agreement with WPFGHS on September 1, 2021 for a portion of this space at a rate of $2,195 per month.

The City is proposing that the term of the office sublease be retroactive to September 1, 2021 and that the total value-in-kind amount of $262,390 for the office sublease reflect both the City's current lease rates for this location and the $6,585 in rent that has been invoiced by the City to the WPFGHS under the Short-Term Use Agreement.

There are no incremental budget implications for the City related to this sublease because the City is already funding the cost of the main lease for this building within existing budgets and any tenant improvements or any other occupancy costs for the sublease will be the responsibility of the WPFGHS.

Shindico is the property owner at 457 Main Street and has submitted a letter to the City authorizing the sublease.

The terms of the sublease will be substantially similar to the existing Short-Term Use Agreement.

Full-time Secondment of a Senior WFPS Member to the WPFG - $231,244

The full-time secondment of a senior full-time member of the WFPS has been requested by the WPFGHS and is being recommended for the period December 2021 to September 2023. This secondment will serve as the Director of Sporting Events for the 2023 WPFG and will work closely with the Chief Operating Officer of the 2023 WPFG.

The value-in-kind amount of up to $231,244 for the secondment reflects the full-time salary and benefits associated with this WFPS senior position for the period in question, but does not

include any costs associated with backfill of the senior position during the term of the secondment.

All costs associated with this secondment and the associated backfill position can be managed within the WFPS existing budget without any need for incremental budget resources.

Based on experience from prior WPFG events held in other cities, it has been customary for senior members of the Police and/or Fire departments to be seconded from their regular jobs to provide full time services to the WPFG prior to and during the event.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 13, 2021

Project Name:

First Year of Program 2021

Value in Kind Policy for Major Special Events and a Value in Kind grant to the World Police and Fire Games 2023 Host Society

	2021	2022	2023	2024	2025
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 52,079	$ 250,686	$ 190,869	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 52,079	$ 250,686	$ 190,869	$ -	$ -
Less: Existing Budget Amounts	52,079	250,686	190,869	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent the estimated Value In Kind (VIK) to be included in the grant agreement with the WPFG 2023 Host Society Inc. of $493,634 for the period of December 2021 to September 2023. VIK amounts include office space at 457 Main Street ($262,390) and salary and benefits for the secondment of a senior member of the Winnipeg Fire Paramedic Service ($231,244). Existing budgets represent the operating budgets of Planning, Property and Development and Winnipeg Fire Paramedic Service Departments which have sufficient funding to cover the cost of the VIK grant, subject to Council approval in 2022 & 2023.

Electronically signed by J. Peters

Jocelyn Peters, CPA, CGA
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

Legal Services (as to legal issues)
Winnipeg Transit
Winnipeg Fire Paramedic Service
Corporate Finance
Assets & Project Management - Municipal Accommodations

OURWINNIPEG POLICY ALIGNMENT

03-03 Creativity: (Direction #8): Establish Winnipeg as a City of Choice and Desired destination for Artists and Creative Professionals.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

N/A

SUBMITTED BY

Department: Office of the Chief Administrative Officer
Prepared by: Matt Dryburgh, Senior Manager, Economic Development and Policy
Date: October 19, 2021
File No:

Attachments:

Appendix A: VIK Policy