SUBJECT: City of Hamilton 2014 Commonwealth Games - Post Bid Opportunities (PED07117) (City Wide)

RECOMMENDATION:

That Report PED07117 respecting the City of Hamilton 2014 Commonwealth Games Post Bid Opportunities be received.

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EXECUTIVE SUMMARY:

At its meeting on March 8, 2007, Council requested staff to report back on the 2014 Commonwealth Games Bid.

On December 15, 2005, Commonwealth Games Canada (CGC) awarded the domestic bid for the 2014 Commonwealth Games to the City of Halifax over Hamilton, Ottawa and York Region. On March 8, 2007 the City of Halifax and the Province of Nova Scotia announced that Halifax had withdrawn its bid for the Games. Subsequently, both Commonwealth Games Canada and the Commonwealth Games Federation have indicated that no replacement Canadian bid city will be accepted for the 2014 Games, as per international rules. However, the news of Halifax withdrawing from the bid process has renewed attention on Hamilton’s bid for the 2014 Commonwealth Games and on three areas in particular.
First, Halifax’s unfortunate experience confirms that the type of bidding process advocated by Hamilton’s bid leadership in the aftermath of both the 2010 and 2014 bids is the most appropriate process and ultimately the one most likely to lead to a unified community and bid success. That process is characterized by clear public accountability and the full and open engagement of all levels of government and elected officials.

Second, the fact that the Halifax bid unravelled because of dramatic escalations in budget raises the question of whether a Hamilton bid would have faced the same fate. A comparison of the two cities’ budgets reveals that Halifax encountered a number of unique budgetary challenges (including building a Games Village from scratch and incorporating significant transportation infrastructure costs) that do not apply to Hamilton’s bid. Additionally, the Hamilton bid team developed its budget through a long and rigorous process that included two domestic bids and the detailed scrutiny of a year-long international bid. Finally, the key person in formulating the Hamilton budget was the person hired by the Government of Canada to review the Halifax 2014 operating budget.

Third and most importantly, as Hamilton went through the domestic bidding process in 2005, the bid leadership, the Hamilton community and Council recognized that the bid, even if it was not successful in bringing the 2014 Commonwealth Games to the City, had the potential to launch a number of benefits for the community:

- Successful bids for future Commonwealth or other multi-sport games
- Investments in badly-needed sport, recreation and wellness infrastructure
- Attention and support of sport and cultural programs within the City
- Initiation and enhancement of partnerships both within the community and beyond.

**BACKGROUND:**


Outlined below are highlights of Hamilton’s 2014 Commonwealth Games Bid:

- Total Games Budget (2005 dollars) $834 million
- City of Hamilton $100 million
- Province of Ontario $292 million
- Government of Canada $292 million
- McMaster University $25 million
- New facilities for the City of Hamilton:
  - Stadium with track $150 million
Aquatics Centre       $36.5 million
Multi-use Sportplex       $28.5 million
Triple Pad Arena       $38.4 million
Field Hockey fields and Gymnasium       $27.2 million

- Improvements to existing Hamilton facilities:
  - Approximately $2 million to Copps Coliseum and Hamilton Place
  - Approximately $2 million to Roselawn Lawn Bowling Club

- Projected economic impact of $2 billion to Hamilton:
  - 11,311 jobs in Hamilton
  - $402 million in wages in Hamilton
  - $45 million in tax proceeds to Hamilton

- Legacy of sport development, health and wellness, social and education programming, culture of inclusion and accessibility and strengthened partnerships within and outside of our community.

Council approved Report PED06125 which recommended that Sport Canada review the 2014 domestic bid process used by Commonwealth Games Canada. Report PED06125 also included the recommendation that “some or the entire facilities plan from the 2014 Commonwealth Games Bid be considered as part of the City’s capital budget planning as well as the facilities public use study for sport and recreation facilities.”

**ANALYSIS/RATIONALE:**

Due to international rules as outlined by the Commonwealth Games Federation, there will be no Canadian bid city following Halifax’s withdrawal as Canada’s bid city for the 2014 Commonwealth Games.

**ALTERNATIVES FOR CONSIDERATION:**

Alternative Option A:

Council could direct staff to prepare a feasibility study to assess a Hamilton bid for either the 2018 Commonwealth Games or the 2015/2019 Pan Am Games. The feasibility study would include reviewing Hamilton’s 2010 and 2014 bid plans, assessing community support, linking a bid to City priorities, assessing senior levels of government support and reviewing international bid conditions. While unknown at this time whether Commonwealth Games Canada (CGC) will undertake a bid for the 2018 Games, the approximate timeframe should CGC decide to move forward with a bid would include a domestic bid process in 2009 and an international bid process in 2010 and 2011, with a host city being announced in the Fall of 2011. The Canadian Olympic Committee (COC) is the national rights holder for the Pan Am Games. The timelines for the COC to determine if it is proceeding with a bid would be approximately the same time as the Commonwealth Games. Undertaking a feasibility study now would allow Council ample time to decide whether to launch a bid for the 2018 Commonwealth Games or the 2015 Pan Am Games. This study would cost $120,000 and would need to be referred to the 2007 Budget process for consideration.
Alternative Option B:

Council could direct staff to prepare a feasibility study for the development of a new multi-use sport, recreation and wellness centre based on the plans of the Hamilton 2014 Commonwealth Games Bid. The feasibility study for such a complex should consider sport, recreation and wellness facilities, office space for sport-related organizations, and ancillary services such as sport medicine clinics. This option would be in line with the growing school of thought that building sport and recreation facilities is a positive step for addressing community health and wellness needs while also positioning a community for attracting sport events. Adding sport and recreation infrastructure would also increase Hamilton’s ability to bid for single and multi-sport events should Council decide to undertake bids for future Games. The feasibility study would encompass three distinct phases:

- **PHASE 1 - Information Gathering:** An assessment of existing multi-use sport, recreation and wellness centres, exploration of potential partnership opportunities, and gauging interest of other levels of government. This phase would be project managed by staff at Tourism Hamilton.
- **PHASE 2 - Facility Plan and Costs:** The facility plans and Capital costs from Hamilton’s 2014 Commonwealth Games bid would be refined to better reflect the information gathered in Phase 1.
- **PHASE 3 - Request for Proposal (RFP):** The City of Hamilton issue an RFP for the development of a business plan for the financing and operating costs of a multi-use sport, recreation and wellness centre.

The study would cost $120,000 and would need to be referred to the 2007 Budget process for consideration.

Analysis for Alternative Options A and B:

The potential of realizing some or even all of the possible benefits of Hamilton’s 2014 Commonwealth Games Bid is the trigger for the feasibility study requests. With Hamilton’s Commonwealth Games bid again front-of-mind, it marks an excellent opportunity for the City to revisit the bid and use it to initiate progress in strategic project areas. It is understood that any feasibility study would need to consider existing City priorities such as the Culture and Recreation Master Plan, Setting Sail Secondary Plan, etc. The Hamilton bid for the 2014 Commonwealth Games had a broad vision and a compelling facilities plan. This vision and the plan are as relevant today as they were the day they were drafted. In fact, the sport community, both nationally and provincially, recognizes the significant gap in sport infrastructure in Ontario, specifically in Southern Ontario and the Golden Horseshoe. It is inevitable that a community or communities in the region will benefit significantly from an investment in sport facilities in the relatively near future. Hamilton can use the plans of the 2014 Commonwealth Games bid, the partnerships and contacts established during the bid process, and a renewed sense of focus and strategy to capitalize on this opportunity.
There is also an emerging school of thought on the benefits of simply building sport, recreation and wellness facilities which can then be used to host a variety of sport events, versus hosting major multi-sport events to get new sport infrastructure. Some leading experts believe that the operating costs associated with staging major Games make it an undesirable proposition for many Canadian communities. The current challenge with this line of thinking is the Provincial and Federal governments currently only fund sport infrastructure through the hosting of major Games.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial: There are no financial implications with the report’s recommendation.

Alternative Options A and B:

Each feasibility study would cost approximately $120,000 as one-time initiatives and would need to be referred to the 2007 Budget process for consideration. Surplus funds from the Hamilton 2010 Commonwealth Games Bid Corporation could be directed to fund the development of a feasibility study. The surplus funds are approximately $60,000.

Staffing: Tourism Hamilton staff would project manage the development of a feasibility study.

Legal: N/A

**POLICIES AFFECTING PROPOSAL:**

N/A

**RELEVANT CONSULTATION:**

A number of members from the Hamilton 2014 Commonwealth Games Bid Executive Committee met to discuss the developments with the Halifax bid and were unanimous in their support of the recommendations, including the alternative recommendations, contained in this report.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No

The Bid for the 2014 Commonwealth Games was a partnership between the City of Hamilton, McMaster University, The Hamilton Spectator and a number of local organizations and businesses that committed support to the bid. Resolution of outstanding issues relating to the bid process is important to foster the partnership within the community for future bid opportunities.
Environmental Well-Being is enhanced. Yes No
N/A

Economic Well-Being is enhanced. ☑ Yes No

Tourism Hamilton is in the business of bidding for conventions and sport events, and it is important that factors that may impede Tourism Hamilton’s ability to compete fairly for business are addressed.

Does the option you are recommending create value across all three bottom lines? Yes No
N/A

Do the options you are recommending make Hamilton a City of choice for high performance public servants? Yes No
N/A

:DA