

*Refers to Item # 3
General Purposes Committee
Agenda - July 20, 2009*

2010 Olympic Games Related Business and Major Projects Achievements

Synopsis

The size and overall complexity of delivering the Oval project, the 2010 Games operations and celebration site planning, and the Canada Line, have required City staff to manage major tasks that, to a great extent, fall outside the City's core area of business. Staff have also had to provide intensive oversight that often involved "business partners", governments and sport bodies from outside the local area, and had to establish a reliable network of experienced technical and Olympic Games-related partners and sponsorship experts with whom to consult. Travel and associated costs incurred to conduct these technical consultations and negotiations attracted significant media attention and eventually became a source of considerable controversy.

Unfortunately, only the cost, as opposed to the many benefits of this important aspect of how we have managed the Olympic Games and major projects-related responsibilities has become the main focus of attention. Further exacerbating this dynamic, is a general lack of understanding or awareness of the full scope and details of Richmond's 2010 Plans. There is a perception of excessive spending that remains unanswered mostly because we do not promote either the full cost/benefit picture or the full value equation when we come forward seeking funding. In short, while we have successfully delivered on the vision of the Oval, we have failed to successfully communicate the many related significant achievements of our Olympic story. Staff acknowledge that there is much room for improvement, but there is also much to celebrate.

The City staff report prepared for the July 20th, 2009 General Purposes meeting entitled "2010 Olympic Games Related Business and Major Project Achievements" outlines the broader, successful picture of Richmond's Olympic story to date, and perhaps will provide some perspective or context on the various recent staff recommendations that would have imposed additional Olympic Games related costs on the City. Highlights include:

- oval project delivered on time and on budget in the most challenging construction market ever experienced in BC.
- It is acknowledged that the City's costs which were budgeted for the original O Zone plan at \$10,000,000, represents a significant expenditure for an ambitious plan. However, the plan was developed with an expectation that the Federal Government would make a financial contribution similar to what they provided to Whistler and Vancouver who each received \$10 million. It should also be taken into consideration that the context within which the plan was developed was that the City's overall 2010 Olympic Games related business and revenues targets that were set as part of the initial Oval bid and Games plans, had just recently been exceeded by a minimum of \$132.5M, including:

Base Oval Project Financial Plan Targets & Results

Source	Target	Outcome	-Under Targets/ +Exceed Targets (Added Benefit to City)
Oval Land Sales	\$ 43 M	\$141 M	+ \$98 M
Senior Government Commitments to Capital Cost	\$60 M	\$66.6 M	+ \$6.6 M (see table below)
GOT Legacy Fund – allocation/contributions to offset operating costs	\$35 M (min.)	\$62.9 M	+\$27.9 M
		TOTAL	+\$132.5 M

The exceptional results achieved in exceeding approved revenue targets presented in the above noted chart represent real direct cash benefits to the City, and should be included and considered as part of the assessment of any of the major various components of the City's participation as a partner in the 2010 Olympic Games.

- Increased capital contributions from senior governments /VANOC of \$6.6M over original \$60M commitment, as follows:

Summary of Increased Capital Contributions from Senior Governments and VANOC

VANOC	Aboriginal Art	\$ 200,000
VANOC	Grant for Sustainability	\$ 1,000,000
Province of BC	Spirit Square (Plaza)	\$500,000
VANOC	Rona	\$ 1,000,000
VANOC	Accessibility funding	\$ 128,000
VANOC	Advancement of Team Canada Room	\$ 150,000
VANOC	Contribution to Legacy Lounge	\$ 500,000
VANOC	Improvements to tenant space as a result of the Doping Lab Agreement	\$ 1,000,000
VANOC	Miscellaneous contributions	\$488,000
FII Grant	Wood Roof	\$ 1,500,000
Donation	Rowing Tank	\$100,000
BC Hydro	Grant	\$ 36,000
Total		\$6,602,000

- Secured the use of the Olympic rings and Richmond is the only 2010 Olympic venue that has the rights to use the rings beyond the Games period. We are also one of only 2 venues that retains the "Olympic" name, post games – sponsorship consultants assessed this value at over \$10M.
- Secured Holland/Heineken House for the City's O Zone with an estimated overall value added to Richmond's O Zone program of \$5M in activation costs, excluding consideration of the value of any economic spin-offs.
- In addition to the above noted capital and sponsor funding, secured an additional \$7.6M in alternate funding from various external sources for the oval.
- Direct benefits derived from Olympic Oval travel far outweigh the costs by a \$43 return for every \$1 spent on Olympic travel since winning the Oval bid, as follows.

Verified Direct Benefits Derived from Olympic Related Travel

Direct Benefits derived from Travel	Received or Confirmed Cash	Budget Relieving VIK	Cost Reduction/Avoidance	Total Value
Heineken House		\$5,000,000		
Getting to Know Richmond Sponsor Funds	\$1,000,000 USD			
Use of Olympic Rings		\$10,000,000		
Use of Non Olympic Sponsors in Oval	\$1,625,000	\$500,000		
Reduction of Oval Foot Print			\$1,900,000	
Totals	\$2,625,000	\$15,500,000	\$1,900,000	\$20,025,000