



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Tourism and Culture Division

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	June 5, 2019
SUBJECT/REPORT NO:	Commonwealth Games 2030 (PED19108) (City Wide) (Outstanding Business List Item)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Carrie Brooks-Joiner (905) 546-2424 Ext. 3967
SUBMITTED BY:	Carrie Brooks-Joiner Acting Director, Tourism and Culture Planning and Economic Development Department
SIGNATURE:	

RECOMMENDATION(S)

- (a) That the General Manager of Planning and Economic Development be authorized to develop and execute Memorandum of Understanding with Hamilton 100 confirming their commitment to lead the 2030 Commonwealth Games Hosting Proposal (Part 1) detailing their financial commitment, the scope of work they are assuming, and resources required from the City of Hamilton to complete the work in a form satisfactory to the City Solicitor.
- (b) That staff review and analyse the Hamilton 100's Hosting Proposal (Part 1) with a report back to General Issues Committee on November 6, 2019 in order to receive Council direction prior to the Commonwealth Games Canada submission deadline of November 22, 2019.

EXECUTIVE SUMMARY

The Commonwealth Games are an international multi-sport event involving athletes from the Commonwealth of Nations. The event was first held in Hamilton in 1930 and has taken place every four years since. At half the size of the Pan Am Games, the Commonwealth Games has 16 compulsory sports, and 6,000 accredited athletes, coaches and officials and takes place over 10-11 days. The world-wide audience is about 1.5 billion viewers.

At the March 20, 2019 General Issues Committee, P.J. Mercanti made a delegation on behalf of Hamilton 100, a community coalition with the goal to “bring back the 2030 Commonwealth Games back to Hamilton, the founding city and host of the first games”. The group offered to lead and wholly fund the development of a bid on behalf of Hamilton. Following the presentation, Council passed the following motion:

“That the City Manager, along with the appropriate staff, and in consultation with the Hamilton 100 Commonwealth Games Community Coalition, be directed to report back to the General Issues Committee, as soon as possible, with the outline of the games, the bidding process, risks and rewards, potential venues and facilities that the City of Hamilton would require to host the 2030 Commonwealth Games”.

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: It is anticipated that approximately \$50,000 in staff time will be required to support the work of Hamilton 100.

Staffing: N/A

Legal: A Memorandum of Understanding is to be prepared.

HISTORICAL BACKGROUND

The first games, the British Empire Games, were held in Hamilton in 1930. Hamilton is considered the “founding city” of the Games with M.M. “Bobby” Robinson credited as the founder and developer of several firsts including the athlete’s village, the first travel subsidy and the first awards podium – concepts now used in all major games worldwide including the Olympics. The Jimmy Thompson Pool is the last material legacy of the 1930s Games and is still in operation.

Now called the Commonwealth Games, the multi-sport event is held once every four years. The Commonwealth Games Federation (CGF) is responsible for the direction and control of the Commonwealth Games and Commonwealth Youth Games, and for delivering on the vision of the Commonwealth Sports Movement: to build peaceful, sustainable and prosperous communities globally by inspiring Commonwealth Athletes to drive the impact and ambition of all Commonwealth Citizens through Sport. The CGF determines the Commonwealth Games international bid and selection process.

Canada has hosted the Games four times: Hamilton (1930), Vancouver (1954), Edmonton (1978), and Victoria (1994). The City of Hamilton has previously and unsuccessfully bid for the 1994, 2010 and 2014 Commonwealth Games.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

Hosting the Commonwealth Games is in alignment with the City of Hamilton Strategic Plan (2016-2025), the Economic Development Action Plan (2016-2020), Hamilton Tourism Strategy (2015-2020), and the Cultural Plan (2013).

RELEVANT CONSULTATION

- Director, Recreation Division, Healthy and Safe Communities Department
- Director, Energy, Fleet & Facilities Management Division, Public Works Department
- Interim City Manager
- Acting General Manager, Finance and Corporate Services Department
- Senior Development Consultant, Real Estate Division, Planning and Economic Development
- Acting Manager, Finance and Administration (PED), Financial Planning and Policy Division, Corporate Services Department

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

About the Commonwealth Games

The Commonwealth Games are an international multi-sport event involving athletes from the Commonwealth of Nations. The event was first held in Hamilton in 1930 and has taken place every four years since then. At half the size of the Pan Am Games, the Commonwealth Games includes:

- 16 compulsory sports
- 12 optional sports (the host city has input into which ones are offered)
- 6,000+ accredited athletes, coaches and officials in attendance
- Integrated para-sports program
- Games are 10-11 days long
- Typically held in late July when hosted in Canada (the host city proposes the date)
- A world-wide audience of about 1.5 billion viewers

The last Commonwealth Games were held in April 2018 at the Gold Coast, Australia and saw 71 participating countries competing in 275 events with 6,500 athletes and officials in attendance. 2018 saw the largest para-sport programme ever in the history of the Commonwealth Games, the first Games-specific Reconciliation Action Plan and a global first with an equal number of medals for women and men.

The next Commonwealth Games are to be held in Birmingham, England from 27 July to 7 August 2022. The host cities for the 2026 and 2030 Games have not been selected.

THE BIDDING PROCESS

There are two stages to the Commonwealth Games bidding process:

1. Domestic bid process led by Commonwealth Games Canada (CGC) to select one viable Canadian host city.
2. International bid process led by Commonwealth Games Federation (CGF) which makes the final selection of the host country and city.

Commonwealth Games Canada (CGC) is currently engaging Canadian cities that may be interested in hosting the 2026 or 2030 Games. Interested cities participate in a two-part domestic bid process that allows CGC to shortlist, and then ultimately select, Canada's Preferred Bid City. Once selected, Canada's Preferred Bid City, the host province, the federal government, CGC, and CGF negotiate Multi-Party Agreements to host the Games. Multi-Party Agreements must be in place before moving on to the international bid process.

An outline of Commonwealth Games Canada domestic bid process, attached as Appendix "A" to Report PED19108, outlines the steps that need to be accomplished and each stage where staff would report back to Council for direction.

Information that must be included in the Hosting Proposal (Part 1), the first step in the two-part domestic bid, is attached as Appendix "B" to Report PED19108. Although the Hamilton 100 coalition will lead the bid development, there is some bid content that can only be provided by City staff. A Memorandum of Understanding with the Hamilton 100 is recommended so that resources required from the City of Hamilton can be identified.

RISKS AND REWARDS

During the pursuit to host the Commonwealth Games there are several risks and constraints to be considered:

1. A financial commitment from the host municipality of \$150-300 million for capital and operating expenses can be anticipated according to the CGC. Additional financial details are included on pages 6-9 of this report.
2. A bid from Hamilton must be completed within the CGC stated bid process deadline: Hosting Proposal (Part 1) is due by November 22, 2019 and Hosting Proposal (Part 2) is due in the Spring of 2020.
3. City staff and resources across the corporation (specifically from Tourism and Culture, Facilities, Recreation, Finance, and Legal) would need to be reassigned to support the bid developed by the Hamilton 100 coalition.
4. Lack of confirmed support from other levels of government. Both the provincial and federal levels of government need to be engaged in the bid with the province's sign off on Hamilton's bid required in Q4 2019.

5. Games Delivery Model - Over the years, hosting costs have increased and have outstripped the increase in commercial revenues for the Commonwealth Games. CGF is implementing changes to the Game's delivery and commercial arrangements to address this financial issue.
6. CGC has stated that community engagement and consultation with local businesses, leaders and community organizations from the beginning of the bid process is essential for a successful bid.

Commonwealth Games host cities have the potential to benefit from the Games in several ways:

1. All levels of government support the Games capital and operating costs with a funding agreement determined through the development of a Multi-Party Agreement. As a result, funding for the host city's needed or wanted planned capital infrastructure costs could be offset if they are created as part of the Games.
2. The host city/corporation keeps any revenue generated from hosting the Games to help reduce its investment in the Games.
3. Increased economic impact - the Gold Coast 2018 Post Games Report¹ included the following statistics:
 - Estimated to deliver a \$2.5 billion economic boost to Queensland, including \$1.8 million to the Gold Coast.
 - Approximately 82 percent of Games-wide contracts, worth nearly \$1.7 billion, were awarded to Queensland businesses.
 - Growth in trade and investment is estimated to be worth \$840 million largely driven by the opportunities identified through the Trade 2018 program.
 - Games are estimated to support more than 21,000 jobs on a yearly full-time equivalent basis over the nine-year period before, during and after the Games.
4. Increased tourism – the Gold Coast 2018 Post Games Report stated that about 1.3 million visitors will be attracted to Queensland as a result of the Games including 448,000 over the 4 years post-Games. These visitors are predicted to generate \$1.1 billion in expenditure over a nine-year period (before, during, and after the Games).
5. Hamilton demonstrates ability to host major national and international large-scale events.

VENUES & FACILITIES REQUIREMENTS

Facilities for the Commonwealth Games are divided into two categories:

1. Games Required capital projects for both sport and non-sport uses, and,
2. Proposed capital projects not required for the Games, but their realization will support and enhance Games delivery.

¹ <https://thecgf.com/news/one-year-gold-coast-continues-shine-post-commonwealth-games-glory>

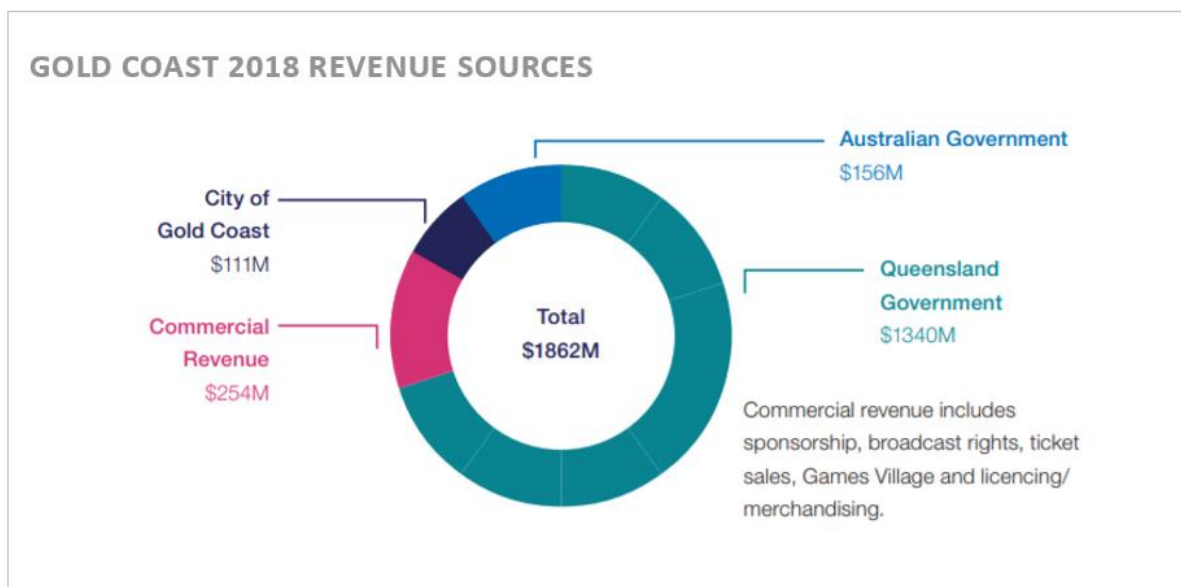
A full list of Games Required infrastructure is included as Appendix “C” to Report PED19108.

FINANCIAL OVERVIEW

The two most recent Commonwealth Games had committed budgets of \$2029 million for Gold Coast 2018 and £579.7 million for Glasgow 2014. Final expenditures for both Games were underbudget.

Gold Coast 2018 Games:

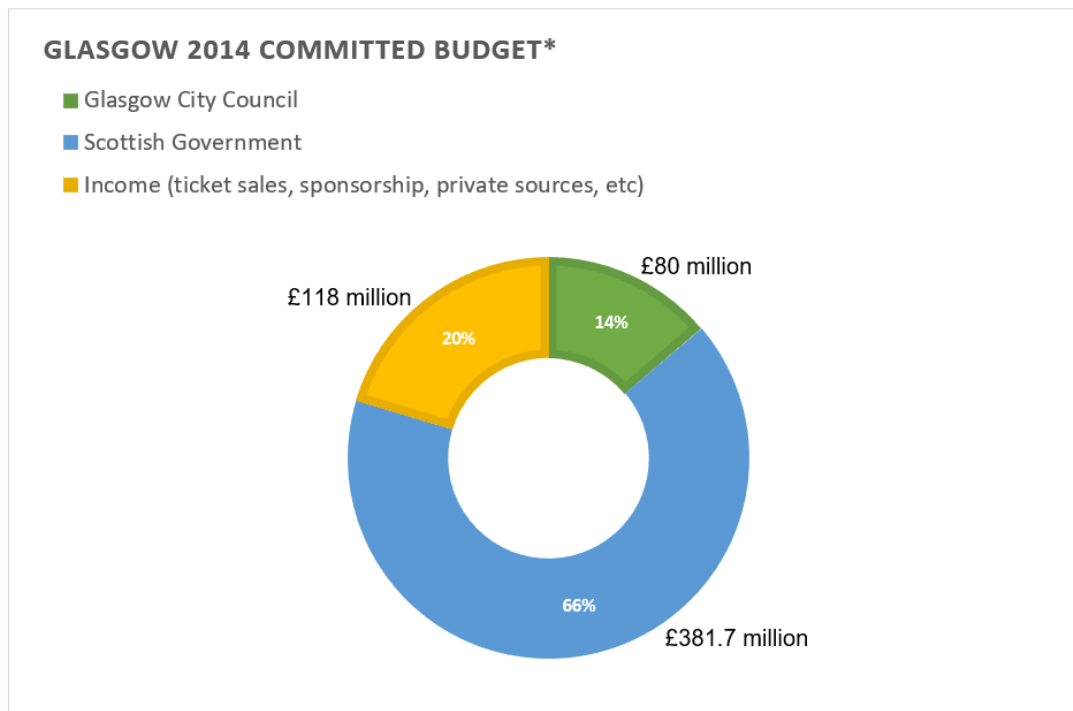
The committed budget to put on the Gold Coast 2018 Games was \$2029 million. The Games ultimately cost \$1862 million, \$167 million under budget.



Source: Gold Cost 2018 Post Games Report published 04 April 2019

Glasgow 2014 Games:

The committed budget to put on the Glasgow 2014 Games was £579.7 million. The Games ultimately cost £543 million, £32 million under budget.



Source: Commonwealth Games 2014 Third Report, prepared by Audit Scotland

For a Commonwealth Games hosted in Canada, the Government of Canada provides funding for international multi-sport games hosting program through Sport Canada. Funding is provided for project-related expenses, including the operating and capital expenses of delivering a hosting project, as well as those expenses identified in the host's legacy plan for operating and capital expenses.² The Federal Policy for Hosting International Sports Events³ includes:

- Contribution limits - The Government of Canada will limit its contribution to a maximum of 35% of total event costs and will not exceed 50% of total public sector contribution to the event. Total event costs refer to the operating and capital costs of delivering a bidding or hosting project. These costs are clearly identified in the project budget and are either direct or indirect in nature.

² Government of Canada, International Major Multisport Games – Hosting Program
<https://www.canada.ca/en/canadian-heritage/services/funding/hosting-program/international-major-multisport-games.html>

³Government of Canada, The Federal Policy for Hosting International Sport Events
<https://www.canada.ca/en/canadian-heritage/services/sport-policies-acts-regulations/policy-hosting-international-sport-events.html>

- Requirement for provision of legacies - The Government of Canada will not be the sole funding source of sport legacies.
- No deficit funding.
- Demonstrated feasibility and sound management capacity of host organization.

The Province of Ontario does not have stated guidelines around funding multi-sport games where the funding request is over \$1,000,000.

The CGC has stated that a financial commitment from the host municipality of \$150-300 million for capital and operating expenses can be anticipated. This is reflected in the post-event reports from the Glasgow 2014 and Gold Coast 2018 Commonwealth Games financial information.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Community Engagement and Participation

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report PED19108 - Commonwealth Games Canada Domestic Bid Process

Appendix “B” to Report PED19108 - Hosting Proposal (Part 1) Outline

Appendix “C” to Report PED19108 - Games Required Infrastructure

CBJ:ro