



GAMES ENGAGEMENT



2030 OLYMPIC AND PARALYMPIC WINTER GAMES DRAFT HOSTING CONCEPT: Initial Financial Estimates & Assumptions

PREPARED BY THE 2030 FEASIBILITY TEAM UNDER THE LEADERSHIP OF
Lil'wat7úl (LIL'WAT), x̓məθk̓əy̓əm (MUSQUEAM), Sk̓w̓x̓wú7mesh Úxwumixw (SQUAMISH),
AND səlilwətał (TSLEIL-WAUTUTH) FIRST NATIONS



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EXECUTIVE SUMMARY

On June 14, 2022, under the leadership of the Lił'wat7úl (Lil'wat), xwməθkwəyəm (Musqueam), Skwxwú7mesh Úxwumixw (Squamish), and səliłwətał (Tsleil-Waututh) First Nations as part of the 2030 Leadership Assembly, the 2030 Feasibility Team published a draft initial hosting concept to explore the possibility of putting reconciliation at the core of bringing the Olympic and Paralympic Winter Games (the Games) back to British Columbia and Canada in 2030.

It proposed a 2030 Games concept that would be Indigenous-led and form naturally into three circles: Whistler (Lil'wat and Squamish territories), Vancouver and the Lower Mainland (Musqueam, Squamish and Tsleil-Waututh territories) and Sun Peaks (Adams Lake, Little Shuswap Lake and Neskonalith territories). The Initial Hosting Concept can be found on gamesengagement.ca.

This document lays out the initial financial estimates for the capital program, the Organizing Committee operations, and public safety and security. Estimates for essential government services or discretionary spending governments may make to capitalize on the 2030 Games are not included. While a legacy fund would be contemplated as part of the 2030 Games concept, it is optional and will be discussed with funding partners if all parties agree to move forward with a bid.

The estimates in the body of this document are provided in current 2022 dollars.

2030 GAMES FINANCIAL ESTIMATES SUMMARY			
CATEGORY	DESCRIPTION	2010 GAMES (2022 \$)	2030 GAMES (2022 \$)
PUBLICLY FUNDED			
Venues	Renewing venues for another 20 years	\$669 M	\$299 M to \$375 M
Villages	Building much-needed affordable and market housing	\$87 M	\$165 M to \$267 M
Public Safety and Security	Ensuring public safety and security	\$1.1 B	\$560 M to \$583 M
Publicly Funded Estimate		\$1.9 B	\$1 B to \$1.2 B
PRIVATELY FUNDED*			
*assumes Organizing Committee is entirely funded by broadcast, sponsorship, ticketing, merchandise and other revenue			
Organizing Committee	Planning and delivering the operations of the 2030 Games	\$2.4 B	\$2.5 to \$2.8B
Privately Funded Estimate		\$2.4 B	\$2.5 B to \$2.8 B
Leveraging on public investment			1:6 to 1:5
For every public dollar spent by governments in BC, \$5 or \$6 come into the region from outside sources. This doesn't include additional economic impacts in tourism dollars, local and prov tax revenue, jobs, etc.			



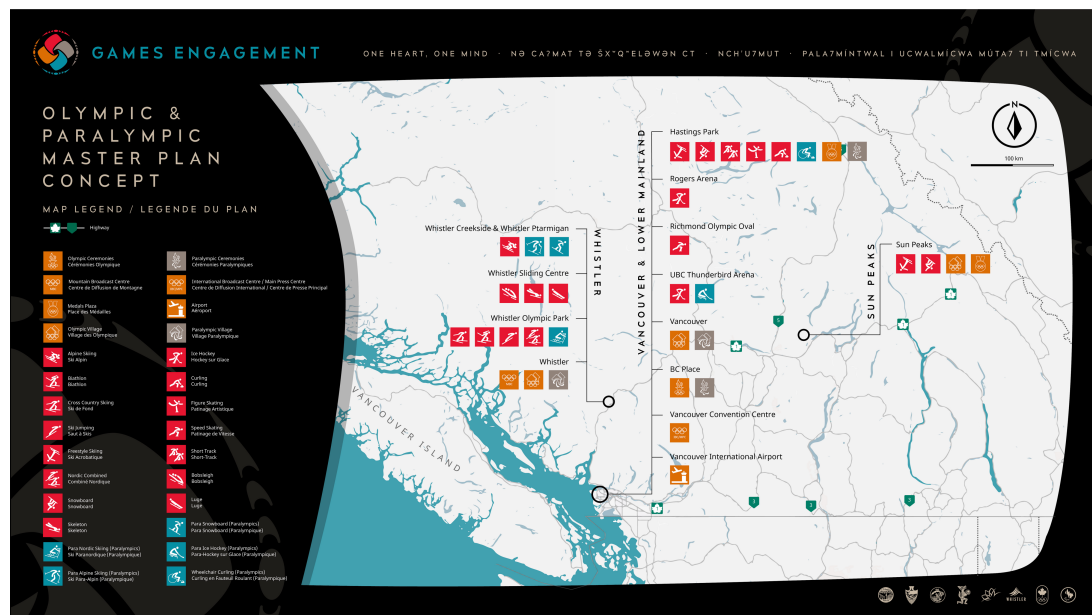
1.0 INITIAL HOSTING CONCEPT

1.1 INDIGENOUS-LED GAMES CONCEPT

On June 14, 2022, under the leadership of the Lií'wat7úl (Lil'wat), xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh Úxwumixw (Squamish), and səlilwətał (Tsleil-Waututh) First Nations as part of the 2030 Leadership Assembly, the 2030 Feasibility Team published a draft initial hosting concept to explore the possibility of putting reconciliation at the core of bringing the Olympic and Paralympic Winter Games (the Games) back to British Columbia and Canada in 2030.

It proposed a Games concept that would be Indigenous-led and form naturally into three circles:

- **Whistler (Lil'wat and Squamish territories):** Alpine/Para Alpine Skiing, Para Snowboard at Whistler Blackcomb; Nordic/Para Nordic Skiing at Whistler Olympic Park; and Sliding sports at Whistler Sliding Centre
- **Vancouver and the Lower Mainland (Musqueam, Squamish and Tsleil-Waututh territories):** Ice Hockey at Rogers Arena and UBC's Doug Mitchell Thunderbird Sports Centre; Speed Skating at Richmond Olympic Oval; and Hastings Park with Freestyle Skiing and Snowboard Big Air at the Racecourse; Figure Skating and Short Track at the Pacific Coliseum; Curling at the Agrodome; the 2030 Games merchandise superstore; a daytime live site and nighttime medals plaza at the Amphitheatre; and a Cultural Village
- **Sun Peaks (Adams Lake, Little Shuswap Lake and Neskonlith territories):** all Freestyle Skiing and Snowboard events at the Sun Peaks Mountain Resort except Big Air





1.2 INVESTMENT IN OUR FUTURE

The 2030 Games provide an opportunity for public and private investment into our joint future in a way that not only delivers world-class Olympic and Paralympic Winter Games but serves as a global model for reconciliation; and a catalyst to achieve and accelerate community priorities, and strengthen Indigenous and non-Indigenous peoples of Canada.

The following table outlines the estimates included in this document.

2030 GAMES FINANCIAL ESTIMATE CATEGORIES			
CATEGORY	DESCRIPTION	EXPECTATION	FUNDING
CAPITAL			
Venues	Renewing venues for another 20 years	Required	Public
Villages	Building much-needed affordable and market housing	Required	Public
OPERATIONS			
Organizing Committee	Planning and delivering the operations of the 2030 Games	Required	Private
Security	Ensuring safety and security	Required	Public
NOT INCLUDED			
Government essential services	Providing municipal, provincial and federal services over normal operations	Required	Public
Government leveraging	Leveraging the 2030 Games to maximize achievement of public benefits and priorities	Optional	Public
Legacy fund(s)	Providing legacy endowment fund(s) for future generations, beyond legacy elements that are included in the capital program and Organizing Committee categories above	Optional	Public



2.0 FINANCIAL ESTIMATES

The following estimates are orders of magnitude, provided as ranges to reflect that discussions remain ongoing with the venue owner/operators, as well as between the First Nations, municipalities, and provincial and federal governments. They are quoted in current (2022) dollars. Actuals from 2010 are provided both in past dollars (2008 or 2010 depending on the item) as well as escalated to current (2022) dollars for relevant comparison. We recognize that dollars will be spent in coming years and have included sections on contingencies and escalation to explain how we are mitigating both uncertainty in estimates and in inflation assumptions to get to 2030 dollars.

2.1 CAPITAL

2.1.1 VENUES

CATEGORY (PUBLIC FUNDING)	2010 GAMES (PAST DOLLARS)	2010 GAMES (CURRENT 2022 DOLLARS)	2030 GAMES (CURRENT 2022 DOLLARS)
Venues	\$513 M	\$669 M	\$299 M to \$375 M

Use of funding

The venue capital program is designed to refresh venues for another 20 years, and provide legacies that ensure that these well-used venues will continue to contribute to the social and economic health and well-being of the communities they serve for generations to come.

The capital investment reflects a valuable opportunity to seek federal funds that are possible as part of a major multi-sport event hosting policy. Without this investment, the same improvements in the future would need to be covered entirely by the venue owner/operator and/or government jurisdiction. It also provides opportunities for local governments and venue owners to leverage the 2030 Games capital program to facilitate larger scale capital legacy projects that provide communities benefits well after the Games.

Differences from 2010

The 2010 capital budget provided a portion of the capital funding for venue projects that were developed by municipalities (e.g. Hillcrest Community Centre, Richmond Olympic Oval, Whistler Athletes Centre). It included the total cost of venues that were built under the direction of the Organizing Committee as new venues (e.g. Whistler Sliding Centre, Whistler Olympic Park), and the cost of upgrades to existing venues (e.g. Pacific Coliseum, BC Place). The 2030 capital program does not require building new venues so focuses on costs of upgrades to existing venues and adding legacy improvements.



Development and validation of estimates

Venue capital estimates were provided by venue operators, based on 2030 Games technical requirements, identified upgrades to extend venue life, and legacy improvements for sport use. All estimates were then validated by a third-party cost consultant and reviewed by additional subject matter experts with experience in delivering large-scale development projects.

Contingencies

Each venue project includes a 25% design contingency plus a 10% construction contingency. An additional 10% program contingency is layered on top of those project line-item contingencies. In practical terms, this means a quote was developed by experts for each project and reviewed by additional experts. 35% was added to that quote, plus another 10% added on top of that. Strong contingencies help mitigate the level of detail of the estimates as well as the uncertainty of inflation rates that will occur between 2022 and when the capital projects are finished.

Inflation and Escalation

In order to develop future dollar estimates, each capital project has estimated start, mid-point and end dates. On the advice of the third-party cost consultant, market escalation of 2.5% per annum (p.a.) will be applied to design costs plus 5% p.a. to construction costs up to the project's mid-point date. An additional "super-escalation" of 5% will be calculated on the total of each project to mitigate a potentially heated labour market. These escalation amounts will be calculated on top of the contingencies mentioned above, providing fourth and fifth layers of mitigation against potential rising costs. As mentioned in the previous section, healthy contingencies at the project level and overall program contingency also help mitigate uncertainty around inflation and escalation rates.

2.1.2 OLYMPIC AND PARALYMPIC VILLAGES

CATEGORY (PUBLIC FUNDING)	2010 GAMES (PAST DOLLARS)	2010 GAMES (CURRENT 2022 DOLLARS)	2030 GAMES (CURRENT 2022 DOLLARS)
Contribution to Villages development	\$67 M	\$87 M	\$165 M to \$267 M

Use of funding

The villages capital program is designed to provide development of much-needed affordable and market rental housing for Urban Indigenous and non-Indigenous peoples. It includes a contribution to three village projects (in Vancouver, Whistler and the Kamloops/Sun Peaks area) plus First Nations housing legacies. Housing plans will be accelerated to meet the technical requirements for the number of beds and operational space for athletes and team officials, providing housing sooner than would be delivered without the 2030 Games.

Differences from 2010

The 2010 village contributions were for two villages and were based on the cost to rent the equivalent number of beds. The 2030 village program envisions three villages plus a contribution to help offset the development of legacy housing.

Development and validation of estimates

Village capital projects are being scoped by the developer of each project, chosen to align with community housing needs. They are being validated by a third-party cost consultant and reviewed by additional subject matter experts with experience delivering large-scale development projects.

There are three important distinctions when understanding the village program estimates:

1. Planned housing developments are typically spread over many years, with developers constructing and selling one building at a time. Existing projects plan for many more buildings than are needed for athlete and team official housing at Games-time. The total cost of the entire eventual development is not included in this document as the larger costs will be borne by the developer or local government.
2. The number of buildings required for the 2030 Games are needed at the same time and must be unoccupied. There are financing implications to delivering multiple buildings at the same time rather than developing each building as it is sold over time. This is relevant to identifying the level of contribution for the 2030 Games.
3. Because the buildings are only needed for a period of two months at Games-time while the revenue stream of the buildings will last for decades to come, the village capital program envisions a contribution to the development mentioned in point 2 above rather than covering the entire cost of the buildings being used. As noted in point 1, the larger portion of the cost will be covered by the developer. There is a wide range in the estimate for the 2030 contributions noted above to provide order of magnitude placeholders while the discussions on specific village project make-up, and locations are ongoing.

Contingencies

As the village contributions are lump sum payments to the developers, all contingencies will be accounted for in the developers' budgets. The contribution payment will not change if the contingencies are accessed during development.

Inflation and Escalation

Escalation for village contributions is calculated at a straight 5% p.a. with an additional 5% overall super escalation added on top of the market escalated value.



2.2 EVENT OPERATIONS

2.2.1 ORGANIZING COMMITTEE

CATEGORY (PRIVATE FUNDING)	2010 GAMES (PAST DOLLARS)	2010 GAMES (CURRENT 2022 DOLLARS)	2030 GAMES (CURRENT 2022 DOLLARS)
Organizing Committee Operations	\$1.9 B	\$2.4 B	\$2.5 B to \$2.8 B

Source of funding

The operations of the 2030 Games themselves, planned and delivered by the Organizing Committee, will be privately funded through contributions from the International Olympic Committee (broadcast rights and international sponsors), domestic sponsors, ticketing, licensing and merchandise.

The estimates are based on meeting 2030 Games requirements and include line items for a Host First Nations secretariat-like department inside the Organizing Committee, official languages, culture, torch relays and ceremonies, within the divisions of Human Resources and Strategic Programs; Games Operations; Finance, Administration and Legal Services; and Marketing and Communications.

While no public funding is being requested for the Organizing Committee, governments and corporate sponsors may choose to invest further in specific priorities, e.g. around reconciliation, culture, languages or climate, over and above what is required for the 2030 Games themselves.

Differences from 2010

While the number of athletes and officials have remained the same since 2010, the number of medal events has grown from 86 to 113. However, savings from the International Olympic Committee's (IOC) The New Norm, a set of 118 reforms providing cost-savings on how the Games are delivered, allow the 2030 operational budget to remain roughly comparable with 2010 when cost inflation is taken into account.

Development and validation of estimates

Organizing Committee operational estimates were developed with a blend of bottom-up estimates prepared specifically for this project and detailed estimates prepared by the Calgary 2026 Bid Corporation, escalated to current dollars. They have been validated by a subject matter expert with experience delivering major multi-sport Games.

Contingency

An overall 25% contingency has been included in the Organizing Committee estimate. The large contingency will help mitigate unforeseen changes to requirements, increases in costs or uncertainty in cost escalation. Because revenue is secured early in the lifecycle with operational



expenses coming primarily in the last few years, there is an extra protection of being able to reduce scope or service levels to ensure the Organizing Committee remains on budget.

Inflation and Escalation

Escalation for any estimates developed during the Calgary 2026 bid were escalated from 2018 dollars to current (2022) dollars at an average of 2.6% p.a. based on Statistics Canada's Table 18-10-0004-01 Consumer Price Index (monthly, not seasonally adjusted) and the Bank of Canada's Inflation Calculator.

Escalation to future 2030 dollars will be calculated at 3% p.a. The Bank of Canada's Table "Expectations" indicates a range of 2-2.2% p.a. over the next 2-10 years per Consensus Economics but 3% will be used as a conservative estimate.

As mentioned in the previous section, the operations contingency will help mitigate in the event that inflation rates were underestimated.

2.2.2 SECURITY

CATEGORY (PUBLIC FUNDING)	2010 GAMES (PAST DOLLARS)	2010 GAMES (CURRENT 2022 DOLLARS)	2030 GAMES (CURRENT 2022 DOLLARS)
Public Safety and Security	\$900 M* *from "Canada's Games" report	\$1.1 B	\$560 M to \$583 M

Use of funding

The estimate for security includes planning and delivery of Games-time security for venues within the 2030 Games footprint, including the Lower Mainland, the Sea to Sky corridor and the Kamloops to Sun Peaks corridor. Estimates for policing in the urban domain will be captured in the essential services work being done by the three levels of government.

Differences from 2010

A new philosophy and model was developed for major events following the 2010 Games and has been successfully and repeatedly implemented for subsequent major events resulting in significant reduction in costs without sacrificing safety and security.

The new model is intelligence-led with an appropriate and measured response utilizing an active risk management philosophy. It optimizes the use of technology and private vs. public security resources. It builds security into the design of the event. Ultimately, it is recognized that the 2030 Games are a sporting event with security, rather than a security event with sport.



Development and validation of estimates

The Security estimate was developed by a team of security subject matter experts, with combined experience of 140 years, who were involved with the planning, delivering or reviewing of major Canadian events over the last 16 years. The RCMP National Headquarters Protective Policing subsequently convened an independent team that also included members of RCMP E Division (British Columbia), Indigenous Policing Services, and the Police of Jurisdiction for relevant venues, to validate the process undertaken by the security experts.

However, these are early, preliminary estimates. Much more work is to be done with local policy in a variety of jurisdictions (local, provincial and federal) within their various jurisdictional authorities. Work will continue during the fall as all partners discuss roles, responsibilities and funding as part of negotiating a multi-party agreement.

Contingency

A contingency of 20-25% is included in the range of estimates for security and will be reviewed over the fall as additional discussions take place between all parties.

Inflation and Escalation

As with the Organizing Committee operations estimate, escalation to future 2030 dollars will be calculated at 3% p.a.

2.3 NOT INCLUDED

2.3.1 ESSENTIAL SERVICES

Essential government services are those activities that governments provide in day-to-day life and/or specifically for events. Services are required by all levels of government and include items such as, but not limited to:

- Snow removal
- Traffic control
- Temporary road closures
- Waste management
- By-law enforcement and permitting
- Ambulance and health services
- Land and resource permits in the Whistler area
- Provincial emergency planning and response
- Social services
- Environmental permits
- Highways and road safety
- Border services
- Airports
- Provision of visas
- etc.



For major events, each level of government looks at the level of service required that is specifically attributed to the event, e.g. increase in frequency of public transportation. That process and the estimates arising from it belong to the specific levels of government, who include the impact on their essential services as part of considering support for any potential 2030 Games bid.

2.3.2 DISCRETIONARY GOVERNMENT INVESTMENT

The 2030 Games allow for participation far beyond the location of a host venue. Communities and organizations across Canada can choose to leverage the 2030 Games to realize their priorities. Examples are listed in Initial Hosting Concept pp. 22-23 that can be found on gamesengagement.ca.

First Nations and governments in the past have identified opportunities to accelerate or achieve priorities that are related but not required for the 2030 Games themselves. The Canada Line is an example. It was planned for the community and not required for the 2010 Games, as the Organizing Committee operations budget provides transportation for all Games customer groups. Ensuring it was completed prior to the 2010 Games was identified as worthwhile and it has provided a welcome and valuable contribution to the region since it opened on August 17, 2009.

Governments may choose to invest dollars anchored around the 2030 Games as they did for 2010.

2.3.3 LEGACY FUND(S)

Legacy funds are an opportunity to seek public funding to leave behind a legacy for generations to come. Major events typically include a legacy fund or multiple funds as part of the concept. In 2010, examples included the Aboriginal Youth Sport Legacy Fund that supported physical activity, sport and recreation for Indigenous youth, and the Games Operating Trust to support ongoing operations of the Whistler Sliding Centre, Whistler Olympic Park and the Richmond Olympic Oval. Toronto 2015 created a Sport Legacy Fund to contribute to the operation and maintenance costs of designated Legacy Facilities from the Pan American/Parapan American Games. The Calgary 2026 Bid envisioned a fund to support Indigenous youth, disadvantaged youth, sport development and high performance sport (including specific Para Sport priorities) and cultural programs.

Discussions on potential legacy funds will begin if parties agree they want to move forward in the next step of the bidding process.



2.4 DEFICIT MITIGATION

Deficit mitigation is top of mind on major events such as the 2030 Games. There are a number of layers built in to responsibly manage a project of this magnitude and complexity. Examples include:

1. Strength of estimates
This involves the importance of skills and expertise in building the estimates, and having credible independent validation of these estimates.
2. Scope management
In a concept where no new venues need to be built, there is the opportunity to significantly manage scope if costs escalate beyond all the contingencies and estimated inflation. While it would not be ideal to lose planned legacy, it is feasible to do so rather than to go into a cost overrun situation. Similarly, given timing of revenue generation vs. operational spend, scope and/or service level reduction is a viable strategy to manage operational budgets.
3. Contingencies
As described in the above sections, contingencies are layered on contingencies, from design and construction, project level and program level, to market inflation and super escalation. Operational estimates also include significant contingencies.
4. Insurance
While the insurance market has heated up significantly, there remains a strategy to procure insurance to mitigate some risks for major events.
5. Force majeure
In the past, the only Olympic Games that had been cancelled were due to the First and Second World Wars. The COVID-19 pandemic has brought the question of impact of unforeseen, global events to the fore, as have changing threat levels, domestically and internationally. A multi-partner approach to responding to force majeure events will be developed as part of targeted dialogue between all partners and the IOC to gain a better understanding of how all parties come to the table in such a circumstance.