

New agreements secure Richmond Oval funding

The City of Richmond will receive a minimum of \$60 million to help support the ongoing operating costs of the Richmond Oval. The funding will come from the 2010 Games Operating Trust, a fund set up by the Government of Canada and Province of BC to support the operating costs of some of the 2010 Olympic and Paralympic Winter Games venues, as well as sport development. Originally \$110 million, the fund has grown to \$133.6 million through interest income.

In a special ceremony at the Richmond Oval site on May 22, 2007, Premier Gordon Campbell and David Emerson, Minister of International Trade and Minister for the Pacific Gateway and the Olympics, announced that the Games Operating Trust fund will be divided into three sub-funds as follows:

Speed Skating Oval Fund (City of Richmond)	40%
Whistler Sliding Centre and Nordic Centre Fund (Whistler Legacies Society)	40%
Contingency Fund	20%

Richmond will receive a share of the Contingency Fund to be determined at a later date. In addition, some of the interest income already earned by the fund will be paid out by the end of this year to help support pre-Games operating costs.

The net result is that Richmond will receive a minimum of \$60 million from the Games Operating Trust. However, based on the fund's expected earning income, that is expected to rise to at least \$63 million, not including any allocation Richmond receives from the contingency fund.

Richmond's original target for Trust funding, when it submitted its bid to build the Oval, was between \$35 and \$55 million from the Trust, which has been exceeded by this agreement. As well, the original Trust plan envisioned that distribution of the funds would not take place until after 2010, with no funding provided for pre-Games operating costs. Thus the early payout represents an additional benefit for Richmond.

The Legacy Trust ensures the Richmond Oval's operating cost will not be a burden on Richmond taxpayers and that the City is on track to reach its goals to



operate the Oval on a break even basis or with a municipal operating subsidy equal to or lesser than that provided to other major civic recreational facilities.

As well, the Trust Agreement also guarantees the overwhelming majority of the Oval's programming will be dedicated to community use, while also providing support for high performance sport development from the local to national level.

A breakdown of the funds Richmond will receive is shown in the table to the left.

Land agreement provides for future

The City has also secured the funding necessary to pay for the construction of the Richmond Oval, as well as provide for future civic infrastructure needs and strategic land investments. This ensures no property tax increase or external borrowing will be required to fund the Oval.

The City generated \$141 million from the sale of 18.5 acres of land adjoining the Oval, which will become home to a major new mixed use urban waterfront neighbourhood.

The sale provides \$43 million towards the Oval construction budget. Other major sources of project funding include a \$60 million contribution from the federal and provincial governments and \$50 million from casino revenues. Through the use of these and other sources, the City is able to fund the project without impacting its operating budget or property taxes.

In addition, the remaining unallocated funds from the land sale will be placed in a Community Legacy Fund, valued at approximately \$100 million. This money will be carefully managed with the bulk of the principle invested and the interest income used to fund community infrastructure needs and to make strategic land purchases for future civic needs.

The Oval Project and development of adjoining lands will also support development of new public amenities, including a major waterfront plaza, other parks and gathering areas, new and upgraded trails, public art and more. It will promote better public access to the waterfront and open our city centre to the waterfront.

On the cost side of the ledger, the Oval project remains on budget and on time.

The City has now awarded 93 per cent of the construction trade tenders for the Oval and remains on target to meet the project's overall \$178 million budget. The Oval will be completed and opened in the fall of 2008.

	Richmond 2004 Proposal	Dec. 31 2007	Dec. 31 2008	Dec. 31 2009	Mar. 31 2010	Total for Richmond Oval
Capitalized Value Minimum Guaranteed Expected allocation based on fund performance*	\$35-\$55M	\$50.0M	\$50.0M	\$50.0M	\$50.0M	\$50.0M
	-	\$52.3M	\$52.7M	\$53.1M	\$53.3M	\$53.3M
Contingency Fund (incl. growth) Expected allocation based on fund performance*	\$0	26.1M	\$27.5M	\$28.8M	\$29.2M	A Share of \$29.2M
Annual Earnings Fund earnings to be distributed**	-	\$4.4M	\$2.6M	\$2.6M	-	\$9.6M
TOTAL						
Minimum Guaranteed	\$35-\$55M	\$54.4M	\$57.0M	\$59.6M	\$59.6M	\$59.6M
Expected total based on fund performance*	-	\$56.7M	\$59.7M	\$62.7M	\$62.9M	\$62.9M + a share of \$29.2M