



City of Richmond

Report to Council

To: City Council
From: Lani Schultz
Director, Richmond Olympic Business Office
Re: Update on Olympic Oval and Business Activities

To Council - Feb 13, 2006

Date: February 9, 2006

File: 01-0370-03-01

Staff Recommendation

1. That Council receive this report for information.

Lani Schultz
Director, Richmond Olympic Business Office
(4286)

| FOR ORIGINATING DIVISION USE ONLY | | |
|-----------------------------------|--|--------------------------------|
| REVIEWED BY TAG | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |
| REVIEWED BY CAO | YES <input checked="" type="checkbox"/> | NO <input type="checkbox"/> |

Staff Report

Origin

This report has been prepared to update Council on the various activities that are ongoing and achievements that have been made to date regarding Olympic matters.

Analysis

1. Oval Program Development

A viable and sustainable facility program is integral to successfully fulfilling the City's vision for the oval and the surrounding area. The core elements of the program were approved by Council in 2005, in order to be effectively folded into the ongoing facility design. Core elements of the approved program include community sport and wellness, high performance sport programs, sport science and medicine, and some retail opportunities. It is of the utmost importance to ensure these elements blend and balance successfully, in order to fulfill the oval program vision. As such, while working with VANOC and the national sport system to determine the high performance sport component, staff are very mindful of protecting the community access and program needs for the post games oval operation.

Currently, the City continues to engage in numerous meetings with provincial, national and international sport development bodies to determine potential opportunities, market needs and cost benefits for facility uses, and discussions and negotiations with potential sports and wellness tenants. City staff have also undertaken considerable best practices research, including consultation with and visits to relevant facilities to observe operating models and acquire knowledge about the challenges and opportunities inherent in operating a multi-purpose facility such as the Oval. Staff continue to network and forge new strategic relationships within the Olympic and sporting worlds, to ensure we are in the loop and aware of opportunities and issues as they arise. While this is a time consuming process, it is proving absolutely vital to ensuring the City's success in maximizing the Olympic and legacy opportunities. Key issues and opportunities that have impact on the Oval Program include:

a) Long Term Athlete Development Model

The Long Term Athlete Development Model (LTAD) has been developed across Canada and adopted by Sport Canada and the Federal/Provincial/Territorial Ministers responsible for Sport as a framework that provides a common philosophy and will ultimately be a vehicle for change in sport in Canada. An information pamphlet "Canadian Sport for Life" is attached and provides an outline of the LTAD (Attachment One). It is a guide for planning for the sporting excellence and well-being of Canadians.

The work that is taking place is very complex and will significantly enhance the "playground to podium" sport system in Canada. Richmond has an opportunity to be a key contributor at all levels within the pathway and the LTAD has been a foundational philosophy throughout the development of the program for the Oval. The intent will be to ensure Richmond's high

performance sport program is linked to the national sport program for national recognition, success, and funding opportunities.

b) Working Collaboratively with PacificSport

As encouraged by VANOC, staff are continuing to work closely with Pacific Sport to identify the right mix of core sports for the Oval. PacificSport is the lead non-governmental organization for the delivery of Sport Performance programs in the Province of British Columbia. They are part of the Canadian Sport Centres network across the country and are responsible to coordinate delivery of essential support services for high performance athletes and coaches. These services include sport science, medicine, and research services as well as other athlete services to identified national training groups and national teams. Their role is also to assist in negotiating priority access to the required training facilities for the various sports. The role of the Canadian Sport Centres has evolved significantly and in September 2005 they received additional federal funding through the Own the Podium program. The fund will directly benefit Canada's six regional sport centres for the purchase of essential training and testing equipment ensuring Canadian athletes access to world class training equipment and facilities.

PacificSport is currently outlining the targeted priority sports for BC which includes National Tier Summer and Winter sports as well as provincial development programs. From this, Richmond has the opportunity to negotiate to become the home for a few of these "Core Sports". Based on the facilities available in the Oval (3 activity zones) PacificSport has recently canvassed National Sport Bodies to gather more information regarding their interest in locating in the Oval and several have expressed strong interest. The goal is to develop a plan that combines what fits for the National/Provincial sport needs, what fits in terms of Richmond's sport needs, and the best fit with the facility.

The next step to establishing the oval's high performance core sport program is to look more carefully at the sports that have expressed an interest - their fit with the local sport programs (community and school); how committed they are to coming to the Oval; and their ability to contribute financially. One of the challenges is getting these Sport Bodies to project their financial status five years out, particularly when they depend upon federal / provincial funding.

2. Contractual Development with VANOC, IOC and other Olympic partners

Staff have worked to ensure partner obligations and benefits were clearly formulated within the City's Venue Agreement with VANOC. As such, the Venue Agreement continues to guide both construction and related Olympic Business decisions, and will continue to be a foundation for subsequent sub-agreements governing such things as Games operations, marketing, use of the rings, overlay considerations, etc.

In return for the approximately \$60 million capital contribution to the City and the anticipated Legacy funding the City is expecting to receive, and with the City's recognition as a full partner,

has come certain obligations. The City is required to support a variety of VANOC and IOC activities. In general, participation in these activities is also advantageous to the City as it provides the opportunity for the City to conduct further best practises research, pursue its own Oval programming objectives, and promote economic development and other broader City objectives such as creating waterfront amenities.

The City has also committed to participating in VANOC's Torino Mission, which requires extensive strategic and operational planning to ensure Richmond is properly represented on the international stage, achieves significant benefits in knowledge transfer, promotes trade and tourism development and provides a substantive return on investment.

3. Communication and Community Engagement

Since announcing its intention to bid for the Oval, the City has been involved in a continuous and comprehensive communications campaign in order to inform the public, and both internal (including Council, Oval Advisory Committees and staff) and external stakeholders of Richmond's Oval and Olympic vision. This communication campaign has included provision of, progress reports through various forms and media , provision of opportunities for public consultation, and the building of community knowledge and support of the project.

More than 200 hours of public information and consultation activities through dozens of meetings, including public open houses, the site rezoning public hearing, and presentations and discussion with community and other specific stakeholder groups have been conducted. In addition, the City has also conducted an intensive public information campaign, including half a dozen major media events, more than two dozen media releases, hundreds of individual media interviews, extensive information advertising in the English and Chinese-language media, a comprehensive Oval section on the City website, regular internal updates to Council and staff and other activities. As well, the City's Council appointed Oval Advisory Committees, made up of community experts and volunteers, continue to work with staff as appropriate to provide timely and important advice on the ongoing development of the Oval and Olympic Planning.

The City is presently engaged in developing an information program for display and distribution in Torino, that will promote Richmond, the Oval, and help the City to engage in discussions with the corporate world regarding the benefits of living and doing business within our City. (This information will be useful for purposes beyond the Torino Games as well.) The information program will include video materials for viewing at BC/Canada House and other venues, a glossy brochure for general distribution, and a written package of more detailed information about the City for distribution at meetings that are being arranged during the Torino Games period.

As well, staff are engaged in developing a community education and promotion program for the Oval, to be taken to local groups, agencies and associations to help build community awareness and pride around the Oval project.

4. Leveraging the Olympic Opportunity

Participation in the Olympic Games provides the City with an unprecedented and unparalleled opportunity to showcase itself to an international audience and position Richmond as an evolving

major centre for trade, investment and tourism and as unique community that offers distinct advantages for residents, business and visitors.

In order to fully capitalize on this the City is working on several levels to ensure it presents a prominent and positive profile to the world, both before, during and after the 2010 Games.

As a Games partner, the City has the opportunity to associate itself with one of the world's most powerful brands, the Olympic rings. Association with the Olympic brand, internationally recognized as a symbol of excellence, will be a powerful tool in fulfilling the City's objectives from its Games involvement. Access to the rings and other Olympic branding is not given either automatically or easily. Exact parameters of this access is subject to further discussions with VANOC and IOC, which are ongoing at this time. Concurrent with these discussions, the City is working on the development of a comprehensive Oval branding and marketing strategy, which will need to be integrated with the City's existing branding/marketing efforts in order to ensure Richmond presents a unified positive image to the world, which can then be leveraged to meet economic development and other objectives.

VANOC is also engaged in developing the Look of the Games, based on Olympic and VANOC branding, which will include a diverse array of banners, signage, building wraps, public art, interactive installations, way finding signage and other decorative/promotional outdoor and indoor strategies, which will be installed in and around Games venues and communities to create excitement and encourage community participation. As a first step in this process and commencing in February 2006, the City will be participating in a VANOC Olympic Banner program. This program will involve the temporary installation of Banners with 2010 branding in strategic areas within the City during the month of February over the next three years. Areas identified for these banners include major gateways into the City and in and around the Olympic precinct area. In 2010, these banners will be replaced with official "look of the games" banners as part of the Look of the Games program now being developed by VANOC. As a major venue host, the City is consulting with VANOC on development of this program, including the level of local participation, cost implications and potential long term community legacies.

The City has identified significant tourism and economic development opportunities arising from its Olympic participation. While the City will be exposed to billions of viewers through TV coverage of the Games, a proactive approach is needed to turn that exposure into real growth in tourism and economic development. Staff are developing a tourism strategy (in conjunction with the availability of new community tourism funding from the Province via the UBCM), while also working to ensure Oval and Olympic Opportunities are integrated into existing economic development strategies.

The Olympics make the greatest use of volunteers of any single event in the world. More than 25,000 volunteers will be involved in various aspects of the staging of the 2010 Olympics. This provides an unrivalled opportunity for volunteer capacity building within the region and in Richmond. Though the Venue Agreement, the City has ensured that Richmond residents will be given priority opportunities to volunteer for test events and the Olympic speed skating competition to be held at the Oval. This will leave the City with a renewed and expanded

volunteer base that can be mobilized for future Oval events and other community building activities. In order to ensure this benefit is fully captured, City staff will be working with VANOC to refine the parameters for local resident participation in volunteer opportunities, as well as developing an overall volunteer management strategy to align the Olympic opportunity with overall City volunteerism needs.

6. Sponsorship Activities

As part of the original bid submission for the oval, sponsorship and naming rights were a key contributor to the oval business plan. Staff research strongly suggests that the profile of the Oval as an Olympic venue, a unique high traffic facility, and an architectural, environmental and cultural landmark will make it highly attractive for potential sponsors. However, best practices research has shown that sponsorship is an extremely complex field. Sponsorship rarely involves a straight cash payment in return for a simple sponsor recognition opportunity, but rather can include complicated choices. As well, the desire to maximize use of Olympic branding adds an additional challenge and obligations in managing and avoiding conflicts between potential sponsors, while striving to enhance revenues. City staff continue to work on developing an overall sponsorship strategy, while already dealing with substantial approaches by potential sponsors, to ensure Business Plan projections are achievable. Staff are seeking guidance from sponsorship consultants regarding how best to proceed and capitalize on the Oval sponsorship opportunities, as a major deliverable for the 2006 oval work program. The process being undertaken is to determine how to package the various elements of the Oval in a way that maximizes sponsorship returns, while complying with VANOC and IOC requirements, and City objectives.

7. Event Strategy

The staging of the 2010 Olympic Winter Games are but one element of the events that will be associated with the City's participation.

As a Olympic partner, the City is working with VANOC and other partners to develop a strategy for using the upcoming Torino Games to create community excitement and support for our own 2010 Games, as well as to promote the City's overall Olympic objectives. Staff are currently looking into potential local activities that Richmond may wish to stage in conjunction with the Torino Games.

The conclusion of the Torino Games will also mark the beginning of the Cultural Olympiad for the 2010 Games, which will be a four-year arts and cultural festival throughout BC. Considerable funding opportunities will be available through Legacies Now and other sources to support Cultural Olympiad events, which the City hopes to leverage as seed money to promote expansion of the local arts community and development of special events, in keeping with the overall objectives of the Richmond Arts Strategy. Legacies Now funding is also available in a number of other key sectors, including sport, literacy and volunteerism. As an Olympic venue host community, Richmond has been assured it will receive significant funding through Legacies Now. However, accessing this funding will require a coordinated strategy by the City, working in conjunction with the Richmond Spirit of BC Committee and other community groups. With

the beginning of the Cultural Olympiad nearing, it is becoming critically important that the City move forward with this strategy development area.

8. Pre-Games Test Events

As part of the preparations for 2010 Games, Richmond will host at least one major international test event in the Oval and is likely to host one or more other significant competitive events during the pre-Games period. Extensive negotiation is still required to determine exact operational and financial responsibilities and obligations for VANOC, Richmond and other partners in the staging of these events. While VANOC will have a significant role in the conduct of these events, the City will have significant responsibilities and expectations in terms of event operations. These events will be critical in providing staff with the operational expertise to manage the facility long term. At the same time, the City will be in the international spotlight for these events, and it is imperative that they are successfully delivered in order to ensure the Oval's long term success. Staff will be negotiating formal agreements with VANOC to cover the issues surrounding the staging of pre-Games test events.

9. Managing Impact on City Services

As an Olympic partner, the City is asked to participate in a variety of other events associated with the Games, ranging from knowledge transfer conferences and activities, to protocol events to special community celebrations. While some of these events simply require City participation as part of its Olympic commitment, many provide significant benefit to the City such as a recent knowledge transfer conference that focussed on the Games impact on City operations. These ongoing activities require a considerable commitment of City staff time in order to ensure Richmond is adequately prepared for the Olympic opportunity.

Through activities such as the transfer of knowledge conferences, ongoing dialogue with VANOC, and best practises research, the City has become increasingly aware of the significant impact the staging of the Games will have on City operations. This not only includes the unsurprising impact on City services that can be anticipated at Games time, but the adjustments that will be required to City regulations and procedures in advance of the Games in order to both cope with this impact and meet contractual obligations with VANOC. As well, there will be financial implications associated with additional services, and considerable negotiation will be needed to establish acceptable cost sharing agreements between the City and VANOC.

The staging of the Games will, of course, have pronounced impact on transportation planning, road services, public safety, garbage removal, recycling and other services. The City will be working closely with VANOC to develop service provision agreements that meet the additional demands, while also ensuring that impact on normal service levels to the community are mitigated.

Based on experiences in other venue cities, the introduction of the Olympic overlay at the Oval and Look of the Games throughout Richmond will also present challenges in the areas of building approvals and business licensing and new regulations, policy and procedures will have to be developed to address these issues. The City also has a contractual obligation to protect

VANOC from ambush marketing and this will require amendments to City bylaws and enforcement procedures.

10. Neighbourhood Development and Place Making

Concurrent with the building and planning the Oval is the planning of the new urban waterfront neighbourhood on the remainder of the City's 32-acre property. This segment of work is a significant element of the Oval project in that its success is critical to ongoing viability of the facility, financing of the project and achievement of overall planning objectives for the entire City, including development of the City Centre and waterfront. It allows the City to ensure complimentary and synergistic development occurs on the adjacent property, which will enhance the viability of the Oval. As part of the Site Master Plan and in support of the Oval Business Plan, the City has determined the need to make the Oval neighbourhood an international destination with a mix of amenities, services and experiences that will draw visitors from around the world. Staff are currently working to define a more detailed vision of this concept in order to integrate it with the overall site planning process and its development agreements with private sector partners. Developments such as a hotel, restaurant and other complimentary services, as well as creating an overall destination point through the mix of the Oval, surrounding public amenities, shops and services and other commercial and residential development will help drive traffic and users to the site and generate additional operating revenues. Through the site master planning process and supporting area planning, City staff have been working closely with planning, development and business experts to achieve a balance that provides maximum economic support for the Oval project, while remaining within the context of the Official Community Plan and other objectives.

The importance of neighbourhood development and place making is reflected in the work completed to date and ongoing.

Initial planning work began immediately after the success of the Oval bid in order to achieve the time sensitive goal of rezoning the site by the end of 2004. Following the rezoning, an intensive site master planning process was launched with extensive public consultation, which has led to development of the Site Master Plan and preliminary Olympic Gateway Area Plan. Staff still face considerable work in implementing the Site Master Plan and completing the overall area plan.

Confirmation of the Site Master Plan has allowed staff to proceed with the development of design guidelines for the area and to prepared a Request For Proposals for the actual development of the various sections of the Oval Site. In December 2005, Council approved the issuance of an RFP for the development of the City's lands adjacent to the oval, and this process is now underway. The RFP will be released in February, with any necessary clarifying addendums to follow by March, 2006. Responses to the RFP will be due 90 days from the issuance of the final addendums. Upon receipt of proposals for these lands, a rigorous and complex review and selection process will be undertaken, in order to determine the best deal for the City, followed by extensive negotiations to reach contractual agreements with the successful bidder(s).

Next steps in the Community Planning process for the oval lands include:

- Initiating and completing OCP, City Centre Area Plan amendment for Parcel 7 [west of the No. 2 Rd Bridge [Spring 2006]
- Initiating and completing Olympic Gateway East Area Planning as part of the City Centre Area Plan update during 2006
- Initiate and complete Olympic Gateway West Area Plan – 2007.

11. Governance

As progress is made on the development of the Richmond Oval, its programming and business plan, it is critical that the City define the desired governance structure to oversee the operation of the Oval. Already stakeholders and interested organizations are approaching the City for involvement and inclusion in the Oval's programming and operation. The operational model chosen for the Oval will impact how the City engages organizations. How the Oval is governed is vital to success in maximizing benefits to the City, the community and the region. It is therefore important that the operational model chosen for the Oval be one that best meets the specific criteria and long term objectives for the Oval, and for the community.

Once the desired operating model is determined, the specific details of the Oval's governance will need to be carefully developed, including details of any agreement, operating policies and objectives, and the strategic and operational framework necessary for effective and accountable decision making.

Important factors to consider in selecting the appropriate operating model include the following:

- Financial sustainability and risk management, including City cost, liability and other resources.
- Organizational structure and management, including Board structure, selection, expertise, accountability, and reporting; and City involvement in policy, business plans, and operational decision making.
- Programming and facility management, including the ability to meet programming objectives for the Oval.
- Community relations and marketing, including community receptivity to model and ability to maximize market potential locally and beyond.

Staff are currently researching various operating model options for the Oval, and preparing a report on the pros and cons of each along with the impact of each on the Oval business plan. A report will be prepared for Council consideration on a proposed governance structure for the Oval, once this research and analysis is complete, and there is further certainty about the Core Sports and other oval business centres.

12. Capital Construction

A project status report was recently issued to Council under a separate cover.

13. Financial Review

Attached to this document in Appendix Two is a summary report outlining major milestones completed and projected, along with summary financial information for both capital and operating expenditures to date.

Financial Impact

This report is an information report to update Council on current Olympic Business activities. There are no financial impacts associated with this report.

Conclusion

The City is engaged in a number of different initiatives and activities as part of its partner role for the 2010 Winter Olympic and Paralympic Games. This report has been submitted to keep Council apprised of the progress and emerging matters related to the City's involvement in the 2010 Games, and oval program.



Lani Schultz
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SLS:sls

ATTACHMENT ONE

Long Term Athlete Development

Canadian Sport for Life

ATTACHMENT TWO

Attachment Two: Oval Business Milestones
 Cost tracking (\$1,000) as of January 20th 2006

| YTD: | \$250 | \$250 | \$383 | \$822 | | | | |
|-------------|-------|--|---|--|---|--|---|---------|
| Cumulative: | \$250 | \$500 | \$883 | \$1,706 | \$1,706 | \$1,706 | \$1,706 | \$1,706 |
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | |
| Milestones | | <ul style="list-style-type: none"> City Contributes to Vancouver Bid. | <ul style="list-style-type: none"> City appraised of Oval Opportunity City wins Oval bid Significant Community Information Campaign begins - website launched; multimedia materials open houses, etc | <ul style="list-style-type: none"> Ground Breaking Ceremony Visits from IOC, COC, COCCC Signing of Venue Agreement Program document Approved Oval Advisory Committee appointed Development of Strategic Business Plan Orientation tours for committees Technical Inspections - Torino Test Event - Torino Rezoning of oval lands Development of oval site master plan Oval Design Charette | <ul style="list-style-type: none"> Torino Mission Learning Program Flag Transfer Ceremony Adoption of Business Planning Committee Core Sports Determined and UBC Development of Olympic Strategic Plan for Richmond Operating Agreement with VANOC Use of Olympic Marks determined Naming of the oval Position on Legacy Trust Board Legacy funding determined Issuance and award of RFP for oval lands Communications Strategy Sponsorship contracts Partner roles and responsibilities training | <ul style="list-style-type: none"> Cultural Strategy adopted Sale of surrounding lands 30% completed. Adoption of Look of the Games for Richmond Negotiations regarding Games times services and responsibilities training | <ul style="list-style-type: none"> Completion of the building. Official opening and Public special events Athletes training in facility PreGames test event plan High Performance Sport Plan Governance Plan Business Plan refinement Partner roles and responsibility training | |