

Memorandum

CAO 13-2023

Subject: Financial Implications and Strategic Considerations Regarding the 2024 World Rowing Championships

Date: December 7, 2023

To: Budget Review Committee of the Whole

From: Ron Tripp, Chief Administrative Officer

On November 8th, 2023, the Planning and Economic Development Committee (PEDC) received a presentation from the 2024 St. Catharines World Rowing Organizing Committee (SCWR) seeking a financial contribution from the Region. Due to the financial implications, the matter was referred by the PEDC to Budget Review Committee of the Whole (BRCOTW) for consideration. This memorandum is intended to provide background and additional financial detail related to the request.

Background

Council will recall Report CAO 3-2023, Canada Summer Games Park – Financial Update, dated March 23, 2023. This report provided a reconciliation of funding from the Region for capital investment at the Park and the operating expenditures associated with the games from 2017 through 2021 and authorized a budget adjustment of \$2.6M in order to meet the Region’s capital obligation. The total funding for the 2022 Canada Summer Games from the Region for both capital and operating was approved to be \$30.9M at that time.

Report CAO 3-2023 also spoke to Legacy Plan Matters and the establishment of Sport Niagara. The fulfillment of the Region’s Legacy Plan commitment and the stand-up of Sport Niagara was primarily enabled through the establishment of a Legacy Fund. This Legacy Fund was established through the surplus from the games, estimated at that time to be in the order of \$4M. The Canada Summer Games Host was required to develop a business plan for Sport Niagara that included, among many things, a program for the hosting of future national scale sporting events across all Niagara communities through the utilization of venues such as the Canada Games Park and Henley.

It remains the Region's expectation that Sport Niagara's business plan will include the provision of comprehensive support in the planning and execution of major international competitions, namely project management, marketing and communications, cultural programming, revenue generation, procurement, and event logistics. It was the Region's expectation, in March of 2023, that the contribution of \$31M, the stand-up of Sport Niagara, and the establishment of a \$4M Legacy Fund would cease requests to Regional Council for direct financial support for competition and event programming.

SCWR Requests

Notwithstanding expectations relative to the role of Sport Niagara, it is acknowledged that Sport Tourism is identified in the NR 10 Year Economic Development Plan. While the SCWR has requested both a cash donation and in-kind services, the actual incremental cost associated with the "in-kind" asks is estimated to be over \$400k. We offer the following comments and detail focused on the SCWR specific requests:

- Athlete / Team Shuttle Services – Niagara Region does not operate public transit or shuttle services. Should the Organizing Committee wish to seek a contribution of these services, the request should be directed to the Niagara Region Transit Board. NRT staff have estimated the incremental cost associated with these services to be \$222k.
- Spectator Shuttle Service - Similarly, this request should be directed to the NRT Board. NRT staff have estimated the incremental cost associated with these services is in the order of \$141k.
- Pageantry / Welcome Billboards - The Region does not own or maintain roadside billboards. The cost of procuring the programming that is requested is estimated to be in the order of \$12-20k. This amount is not included in the 2024 operating budget. The request references fabrication and installation. Should SCWR be seeking a select number of signs similar in size to those installed for construction projects, this could likely be accommodated with minimal impact on the operating budget and services. The content for the signs would need to be developed and provided by SCWR.
- Pageantry / Street Banners - The Region does maintain banner mounting hardware at the locations requested and could manage the installation and removal of banners supplied by the SCWR within the operating budget with minimal disruption to services. This would actually be the preferred method from a road safety perspective.

- Public Health and Emergency Services (EMS) - Niagara Region is not able to guarantee Paramedic and Ambulance services dedicated solely to the competition as requested. EMS services will be appropriately available throughout the competitions and events as part of their established service. There is potential for the purchase of incremental services from Niagara EMS should the resources be available at the time(s) of need. The estimated cost of these resources, based on the request, is in the order of \$41k. The funding of this expenditure is not included in the 2024 operating budget.
- Waste Management Services - The waste management services requested would be incremental expenditures provided through one of the two Niagara Region waste collection contractors. The cost of these services based on the request is estimated to be in the order of \$60k. This amount has not been included in the 2024 operating budget.
- Renovation & New Development Projects - The SCWR request is for the waiving of fees for the redevelopment of the Finish Tower. The Region does not have sufficient information to determine if there will be any fees applicable to this work. While the fees cannot be waived, the Region could provide a grant in the equivalent amount as the fees. Staff believe this amount to be nominal if applicable at all.
- Economic Development Prospecting & Networking (\$100k Cash Contribution) - While the upgrade of an event from BBQ setting to a premier Niagara showcase venue and event is desirable and exciting, the Region funding such an upgrade is not responsive to or consistent with a year where fiscal constraint and taxpayer affordability is at the forefront of all Regional Council business, policy and budget discussions. All departments of the Region, including Economic Development, have exercised fiscal restraint and reduced resources and service delivery wherever possible in response to the current affordability crisis.

Recognizing the event's potential to attract international visitors and the importance of globally branding Niagara, we have considered the request to review economic development networking opportunities. This would contribute to Niagara Economic Development's (NED's) core function of Investment Attraction through Foreign Direct Investment (FDI) initiatives. Leveraging the global passion for sports, we propose inviting dignitaries with influence in making investment decisions.

In line with this, Niagara Economic Development could look to leverage existing relationships with consulate and ambassador offices in Toronto to create a business 2 business (B2B) program to amplify existing relationships with those countries via active trade agreements, and further networking those businesses that already have a footprint in Canada. The games would act as a catalyst to showcase Niagara's value

proposition and offer a significant opportunity to continue branding Niagara globally. As requested, a Nation's Dinner could be hosted for those delegates and businesses that would partake in active B2B discussions.

Conclusion

Based on the background provided, broader community affordability challenges and the current financial reality of the Region's core mandate of service delivery, it is not recommended that any incremental funding be provided to the 2024 St. Catharines World Rowing in the 2024 budget. There are however in-kind actions described in the preceding comments that represent tangible partnership opportunities in support of the world class event and will enhance the return for all of Niagara. It is recommended that the Organizing Committee work closely with the Region's Economic Development Team to further explore these opportunities.

Respectfully submitted and signed by

Ron Tripp, P.Eng.
Chief Administrative Officer