
Subject: Canada Summer Games

Report to: Regional Council

Report date: Thursday, May 16, 2019

Recommendations

1. That Report CAO 5-2019, dated May 10, 2019, respecting the Canada Summer Games **BE RECEIVED**, and Regional Council **APPROVE** an additional capital budget commitment of \$13.7 Million (to be allocated from Federal gas tax funding) subject to the commitment of additional funding by the Federal Government, local municipal partners and Brock University.
2. That Regional Council **PASS A RESOLUTION** asking the Ontario provincial government to commit additional capital funding consistent with the bid submission to the proposed 2021 Canada Summer Games legacy projects.

Key Facts

- Niagara Region was selected as the site of the Canada Summer Games (CSG) in 2021 which will bring more than 5000 elite level Canadian junior athletes from across all 13 provinces and territories to compete against one another in Niagara. The Canada Games are the country's largest multi-sport event for young athletes and are recognized as a critical competitive step for elite level Canadian athletes as they develop to compete at senior national and international events. It is also the only national or international event where both Para-athletes and Special Olympic athletes participate in the event inclusively.
- The CSG will be held over a two-week period in August 2021, involving competition in 18 sporting events. These sports attract over 80 hours of national television coverage (TSN/RDS). Prior CSG events have attracted an additional 30,000+ visitors to the host communities.
- The community has already pulled together to create a successful bid. Throughout, all 12 municipalities have fully endorsed Niagara hosting the CSG recognizing that by hosting the games each municipality will benefit. The Niagara Region has acted as the catalyst on this project throughout recognizing that hosting the CSG will directly impact all municipalities positively.
- In addition, multiple major stakeholders were involved from across different public and private sectors. By supporting this increased funding proposal, this would add to our local infrastructure assets while continuing to demonstrate the cooperation between local and regional municipalities and our local educational institutions.
- As the host community, Niagara Region committed \$7 million, consisting of a required commitment of \$3 million for capital expenditures plus an additional \$4

million commitment (in cash or value in kind) for operating expenditures. The Federal and Provincial governments have each committed to provide \$10.35 million for capital and operating costs to the host society in return for hosting the 2021 CSG. The Federal government will contribute an additional \$1.2 Million to the operations of the games for the addition of lacrosse events.

- Niagara Region also approved up to \$3.35 million in additional funding for post-games legacy projects, however these funds would be first applied to any deficit given that the Niagara Region is responsible for any financial deficit associated with the 2021 CSG.
- The total legacy capital budget is now estimated to be \$98.8 million. This will deliver a number of legacy infrastructure investments across Niagara. Two key elements included within the infrastructure plan are, the Canada Games Park, which is a multi-sport and recreation complex located on the Brock University campus opposite the Niagara Region HQ and proposed enhancements to the Henley rowing facility.
- The capital funding formula requires all funding partners to increase their contributions. The Federal government has provided positive indications that subject to commitments of increased funding at the local level a request for increased capital funding up to \$49.4 Million will be considered. There has been no indication from the Provincial government any increased funding will be available.
- Legacy capital projects considered in the original bid in Local Area Municipality's have committed funding. The City of Thorold and the City of St. Catharines are in the process of securing additional funding in the amount of \$15 million.
- The Region is being asked to fund an additional \$13.7 Million contingent on our municipal partners securing the remaining \$15 Million. The urgency of this request is due to the immediacy of the construction of the facilities as well as delays in the commencement of the Infrastructure Community Investment Program (ICIP) which was targeted to be a funding source for this project.

Financial Considerations

The Canada Summer Games Board are finalizing its business plan to the Federal government for consideration. The funding request has been modified from the initial submission with the finalization of the legacy capital projects.

To ensure that the capital projects are funded, the CSG committee has revised the funding model from the initial bid submission. The proposed funding model requires additional contributions from the Federal government, Brock University, the City of St. Catharines and the City of Thorold, as well as funding from the CSG committee. To-date, the Province's contribution has remained the same as the initial bid submission. Likewise funding contributions from other participating local municipalities has remained the same.

In the proposed funding model, the committee has requested that Niagara Region increase the funding component from the initial capital approval of \$6.35 million. The

additional funding requested under this proposed plan is \$13.7 million (approx.). The contributions from all parties is as follows:

Table 1: Proposed Canada Summer Games Capital Project Funding

	Canada Games Park , Henley & Other CSG Projects
Total Project Cost	\$98,822,571
Federal* Contribution	\$49,411,286
Provincial Contribution	\$3,000,000
Brock** <i>contribution</i> (net of Land \$6,500,000)	\$4,000,000
<i>CSG Sponsorship</i>	\$6,500,000
LAM - other facility improvement Contributions	\$874,500
Thorold Contribution*: excluding Land Servicing Costs	\$5,000,000
St Catharines Contribution*	\$10,000,000
Niagara Region Upfront Contribution	\$3,000,000
Niagara Region Pre-Approved Legacy Contribution	\$3,350,000
Niagara Region Deficit Funding Request	\$13,686,786

* *pending approval and confirmation of funding*

** Brock University is committing \$500,000 with a further \$3,500,000 in kind

The Region's approved 2019 budget does not incorporate this request. The recently approved Federal Budget has provided funding to Ontario Municipalities through the Federal Gas Tax. The Region will receive a one-time additional payment of FGT funding which, based on 2018's actual, will be approximately \$13,738,782.

This is a significant increase compared to previous year's announcements. The federal government has encouraged that this one time amount be used on shovel ready projects that are eligible under the gas tax program. In addition, this funding has been identified to be used for projects that may be delayed under the ICIP. The CSG legacy capital projects meet these requirements. While the Region has a significant number of capital projects that meet the eligibility of the gas tax program, there are no projects that are shovel ready under the ICIP program. The CSG legacy capital projects would meet this requirement.

The construction deadline to meet the needs of the 2021 Canada Summer Games requires funding commitments to be in place immediately.

Ownership of buildings

A consortium of the local partners is being developed to own, operate and maintain the Canada Games Park. The Region presently is investigating whether the use of Federal Gas tax funding will require a stake in the consortium.

Further, the governance review may impact the consortium partners involved in the consortium.

Analysis

Corporate Impact

The bid to host the CSG highlighted the Region's ability to be a local catalyst and collaborator with local partners in both the public and private sector. It also demonstrates our ability to deliver on our community vision of *'being a unified community of communities with diverse opportunities and qualities – together we strive for a better tomorrow'*.

The delivery of a successful CSG is imperative to the reputation of the Niagara Region and our local & municipal partners; it will provide a two-week window for Niagara to showcase itself to the rest of Canada beyond its beautiful waterfall and bountiful wineries.

Raising Niagara's Profile

The Canada Games are a national event, celebrated locally. They provide Niagara with an opportunity to showcase itself to a national audience through national marketing campaigns in advance of the Games and considerable media attention during the Games. Typically, 400 media members will attend the Games which will have over 80 hours of national TV coverage (on TSN and RDS), over 350,000 webcast views and an external reach of over 5 million people.

It is anticipated that the 2021 Canada Summer Games will increase visitation to Niagara by approximately 30,000. A large number of attendees are VIPs and dignitaries that attend the opening and/or closing ceremonies, a Ministers conference, VIP receptions and sporting competitions. The VIP's include the Prime Minister, Governor General and other dignitaries.

The Canada Summer Games is a showcase opportunity for Niagara as a community, including its residents, local businesses and local government and educational institutions. These showcase opportunities would be further enhanced via new community facilities.

Brock University is intended to be the athlete's village which would be in close proximity to the proposed Canada Games Park. This would create a hub of activity around the

Niagara Region Headquarters and would be an opportunity to highlight progress on the Brock District Plan with the new International Plaza and Civic Park being focal points. With events planned in every municipality, it also creates an opportunity to showcase locations across the Region to a national TV audience.

Community Impact

Infrastructure Benefits

Through hosting the Canada Summer Games, this has afforded the Niagara Region to opportunity to invest in our community through planned improvements to local infrastructure across Niagara. The approval of increased Regional funding along with additional Federal funding would support two marquee legacy facilities.

The Canada Game Park, which will include:

- Sport and Abilities Centre – with Canadian Sport Institute of Ontario Regional Centre, Centre for Health and Well-Being, Para-Sport Gymnasium, Twin-Pad Ice-Box for box lacrosse and ice sports, and sport offices;
- Outdoor Cycling and Environmental Sustainability Centre;
- Athletics Facility;
- Beach Volleyball Centre; and
- Rowing Centre as a key satellite facility.



Henley Rowing facility



Post-Canada Summer Games operating and tri-party management planning for the legacy facilities is in development to ensure these facilities remain available to the community after the games has ended.

A recognized benefit of hosting the Canada Summer Games is the legacy infrastructure that remains post-games. At the 2019 Canada Winter Games, Red Deer invested a total of \$250 Million in legacy infrastructure projects.

Health Benefits

There has been significant research which demonstrates increasing access to sports and recreation increases physical activity within communities. In the 2015 report Framework for Recreation in Canada, researchers highlight five goals which support community health. Two of which are: *Ensure the provision of supportive physical and social environments that encourage participation in recreation and help build strong, caring communities*, and, *ensure the continued growth and sustainability of the recreation field*.

The legacy projects outlined support both of these goals through increasing our community recreation assets while also creating hubs for sports and recreation participation. National and International research has long demonstrated the link between increased availability of sports and recreation facilities and increased physical activity. Research suggests this benefit is emphasized where there is a multitude of travel options available to these facilities.

In Niagara 59.5% of individuals reported to be either overweight or obese (CCHS, 2015-15). Aligned with this, 21.9% of individuals were found to be below physical activity recommendations as per Canada's Physical Activity Guide (CCHS, 2015-16). 20.8% of individuals report no physical activity at all and this group is predominantly made up of seniors (+65).

By further investing in the Canada Summer Games infrastructure, this will increase access to sports and recreation facilities for all of Niagara's residents while also allowing for targeted access/participation by the key demographics in partnership with municipalities and local health care providers.

Culture and Reconciliation

The Canada Summer Games is built on the concept of unifying Canada in a local setting, and celebrating that local setting. It will be a celebration of youth, sport and culture with planned programs and cultural events within each of the 12 municipalities. The game will support community engagement and increased volunteerism with more than 4,000 volunteers needed to support games delivery.

There is a strong theme of embracing Canadian heritage planned in the run up to the games and during the event. This is an opportunity to highlight our community as inclusive and diverse, celebrate our local francophone and indigenous communities as well as show case reconciliation efforts in Niagara to a national audience. The more than 5000 young athletes would become brand ambassadors for Niagara in the future through experiencing the best of the Niagara Region.

Local and elite sport participation

By investing in these facilities, Niagara will have leading class sports and para-sports facilities which can be used by the community at large while also hosting future national and international sporting and para-sporting events.

The success of the Canada Summer Games bid has already seen success in this area with the 2017 Scotties – Tournament of Hearts, the 2018 FIBA U18 Basketball Championships, and 2016 IIHF Ice Hockey Women U18 World Championships all being held in Niagara.

Further investment in the two major infrastructure projects outlined within this report will increase our ability to potentially host future national and international sporting events. One such example is the 2024 World Rowing Championships if the improvements to the Henley Rowing facility are approved.

Having these leading class legacy facilities will support the promotion of local sports participation in Niagara; this in turn will promote physical activity while also allowing for the development of local athletic talent here in Niagara.

Historically, developing Niagara athletes have needed to travel into the Greater Toronto Areas regularly for training, access to coaching and competitive events. By investing in these facilities, all of these things would be available here in Niagara and would promote athletic excellence locally.

This investment also opens up the potential for the relocation of elite athletes and teams to Niagara. Again, we have already seen some success in this area with the Toronto Maple Leafs hosting training events in Niagara in recent years. Another good example of this is the development of the Meridian Centre in St. Catharines and subsequent ability to secure the Niagara River Lions as a local community asset.

Economic Impact

After each Canada Games, the host society must conduct an economic impact study using the Canadian Sport Tourism Alliance (CSTA) STEAM model. The study for the 2013 Canada Summer Games (Sherbrooke) determine that it had an economic impact of \$165 million, and supported more than 1,111 jobs and \$54 million in wages and salaries.

The Canada Winter Games are smaller than the Summer Games, but studies of the 2011 (Halifax) and 2015 (Prince George) determined they had economic impacts of \$123 to \$130 million, supported 693 to 1,100 jobs and \$40 to \$43 million in wages and salaries.

The economic impact demonstrated above is similar to that of a Grey Cup or hosting the World Junior Hockey Championship.

Prior to bidding for the Canada Summer Games the Niagara Sport Commission used the CSTA STEAM model to project the economic impact of hosting the 2021 Canada Summer Games. It projected an economic impact of \$180 to \$240 million, and support for approximately 1,150 to 1,500 jobs, and \$57 to \$76 million in wages and salaries.

This projection was based on a total capital infrastructure investment of between \$15 and \$40 million. The 2021 Canada Summer Games Host Organizing Committee is adjusting these projections in line with the new proposed capital infrastructure investment of \$98.8 million. Increasing the investment on capital infrastructure projects increases the local economic impact.

Alternatives Reviewed

Staff are recommending the proposal is funded by the \$13.7 million one-time Federal Gas tax funding. If Regional Council deny this funding proposal, the Gas Tax funding could be invested in alternate infrastructure projects in line with the terms of the Gas Tax funding agreement addressing the Region's capital deficit.

Council could also consider alternative funding options such as the issuance of additional debt (0.44% levy) or, the authorization of a one-time Special Purpose Levy (3.74% levy). Neither of these funding models are recommended.

Relationship to Council Strategic Priorities

Demonstrates our ability to deliver on our community vision of '*being a unified community of communities with diverse opportunities and qualities – together we strive for a better tomorrow*'.

Other Pertinent Reports

ED 2-2017
CSC 1-2017
CL 11-2017
CL-C 123-2017

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