



## STAFF REPORT ACTION REQUIRED

### Support for the 2012 Ontario Summer Games in Toronto

<b>Date:</b>	May 31, 2010
<b>To:</b>	Executive Committee
<b>From:</b>	Brenda Patterson, General Manager, Parks, Forestry and Recreation Cam Weldon, Deputy City Manager and Chief Financial Officer
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2010\Cluster A\PFR\EX45-061410-AFS#12006

#### SUMMARY

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The Toronto Sports Council (TSC) has initiated a bid with the Sport Alliance of Ontario for Toronto to host the 2012 Ontario Summer Games (OSG). This report seeks Council approval for the City of Toronto to join and proceed with the bid, provide a Games deficit guarantee, and, should the bid be successful, provide a financial contribution and enter into a Host City Agreement and related arrangements which will protect the City's interests and ensure the success of the Games.

The bid guidelines require that the host municipality be the financial guarantor for the Games should a deficit occur. Since 1970 when the Ontario Summer (Youth) Games began, there has never been an operating deficit. The Games Organizing Committee (GOC) is required to work closely with the Sport Alliance of Ontario to ensure that the Games meet all technical and financial requirements. The projected budget to host the OSG in Toronto in 2012 is \$1.68 million. Financial contributions confirmed to date include:

- a hosting grant of \$600,000 from the Ministry of Health Promotion through the Sport Alliance of Ontario;
- participant registration revenue of \$210,000; and
- a \$65,000 contribution from Tourism Toronto (comprised of \$25,000 in cash and \$40,000 in-kind).

In order to effectively manage, plan and execute the Games, a financial contribution of \$300,000 will be required of the City.

Through the TSC, the volunteer sport sector in Toronto has embraced the opportunity to host the 2012 Ontario Summer Games. The theme of the bid is 'Building the Base'. This

theme reflects the need for Toronto to prepare itself for the requirements of hosting the 2015 Pan American and Parapan American Games and to advance the broader goals of:

- developing a larger sport volunteer base;
- increasing the number of quality sport participation opportunities for all Torontonians; and
- building stronger, healthier and more liveable communities through sport.

The Ontario Games are the only government-sanctioned multi-sport Games opportunity available to Toronto prior to 2015.

## **RECOMMENDATIONS**

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**The General Manager of Parks, Forestry and Recreation and the Deputy City Manager and Chief Financial Officer recommend that:**

1. the City of Toronto work with the Toronto Sport Council to finalize and proceed with a bid to the Sport Alliance of Ontario for Toronto to host the 2012 Ontario Summer Games;
2. should Toronto be awarded the right to host the 2012 Ontario Summer Games,
  - i. authority be granted to the appropriate City officials to receive on the City's behalf a hosting grant of \$600,000 from the Ontario Ministry of Health Promotion through the Sport Alliance of Ontario and hold these funds for application to Summer Games expenditures in 2011 and 2012;
  - ii. the General Manager, Parks Forestry and Recreation provide support and financial management for the Games Organizing Committee; and
  - iii. the City identify a total of \$300,000 for consideration in the 2011 and 2012 Operating Budget processes as direct support to Games related expenditures;
3. should Toronto be awarded the right to host the 2012 Ontario Summer Games, the General Manager of Parks, Forestry and Recreation be authorized to negotiate, approve and execute, on behalf of the City of Toronto, and in a form satisfactory to the City Solicitor, a Host City Agreement with the Sport Alliance of Ontario which, among other matters, specifies that the General Manager of Parks, Forestry and Recreation will lead the formation of a Games Organizing Committee, in cooperation with the Toronto Sports Council;
4. conditional upon the signing of a Host City Agreement which provides appropriate City control of the Games' planning, financial and audit functions, the City agree to serve as the financial guarantor for the 2012 Ontario Summer Games should a deficit occur; and

5. the General Manager of Parks, Forestry and Recreation, in consultation with the Deputy City Manager and Chief Financial Officer, and other appropriate staff, ensure that the Host City Agreement and the governance and administrative structures of the Games Organizing Committee provide for appropriate City control of the Games' planning, financial and audit functions, reflecting the City's position as the Games' deficit guarantor.

## Financial Impact

The anticipated cost of hosting the 2012 OSG held in Toronto is \$1.68 million. This estimate is based on budget actuals from previous Games. There are no capital costs associated with the Games.

To ensure the effective management, planning and delivery of the Games, the City will need to contribute \$300,000 for staff and related costs over two years. The 2011 and 2012 Parks, Forestry and Recreation Operating Budget submissions will detail proposed costs and revenues associated with the Games for Council's consideration.

The OSG bid guidelines require a host municipality to be responsible for any deficit that may be incurred as a result of the organization, management, promotion or conduct of the Games. Given a forecast balanced budget of \$1.68M, confirmed revenues of \$875,000 (i.e. \$600,000 hosting grant, \$65,000 contribution from Tourism Toronto, and \$210,000 in participant registration fees), and a City contribution of \$300,000, in the highly unlikely event that no revenue from sponsorship, ticket sales, fundraising or the sale of merchandise were realized, the estimated financial exposure to the City as the Games' deficit guarantor would be \$505,000.

The preliminary overall budget for the 2012 Summer Games, including in-kind donations, as developed by the Toronto Sports Council, is shown below.

<b>Revenue</b>		\$
	Sports Alliance Host Grant	600,000
	Sponsorships, Sales and Donations	467,000
	City of Toronto	300,000
	Athlete Participation Fees	210,000
	Ticket Sales	104,000
	<b>Total Revenue</b>	<u>1,681,000</u>
<b>Expenditures</b>		\$
	Accommodation and Food	913,000
	Games Management	486,000
	Travel	282,000
	<b>Total Expenditures</b>	<u>1,681,000</u>

If the City is awarded the Games, all finances would flow through the City of Toronto. Purchases would comply with the City's purchasing policies and bylaws and the City would assume responsibility for budget control.

## **DECISION HISTORY**

At its meeting of March 31 and April 1, 2010, City Council adopted the recommendations in a Motion without Notice that stipulated:

1. upon receiving a formal request from the Toronto Sport Council in support of a bid for the 2012 Ontario Summer Games, the City Manager assign staff to evaluate the request, assess financial impacts, and report back to Council with recommendations; and
2. pending receipt of a staff report, City Council support in principle a bid by the Toronto Sport Council for the 2012 Ontario Summer Games to be held in Toronto.

City Council Decision Document (Item MM47.11):

<http://www.toronto.ca/legdocs/mmis/2010/cc/decisions/2010-03-31-cc47-dd.htm>

## **ISSUE BACKGROUND**

The Board of Directors of the TSC, in response to interest expressed by its membership comprised of organizations and individuals, has initiated a bid with the Sport Alliance of Ontario for Toronto to host the 2012 Ontario Summer Games. As the bidding process is not yet complete, it is feasible and reasonable for the City of Toronto to partner with the TSC in the bid, especially given the requirement for the host municipality to provide a deficit guarantee. The notion of a partnered bid has been reviewed with TSC officials and is recommended to Council as the best way of protecting the City's fiduciary interests while ensuring a high level of community/sport involvement in organizing and delivering the Games.

The Ontario Summer (Youth) Games is the province's largest multi-sport event. It provides Ontario's top young athletes with the type of development and competitive opportunities they need to prepare for national and international competition. There are 3,500 participants competing in the Games in 27 to 32 different sports. Athletes competing in the Games range in age from 13 to 22 years. The Games are held every two years and require up to 1,000 community volunteers.

The bid requires that community support be verified by a resolution passed by the municipal Council of the host municipality affirming its agreement to act as the financial guarantor.

Critical dates for the 2012 Ontario Summer (Youth) Games are as follows:

Action	Date	Comments
Letter of Intent to bid	February 1, 2010	Submitted by the TSC
Submission of the Bid Book	May 3, 2010	Submitted by the TSC
Site Review	Week of July 12, 2010	
Official Announcement of Host City	August 2010	
Proposed 2012 OSG Event in Toronto	August 16 to 19, 2012	

## COMMENTS

As noted above, the Toronto Sports Council has initiated a bid for Toronto to host the 2012 Ontario Summer Games. The City of Toronto has been requested by the TSC, its membership organizations and Toronto's volunteer sport sector to support, join and proceed with the bid. The TSC's initiative to bid for the 2012 Ontario Summer Games reflects its ability to build collaborative relationships with community stakeholders and partners. Supporting and joining the bid for the 2012 OSG provides a unique opportunity for the City to enhance its relationship with the TSC and to engage with and mobilize a diverse range of community based sport organizations.

Should the bid be successful, the governance and administrative structures of the Games Organizing Committee that will be formed will need to enable City officials to guide decision-making and provide required due diligence, in a manner reflecting the City's role as the Games' financial guarantor. The General Manager of Parks, Forestry and Recreation will work with the Toronto Sports Council to finalize the structure for the Games Organizing Committee.

The Games are Ontario's largest multi-sport event and would be held three years prior to the 2015 Pan American and Parapan American Games. Support for Toronto's bid to host the 2012 Games has been expressed in a letter of endorsement from Roger Garland, Chairperson, Toronto 2015 Pan / Parapan American Games Host Corporation (see *Attachment A - Letter from Roger Garland, Chairperson, Toronto 2015 Pan and Parapan American Games Host Corporation*).

'Building the Base' is the main motivation and animating theme of this bid. Specific legacy objectives linked to the idea of "building the base" include:

- building volunteer sport sector capacity
- developing a larger more inclusive sport participation base
- revitalizing community sport facilities
- expanding sport educational and leadership opportunities

Together, these legacies will increase the physical activity level of Torontonians and enhance the physical, psychological, economic, cultural and social health of the city, contributing to more vibrant, prosperous, and liveable communities. Strengthening the volunteer base in Toronto will increase opportunities for all residents to become more involved in their community. The quality and quantity of positive, developmentally appropriate, volunteer-based sport programming in Toronto will also be increased.

The bid calls for sport venue locations to be widely distributed. This will make it easy for residents from many areas of Toronto to experience and enjoy the Games. In order to accommodate the athletes close to the sport venues where they will be competing, the bid identifies four Athlete Villages:

- East Village (Centennial College Residences);
- Downtown Village (University of Toronto's New College, Trinity College, St. Mike's and 89 Chestnut Residences, Ryerson University Pitman Hall and Ryerson University International Living Learning Centre);
- West Village (Humber College North Campus); and
- North Central Village (Seneca College Newnham Campus).

The direct economic impact of the Ontario Summer Games on a host municipality is estimated by the Sport Alliance of Ontario to be between \$3.5 and \$4.5 million. The local businesses are the main beneficiary of the economic activity generated by the Games. The positive impact on the tourism sector has already been demonstrated by Tourism Toronto, which has worked with the TSC to prepare the bid and committed \$65,000 towards the Games (\$40,000 in in-kind support and \$25,000 as the first platinum sponsor).

In addition to its economic benefits, hosting the 2012 OSG in Toronto will help to advance a number of initiatives that will strengthen Toronto's overall reputation as a leader in health, social innovation and liveability. These initiatives, which are prominent features of the bid, include:

### **Tobacco Free Games**

The 2012 Ontario Summer Games will be the first tobacco-free Games. The use of tobacco products will not be allowed within nine metres of all sporting events. Tobacco-free sport means that everyone taking part in a sport activity does not use tobacco industry products. It means participants, spectators, coaches and leaders do not smoke, snuff, dip, or chew tobacco while engaged in the sport activities of the Games.

### **Volunteer Capacity**

The TSC will establish a comprehensive on-line volunteer registry. The registry will be an invaluable resource for future sport events including the 2015 Pan American and Parapan American Games. Upon registering, volunteers will have the opportunity to express their interest in becoming involved with the 2012 Ontario Summer Games and the 2015 Pan / Parapan American Games. The TSC will make an effort to keep the volunteers actively engaged between 2012 and 2015. By developing a sustainable pool of

volunteer sport expertise, this 2012 Summer Games legacy will benefit future generations of Toronto residents.

### **Participation Development**

Hosting the 2012 Ontario Summer Games will provide Toronto's sport organizations with the opportunity to develop a planned multi-sport approach to increasing sport participation levels in Toronto. An annual "sports 'try it' day" with a focus on intercultural opportunities for all Toronto residents will be established with the support of many sport organizations. Several initiatives will be undertaken with the intent to reduce or remove barriers to sport participation. All sport participation initiatives will compliment Canadian Sport for Life and its Long-term Athlete Development model, including a planned intent to promote and facilitate a shared understanding of the importance of physical literacy for all Toronto children.

### **Sport Education and Leadership**

The 2012 Ontario Summer Games will accelerate the provision of learning opportunities for thousands of Toronto sport leaders. Through the TSC's *School of Sport*, more coaches will receive training in:

- National Coaching Certification Program (NCCP); and
- Principles of Healthy Child Development through the HIGH FIVE Sport Module.

The Games will integrate the principles and ethical messaging of True Sport (a national organization that acts as a catalyst to help sport live up to its full potential as a public asset for Canada) into the communication strategies of more sport organizations and facility operators. This strategy will focus on 'what sport can do' and the important role that sport can play in welcoming individual differences and achieving social inclusion. Prior to the Games, opportunities will be explored to work with school boards and Parks, Forestry and Recreation to introduce the sport events of the 2012 Ontario Summer Games, through quality, developmentally appropriate activities, to children and youth across the city.

### **Sport Injury Prevention**

The 2012 Ontario Summer Games will distinguish itself from previous Games as the first to include a formal injury prevention program. Leading this segment of the bid, and working closely with the GOC is the RBC First Office for Injury Prevention at Sunnybrook Health Sciences Centre. Injury is the leading cause of death for Canadians under 45 years of age. An event such as the Ontario Summer Games provides an opportunity to share injury prevention strategies beyond just the athletes. There is an opportunity to capture the attention of an extended population that includes coaches, officials, sponsors, media, volunteers, parents, families, public spectators, and others in a unique multi-faceted approach. Community partners such as the Toronto Area Safety Coalition (TASC) will take a collaborative approach to be engaged, design and deliver information, programs and interventions before and during sport competition, and after the Ontario Summer Games, with the goal to reduce the risk of injury. This holistic, evidence-based approach will place emphasis on the reduction of traumatic brain and spinal cord injuries during sport competition. The development of a research strategy is

expected to be part of the Games legacy with the purpose of building a body of evidence to inform and support future sport event organizers.

### **Surplus Funds**

In the event that the Games generates a surplus, there may be an opportunity to establish a youth sports fund to provide athlete support to Toronto youth who demonstrate a predisposition for a particular sport but are unable to continue to pursue excellence because of financial barriers. As planning for the Games proceeds, this matter will be considered and reported to Council.

### **CONTACT**

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### **SIGNATURE**

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Brenda Patterson  
General Manager,  
Parks, Forestry and Recreation

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Cam Weldon  
Deputy City Manager and  
Chief Financial Officer

### **ATTACHMENTS**

Attachment A – Letter from Roger Garland, Chairperson, Toronto 2015 Pan and Parapan American Games Host Corporation