

## **Feasibility Considerations of Toronto Hosting the 2024 Olympic Games**

<b>Date:</b>	January 6, 2014
<b>To:</b>	Economic Development Committee
<b>From:</b>	City Manager and General Manager, Economic Development & Culture Division
<b>Wards:</b>	All Wards
<b>Reference Number:</b>	

### **SUMMARY**

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This report provides a high level feasibility review of considerations with respect to the City of Toronto hosting the 2024 Summer Olympic Games. As directed by Council, the issues examined in this report include the following:

- procedures for selecting host cities;
- competitive position of Toronto compared to other potential bid cities;
- impact of past Council decisions and their bearing on any future bid;
- potential revenue to the City as a result of hosting the Olympic Games;
- potential number of jobs that would be created within the City as a result of hosting the Olympic Games;
- City lands that may be useful in hosting this major international event;
- potential legacy projects;
- potential trade and investment opportunities;
- land use, transportation and infrastructure issues;
- an estimate of time, cost and resources required to prepare formal bid documents; and a
- summary of pros, cons and risks involved in bidding for and hosting the Olympic Games.

As part of this review, Ernst & Young (EY) were commissioned to prepare the attached, *Feasibility Study in Respect of Hosting the 2024 Olympic Summer Games, November 2013*, (Appendix A).

The Summer Olympic Games are one of, if not the largest sporting and cultural event in the world. Hosting the Olympic Games would provide a platform to reinforce and strengthen Toronto's global brand as a financial and cultural capital, a major centre for sports and one of the most multicultural cities in the world.

The Feasibility Study prepared by EY indicates that this increased visibility would provide opportunities to establish and strengthen business and cultural relationships and be a catalyst to drive job creation, trade development and investment attraction, and enhance opportunities to attract significant conventions and conferences as well as leisure tourism. The global media attention would also reinforce Toronto's reputation as a major arts and culture hub both in Canada and around the world. Hosting the Olympic Games also provides an opportunity for urban renewal and investment in infrastructure which contribute to economic growth and job creation.

However, there are also significant costs and risks associated with a bid to host an Olympic Games. The next stage in pursuing a bid to host the 2024 Olympic Summer Games would be to undertake a more detailed Pre-Bid Phase analysis at an estimated cost for consultant services and staff about \$1 million. If Council then decided to submit a formal bid, the estimated cost to prepare the necessary supporting documents and promote the bid is in the range of \$50 million to \$60 million. If Toronto's bid was successful, a high level estimate of the net cost to host the 2024 Olympic Summer Games based on the illustrative scenarios in the EY report is in the range of \$3.3 billion to \$6.9 billion.

In considering bids to host an Olympic Games, the International Olympic Committee (IOC) requires that the national or state/provincial government guarantee the necessary funding to present the Games at the initial application stage. The Government of Canada has transferred this responsibility to the provinces. The support of the Government of Ontario is also essential. Both the federal and provincial governments require a detailed Business Plans to be submitted in order to consider providing support.

The IOC also looks for broad based public and corporate support. In addition to financial support federal, provincial, corporate and public support would be critical to promoting Toronto's bid.

Time is of the essence. Based on the current process, an application to host the 2024 Olympic Games must be submitted by the Canadian Olympic Committee to the International Olympic Committee by September 2015. To meet this deadline the Pre-Bid processes would have to be initiated as soon as possible and completed for City Council's consideration in early 2015. Meeting this timeline will be complicated by the prospect of all three orders of government having elections over the next two years and the running of the Pan/Para Pan Am Games in 2015.

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## **RECOMMENDATION:**

**The City Manager and General Manager of Economic Development and Culture recommend that:**

1. City Council receive this report for information.

## **Financial Impact**

If City Council receives this report for information or directs that no further action be taken there are no financial implications with the adoption of this report.

If City Council directs staff to undertake a Pre-Application/Bid Phase analysis of the pros and cons of hosting the 2024 Olympic Games the estimated cost for consultant services and staff to prepare this more detailed assessment is about \$1 million. This work which would, among other things, confirm the degree of support from the federal and provincial governments, private sector and public, would take about nine months to complete and be submitted early in the next term of Council, January/February 2015. The current 2014 and 2015 Budget submissions do not include funds to cover these expenses.

At that time Council would have the opportunity to decide whether to proceed to prepare a formal bid to host the 2024 Olympic Games. The estimated cost to prepare and submit a formal bid is in the range of \$50 million to \$60 million. High level estimates of the revenues and costs to deliver the 2024 Olympic Games should a Toronto bid be successful are included in this report and the appended *Feasibility Study in Respect of Hosting the 2024 Olympic Games, November 2013*, prepared by Ernst & Young (Appendix A). If Toronto's bid was successful, a high level estimate of the net cost to host the 2024 Olympic Summer Games based on the illustrative scenarios in the EY report is in the range of \$3.3 billion to \$6.9 billion. More refined and detailed estimates would be prepared as part of the Pre-Application/Bid Phase analysis. These costs would be funded by all three orders of government.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

At its meeting of June 6, 2012 City Council directed the City Manager and the General Manager, Economic Development and Culture to obtain input from the provincial and federal governments and key relevant agencies and boards and submit separate reports to the Economic Development Committee on the pros and cons of creating a bid to host 2024 Olympic Games and World Expo 2025 in Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.MM24.13>

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## ISSUE BACKGROUND

In response to City Council's direction the City engaged Ernst & Young (EY) to undertake a study of the pros and cons of hosting the 2024 Olympic Games and the 2025 World Expo in Toronto and to prepare separate high level feasibility studies for each event. The *Feasibility Study in Respect of Hosting the 2024 Olympic Games, November 2013*, prepared by EY is attached to this report as Appendix A.

This report and the attached Feasibility Study provide an initial assessment of the pros and cons of hosting the 2024 Olympic Games in the city of Toronto to assist Council in deciding if it wishes to proceed to the more detailed Pre-Application/Bid Phase. This approach (i.e. initial assessment, Pre-Application/Bid Phase, and Official Bid) follows the same process undertaken for the approval and preparation of Toronto's bid to host the 2008 Olympic Games.

The information and analysis in these reports are based on key informant interviews as well as the review of available documents from previous bids, past and upcoming Olympic Games. As part of their assignment, EY met with officials from the federal and provincial governments, key relevant agencies and boards, private sector representatives, and City staff. Bid documents, research studies and literature on the impacts of Olympic Games in other jurisdictions were also reviewed.

## COMMENTS

### **Reasons for Considering a Bid to Host the 2024 Olympic Games**

The Summer Olympic Games are one of, if not the largest sporting and cultural event in the world. The modern Olympic Games were initiated to promote Olympism, the blending of sport with culture and education and respect for universal fundamental ethical principles. The goal of the Olympic Movement is to contribute to building a peaceful and better world by educating youth through sport practiced without discrimination of any kind and in the Olympic spirit, which requires mutual understanding with a spirit of friendship, solidarity and fair play.

Toronto is Canada's largest city, its financial and cultural capital, a major centre for sports and one of the most multicultural cities in the world. Hosting the Olympic Games would provide a platform to reinforce and strengthen Toronto's global brand by celebrating and showcasing its vibrancy and diversity and promoting Toronto as an international destination.

Nielsen Media Research estimates that up to 4.7 billion individual viewers tuned into at least part of the television coverage of the 2008 Summer Olympic Games in Beijing, China. Almost 1 billion people (984 million) watched some part of the Opening Ceremony and there was an average audience of about 593 million at any one time; another 778 million viewers watched the closing ceremony. For comparison, the final Feasibility Considerations of Toronto Hosting the 2024 Olympic Games

game of the 2010 World Cup, Spain vs. The Netherlands, was watched by an estimated 700 million viewers.

This increased visibility would also provide opportunities to establish and strengthen business and cultural relationships and be a catalyst for trade development, cultural exchanges and investment attraction. Hosting the Olympic Games also provides an opportunity for urban renewal and investment in infrastructure which contribute to economic growth and job creation.

Many global cities have used major international events such as the Olympic Games to achieve needed infrastructure and other city building goals. For example, the most recent Olympic Games held in London, U.K., was the catalyst for the regeneration of East London and particularly Stratford, the site of the Olympic Park. Improvements to the London transportation system and commercial investments in proximity to Olympic Park are expected to attract additional investment and tourism. Olympic Park, which is being transformed into the Queen Elizabeth Country Park, and the permanent venues built within it will provide ongoing benefits to the local community, city of London, and the U.K. Permanent venues such as the Aquatics Centre and Velodrome will encourage increased participation and involvement in sporting activities by providing high quality, affordable sports facilities.

In addition to the tangible legacies, the London Olympic Games were also developed to:

- Make the UK a world-leading sporting nation
- Inspire a generation of young people to take part in local volunteering, cultural, and physical activity
- Make the Olympic Park a blueprint for sustainable living
- Demonstrate the UK is a creative, inclusive, and welcoming place to live in, visit, and for business

Three Canadian cities have hosted Olympic Games in the past 47 years. Montreal hosted the Summer Olympics in 1976, and Calgary and Vancouver hosted Winter Olympic Games in 1988 and 2010. All these events were catalysts for major infrastructure investments, particularly transportation enhancements and expansions as well as sports venues, and other city building projects that would not have been achieved if these events did not occur.

The City of Toronto's history in bidding for the Olympics includes finishing third behind Atlanta, USA (the successful host city) and Athens, Greece for the 1996 Summer Olympic Games; and second to Beijing for the 2008 Summer Olympic Games.

While previous bids by the City have not been successful, finishing second and third in its two previous bids indicates that IOC members consider Toronto to be a serious contender to host the Summer Olympic Games. Based on consultation with a wide cross section of relevant stakeholders the Feasibility Study prepared by EY (Appendix A) Feasibility Considerations of Toronto Hosting the 2024 Olympic Games

includes information about lessons learned from previous Olympic bids. A new opportunity may exist for a successful bid for the 2024 Olympic. It has been speculated that the International Olympic Committee would like to award the 2024 Olympic Games to a North American city preferably in the Eastern Time Zone, in order to take advantage of the large television audiences and associated revenues.

### **Reasons for Not Considering a Bid for the 2024 Olympics**

There are a variety of reasons why a bid for the 2024 Olympic Games may not be in the best interests of the City:

- The costs to bid with significant uncertainty of success. The first step in bidding will cost approximately \$1 mil and there is no ready source of funds. Subsequent steps will take in excess of \$50 mil with some possibility of raising the funds through sponsors. The chance of success in bidding is risky. The geo-politics of the IOC and the potential competitors are difficult to assess at this stage.
- The net costs to host the Games themselves could be significant, in the billions of dollars (\$3 bil to \$7 Bil), depending on security and infrastructure requirements
- The degree of public support now and through a bid process is not known. A strong supportive community is important in any bid and the City has had some challenges with this in the past.
- Finding suitable venues and the locations to build new ones will be a challenge within the City. Most of the limited number of possible new sites have extensive infrastructure challenges.
- There is a very constrained window during which to prepare and sell a bid for 2024 considering that 2014 and 2015 will see all three orders of government hold elections and the Pan/ParaPan Am Games will be held in the summer of 2015. The IOC's bid process starts in late 2015 and ends in the fall of 2017. There is not enough time to wait until after the elections and the holding of the Games in 2015 to decide whether to bid.
- Staging a Summer Olympics is an incredibly complex and challenging project and would require very significant resources and the concentration of strong government and private sector leadership. Achieving this alignment would require the very strong backing of all key stakeholders. It is unclear, at this stage, whether this alignment is possible given the considerable efforts expended in the not-too-distant past on unsuccessful bids.

### **International Olympic Committee**

The International Olympic Committee (IOC), the governing body of the modern Olympic Games, is a Swiss non-profit, non-governmental organisation responsible for overseeing

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all aspects of the Games including the selection of the host city for the Summer and Winter Olympic Games and the Youth Olympic Games. The IOC limits its total number of members to 115, which include a maximum of 70 individual members, 15 active athletes, 15 members from International Federations, and 15 members from National Olympic Committees. Members are representatives of the IOC and promote the interests of the IOC and Olympic Movement in their countries; they are not representatives of their countries to the IOC. At present, the IOC has 110 members, 32 honorary members and 1 honour member. Its recently elected (September 10, 2013) President, Thomas Bach, was born in Würzburg, Germany. Notably he became an Olympic champion by winning a gold medal in fencing at the Games of the XXI Olympiad in Montreal in 1976.

Applications to bid on future Olympic Games must be submitted to the IOC by the National Olympic Committee of the potential host city nine years before the proposed Games, i.e. 2015 for the 2024 Games. As each National Olympic Committee may only submit one application, it must select a single city from within its jurisdiction if it wishes to submit an application. The IOC requires that the national or state/provincial government guarantee the necessary funding to present the Games at the initial application stage and that there be broad based public support for the potential bid as well as support from all orders of government (federal, provincial and municipal).

The IOC application/bid process has three stages that take place over about 2-years. At the start of its process the IOC invites Applicant cities to a meeting in advance of submitting a bid to gain a better understanding of IOC requirements and expectations. Applicant cities may then decide to proceed or withdraw at the end of this first stage.

After one or more potential bids have been submitted, the IOC establishes a Working Group to review each submission. The Working Group considers:

- the potential of the Applicant city, and its country, to host, organize and stage a successful Games;
- compliance with the Olympic Charter, IOC Code of Ethics, Rules of Conduct, World Anti-Doping Code, all other rules and procedures set out by the IOC, and
- any other criteria which the IOC Executive Board, at its sole discretion, may deem reasonable to consider.

The purpose of this review is to eliminate applications unlikely to satisfy IOC requirements. At the conclusion of this second stage, a shortlist of Candidate cities are identified and invited to prepare and submit formal bids. The short list of Candidate cities is announced eight years in advance of the proposed Games so that representatives of these cities can participate as observers at the Olympic Games to be held that year. Candidate cities for the 2024 Olympic Games therefore would be announced about May 2016 so that representatives could attend and participate in the 2016 Olympic Games in Rio de Janeiro. This experience is designed to assist Candidate cities in preparing their bids.

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Candidate cities must complete a detailed questionnaire for IOC review that addresses:

- The city’s vision, concept and legacy for the Games;
- Sporting and venue considerations;
- Environmental and meteorological data;
- Details regarding hotels and other accommodations in each city;
- Transportation links;
- Medical and doping resources;
- Safety and security during the Games;
- Technology and energy;
- Legal aspects, including customs and immigration formalities;
- Government and public support for the Games; and
- Finance and marketing.

An Evaluation Commission will visit each Candidate city and prepare a report to the IOC. Each Candidate city has the opportunity to revise its plans to address the Evaluation Commission's concerns before their final Bid submission. Final briefings to IOC members by the Candidate cities and the election of the host city occur 7-years in advance of the proposed Games, i.e. 2017 for the 2024 Olympic Games.

The day following his election as President, Mr. Bach, indicated that he would like to change the Olympic bidding process to emphasize sustainable development as a priority and to incorporate greater involvement of the public in all Candidate cities.

**Chart I**  
**Timeline to Prepare Submission for COC Consideration**

<b>Step</b>	<b>Timeline</b>
City prepares detailed business plan to support potential bid and undertakes further analysis to support City’s decision process	Spring/Summer 2014
City undertakes public consultation and seeks corporate sponsorship	Spring 2014
City Council gives direction to City Staff to continue with bid process	Summer/Fall 2014
City approaches federal and provincial committees to gain support for bid	Summer/Fall/Winter 2014/2015
Selection of members of Bid Committee and determine who will lead the bid	Spring/Summer 2015

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**Chart II**  
**High Level Summary of COC/IOC Process and Timeline**  
**for selection of 2024 Olympic Summer Games Host City**

Step	Timeline
The COC invites interested cities to express an interest in hosting the Olympic Games and interested cities communicate their desire to the COC, who must approve any interested city	Summer 2015
The COC submits the bid to the IOC along with a deposit of US\$150,000. Government financial guarantees from either the Province and/or the Federal Government are required in order to submit a bid with the IOC. At this stage the interested city is an “Applicant City”	September 2015
A Host City Agreement is negotiated between the various parties: the host city, the COC, the Province and the Federal Government setting out the duties and responsibilities of each party	Fall 2015
A high level written submission is made to the IOC’s “Working Group”. The Working Group shortlists the Applicant Cities by eliminating those bids that are clearly not acceptable to the IOC for whatever reason. Once the shortlist is determined, each remaining city becomes a “Candidate City”. A further fee of US\$500,000 is payable at this stage	Winter 2016
The Candidate City begins to prepare its “Bid Book” for IOC review and also completes a questionnaire that contains a large amount of information in respect of each Applicant City’s bid and characteristics	Summer 2016
The IOC’s “Evaluation Commission” visits each Candidate City for the purpose of fact finding and bid review. The Evaluation Commission visits each Candidate City for 3 to 5 days	Fall 2016/Winter 2017
The Evaluation Commission prepares a draft report for IOC review after receiving bid clarification responses from each Candidate City	June 2017
Several months after the Evaluation Commission releases its report, the final bids are presented at a session of the IOC. Voting occurs immediately after the bids are presented	Fall 2017
Once a Candidate City has been chosen to host the Olympic Games, a Host City Agreement is negotiated between the IOC, the newly selected “Host City” and the COC	Fall/Winter 2017

The timelines to prepare a submission for the COC to consider and process to select a Host City, as stated in the *Feasibility Study in Respect of Hosting the 2024 Olympic Games, November 2013*, prepared by EY (Appendix A) amended slightly here, are shown below in Charts I and II.

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### **Federal and Provincial Process to Select a Location**

The Canadian Olympic Committee (COC) is responsible for Canada's participation in the Olympic, Pan American and Youth Olympic Games, selecting and supporting Canadian cities in bids to host these games, and the promotion of sport. The COC Board of Directors evaluates proposals of all interested Canadian cities and determines which city, if any, will be put forward to the IOC. The Canadian Applicant City must be approved by both the COC Board of Directors and its General Assembly.

Before accepting an application, the IOC requires that funding for the Games be guaranteed by the federal and provincial government of the potential host city. The government of Canada has indicated that this guarantee must come from the provincial government of the host city. The IOC also requires that all orders of government support the proposed bid. The support of both of the federal and provincial orders of government are therefore essential for Toronto, or any other Canadian city, to submit an application.

Within the federal government, the Department of Canadian Heritage is responsible for advising and making recommendations to Cabinet in regard to potential Olympic Bids. Heritage Canada would assess potential bids for compliance with federal policies and requirements. If supported, it would also establish a Secretariat to coordinate federal support for the Bid.

In Ontario, the Ministry of Tourism, Culture, and Sport (MTCS) is the lead Ministry for reviewing documentation supporting a bid and seeking approval for the Management Board and Cabinet for any financing required. Although Heritage Canada and the Ministry of Tourism, Culture & Sport are respectively the lead federal and provincial ministries responsible for the review of potential bids, the commitments necessary to successfully deliver an Olympic Games will require the support of a number of departments within each of the federal and provincial government. Thus, it will be necessary to obtain broad based support within both orders of government. Both the federal and provincial governments require a detailed Business Plans to be submitted in order to consider providing support.

### **Competing City-regions and Nations**

As of the date of this report we are not aware of any other Canadian cities considering a bid for the 2024 Olympic Games. In the global context, cities that may be considering a bid to host the 2024 Olympic Games include:

- Berlin, Germany
- Doha, Qatar
- Durban, South Africa
- Guadalajara, Mexico
- Istanbul, Turkey

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- Kiev, Ukraine
- Madrid, Spain
- Nairobi, Kenya
- Paris, France
- St. Petersburg, Russia

The U.S. Olympic Committee (USOC) canvassed 35 cities about their interest in hosting the 2024 Summer Games. Cities said to be considering a bid include:

- Boston,
- Dallas
- Los Angeles
- New York
- Philadelphia
- San Francisco, and
- Washington

The USOC has indicated that they expect to make a decision by late 2014.

### **Economic Impact**

The estimated costs and benefits of hosting the 2024 Olympic Games in Toronto have been developed based on a review of information available for past and pending Games. The IOC has very specific venue requirements and requires most venues, particularly high activity, high attendance venues such as the Olympic Stadium and Aquatic Centre, to be located within 30 – 45 minutes of the Olympic Village. The IOC venue requirements differ from and generally significantly exceed at least in term of seating capacity, those of the Pan /ParaPan Am Games. It is assumed that the Pan Am/ParaPan Game venues do not meet IOC standards and that new venues would need to be constructed.

Key assumptions for this initial assessment are:

- The primary site for the Games would be in the Port Lands including:
  - Athletes Village, 17,000 athletes, coaches and officials;
  - Olympic Stadium, 70,000 – 80,000 person capacity;
- The Port Lands site needs to be remediated and infrastructure including flood proofing provided;

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- The Athletes' Village would be converted to residential condominiums after the Games;
- Construction of:
  - An LRT line connecting Union Station to Cherry Street (Low Scenario); or
  - Eastern segment of the proposed Downtown Relief (subway) Line connecting Pape Station to Union Station (High Scenario);
- Facilities for almost all games, except equestrian events, some water-based competitions and mountain biking, would be constructed within the city of Toronto.

### **Projected Financial Impact of Hosting the Games**

Appendix B provides a forecast, based on the estimates prepared by Ernst & Young, of the revenues and expenditures associated with hosting the Games. The net financial impact has been estimated separately for the Organizing Committee, the City and other orders of government.

Organizing Committee ("OCOG"):

EY has forecast that the OCOG will generate a surplus of between \$490 million and \$1 billion surplus from the Game operations as a result of substantial television and sponsorship revenues. However, EY has forecast that the OCOG would experience an overall financial outcome somewhere between breakeven and a deficit of up to \$230 million after accounting for venue modification and construction costs.

In accordance with IOC requirements, EY has assumed that any deficit incurred by the OCOG will be absorbed by the Federal or Provincial government.

Provincial and Federal Governments:

EY has forecast that the Federal and Provincial governments will make substantial contributions towards security, venue and infrastructure construction as well as the operations of the Paralympics. However, these expenditures will be partially offset by significant tax revenues.

As discussed above, it has been assumed that the Federal or Provincial government (likely the Province) will also absorb any overall financial deficit experienced by the OCOG.

City of Toronto:

EY has indicated that approximately \$50-60 million will be required to fund the bid process. These funds will be necessary for the following:

- site selection

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- architectural/engineering designs for the venues
- preparation of business, security and facilities plans
- various other legal, audit, travelling and multimedia presentation costs.

However, other Bid Committees have been able to have corporate sponsors cover these costs in their entirety.

In addition to the bid costs, EY has forecast that the City will incur \$500 - \$1 billion in capital costs. This amount mostly reflects the potential value of the City's land contribution for the Olympic site. The City would be able to recover a significant portion (50% - 100%) of this deficit if it retains equity in the lands and captures some of the value uplift resulting from the investment in infrastructure and improvements to the surrounding area.

### **Potential Trade and Investment Opportunities**

The Feasibility Study prepared by EY indicates that if executed properly, the Games could be used as a catalyst to drive job creation and inbound foreign investment. The United Kingdom Trade & Investment office has estimated that 31,000 new jobs have been created as a result of investment driven by London's hosting of the 2012 Summer Games; and that United Kingdom companies have won £120 million worth of contracts related to the 2014 FIFA World Cup and the 2016 Summer Games to be held in Brazil.

The EY report also notes that hosting the Olympic Games would increase Toronto's name recognition and enhance opportunities to attract significant conventions or conferences. These opportunities would be further enhanced if other orders of government or private sponsors could be called upon to expand the convention/conference facilities and space offerings within the city. Although Toronto has well-known convention centres that are used for large scale events throughout the year, they are not as large as other major convention centres in North America. As an example, the Metro Toronto Convention Centre is approximately 600,000 ft<sup>2</sup>. In comparison, the Orange County Convention Centre in Orlando, Florida (the top convention destination in the United States) has approximately 7,000,000 ft<sup>2</sup> of convention space. Vancouver expanded its convention space as a result of hosting the 2010 Olympic Winter Games.

Given Toronto's multicultural make-up, it is also possible to plan the Games such that there is a significant focus on worldwide arts and culture, including concerts, theatre performances or other functions. These activities would increase Toronto's global visibility and reinforce its reputation as a major arts and culture hub both in Canada and around the world. Similar events have been held at other Olympic Games and such a program could easily be incorporated into planning for 2024.

## Potential Sites

Identification of a site suitable to host the Olympic Games is clearly an imperative. Given the need for the Olympic Stadium and Aquatic Centre to be located within about 35 – 40 minutes of the Olympic Village there are relatively few sites within the city to host the Games. Preferably the main site would be located in close proximity to support facilities such as hotels, restaurants and other amenities. The site should also be reasonably isolated from nearby neighbourhoods that would be impacted by the magnitude and duration of such an event.

Adequate transportation for the athletes, coaches, officials, media and visitors to the various venues and to/from major transportation hubs such as Pearson International Airport and Union station will be essential to success. Toronto is gaining experience with these types of requirements through its preparations for the Pan Am/ParaPan Games.

Four potential sites within the city of Toronto were assessed: Woodbine Racetrack, Downsview Park/York University, Exhibition Place/Ontario Place, and the Port Lands. The pros and cons of each site are summarized in the *Feasibility Study in Respect of Hosting the 2024 Olympic Games, November 2013*, prepared by EY.

Based on the above criteria, the Port Lands is considered the best alternative for the main Games cluster of venues. The Port Lands is large enough to accommodate key venues, the City owns over 400 acres (162 hectares) in the area, it is in close proximity to downtown, hotels and other amenities, and it is a contained site that would limit disruption to the rest of the city and facilitate security measures. It is also the site that is expected to have the strongest legacy in terms of urban renewal and revitalization and largest uplift in land value as a result of hosting an Olympic Games in Toronto. As previously identified in the Port Lands Acceleration Plan, preparing this site to host an Olympic Games and future development will require a significant investment for flood protection, soil remediation and transportation improvement and providing municipal services. It would also require freezing development for the next few years in large areas of the Port Lands until a bid is submitted and the results known. For purposes of our illustrative scenario, we have assumed that the Port Lands is chosen by the City.

Chart III summarizes the net cost of hosting the Olympics Games. The estimated total net cost to the three orders of government (federal, provincial and city) is \$3.3 billion (Low Scenario) and \$6.9 billion (High Scenario). While the net cost is large under either scenario, the Games legacy would include \$4.7 billion (Low Scenario) and \$10.1 billion (High Scenario) in new facilities and infrastructure. From this perspective, the revenues generated by the Games make a net positive contribution to providing these facilities and infrastructure.

**Chart III**  
**Summer Olympic Games - Cost to Construct Infrastructure (\$millions)**  
**Without/With Hosting Olympic Games**

<b>Cost Category</b>		<b>Low Scenario</b>	<b>High Scenario</b>
Venue Construction		\$3,400	\$4,550
Infrastructure		\$1,250	\$5,500
Total Cost w/o contribution from Games		\$4,650	\$10,050
Net Contribution by Olympic Games		\$1,337	\$3,144
Total Net Surplus/(Deficit)		(\$3,313)	(\$6,906)

**GDP & Job Creation:**

As shown in Chart IV it is estimated that hosting the 2024 Summer Olympic Games in Toronto would increase GDP by between \$7.9 billion and \$15.9 billion and generate between approximately 101,000 and 201,000 jobs (person years).

**Chart IV**  
**Summer Olympic Games – GDP (\$ Millions) & Job Impact**

<b>Impact Category</b>		<b>Low Scenario</b>	<b>High Scenario</b>
<b>GDP</b>	Capital	5,380	11,123
	Operations	2,540	4,732
<b>Total GDP</b>		<b>7,920</b>	<b>15,885</b>
<b>Jobs</b>	Construction	60,335	124,700
	Operations	41,000	76,300
<b>Total Jobs</b>		<b>101,335</b>	<b>201,000</b>

**Risk Assessment**

Hosting an Olympic Games would be a major catalyst for urban renewal and revitalization within the city, would accelerate implementation of much needed infrastructure, generate between 101,000 and 201,000 jobs, mobilize communities and volunteers, and showcase Toronto to the world.

However, there are a number of risks to consider and address if Council chooses to pursue this international initiative. The federal and/or provincial governments must Feasibility Considerations of Toronto Hosting the 2024 Olympic Games

support the bid and guarantee the finances of the Organizing Corporation. On budget, on time delivery of the venues and required infrastructure is another major risk since the host nation is responsible for the construction of all facilities. Security, like venues and infrastructure, is also a major cost item that must be provided. In addition to the potential for escalating costs for security, there is always the risk that no matter how well planned or how high the expenditure, that a significant incident occurs.

A successful bid involves consideration of many factors beyond the technical submission. EY's review of the pattern of continental rotation shows that the Summer Olympic Games have never gone more than 12 years without being hosted by a European city. Given that the 2016 Games will be in Rio de Janeiro and the 2020 Games in Tokyo, history suggests that the 2024 Games will most likely be in Europe. However, consideration will also be given to the fact that the last time the Summer Olympic Games were held in North America was in Atlanta in 1996. Within North America, U.S. cities in the eastern time zone, particularly New York City, would be a strong competitor. If the 2024 Olympic Games were to be awarded to a North America city other than Toronto, the next reasonable Games for Toronto to bid on would be in 2036.

### **Next Steps**

This initial feasibility study was prepared to assist City Council in determining if it should authorize more detailed studies and development of plans to pursue a bid for Toronto to host the 2024 Summer Olympic Games. Based on available information from previous Olympic Game bids and key informant interviews, this study provides information about the bid process; cost, revenue and attendance estimates; economic impacts; potential sites; and risk factors.

If it is Council's will to continue to pursue submission of a bid, more detailed information and analysis is required. As outlined in the attached *Feasibility Study in Respect of Hosting the 2024 Olympic Games, prepared by Ernst & Young, November 2013*, a Business Plan should be prepared to address issues relevant to other orders of government and the community to confirm stakeholder support for a World Expo bid and provide Council with sufficiently detailed information to determine if an official bid should be prepared. The Business Plan should include:

- Review of the Pan Am facilities and determination of new builds
- Detailed economic impact study;
- Evaluation of potential sites and recommendation for preferred site;
- Identification of issues related to land use, physical planning, infrastructure and other matters associated with an Olympic Games site within the City;
- Infrastructure needs and estimated costs;
- Transportation plan to accommodate estimated attendance levels;
- Cultural celebration and development strategies;

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- Community housing and community development
- Socioeconomic impact and development study;
- Tourism and investment attraction strategy to maximize short and long term impacts,
- Engage the community and other orders of government;
- Market sounding for corporate support and possible sponsorship opportunities
- Risk assessment and mitigation strategy
- Potential legacies of the games and ways to achieve them;
- Information with respect to other City-regions and nations expected to bid for the 2024 Olympic Games and/or 2025 World Expo, leading to an assessment of Toronto's competitive position including comments on the "unofficial continental rotation policy" for awarding international events
- Recommended structure, mandate and composition of a Bid Organizing committee;
- Work plan including time and cost estimates to prepare and execute a successful bid; and
- Results of consultation with other orders of government and the community.

Ernst & Young estimated that the above work would cost between \$350,000 and \$400,000 and require about 3 to 6 months to complete. A Steering Committee with representatives from major stakeholder groups should be established to help guide the Pre-Bid Phase. A Secretariat with 6 – 8 staff would also need to be established to support the work of the Steering Committee. This work which would, among other things, confirm the degree of support from the federal and provincial governments, private sector and public. Staff expect these activities would take about nine months to complete. The total estimated cost for consultant services and staff is about \$1 million. Funding for a Pre-Bid analysis is not included in the current 2014 budget submission.

Staff would report back early in the next term of Council, January/February 2015. At that time Council would have the opportunity to decide whether to proceed to prepare a formal bid to host the 2024 Summer Olympic Games. If at that time Council decides to proceed to the Official Bid phase, Ernst & Young estimates it would cost between \$50 million to \$60 million to accommodate and staff a Toronto 2024 Bid Organization, refine master plans and prepare Bid documents, continue to engage with stakeholders, undertake a marketing and communications strategy, and meet with IOC representatives to support the bid. The Steering Committee and Secretariat established for the Pre-Bid Phase would need to be expanded to a full Toronto 2025 Bid Organization,

It is assumed that the support of the federal and provincial governments, corporations and the public would have been confirmed by then and that about 90% of these costs

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would be funded by other stakeholders. The net cost to the City is estimated to be about \$5 million.

Time is of the essence. Based on the current process, an application to host the 2024 Olympic Games must be submitted by the COC to the IOC by September 2015. For Toronto to be Canada's Applicant City, City Council, Government of Ontario, Government of Canada, and the Canadian Olympic Committee must all agree to support the application. Public support and corporate sponsorships will also need to have been secured. If the IOC selects Toronto as a Candidate city (~May 2016) there will be an 8-month period to complete and submit the Bid book (December 2016) followed by another 6-months to refine this submission in response to input from the IOC Evaluation Commission and make a final presentation to the IOC (June 2017). The IOC election of the Host City for the 2024 Summer Olympic Games would take place in September 2017. To complete the additional analysis required, prepare a detailed business plan, undertake public consultation, secure corporate sponsorship and provide sufficient time for COC to consider Toronto's proposal, the Pre-Bid processes would have to be initiated as soon as possible and completed for City Council's consideration in early 2015.

Alternatively, Council could direct staff to develop a strategy to mount a strong bid to host the 2028 Olympic Summer Games Expo or potentially another major sporting event, such as the soccer World Cup, building on the success of the 2015 Pan/Para Pan Am Games. If the 2024 Olympic Games were to be awarded to a North America city other than Toronto, the next reasonable Games for Toronto to bid on would be in 2036.

## **CONTACT**

Randy McLean  
A/Director, Strategic Growth and Sector Development  
Economic Development & Culture Division  
[rmclean@toronto.ca](mailto:rmclean@toronto.ca)

## **SIGNATURE**

Joseph P. Pennachetti  
City Manager

Michael Williams  
General Manager  
Economic Development & Culture

## **ATTACHMENTS**

Appendix A: Feasibility Study in Respect of Hosting the 2024 Olympic Games,  
November 2013

Appendix B: 2024 Summer Olympic Games – Toronto, Revenue & Expenditure  
Estimates, January 2014