

Executive Committee Proposed Games Budget Options

March 7, 2007

Outline

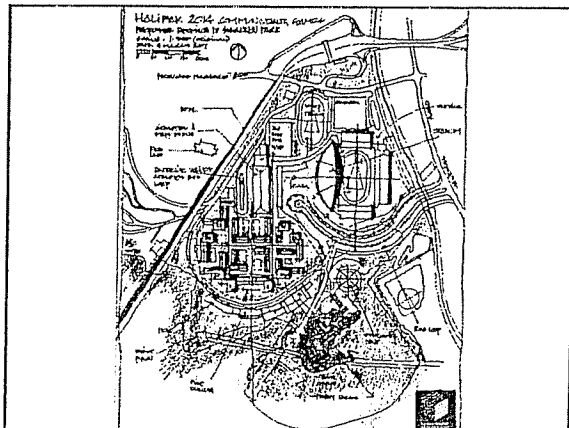
- Follow-up Feb 14th meeting
- Options
- Gap definition / clarification
- Direction
- Reports – questions – comments
- Meetings

Clarifying the “Scenario”

Jan 26 Proposed expense budget	\$1,347,890
Plus: Security increase	50,000
Less: Contingency (Broadcast revenue)	(38,150)
Total budget before inflation	\$1,359,740
Inflation assumption	240,000
Total exposure (unadjusted for reductions)	\$1,599,740

Revenue Assumptions (000's)

• Public financing	\$1,160,000
• Commercial	
– Sponsorship	97,750
– Ticketing	36,918
– Broadcast	27,250
– Other	3,750
	<u>165,668</u>
• Total Revenue assumption	\$1,325,668
• Total exposure, inflation included	\$1,599,740
• Gap to close	274,072



Option Changes – Commonwealth Park

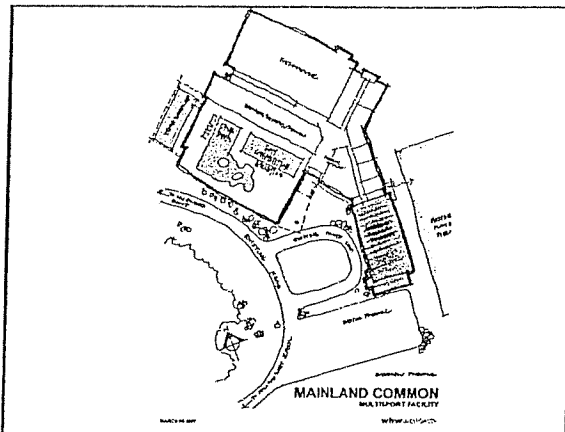
Commonwealth Park option (incl fee, contingency @ 15% escalation)	Reduction (estimate)
1. Move Village to Commonwealth Park	
1.1 Site Preparation and Demolition at Ocean Breeze	4.8 m
1.2 Road, paving and Service at Ocean Breeze	22.2 m
1.3 Ocean Breeze net purchase	3.0 m
1.4 Village developer contribution towards sites	15.0 m
2. Remove the active transportation trail	5.8 m
3. Remove district heating Plant premium	2.2 m

*Note: Does not include the removal of the transmission tower
All amounts draft and subject to further validation

Option Changes -- Stadium

Stadium description (incl. fee, contingency @ 15%, escalation)	Reduction (estimate)
4 Remove the roof	32.0 m
5 - Revised to Cold stadium (exception of boxes and change room) - Revised from 50 000 to 40 000 seats (games time) - Remain 25 000 seats (post games)	19.2 m

All amounts draft and subject to further validation



Multiplex changes

6 Multiplex description (incl. fee, contingency @ 15%, escalation)	Reduction (estimate)
- Delete second floor - Delete office space (Sport Nova Scotia, CSC Atlantic, coaches) - Decrease size of common area including change room - Decrease size of the field house - Decrease size of the fitness centre, delete elite training space - Decrease size of the recreational pool, change post games temporary seating area to dry space - Delete dedicated space area (boxing, combat room) - Decrease lease-able space	48.9
Improvement of the Lacewood Drive plus parking,	(5.5 m)
Athletic Track with soccer synthetics surfaces and bubble for winter time	(6 m)
Total	\$141.6 m

All amounts draft and subject to further validation

Community venue changes

Community venues option (incl. fee, contingency @ 15%, escalation)	Reduction (estimate)
7 Move Table Tennis from Mainland Common to Exhibition Park or equivalent	(1.7) m
8. Reduce spectator entrance of the Forum	3.4 m
9. Triathlon transition zone relocated	1.4 m
10. Practice field - existing field used instead of new field	5.0 m
11. Halifax Road Race courses relocated and paving adjusted	13.5 m
TOTAL ESTIMATED CAPITAL REDUCTION	\$163.2 m
Less: Amounts previously reduced for Jan 26	(32.34 m)
TOTAL ESTIMATED REDUCTION FROM JAN 26	\$130.86 m

All amounts draft and subject to further validation

Dead center center

Operating

Description	Reduction estimate
12. Broadcast contingency	38.1 m
13. Facility Legacy Fund (based on capital adj.)	20.0 m
14. Public Transportation	10.1 m
15. Communication 10% cut	1.6 m
16. Technology 10% cut	4.6 m
17. Taxes (operating only)	1.0 m
18. Contingency (operating only)	1.4 m
19. Operating Escalation	19.3 m
TOTAL OPERATION CUTS	96.1 m

All amounts draft and subject to further validation

Government VIK

Description (incl. contingency, tax, escalation)	Reduction (estimate)
20 HRM Games Secretariat	6.0 m
21. PNS Games Secretariat	6.0 m
22 HRM Maintain and expansion of buses	7.4 m
23 Inflation	2.7 m
TOTAL GOVERNMENT VIK CUTS	22.1 m

All amounts draft and subject to further validation

Overall reduction

Description (incl. contingency, tax, escalation)	Reduction (estimate)
Capital (contingency @ 15% reinstated)	\$130.9 m
Operation	96.1 m
Government VIK	22.1 m
TOTAL	\$249.1

All amounts draft and subject to further validation

Revised Revenue Assumptions

(000's)

- Public financing \$1,072,724
- Commercial
 - Sponsorship 97,750
 - Ticketing 36,918
 - Broadcast 27,250
 - Other 3,750 165,668
- Total Revenue assumption \$1,238,392
- Total Revised Expenditures **\$1,350,640**
- **Gap (fully escalated) \$ 112,248**

All amounts draft and subject to further validation

Revised Revenue Assumptions

(000's)

- Total Expenditures with inflation **\$1,350,640**
- Inflation **(\$ 187,608)**
- Total estimated revised expenditures before inflation **\$1,163,032**

All amounts draft and subject to further validation

March 2nd Questions

- Domestic versus international bid estimates
- CGC / CGF obligations (document & budget)
- Land & Village costs
 - Site prep
 - Athlete's Village construction & operation
 - Athlete's Village land acquisition
 - Developer role and cost responsibility

March 2nd Questions

- Revenue assumptions
- Contingency assumptions
- Alan Howell's report

Direction & Next Steps

- Capital
- Operating