

# DECLASSIFIED

March 8, 2007

Halifax 2014  
Commonwealth Games Bid  
Council Presentation

## Principles (May '06)

- Maintain long term financial health of HRM
- Manage impact on existing HRM services and capital projects
- Minimize financial impact on residents
- Ensure a fiscally responsible Bid
- Maximize the legacy return
- "Right Size" the Bid for HRM

## Expected Benefits (May '06)

- Leveraging
- Investment vs expenditure
- Economic benefits 2008-2014 & beyond
- New tax revenues
- Job creation
- Sustainable infrastructure
- Community benefits
  - Health promotion
  - New affordable housing

## Financial Overview

<b>Gross Budget</b> (As proposed by H2014)	<b>\$1,359,740,000</b>
Less:	
Revenues	\$165,000,000
Plus:	
Inflation estimate	<u>\$240,000,000</u>
<b>Sub-Total:</b>	<b>\$1,434,740,000</b>
Less:	
Federal contribution	\$400,000,000
<b>HRM / PNS funding required</b>	<b>\$1,034,740,000</b>

## Risks

- Revenue projections may be high
- Cash portion of Federal contribution
- Stadium/Multiplex – business case / feasibility studies?
- Athletes' Village – development viability
- Legacy – insufficient funding for operating and re-capitalization expenses of new facilities
- Security – risk of increase
- Construction – workforce shortage and cost escalation
- Economic Impact – questionable return on investment for municipality
- High percentage of public funding

## Summary

- Funding gap too large
- No Business Case
- Federal contribution confirmed as \$400M
- Significant risks – deficit, revenue, and sustainability

## Proposed Motions

- Given that the three government funding partners can not collectively close the significant funding gap, as would be required to successfully host the 2014 Commonwealth Games; Halifax Regional Council advise the H2014 Board of Directors, CGC and the CGF that HRM is not prepared to fund the cost of hosting the Commonwealth Games in 2014 and further advise the H2014 Board of Directors to discontinue the bid process

And that:

- Halifax Regional Council authorize the Mayor to communicate this message formally to the affected agencies and publicly prior to ratification at Regional Council