

British Columbia's Investments in the 2010 Olympic and Paralympic Winter Games and Related Activities



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Introduction

“We owe it to the organizers to recognize that they have done a very good job. This is a city that has really embraced the Olympic Games like no other city in the world before.”

JACQUES ROGGE, PRESIDENT OF THE INTERNATIONAL OLYMPIC COMMITTEE

“Mark my words, some day historians will look back at Canada’s growing strength in the 21st century and they will say that it all began right here, on the West Coast, with the best Winter Olympic Games the world has ever seen.”

PRIME MINISTER STEPHEN HARPER

“You guys put on one heck of a show.”

U.S. VICE-PRESIDENT JOE BIDEN

“Thank you Canada for welcoming the world with such ease and making lasting friends with all of us.”

BRIAN WILLIAMS, NBC NEWS ANCHOR

“Nothing has done more to rekindle confidence and pride in our province than the promise of the 2010 Olympics. Nothing has done more to leverage investment in British Columbia or to drive new job growth in capital construction across B.C.”

SPEECH FROM THE THRONE, BRITISH COLUMBIA LEGISLATIVE ASSEMBLY, FEBRUARY 2009

From world leaders to international media, the consensus is clear: the Vancouver 2010 Olympic and Paralympic Winter Games were an incredible success and are leading to lasting legacies for all British Columbia.

While hosting a worldwide event like the Olympic Games presented many challenges, the Province and its partners – the Government of Canada, local governments, the Four Host First Nations, the Vancouver Organizing Committee (VANOC), the International Olympic Committee (IOC), 2010 Games sponsors, volunteers and the people of Canada – all collaborated to help ensure the success of one of the largest international undertakings in British Columbia’s history.

The Province’s decision to support and promote the 2010 Games Bid was based on a realization that hosting an event of this magnitude would place British Columbia on a global stage and allow the Province to showcase, on a scale never before imagined, its communities, unique social values, technical innovation and expertise, high environmental standards, and commitment to sports and cultural development.

While the costs and benefits of that decision will be the subject of some comprehensive studies yet to come, preliminary results indicate that this was one of the best provincial decisions ever.

This report provides an interim public update on the Province’s investments in the staging and hosting of the 2010 Games, concurrent with the release of the Province’s Public Accounts for the 2009/10 fiscal year. It also provides background on related provincial activities and investments leveraged to maximize domestic and international focus on the Province leading up to and during the 2010 Games.

Scope of Report

This report summarizes the Province's investments in the 2010 Olympic and Paralympic Winter Games and other leveraging and legacy programs since the awarding of the Games in 2003.

The report is not intended to cover all of the investments made by other levels of government, or the operational and financial results of VANOC in its role in staging and hosting the 2010 Games. However, general references are made to provide context to provincial information.

Other jurisdictions have provided or will provide public reports on their own operational and financial involvement with the 2010 Games. Additionally, VANOC, as an organization separate from those jurisdictions, will be providing its own public reports regarding the financial and operational results of staging and hosting the 2010 Games. VANOC's financial year ends July 31 and the Province expects that the next update on VANOC's results will be released in the late fall of 2010.

Financial information contained in this report, as presented, has not been audited. However, the information is based on audited results contained in the annual British Columbia Public Accounts as well as information received from VANOC, other jurisdictions and other 2010 Games partners.

While defining the cost and benefits of the 2010 Games and related legacies will be open to debate by analysts and media, the goal of this report is to set out in a straight forward way how the Province allocated its Games budget and related expenditures, and the benefits that we have been able to identify to date.

This report follows provincial reporting practices that have been used consistently since the awarding of the 2010 Games. While new information has been presented relating to other provincial investment activities, this does not depart from the Province's commitment to report on the basic components outlined in the Province's original 2010 Games financial commitment.

1 2010 Games Provincial Financial Commitment

B.C.'s total financial commitment to the staging of the 2010 Games is \$765 million. This commitment was reached in two stages. In the 2002 Games Bid, B.C. committed \$600 million toward its obligations to help fund the 2010 Games. Elements of that commitment include (see Table 1):

- Venue construction
- Live sites
- Venues – legacy endowment fund for operating costs
- Security and medical services
- Paralympic Games operations
- Grants for local government and First Nations legacies and sport development
- 2010 Games contingency

In February 2009, the Province increased its 2010 Games commitment by \$165 million to acknowledge Canada's additional costs of providing 2010 Games security. To achieve this, the federal government entered into a new infrastructure cost-sharing agreement with B.C. This resulted in a larger share of provincial transportation projects funded by the Province instead of Canada. Consequently, this increased the Province's overall financial commitment to the 2010 Games to \$765 million.

Approximately 74% of the Province's total financial commitment was used to create legacy investments. This includes venue construction and the venue endowment fund, First Nations and municipal legacies, as well as B.C.'s larger share of provincial transportation project costs.

The following sections describe provincial activity in 2009/10 and are referenced to items shown in the Report Reference column of Table 1.

Table 1: 2010 Games Provincial Financial Commitment

Report Reference	Purpose (\$ millions)	2007/08 and Prior Years	2008/09	2009/10	2010/11 Budget	Total
1	Venue Construction	218.3	54.0	17.7		290.0
2	Live Sites	16.7	2.4	0.5		19.6
	Venues Operating Endowment	55.0				55.0
3	Medical	1.2	3.6	8.0		12.8
	Security - Initial Provincial Commitment	13.0	74.5			87.5
	Paralympic Games		20.0			20.0
	First Nations and Municipal Legacies	36.1				36.1
2010 Games Contingency Allocations:						
4	• Fire and Public Safety			6.0		6.0
5	• VANOC Base Operating Budget Contribution			24.5		24.5
6	• VANOC Operating Contingency Reserve			25.0		25.0
7	• Municipal Services			5.6		5.6
8	• Provincial Secondment Program			1.4		1.4
9	• 2010 Games Wind-up Obligations			5.7	10.9	16.6
Initial 2010 Games Financial Commitment		340.3	154.5	94.3	10.9	600.0
	Indirect Provincial Commitment to Increase Provincial Share of Federal/Provincial Infrastructure Costs Resulting from New Security Arrangements ¹			165.0 ¹		165.0
Total 2010 Games Financial Commitment		340.3	154.5	259.3	10.9	765.0

¹ Although the Auditor General has now required that the Province record the new federal/provincial arrangements as a non-cash expense in 2009/10 for accounting purposes, in fact provincial costs of the new arrangements are spread over the three years 2009/10 - 2011/12.

With reference to Table 1, in 2009/10 the Province:

1. Provided \$17.7 million to VANOC as the Province's final instalment to a multi-year commitment to contribute \$290 million towards construction of competition and non-competition venues;
2. Provided \$0.5 million for the creation and operation of 2010 Games live sites; and
3. Provided \$8 million to VANOC to help pay for 2010 Games medical services.

Leading up to the 2010 Games, the Province set aside \$79 million over two years (2009/10 – 2010/11) within its overall 2010 Games financial commitment, as a contingency allocation to help address unfunded pressures. In 2009/10, \$68.2 million of the 2010 Games contingency was allocated to the following (see Table 1, 2010 Games Contingency Allocations):

4. **Fire and Public Safety** – \$6 million for the Ministry of Solicitor General and Public Safety to assist local fire departments with added costs of providing fire and rescue services in the 2010 Games area, and for the ministry to provide broader provincial emergency response.

5. **VANOC Base Operating Budget Contribution** – \$24.5 million was provided to VANOC as part of a broader federal, provincial and International Olympic Committee (IOC) action plan to assist VANOC in meeting its evolving operating budget challenges leading up to the 2010 Games. Despite a number of actions to remain balanced since its January 2009 Budget Update, which included exhausting its own available contingency reserves, VANOC continued to face significant challenges that included revenue shortfalls and higher costs, in part due to the world-wide credit crunch and a decline in the number of vendors available to compete for certain contracts. As a result, VANOC approached the IOC, Canada and the Province, for additional financial help to address VANOC budget challenges. Based on further cost-cutting proposals made by VANOC and additional funding commitments made by Canada and the IOC, the Province agreed to a provincial VANOC assistance package.
6. **VANOC Operating Contingency Reserve** – \$25 million was used by the Province to re-establish a VANOC operating budget contingency reserve as part of the broader federal, provincial and IOC action plan (noted in item 5) to assist VANOC in meeting its operating budget challenges. This reserve was strictly controlled by the Ministry of Finance and used to help address VANOC pressures that included transportation, accommodation, staging areas and a response to the effects of unfavourable weather conditions at the Cypress venue and surrounding areas.
7. **Municipal Services** – \$5.6 million was used to help pay for essential 2010 Games-related local services provided by the Resort Municipality of Whistler and the City of Vancouver as part of the broader federal, provincial and IOC action plan to assist VANOC in meeting its operating budget challenges. These services included road and transportation management, garbage removal, bylaw enforcement, snow and ice management in Whistler, and other local service activities.
8. **Provincial Secondment Program** – \$1.4 million was provided to VANOC towards the cost of acquiring temporary staff leading up to and during the 2010 Games. As part of the broader federal, provincial and IOC action plan to assist VANOC in 2009, the Province also committed to loaning public sector employees as a way to help VANOC reduce its need to hire temporary staff. While nearly 250 public sector employees participated in the provincial secondment program, no additional funding was provided for this participation and strict rules were applied to ensure that there was no material impact on services to the public.
9. **2010 Games Wind-Up Obligations** – \$5.7 million was set aside in 2009/10, for a number of expected provincial obligations in connection with the wind-up of the BC Olympic and Paralympic Winter Games Secretariat (OGS) and its operations at provincial sites, outstanding 2010 Games-related obligations incurred by other provincial ministries and agencies, and other potential provincial obligations arising commensurate with the wind-up of VANOC activities.

The Province has done its best to recognize all of its costs and obligations in 2009/10 associated with its 2010 Games financial commitment. However, should further unforeseen costs arise in 2010/11, the Province still has \$10.9 million available within its 2010 Games contingency allocation (as part of its overall \$765 million 2010 Games commitment) to help address those matters. (See Table 1, Report Reference 9).

Table 2 provides detail on contributions by the Province (as part of its \$765 million financial commitment) and Canada toward the capital costs of constructing 2010 Games competition and non-competition venues. In total, the Province contributed \$290 million toward VANOC's capital costs of constructing and developing venues, which was equally matched by Canada. The Province and its partners fully expect that these investments will leave lasting positive legacies for local communities.

Table 2: Provincial and Federal Contributions Toward Venue Capital Construction and Development

Games Venues (\$ millions - unaudited as of March 31, 2010)	BC Contributions			Canada Contributions			2007/08 and Prior Years	
	2007/08 and Prior Years	2008/09	2009/10	Total Provincial Contribution	Total Federal Contribution	2009/10		2008/09
Richmond Olympic Oval	30.0			30.0	32.7	0.2	12.4	20.1
Cypress Mountain	12.0	1.0	1.1	14.1	3.7			3.7
UBC Thunderbird Arena	35.2	2.2		37.4	0.0			
Vancouver Olympic/ Paralympic Centre	29.5	9.8	1.2	40.5	0.0			
Pacific Coliseum	11.5	1.4		12.9	6.1			6.1
Training Venues	5.1	0.3		5.4	0.0			
Olympic and Paralympic Village Vancouver	30.0			30.0	0.0			
BC Place		3.5	0.7	4.2	7.2	6.9	0.3	
Whistler Creekside	19.3	2.1	1.8	23.2	8.3			8.3
Whistler Athletes' Centre	8.6	28.1	3.8	40.5	4.9			4.9
Olympic and Paralympic Village Whistler	31.0			31.0	0.0			
Whistler Olympic/ Paralympic Park				0.0	119.4	1.8	8.9	108.7
The Whistler Sliding Centre				0.0	104.0	1.7	3.2	99.1
First Nations Housing Legacy			6.5	6.5	0.0			
General Venue Planning and Others	6.1	5.6	2.6	14.3	3.7	0.2		3.5
Total Provincial Federal Venue Contributions¹	218.3	54.0	17.7	290.0	290.0	10.8	24.8	254.4
Total Combined Provincial/Federal Contribution to VANOC Venue Construction and Development Program				580.0				

¹ Each of the provincial and federal governments committed to equally fund the total \$580 million VANOC venue development program. While jurisdictional contributions may not be equal on a venue-by-venue basis, overall the respective commitments contemplated equal cost-sharing at the aggregate venue development program level.

*These allocations represent Provincial contributions as of March 31, 2010. Minor reallocations may be made by VANOC when their financials are reconciled July 31, 2010.

2 Other Provincial Activities to Maximize 2010 Games Benefits

The Province is committed to ensuring sustainable economic and social legacies. As host to the 2010 Games, the Province was presented with a once-in-a-lifetime opportunity to increase international exposure and awareness of British Columbia as the best place to invest, visit and live. Leading up to the 2010 Games, a comprehensive multi-year strategy was developed to promote the province to the world, establish business linkages and promote the 2010 Games to all of British Columbia and the rest of Canada.

While these activities do not form part of the Province's main financial commitment to the 2010 Games concurrent with the Bid in 2002, they were indeed necessary for the Province to maximize potential benefits created by the hosting of the 2010 Games.

Table 3 below provides a summary of the various activities and costs associated with implementing the Province's multi-year marketing, hosting, celebration and community engagement strategy. The sections that follow briefly describe each activity and are referenced to items shown in the Report Reference column of Table 3.

Table 3: Summary of Marketing, Hosting, Celebration and Community Engagement Activities

Report Reference	Program Component (\$ millions - unaudited)	2007/08 and Prior Years	2008/09	2009/10	2010/11 Budget	Total
1	BC Olympic and Paralympic Winter Games Secretariat (OGS) - operating costs	28.1	8.2	7.9	3.4	47.6
	Community Engagement Programs:					
2	• Torch Relay Community Grant Program			3.8		3.8
3	• One Year Countdown Celebration (Richmond Oval Venue)		1.0			1.0
4	• UBCM Conference in 2008 and World Conference on Sport & Environment		0.7			0.7
5	• Sport Programs (GamesTown, GamesKids, Road to 2010)		1.7	0.1		1.8
	Games-Time Celebrations:					
6	• Torch Relay Expansion Program		3.8			3.8
7	• Games-Time Celebrations		14.4			14.4
8	• Look of the Games (Look and Feel, Sport Production, Spectaculars)		1.0			1.0
	Marketing:					
9	• BC/Canada Pavilions - Torino 2006 and Beijing 2008	8.8	7.9			16.7
10	• BC/Canada Pavilion - Vancouver 2010 (Vancouver Art Gallery)			6.2		6.2
11	• Tourism BC and Ministry of Tourism, Culture and the Arts			38.0		38.0
12	• BC International Media Centre		0.5	2.1		2.6
13	• Olympic and Paralympic Ring/Agitos Displays		1.5	3.0		4.5
	Hosting Programs:					
14	• Robson Square Celebration Site			15.4		15.4
15	• Hosting Program (BC/Canada Pavilion, BC Showcase, Terminal City Club, Asia-Pacific Business Centre)			1.7		1.7
16	• Provincial Ticketing Program			1.0		1.0
	2010 Games Employee Engagement Program:					
17	Public Sector Employee Secondment/Volunteer Program - VANOC Deployments			n/a		n/a
	Total	36.9	40.7	79.2	3.4	160.2

Costs funded by the OGS and partner ministries (EcDev and STED)

- 1. BC Olympic and Paralympic Winter Games Secretariat (OGS)–operating costs**—\$47.6 million has been spent or committed since 2002 to provide for the Province’s oversight of provincial investments in VANOC; co-ordination of 2010 Games activities among provincial ministries, agencies and other levels of government; and planning and implementing provincial activities leading up to and during the 2010 Games. Reduced costs in 2010/11 reflect the wind-up of provincial activities.

Community Engagement Programs:

- 2. Torch Relay Community Grant Program** – \$3.8 million was used to provide 200 communities outside the Lower Mainland with funding for Torch Relay celebrations and to increase community engagement throughout the province.
- 3. One-Year Celebration** – \$0.5 million was invested for a nationally televised celebration, held at the Richmond Olympic Speed Skating Oval, to officially mark the 1-year countdown to the Games. 1200 guests were there in person, plus 115 journalists, 48 of whom represented the United States and countries in Europe and Asia. \$0.5 million was provided to 80 communities outside the Lower Mainland for the 1-year celebration.
- 4. Union of B.C. Municipalities (UBCM) Conference in 2008 and World Conference on Sport and Environment** – \$0.4 million was invested in UBCM’s Fall 2008 Penticton convention to cover the hosting costs of a workshop/presentation to provide communities with information and tactics for leveraging opportunities arising from the Province’s hosting of the 2010 Games. The Province also committed \$0.3 million to the World Sport and Environment Conference in Vancouver in March 2009 to showcase B.C.’s emerging global centre for sustainability and economic development. The Sport and Environment Conference was attended by 688 people from 93 different countries.
- 5. Sport programs** – \$1.8 million was invested in sporting activities aimed at engaging communities across the province. This included contesting (GamesTown) and a province-wide tour (Road to 2010). The GamesKids program was a series of opportunities that gave children from across B.C. a chance to experience sport events and activities at the 2010 Games venues and training centres in the lead-up to the 2010 Winter Games.

Games-Time Celebrations:

- 6. Torch Relay Expansion Program** – The Province invested \$3.8 million for the expansion of the Torch Relay program within the province. The 2010 Games Olympic Flame travelled throughout B.C. covering 92% of the population during a total of 27 days and visiting 268 communities (including 50 aboriginal communities) or places of interest, a significant increase from the 21 days and 200 communities originally planned by VANOC.
- 7. Games-Time Celebration** – \$14.4 million was invested to allow for a more high definition video package and extraordinary special effects and talent for the Opening Ceremonies to showcase B.C. and its people to the world and present a visually stunning show to an international audience.
- 8. Look of the Games** – \$1 million was invested by the Province to support VANOC’s planning in sport production, spectaculars and ‘Look of the Games’ branding to incorporate more images of the province highlighting B.C. and its people.

Marketing:

- 9. BC/Canada Pavilions – Torino and Beijing** – \$16.7 million was invested by the Province to construct and operate venues at the Torino 2006 Winter Games and the Beijing 2008 Summer Games. These venues hosted international government and business leaders, business

programs, and media. Activities showcased B.C. business, communities and tourism and were experienced by Games-time visitors and local residents.

10. **BC/Canada Pavilion – Vancouver** – \$6.2 million was invested to outfit and operate the BC/Canada Pavilion leading up to and during the 2010 Games. Located at Robson Square, in the Vancouver Art Gallery (VAG), this venue included business hosting, interactive media displays, a 4-D theatre, and innovative technologies. Exhibitory was free to the public and included entrance to the VAG. There were nearly 140,000 visitors to the pavilion during the 2010 Games.
11. **Tourism BC (TBC) and the Ministry of Tourism, Culture and the Arts (TCA)** – TBC and TCA spent \$38 million in 2009/10 to promote tourism in the province and leverage the 2010 Games opportunity. As noted in the TBC portion of the Provincial Crown Corporations and Other Provincial Investments section, an additional \$12 million worth of VANOC’s unsold out-of-home advertising space was secured using the provincial marketing budget to maximize the showcasing of international and domestic provincial interests.
12. **BC International Media Centre (BCMC)** – the Province invested \$2.6 million to outfit and operate the BCMC, located at the Province’s signature venue, Robson Square. This media facility focused primarily on servicing unaccredited 2010 Games media but included accredited media as well. BCMC provided B.C. Stories – stories about a variety of B.C. communities – to the various media groups. During February 2010, the BCMC recorded approximately 6,000 visits from 3,900 domestic and international media.
13. **Olympic and Paralympic Rings/Agitos Displays** – \$4.5 million was invested by the Province in the production, installation and removal of the giant sets of Rings/Agitos at the Vancouver International Airport and at Coal Harbour. These displays welcomed visitors leading up to and during the 2010 Games forming an iconic back-drop for domestic and international media coverage. (As a world-first, the Rings were transitioned to form the Agitos during the Paralympics.)

Hosting Programs:

14. **Robson Square Celebration Site** – \$15.4 million was invested by the Province to transform Robson Square into the Province’s signature celebration site. Together with contributions provided by a provincial site sponsor, the Province’s investment was used to prepare and operate Robson Square leading up to and during the 2010 Games, which also included free access to the public ice rink, programmed entertainment, a highly successful public zipline experience, a First Nations carving exhibit, and nightly fireworks/laser shows. The Robson Square venue offerings covered both the Olympic and Paralympic periods.
15. **Hosting Program** – \$1.7 million was invested in the provincial hosting program for business leaders, investors and visiting dignitaries. The Province, with other 2010 Games partners, established a protocol coordination centre to guide activities necessary to support visiting dignitaries’ needs and events. This program also included use of the Terminal City Club site for visiting dignitaries. The BC Showcase venue, featuring B.C. design and technology was used for 2010 Commerce Centre business and ‘Think Asia’ workshops. The BC Canada Pavilion hosted 27 events during the 2010 Games.
16. **Provincial Ticketing Program** – The Province also sponsored a provincial ticketing program, designed to maximize the benefits of the 2010 Games opportunities to promote business development and foster new business connections. Details of this \$1 million commitment can be found in a report at: http://www2.news.gov.bc.ca/news_releases_2009-2013/2010CITZ0011-000576.htm

2010 Games Employee Engagement Program:

17. Public Sector Employee Secondment/Volunteer Program–VANOC Deployments – As noted earlier in Part 1, item 8, as part of the broader federal, provincial and IOC action plan to assist VANOC in 2009, the Province committed to temporarily loaning public sector employees as a way to help VANOC reduce its need to hire temporary staff. Nearly 250 public sector employees participated in the provincial secondment program. This included both central government and Crown corporations.

The Province also supported a public sector volunteer program as a way to further engage employees to help out with a once-in-a-lifetime opportunity to acquire new knowledge and skills in helping to deliver a major international undertaking. As a result, nearly 400 provincial government employees volunteered for the 2010 Games experience under the Province's volunteer leave-matching program.

No additional funding was provided to public sector agencies in support of these initiatives, therefore there was no additional cost to taxpayers. Also, strict participation rules were applied to ensure minimum impact on services to the public. Further information is available through the Ministry of Citizens Services website at <http://www.gov.bc.ca/citz/index.html>.

Further details and statistics on other provincial activities to maximize 2010 Games benefits are shown in Appendix 1.

Provincial Crown Corporations and Other Investments

Provincial Crown Corporation Sponsorships:

Provincial Crown corporations played an important part in helping to ensure success of the 2010 Games. Leading up to the 2010 Games, VANOC approached a number of provincial Crown corporations in the interests of securing commercial sponsorship arrangements. Prior to Crown corporations entering into such arrangements, the Province required that the sponsorships be consistent with the commercial/business priorities of those Crown corporations and that costs associated with such arrangements would not be borne by provincial taxpayers.

- British Columbia Hydro and Power Authority (BC Hydro)** – BC Hydro's sponsorship of the 2010 Games set a new standard for environmental stewardship with BC Hydro providing clean electricity resulting in the lowest carbon dioxide emissions for an Olympic Winter Games. Emissions were less than 10% of previous Winter Games which relied heavily on diesel-based generation. VANOC paid for electricity consumed on the same basis as any other large commercial customer. However, VANOC realized significant cost savings compared to previous Winter Games hosts by using electricity instead of diesel-based generation.

BC Hydro also provided long-term secondments of technical personnel, and the temporary use of some distribution infrastructure to support VANOC's energy requirements and minimize the impact to all BC Hydro customers. In addition, BC Hydro spent \$1.8 million on customer appreciation programs, which included purchases of 2010 Games tickets. Funding for these programs came from existing budgets which remained the same as in previous years. Further information is available at: http://www.bchydro.com/etc/medialib/internet/documents/about/openness/Powering_the_Greenest_Games.Par.0001.File.Powering_the_GreenestGames.pdf.
- Insurance Corporation of British Columbia (ICBC)** – The majority of ICBC's sponsorship came from sales of the 2010 Games commemorative licence plates – about 180,000 plates were sold. After covering its costs, ICBC provided \$10.1 million of the proceeds to VANOC. ICBC also provided motor vehicle insurance coverage for VANOC's fleet of approximately 4,700 vehicles, worth about \$6.2 million in premiums. While the sponsorship covered the cost of insurance, it did not include the cost of infraction tickets which are the responsibility of the drivers of VANOC

fleet vehicles. Of the total VANOC policy coverage of \$6.2 million, ICBC paid out about \$2.8 million in claims costs for the VANOC vehicle fleet.

ICBC also invested approximately \$6.1 million in programs that included corporate hosting, stakeholder relations, home-stay, and advertising and employee engagement, as a way to maximize 2010 Games sponsorship benefits for the corporation. The insurance sponsorship and other corporate programs – which included the purchase of 2010 Games tickets – were funded entirely from the optional side of ICBC’s business, where ICBC operates in a competitive market-place. There were no additional costs to taxpayers. Further information is available at: <http://www.icbc.com/about-ICBC/Company-information/sponsorship-details.pdf>

- **British Columbia Lottery Corporation (BCLC)** – BCLC’s 2010 Games sponsorship included the introduction of the SportsFunder suite of lottery games developed to benefit amateur sports in B.C. Net proceeds were passed onto the amateur sport community and the strategy included the purchase of 2010 Games event tickets to be used as prizes in the promotion of SportFunder ticket sales.

BCLC also invested in a variety of other 2010 Games-related activities that included the BCLC 2010 Games Dome community outreach tour; marketing and retailer incentive programs; stakeholder relations; and hosting, charity and employee engagement programs. All of BCLC’s costs were covered through the public’s voluntary purchase of gaming tickets – there were no additional costs to taxpayers. Further information is available at: https://www.bcl.com/documents/BCLC_2010Report.pdf

Other Provincial Investments:

The Province also made other investments that, while not considered direct 2010 Games investments, did provide benefits to help ensure the success of the 2010 Games. These investments will help provide for a broader, lasting provincial investment needed by British Columbians to support growth in the provincial population and its economy.

- **British Columbia Pavilion Corporation (PAVCO)** – PAVCO’s suite of existing facility investments provided a huge opportunity to leverage the benefits of the 2010 Games and to reduce costs to provincial taxpayers. In support to the 2010 Games, PAVCO’s investments were leveraged in two ways. Firstly, because of its size and capacity, PAVCO’s BC Place facility was chosen as the premier facility to host the Opening and Closing Ceremonies for the Olympic Games and the Opening Ceremonies for the Paralympic Games, as well as to provide a venue for hosting the nightly Medal ceremonies. Secondly, PAVCO’s expanded Vancouver Convention Centre Project (VCC) was chosen as the home for the 2010 Games International Broadcast Centre.

With or without the 2010 Games, BC Place was in need of major upgrades to remain commercially viable in the future. Leading up to the 2010 Games, VANOC invested about \$11 million in upgrading BC Place facilities to address the immediate need to make them ready for the hosting of the 2010 Games and to contribute to a lasting commercial legacy for BC Place in the future (see Table 2). Additionally, the Province invested approximately \$19 million in BC Place, as part of a much larger longer-term investment to not only make the facility ready for the 2010 Games, but for other events necessary to support longer term commercial sustainability of stadium operations.

Space and infrastructure support was also provided by the VCC to meet demands of being chosen as the site for the entire Main Media Centre for the 2010 Games.

- **British Columbia Transportation Financing Authority (BCTFA)** – BCTFA and the Ministry of Transportation and Infrastructure (MOTI) were key to upgrading the Sea-to-Sky (S2S) highway, a critical transportation link for the 2010 Games.

With or without the 2010 Games, the Province recognized a growing need for providing upgrades to the S2S highway because of increasing accident rates and growing risks associated with

weather-related highway wash-outs that resulted in stranding local communities along the S2S corridor. In addition, there was a provincial recognition of a growing need to provide the infrastructure needed to support longer term economic growth for communities in the S2S corridor.

While it is the Province's view that costs of the S2S highway upgrades are not direct provincial costs of the 2010 Games, the Province does recognize that the S2S highway upgrades were critical for the successful delivery of the 2010 Games.

Additionally, MOTI engaged in important provincial/local transportation/traffic management initiatives with local governments within the broader 2010 Games area, in order to further the ministry's objectives of ensuring an efficient and safe private and commercial transportation network in the Lower Mainland and S2S areas leading up to and during the 2010 Games. These costs were provided for within MOTI's existing budget for 2009/10 so there were no additional costs to provincial taxpayers.

The Province, through MOTI, TransLink, Canada and other partners, also embarked on a major undertaking to create the new rapid transit Canada Line in 2009. While this undertaking was envisioned well before the 2010 Games, the benefits of the new line contributed significantly to the success of the 2010 Games. During the 2010 Games period, ridership on the new line averaged 228,190 passengers per day, 118% more than anticipated.

- **Tourism BC (TBC)** – In cooperation with the Ministry of Tourism, Culture and the Arts and other provincial agencies, TBC played a key role in helping to set the stage for the realization of provincial benefits created by the 2010 Games opportunity.

In 2009/10, TBC and the ministry together spent \$38 million to leverage opportunities for broader provincial investment and tourism activities as well as the 2010 Games.

As noted in section 1, in 2009/10 the Province decided to participate in a multi-jurisdiction initiative to assist VANOC with addressing its budget challenges. As part of that strategy, the Province acquired nearly \$12 million worth of VANOC's unsold out-of-home advertising space. This was used to complement provincial activities to market the Province leading up to and during the 2010 Games.

3 Post 2010 Games Activities

The OGS has been the key provincial agency responsible for overseeing the Province's financial commitments to the 2010 Games and for ensuring the achievement of the Province's Olympic vision. It has done so in cooperation with VANOC, other 2010 Games partners and ministries and agencies across the broader public sector.

As with other major events in B.C.'s history – for example Expo 86 in Vancouver and the 1994 Commonwealth Games in Victoria – significant work and cooperation is underway to complete wind-up activities and develop legacies for 2010 Games investments.

Key provincial activities include:

- **OGS orderly wind-up** – The OGS is in process of winding up its operations. Most parts of the OGS operations have been transferred to the Ministry of Finance and staff are engaged with closing contracts, processing final bills, administrative and records management, and asset disposition. Responsibility for staff and operations of the 2010 Commerce and BC Showcase centres has been transferred to the Ministry of Small Business, Technology and Economic

Development (STED) to leverage knowledge in hosting and follow-up on business and investment contacts developed leading up to and during the 2010 Games.

- **Asset disposal** – Because of its expertise in disposing of assets, like the experience in the 1994 Commonwealth Games, the Asset Investment Recovery Branch (AIR) of the Ministry of Citizens' Services entered into an agreement to acquire and dispose of most of VANOC's equipment and other assets used or acquired during the 2010 Games. The ministry expects to recover all of its costs of acquiring those assets, plus disposal costs.

Most of the furniture and equipment used by the OGS is being redeployed within the government. However, AIR is also assisting with disposing of some of these assets plus other items used at the Robson Square provincial signature venue, including the BC/Canada Pavilion.

Under an agreement with Canada, surplus equipment and other assets acquired by the Integrated Security Unit (ISU) for the purpose of providing 2010 Games security will be shared equally by the provincial and federal jurisdictions. The Ministry of Solicitor General and Public Safety, along with AIR, is working with the ISU, Canada and other local governments on legacies and disposals of ISU equipment and other assets.

Net proceeds of all provincial 2010 Games asset disposition activities will initially go towards the costs of asset disposals and then towards offsetting the costs to B.C. taxpayers for provincial investments in the 2010 Games.

- **VANOC orderly wind-up** – VANOC is also in the process of winding up operations. Wind-up activities are similar to the OGS, but on a much larger scale. As part of this process, a number of provincial ministries and agencies, for example the Ministry of Environment, are working with VANOC as it completes its restoration of various provincial sites used for the 2010 Games. In addition, VANOC, the Province and other partners are continuing to work together to help ensure that 2010 Games venues are used for lasting and sustainable legacies for the Province and local communities in future.

VANOC's current fiscal year ends July 31, 2010 and it is expected that a financial update will be provided by VANOC in late fall 2010.

Despite the winding up of certain OGS functions; staff of the OGS, the Ministry Finance and other ministries will continue to closely monitor the wind-up activities of VANOC and other partners to help minimize post-2010 Games risks.

4 Games Legacies and Benefits

Overview

In 2009, the recession that was spreading around the globe hit the British Columbia economy with full force. While other jurisdictions scrambled to design and implement economic stimulus programs, British Columbia was fortunate to have a significant economic stimulus program already in place. The 2010 Olympic and Paralympic Winter Games provided a head start on economic recovery.

Throughout 2009, leading economists predicted the Olympic lift would help British Columbia to lead the country in economic growth in 2010. Projections released in 2010 continue to be positive.

The performance of our Olympic and Paralympic athletes exceeded expectations and rekindled the optimism of all Canadians.

Economic Growth

In its spring 2010 Provincial Outlook, the Conference Board of Canada forecasted B.C. will record 3.8% real GDP growth this year, an increase from the previous forecast and tied for first nationally. The Board noted the 2010 Games and recovery in the forestry, manufacturing and construction sectors as contributors to the improved outlook. The June 2010 ScotiaBank Provincial Trends report also noted the Winter Olympic Games as a contributor to a projected lift to GDP growth of 3.8% in 2010.

Early Economic Indicators on Track

Consumer spending in Vancouver and Whistler, B.C., increased 48% during the Olympic Games (Moneris Solutions).

VISA reported spending by international visitors on Visa cards at the 2010 Games and in British Columbia topped US \$115 million during the Games. Visa also reported international transactions in Vancouver were 93% higher than usual.

For the first quarter of 2010, Statistics Canada reported:

- national tourism spending increased 1.3%;
- spending by international visitors to Canada was up 5.9%, the largest quarterly increase since the fourth quarter of 2003;
- outlays by international visitors on passenger air transport were up 11.4% in the first quarter; and
- spending on vehicle fuel was 2.8% higher compared with the fourth quarter of 2009.

Agreements to Expand Tourism after the Games

Following the Games, Canada signed a formal agreement establishing Approved Destination Status (ADS) between China and Canada. The agreement is expected to increase Chinese visitors to British Columbia by 10% in 2010, 15% in 2011 and an additional 15% in 2012.

Air Canada has announced plans to double flights between Canada and China.

Air China announced it will increase its Vancouver service by three new direct flights a week for a total of 10 weekly direct flights between Beijing and Vancouver.

China Eastern Airlines announced it is expanding service between Shanghai and Vancouver with daily non-stop flights beginning in the summer of 2010 and becoming permanent this fall.

Emirates Air plans to add daily service to Vancouver, creating more than 300 jobs, \$30 million in economic spin-offs, and 50,000 new travellers to Vancouver.

Business Development and the 2010 Commerce Centre

B.C. firms won over 250 procurement contracts. Approximately 75% of Olympic contracts by value went to B.C. companies – or \$1.35 billion (VANOC).

More than 800 new businesses were created Canada-wide as a result of the incremental economic growth stimulated by the 2010 Winter Games. (PwC).

\$54 million in venue construction contracts were awarded to self-identified Aboriginal businesses. According to the Four Host First Nations (FHRN), an additional \$776,000 worth of non-venue contracts were awarded to Aboriginal businesses during that same period.

Media Exposure

3.5 billion people (over half the world's population) watched the Games on TV, the internet or mobile making these the most-watched Winter Games in history (Source: IOC).

Over 2,000 domestic and international media were based at the Province's BCMC at Robson Square, broadcasting around the world, facilitating extensive profile for B.C. through shows like Oprah, NBC News, and the Today Show – the Today Show alone reaches almost 5 million viewers a day.

An end-of-Games report by VANOC estimated that the Games generated \$250 million in equivalent ad value exposure brought to Canada through earned media.

2010 Games Venue Legacies

VANOC, the Province and other 2010 partners have worked together to help ensure that 2010 Games venues and other investments lead to sustainable community legacies. Some examples of that work include:

- **Richmond Speed Skating Oval** (see Table 2)
 - Built with assistance from the federal and provincial venue fund, the Oval opened 14 months before the Games. After the Games, Richmond is converting the facility to a 48,000 sq. m (512,000 sq. ft.), three-storey multi-sport and wellness complex specializing in sport medicine, sport science, healthy living promotion and injury rehabilitation. The building can also accommodate events for upwards of 1,000 people. <http://richmondoval.ca/>
- **Hillcrest Curling Venue** (see Table 2)
 - Vancouver's plans are that the Olympic/Paralympic Centre will serve as a new community centre, with an ice rink, a curling club with eight sheets, a library, a preschool and offices, as well as a new 6,200 sq. m. (66,500 sq ft.) aquatic centre containing indoor and outdoor pools. The building targeted LEED Gold certification. Among many other sustainability features, its efficient heating and cooling system reuses waste heat from the building's refrigeration plant, and rainwater does double duty in toilets. Further information is available at: <http://vancouver.ca/parks/info/2010olympics/hillcrest.htm>
- **UBC Thunderbird Arena (Doug Mitchell Thunderbird Sports Centre)** (see Table 2)
 - Served as a venue for preliminary hockey games and Paralympic sledge hockey. Green upgrades allowed it to qualify for LEED Silver status. The multi-sport facility will continue to serve the community and can be repurposed for future sledge hockey training and competitions, along with other commercial uses. Further information is available at: <http://www.webcommunications.ubcca/ubc2010/about/ubc-venues/>
- **Whistler Athletes Village Venue and the High Performance Centre** (see Table 2)
 - Accessible apartments, town homes and hostel accommodation with a High Performance Centre, targeted LEED Gold status, with its own energy system and a waste heat recovery plant in all accommodation buildings. The High Performance Centre, owned by Whistler 2010 Sport Legacies, features a 375 sq. m. (4,000 sq. ft.) strength and conditioning gym, a 465 sq. m. (5,000 sq. ft.) gymnastics hall, recovery and regeneration rooms, change rooms, a testing room, offices and a multi-purpose room suitable for meetings or classes. Further information is available at: <http://www.whistler2010sportlegacies.com/>
- **Whistler Creekside Venue** (see Table 2)
 - The alpine skiing venue made use of existing ski trails within a major ski area, as well as existing infrastructure such as lifts and gondolas. Major efforts were made to protect streamside vegetation and avoid or minimize potential impacts to wildlife, aquatic and terrestrial habitat.

- **Whistler Olympic Park and Nordic Centre** (see Table 2)
 - The park was designed to minimize disturbing old-growth forest and wetland, and its day lodge targets LEED Silver building certification. Whistler Olympic Park will continue to operate as a long-term legacy for residents, visitors and athletes, both recreational and high-performance, through Whistler 2010 Sport Legacies.
- **First Nation Legacies** (see Table 2)
 - As part of its 2010 Games commitment, the Province transferred 120 hectares (300 acres) of provincial Crown land to the Squamish and Lil'Waat host First Nations to provide a sustainable longer-term economic benefit to improve the economic and social well-being of First Nation partners to the 2010 Games. In addition, the Province and VANOC also established a housing legacy of \$6.5 million to benefit First Nations well past the 2010 Games. The federal government, as part of its 2010 Games commitment, provided legacy contributions to the other two host First Nations, the Musqueam and Tseil-Waututh.
 - The Whistler Sliding Centre, Whistler Olympic/Paralympic Park and Nordic Centre, and the Whistler Athletes' Centre have been transferred to the not-for-profit Whistler 2010 Sport Legacies. The organization's founding member organizations include the Lil'wat First Nation and the Squamish First Nation. Further information available at <http://www.fourhostfirstnations.com/>

2010 Games Reporting

In partnership with the Government of Canada, four reports by PricewaterhouseCoopers (PwC), outlining the social and economic benefits of the 2010 Games have been released to date. These reports cover the period up until 2008 and are available at: <http://www.2010wintergamessecretariat.com/About/Publications.aspx>.

A fifth PwC report, incorporating data for 2009, is due in fall 2010. A report that incorporates the experience of 2010 will be available in late 2011. There will also be a supplemental report released fall 2010 that focuses on the Games' economic benefits up to March 2010.

Appendix 1 – Details/Statistics on Provincial Activities

It was recognized that, as host to the 2010 Games, British Columbia was presented with a once-in-a-lifetime opportunity to increase international exposure and awareness of British Columbia as the best place on earth to invest, visit and live. Further details on Hosting are available from the Report on Integrated Hosting and Ticketing Report at <http://www.mediaroom.gov.bc.ca/Download.axd?objectId=766>

Table 3 Report Reference	Further Program Details and Statistics
5	<p>GamesTown 2010</p> <p>\$175,000 in government funding for GamesTown 2010 was allocated in the 2008/09 provincial budget to provide the three winning communities with funding so they could upgrade a local healthy living or sports facility. Visit http://www.gamestown2010.ca/ for more information.</p> <ul style="list-style-type: none"> • ActNow BC's Road to 2010 Community Tour visited 13 B.C. communities to help all of B.C. experience a piece of the Games in their hometown. • The 2010 Sport Legacy Fund will build upon the unique event expertise held by British Columbians by bringing more events to B.C. • 2010 venues continue to attract sport events – already bobsled and skeleton events are returning to the Whistler Sliding Centre in November 2010. • GamesKids were able to 'Test Drive the Venues' through four Free Community Skates at the Richmond Oval, six events with professional coaches to share their expertise with school-level coaches and kids and more than 15 Olympicized events)
6	<ul style="list-style-type: none"> • The 2010 Olympic Torch Relay travelled 45,000 kilometres across Canada over 106 days and spent one-quarter of its time in B.C. • B.C. hosted the Olympic flame for 27 days—it visited 268 communities or places of interest in B.C. including: <ul style="list-style-type: none"> ▪ 50 Celebration Communities where celebrations were held in two communities each day. ▪ 218 Route Communities / Places of Interest. The Flame passed through these communities but did not stop for a formal celebration. ▪ Of the 218 Route Communities, 50 were Aboriginal Communities. • The relay touched virtually every British Columbian—92% of the province's population was located within an hour's drive of the relay routes.
9	<p>Torino 2006 – BC Canada Pavilion</p> <ul style="list-style-type: none"> • More than 100,000 people visited the log structure in the Torino piazza. • 125 journalists from 20 countries. • Hundreds of media stories about B.C. distributed to media, estimated \$8 million in 'ad value' obtained from distribution of b-roll to journalists to promote B.C. • More than 80 businesses connected with international audiences and showcased products and services. • More than \$30 million in earned media (including spots on NBC's Today Show and Tonight Show. • More than \$5 million in equivalent advertising costs generated. <p>Beijing 2008 – BC Canada Pavilion</p> <ul style="list-style-type: none"> • More than 32,000 people visited (more than 150 media visited). • 871 business visitors from B.C. and Canada met 2,378 invited Chinese business delegates, resulting in 690 business connections and 16 memorandums of understanding. • 34 business programs delivered. • More than \$56 million in earned media coverage generated. • More than \$9.4 million in equivalent advertising costs generated.
10	<p>Vancouver 2010–BC Canada Pavilion (BCCP)</p> <ul style="list-style-type: none"> • Close to 140,000 public visitors during the 2010 Games, in addition to industry leaders attending hosting networking events. • Hosted over 5,800 guests at 27 events during the 2010 Games.

11	Tourism Program	<ul style="list-style-type: none"> Province invested \$31.3 million in a television campaign. This included campaign development, campaign testing, TV ad production and the media buy – NBC had 1,014,728,000 impressions and CTV had 503,032,000 (Impression = total number of individuals (or households) in a listening, viewing, or reading audience without regard to duplication of audience members). NBC’s reported Games audience was 190 million Americans. CTV’s reported Games audience was approximately 99% of Canadian population (33,036,000) based on viewing Games at some point during the Games programming. Province invested \$2.3 million in Other Online Advertising (i.e. MSN, Yahoo! Canada) and created a website to promote engagement in the province. Investment of \$0.4 million in Other Print Advertising (i.e. Forbes magazine) Out of Home Advertising (\$1.2 million) focused on tourism, Olympic “Dressing up the City”, wayfinding and Welcome messages.
12	BC International Media Centre (BCMC)	<ul style="list-style-type: none"> More than 3.5 billion people viewed the Games. 24,000 hours of coverage around the world, representing a 47 per cent increase over the 2006 Winter Games. Accredited 3,900 domestic & international media. B.C. played a starring role in some of the highest ranking American television programs including the Oprah Show, the Today Show, and The Colbert Report. Forum for over 75 press conferences and events.
13	Olympic and Paralympic Rings/Agitos Displays	<ul style="list-style-type: none"> The first set of rings was revealed at Vancouver’s International Airport on March 5, 2009. The second set of Olympic Rings in Vancouver’s Coal Harbour was revealed on November 4, 2009, to celebrate the 100 Day Countdown to the start of the 2010 Olympic Games. <ul style="list-style-type: none"> The free-standing installation was constructed of aluminium and was a 44’X96’ assembly using 30’ diameter rings. The lights displayed the International Olympic Committee colours of blue, yellow, black, green, and red. Special events and accomplishments were marked by unique lightshows performed on the rings, such as when Canada won a gold medal during the 2010 Games. It was the first time a Rings display was converted to the Paralympics’ Agitos symbol.
14	Robson Square	<ul style="list-style-type: none"> There were approximately 1.5 million visitors to the celebration site. Approximately 80,000 skaters visited since the ice rink opened in November 2009. Approximately 15,000 participants used the zipline. Over 113,000 visitors to Susan Point First Nations exhibit. 35 Ignite the Dream laser/fireworks shows and 50 Meet the Mascot ice shows were held. 375 performances/concerts featuring artists, and community and cultural performers from B.C. were held.
15	Hosting Program	<ul style="list-style-type: none"> BC Showcase and 2010 Commerce Centre–The Aboriginal 2010 Business Summit in 2007 and the 2010 Business Summit in 2008 were attended by 1,100 business people from around North America. 1,330 business opportunities were emailed to 2010 Commerce Centre clients who subsequently won more than \$580 million in direct VANOC business and reported additional Olympic-related contracts valued at nearly \$120 million. 252 Business Opportunities Workshops were delivered to 7,637 business people across B.C. 27 Think Asia workshops were delivered to 536 individuals across B.C. During the Games, 2010 Commerce Centre staff facilitated 46 business events of which 3,197 business people attended these programs and B.C. organizations reported making 2,072 new business connections. BC/Canada Pavilion hosted 27 events during the Games.

