

NO: R018

COUNCIL DATE: January 30, 2019

REGULAR COUNCIL

TO: Mayor & Council **DATE: January 30, 2019**

FROM: General Manager, Parks, Recreation & Culture **FILE: 1850-01**
General Manager, Finance

SUBJECT: Surrey 2019 Americas Olympic Qualifier Event - Funding Request

RECOMMENDATION

It is recommended by the Parks, Recreation & Culture and the Finance Departments that Council:

1. Receive this report for information;
2. Approve funding in the amount of \$100,000 from the City (\$80,000 from the Council Initiatives Fund and \$20,000 from the Sport Tourism Grant Program), to support Surrey's 2019 World Baseball Softball Confederation Americas Olympic Qualifier Event, (the "Olympic Qualifier Event") subject to the Olympic Qualifier Event receiving \$250,000 Federal Funding and \$150,000 Provincial Funding to support the event; and
3. Approve staff to reduce the level of City funding if required to a proportionate ratio of combined funding received from other levels of government as generally described in this report.

INTENT

The purpose of this report is to seek approval for financial support in the amount of \$100,000 to assist with the Olympic Qualifier Event that is scheduled to be held in late summer 2019 at Softball City.

BACKGROUND

In 2016, the International Olympic Committee voted in favour of the return of softball/baseball into the 2020 Olympic Games in Tokyo, Japan. Softball at the 2020 Olympic Games will be a six-team round-robin event with two teams qualifying from the Americas region (which includes North America, South America, and Central America). In 2018, Softball Canada, in partnership with the organizers of the Canada Cup, submitted a bid with Surrey/Softball City as the host city/venue for the Americas Olympic Qualifier. On November 28th, 2018 an official confidential letter was received from the World Baseball Softball Confederation ("WBSC") 2019 Americas Olympic Qualifier Organizing Committee (the "Organizing Committee") stating that Canada was successful over several other nations to host the Olympic Qualifier Event in Surrey. Subsequently, on January 20, 2019, the WBSC publicly revealed that the event will be held in Surrey.

The event will be hosted by The Canadian Amateur Softball Association, commonly known as Softball Canada, in partnership with the Organizing Committee. Softball Canada is a not-for-profit National Sport Organization dedicated to advocating and encouraging the development of the sport of softball. On January 2, 2019, staff met with the Organizing Committee's Chair Greg Timm and Board of Director Laura Ballance where they requested \$100,000 in 2019 from the City of Surrey to support the event operations. A letter outlining the Organizing Committee's request is attached as Appendix "I". In consideration of this request, staff identified potential available funding sources from the Council Initiatives Fund and Sport Tourism Grant Program should Council approve this level of funding for the event.

DISCUSSION

The Olympic Qualifier Event will use softball to inspire youth, celebrate our community and promote engagement in sport on and off the field. The Organizing Committee aims to achieve this by hosting an unparalleled Olympic Qualifier Event, where the unifying power of sport will bring the community together in competition, culture and celebration. The group anticipates hosting up to 16 teams from different nations competing in the games including players from Japan, the Asian-Pacific Region, Oceania Region and North, South and Central Americas.

It is anticipated that there will be significant economic activity as a result of the Olympic Qualifier Event. The Organizing Committee estimates that \$300,000 revenue will be received through ticket sales from spectators in attendance. Based on data from previous international events hosted in the area, the participants and spectators generate additional economic tourism activity by spending additional days, outside of the competition time frame, in and around the City.

The Organizing Committee has a projected operating budget of over \$1.1 million. The current challenges that require additional resources include sport management, team hosting, volunteer management, bleachers and a VIP deck. A preliminary operating budget is attached as Appendix "II". Grant funding from the Federal Government, which has received very positive support from the respective Ministry, is contingent on funding contributions from the local municipality and the Provincial Government. The Organizing Committee is actively soliciting support from both levels of Government.

FUNDING

The request for \$100,000 is a significant investment in a single event. However, given the prestige of the Olympic Qualifier Event, the international level of competition, the community engagement and the positive media coverage, staff have worked to develop a funding model for Council's consideration. In comparison, the City made a \$100,000 investment in the 2016 Women's World Softball Championships that was also hosted at Softball City.

Council Initiatives Fund

As part of the City's 2019 Operating budget \$260,000 is allocated to the Council Initiatives Fund. This fund is utilized at the discretion of Council to support community initiatives, emerging priorities and other events supported by Council. It is recommended that Council approve a funding allocation of \$80,000 from the Council Initiatives Fund for the Olympic Qualifier Event. Appendix "III" attached to this report documents the balance of the Council Initiatives Fund based on an assumption that Council will approve the recommendations of this report.

Sport Tourism Grant Program

As part of the City's 2019 Operating budget \$ 50,000 is allocated to the Sport Tourism Grant Program. Currently, the maximum allocation per international level event is \$5,000. Staff recommend exceeding this limit on a one-time basis and approving a funding allocation of \$20,000 for the Olympic Qualifier Event. Appendix "IV" attached to this report documents the balance of the Sport Tourism Grant Program based on an assumption that Council will approve the recommendations of this report.

Distribution of Grant Funding

The combination of recommended funding of \$80,000 from the Council Initiatives Fund and \$20,000 from the Sport Tourism Grant Program will allow the City to provide the requested financial support of \$100,000 for the Olympic Qualifier Event, subject to the Olympic Qualifier Event receiving \$250,000 Federal Funding and \$150,000 Provincial Funding for a combined total of \$400,000 to support this event. If funding received from other levels of government is less than \$400,000, staff recommend reducing City funding to a proportionate ratio. As a condition of receiving funding from the City of Surrey, the Organizing Committee is required to complete a Final Report that provides a summary of the event, identifying any changes to the original proposal, and a detailed financial summary of the event to demonstrate City funding have been used appropriately. Upon Council approval, eighty percent (80%) of the funding will be distributed to the Organizing Committee. Upon receipt and acceptance by staff of a final report from the grant recipient, the remaining twenty percent (20%) of the funding will be distributed.

SUSTAINABILITY CONSIDERATIONS

This event supports the objectives of the City's Sustainability Charter 2.0. In particular, this event relates to Sustainability Charter 2.0 themes of Inclusion and Economy. Specifically, the event supports the following Desired Outcomes ("DO"):

- Community Pride and Engagement DO20: Surrey residents are proud of their community.
- Community Pride and Engagement DO23: Numerous active local clubs, groups and agencies contribute to the community's well-being.
- Education & Culture, DO 9: Surrey supports and celebrates its diverse artists, cultures and community heritage through inclusive festivals, programming and events.

CONCLUSION

Based on the above discussion, it is recommended by the Parks, Recreation & Culture and the Finance Departments that Council approve funding in the amount of \$100,000 from the City subject to the Olympic Qualifier Event receiving \$250,000 Federal Funding and \$150,000 Provincial Funding to support the Olympic Qualifier Event to be held at Softball City.

Laurie Cavan
General Manager
Parks, Recreation & Culture

Kam Grewal, CMA, CPA
General Manager
Finance

Appendix "I" – Correspondence from WBSC 2019 Americas Olympic Qualifier Organizing Committee

Appendix "II" – Olympic Qualifier Event Budget

Appendix "III" – Status of the Council Initiative Fund

Appendix "IV" – Status of the Sport Tourism Grant Fund

Confidential Briefing Note

WBSC 2019 Americas Olympic Qualifier

As of: December 7, 2018

Submitted to: Laurie Cavan, General Manager Parks and Recreation, City of Surrey

From: WBSC 2019 Americas Olympic Qualifier Organizing Committee

Background:

One week following the highly successful 2016 WBSC XV Women's World Championships held at Softball City, Surrey, British Columbia, Canada, the International Olympic Committee voted on the return of softball/baseball into the 2020 Olympic Games in Tokyo, Japan and that vote ultimately did return both sports into the 2020 Games. Many in the global sport community credited the Surrey World Championships as having a very positive effect on that outcome.

Since that time there has been high level meetings within the Olympic Committee and with the respective sport bodies to determine how the two sports would qualify participants into the 2020 Games. Ultimately, it was decided that the Games would be a six-team round-robin event within the Games. The focus then turned on how to qualify the six teams in each sport. The IOC then decided on the following qualification formula for softball:

- Qualifying team 1 – would be the host nation (Team Japan)
- Qualifying team 2 – reigning World Champions (Team USA)
- Qualifying team 3 – one team for the Asian-Pacific region
- Qualifying team 4 – one team from the Oceania region
- Qualifying team 5 and 6 – two teams from the Americas region (which includes North America, South America and Central America)

In early summer, 2018, Canada announced its intention to bid to host the 2019 World Baseball and Softball Confederation Americas Olympic Qualifier.

Following that announcement Softball Canada approached the organizers of the Canada Cup, which has held that world-renowned tournament at Softball City for the past 24 years as well as the 2016 WBSC XV Women's World Championships in 2016 (the same Organizing Committee and 650 member volunteer corps from Surrey staged both the World Championships and the annual Canada Cup, developing an international reputation in sport for both on the field and off the field excellence), asking them to be the host city/venue for the Olympic Qualifier if Canada were to be successful in the bid.

Following extensive consultation and gauging of support from all three orders of government (City of Surrey, Province of BC and Government of Canada), the Surrey-based Organizing submitted a bid document which ultimately was presented to the WBSC as Canada's Official Bid.

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Bid Results:

As the return of softball and baseball is of considerable interest to the world sporting communities, the results of the bids to host the Olympic Qualifiers is of considerable international interest.

As such, the World Baseball and Softball Confederation has decided to announce all six successful bids on or about January 20, 2019 following their Board of Directors meeting in Rome, Italy.

This situation, although good for building excitement and impact for the bid announcement and resulting media coverage, is incredibly problematic for successful Host Nations in giving them limited time to prepare and stage what is one of the most important Olympic Qualifiers in recent history.

Understanding this, the WBSC has alerted the successful nations by way of letter so they are able to begin planning and securing funding to properly stage the event.

As such, on November 28th, 2018 Softball Canada and the Board of Directors of the Canadian Bid Committee received an official letter (enclosed) from Lausanne, Switzerland, containing the very exciting news that in fact, Canada was successful in beating out several other nations and will be the host of the 2019 WBSC Americas Olympic Qualifier, anticipated to be held in later summer, 2019 at Softball City.

Our Request

Although we are not able to publicly announce this exciting event, likely the only Olympic Qualifier to be held on Canadian soil in 2019, we wished to bring the news to you and Mayor and Council as quickly as possible. We understand that Council will need to be brought up to speed on the event and are requesting a meeting at their earliest convenience between Council and myself and the Bid Chair Greg Timm to discuss the event and support we are hoping the City will consider to specific items our Organizing Committee will require in order to successfully stage the event. Areas of particular urgent concern are: bleachers, trailers for office space and officials, temporary fencing, transportation, signage, and portable washrooms among other items. We are hopeful that the City of Surrey will meet with us to discuss our requirements, as well as issue us a letter of support for the event to be sent to both the provincial and the federal government as we move through their funding processes.

This is an incredibly exciting time for sport in Surrey, and we are proud to be hosting such an exciting event. As our own team, Team Canada, is currently ranked third in the world, we are even more excited about the possibility of watching our National Team qualify for the 2020 Olympic Games here on home soil.

Thank you to you and your team for their assistance in making this incredible dream of returning the Olympic rings and the eyes of the sporting world to Surrey a reality.

Respectfully,

A handwritten signature in black ink, appearing to read 'Laura Ballance', with a long, sweeping flourish extending to the right.

Laura Ballance
2019 WBSC Americas Olympic Qualifier, Board of Directors

BUDGET

REVENUE

Grants		
Federal	\$ 250,000	
Provincial	150,000	
City	<u>100,000</u>	
Total Grants		500,000
Ticket Sales		350,000
Local Marketing		175,000
Vendor Sales		
Food Sales	50,000	
Merchandise Sales	<u>35,000</u>	
Total Vendor Sales		<u>85,000</u>
TOTAL REVENUE		\$ 1,110,000

NOTES

EXPENSES

Accommodations			
Team	\$ 230,400		16 Teams x 10 days x 8 rooms x \$180/day
Ump	14,400		16 umpers for 10 days x 8 rooms x \$180/day
WBSC President	<u>3,000</u>		\$300/night
Total Accommodations		247,800	
Bleachers & VIP Deck		100,000	
Communication		3,000	
Event Planner		30,000	} \$4000 CAD (\$3000USD) per team. Note: Softball Canada will contribute an additional \$2000USD per team.
Federation Incentive		64,000	
Fencing		5,000	
Food			
Team	211,200		24ppl x \$55/day x 10 days x 16 teams.
Ump	16,000		\$100CAD/day for 10 days x 16 umpers
WBSC President	<u>1,500</u>		
Total Food		228,700	
Game Production			
Audio	8,000		
Music Prep & Purchase	2,000		
Production	<u>4,500</u>		
Total Game Production		14,500	
Kitchen Equipment		30,000	
Medical Services			
Spectator	5,000		
Athletic	<u>-</u>		May need to budget for doping control.
Total Medical Services		5,000	
Media Communication		30,000	
Parking Plan & Flagging		15,000	Development and implementation of parking plan.
Promo Ad Purchase		50,000	
Scrim/Signage		5,000	
Security & RCMP		60,000	Private security and RCMP.
Special Events		12,000	
Sponsorship Execution		5,000	
Tents		20,000	



BUDGET

Tickets & Accreditation		15,000	
Trailers		10,000	
Transportation			
VIP Transportation	7,500		
Airport	12,000		} Based on 2016 World Championship expenditure.
Domestic Bus	32,000		
Fuel	6,000		
Insurance	<u>4,000</u>		
Total Transportation		61,500	
Volunteer Management			120 volunteers
Clothing	10,000		
Food	20,000		
Training/Orientation/ Recruiting	<u>5,000</u>		
Total Volunteer Management		35,000	
VIP Hospitality		40,000	
Water		1,500	Bottled drinking water for teams.
Website Development		<u>20,000</u>	
TOTAL EXPENSES		<u>\$ 1,108,000</u>	
INCOME (REVENUE LESS EXPENSE)		<u><u>2,000</u></u>	

APPENDIX “III”



2019 FINANCIAL PLAN COUNCIL INITIATIVES

Description	Amount	Allocation to date	Remaining
Carried Forward from Prior Year adjusted for amounts not utilized	4,300		
2019 Adopted Budget	<u>260,000</u>		\$ 264,300
Olympic Qualifier Event (Proposed)		80,000	
Allocations for 2019		<u>\$ 80,000</u>	<u>\$ 184,300</u>

APPENDIX “IV”



2019 FINANCIAL PLAN
SPORT TOURISM GRANT PROGRAM

Description	Amount	Allocation to date	Remaining
Carried Forward from Prior Year	39,100		
2019 Adopted Budget	<u>50,000</u>		\$ 89,100
Olympic Qualifier Event (Proposed)		20,000	
Allocations for 2019		<u>\$ 20,000</u>	<u>\$ 69,100</u>