



CITY OF VANCOUVER

A14

ADMINISTRATIVE REPORT

Report Date: March 17, 2009
Contact: Dave Rudberg
Contact No.: 604.296.2860
RTS No.: 07659
VanRIMS No.: 01-1000-00
Meeting Date: March 24, 2009

TO: Vancouver City Council

FROM: General Manager, Olympic and Paralympic Operations and
Chief of External Relations and Protocol

SUBJECT: Funding Allocation for the 2010 Host City Hosting and Protocol Program

RECOMMENDATION

- A. THAT Council approve the 2010 Hosting and Protocol Program as outline in this report, and allocate \$1,798,000 from the Olympic Legacy Reserve Fund approved by Council on December 11, 2007 to the following areas:
- Pre-2010 Winter Games Planning - \$582,000;
 - A 2010 Official Hosting Program - \$610,500;
 - A 2010 Protocol Operations Centre - \$341,000;
 - A Protocol Training Program and Management System - \$264,500.
- B. THAT Council authorize the General Manager of Olympic and Paralympic Operations to award contracts up to the overall Hosting and Protocol Program budget as outlined in Recommendation A, and approve agreements related to the Hosting and Protocol Program as are satisfactory to the Director of Legal Services.
- C. THAT Council authorize the General Manager of Olympic and Paralympic Operations to purchase Olympic event tickets at a gross cost of \$340,000, which would be allocated as follows:
- i. \$257,500 to the 2010 Hosting and Protocol Program with a partial cost recovery of \$55,500, the net cost to the City is estimated at \$202,000;
 - ii. \$15,000 to Live City Vancouver, funding comes from the Olympic Legacy Reserve Fund - Live City, with an approved budget of \$4.8 million; and the remaining
 - iii. \$67,500 to be allocated on a full cost recovery basis to Tourism Vancouver.

CITY MANAGER'S COMMENTS

The City Manager recommends the approval of this report.

COUNCIL POLICY

On December 11, 2007, Council approved the Olympic and Paralympic Legacy Reserve Fund programs and budgets, in the amount of \$20 million, with instructions to report back on funding for specific projects. One of the approved programs was the Hosting and Protocol program, with a budget of \$2 million.

PURPOSE

The purpose of this report is to seek Council's approval to release funds from the Olympic and Paralympic Legacy Reserve for the 2010 Hosting and Protocol Program and 2010 Ticket Program.

BACKGROUND

The Vancouver 2010 Olympic and Paralympic Winter Games presents a once-in-a-lifetime opportunity for the City to deliver a hosting and protocol program that demonstrates our ability to host large scale events that are well coordinated, well organized and leave our visitors with lasting, positive memories of the 2010 Winter Games and Vancouver. One of the key success factors of the 2010 Hosting and Protocol program will be the experience of the dignitaries visiting Vancouver during the 2010 Winter Games. It is expected that the following dignitaries will visit Vancouver during Games time: 3500 sport and International Olympic Committee dignitaries, 1600 domestic and international dignitaries, 25 Heads of Government or State, and 10 Royalty.

The Vancouver Organizing Committee for the 2010 Winter Games is responsible for hosting the 3500 sport and IOC dignitaries, while the City of Vancouver and its hosting partners are responsible for the rest. The City's hosting partners include the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC), Government of British Columbia, Government of Canada, Four Host First Nations Society, City of Richmond and the Resort Municipality of Whistler.

Funding to deliver on all of Vancouver's Host City commitments was approved by Council on December 11, 2007 with the \$20,000,000 Olympic and Paralympic Legacy Reserve Fund. Up to \$2 million is allocated to hosting and protocol activities. It is through this report, that Olympic and Paralympic Operations seeks Council's approval to begin utilizing the Olympic and Paralympic Legacy Reserve for pre-Games and Games-time hosting and protocol activities.

DISCUSSION

Hosting the Vancouver 2010 Olympic and Paralympic Winter Games offers the City of Vancouver a unique opportunity to enhance and strengthen the City's global reputation. Hosting visiting dignitaries from around the world - including mayors from international cities, and the mayors of past and future Games Host Cities - provides Vancouver with an extraordinary opportunity to showcase our city, its business and recreational opportunities, and our leadership in the areas of environmental sustainability, inclusivity and innovation.

Our guests will return to their home city, province or country with extraordinary impressions and memories of Vancouver that will:

- Increase awareness of Vancouver in the global community,
- Increase business and investment activities,
- Increase tourism and convention business,
- Promote our cultural, arts, sports and educational activities, and
- Strengthen our partnerships with governments and First Nations.

Based on information collected from the 2002 Salt Lake City Winter Games and the 2006 Torino Winter Games, hosting visiting dignitaries is achieved in two ways: (1) organizing specific events and receptions for visiting dignitaries, and (2) organizing a visits program whereby dignitaries can become familiar with all the things the Host City has to offer, and have an Olympic and Paralympic event experience. City staff used data collected from past Host Cities and worked with its partners to develop a full and robust hosting and protocol program. There are five components to the proposed program including:

1. Pre-2010 Winter Games Planning
2. A 2010 Official Hosting Program
3. A 2010 Protocol Operations Centre
4. A Protocol Training Program and Management System
5. A 2010 Ticketing Plan

1. PRE-2010 WINTER GAMES PLANNING

The Office of External Relations and Protocol was established in November 2005 through an Administrative Report (RTS: 04642) passed by the City Services and Budgets Standing Committee on February 3, 2005. The Standing Committee approved budget for an External Relations and Protocol Office and two full-time staff resources.

External Relations and Protocol was charged with the responsibility to coordinate and support: (1) visits by international and domestic dignitaries, (2) large and small-scale events hosted by the City of Vancouver and (3) the management of all international relationships including sister cities and the British Columbia consular corps.

Since 2005, there has been a significant increase in visits and events for two main reasons. First, Vancouver is in the spotlight as the host of the 2010 Olympic and Paralympic Winter Games. Second, Vancouver is recognized for its leadership in sustainability, inclusivity and diversity. The City's leadership in these areas attracts local, domestic and international delegations to learn about the City's unique community programs in areas such as accessibility, greenway planning, the four pillars drug policy program and its progressive urban planning policies and practices. The chart on the following page illustrates the increase in activity for the Office of External Relations and Protocol.

Year	Number of Visit Days	Number of Events
2005	4	2
2006	74	20
2007	77	19
2008	89	41
2009	110 estimated	50 estimated
*Please note that visits can range from one to three days		

This significant increase in activity and the anticipated increase leading up to the 2010 Olympic and Paralympic Winter Games prompted the Office of External Relations and Protocol to add two temporary Protocol Officers, as well as a temporary Deputy Chief of External Relations and Protocol. The additional staff are to support the increase in the day-to-day activity, and develop the 2010 Hosting and Protocol Program outlined in this report.

Staff seek Council approval to allocate \$582,000 of the Legacy Reserve Fund to staffing in the External Relations and Protocol Office. The purpose of the staff is to develop the 2010 Hosting and Protocol Program outlined in this report, as well as manage the increase in protocol and event activity. The funding covers staffing costs from July 2008 to June 2010.

2. 2010 OFFICIAL HOSTING PROGRAM

As Host City, the City of Vancouver is expected to deliver a hosting program that includes events related to the Olympic and Paralympic Games, courtesy calls and meetings, as well as visits by invited domestic and international Mayors.

Events

Recent host cities of Olympic and Paralympic Winter Games such as Salt Lake City, Torino and Calgary set a precedent for future host cities to deliver the following four events for the Olympic and Paralympic family:

1. Welcome Reception for the International Olympic Committee
2. International Olympic Committee Spouse Reception
3. International Olympic Committee Medical Commission, and the
4. Welcome Reception for the Paralympic Committee

In addition to the events above, other groups that could be hosted during the 2010 Winter Games may include future Host City Mayors and sister city Mayors, specifically identified domestic and international Mayors and dignitaries, community leaders, business leaders, athletes, and organizations such as the Canadian Olympic and Paralympic Committee and National Olympic and Paralympic Committees.

Many of the above events could be delivered in collaboration with our hosting partners including the Government of Canada, Government of British Columbia, The Four Host First Nations Society, and the Vancouver Organizing Committee. The City will seek partnerships wherever possible to minimize the City's total hosting costs.

Visits

Another aspect of the 2010 Hosting Program includes hosting a select group of domestic and international Mayors. Official visits by strategically selected Mayors would provide the City with the opportunity to build city-to-city relationships and strengthen Vancouver's global reputation. The City of Vancouver can use this hosting opportunity to promote Vancouver as an inclusive, sustainable and diverse City, and to develop economic, social and cultural links and opportunities. Visiting Mayors to be invited could include:

- Vancouver's Sister Cities
- Past Host Cities of Olympic and Paralympic Winter Games,
- Future Host Cities of Olympic and Paralympic Winter Games
- Specifically identified big city Mayors

In addition to visiting domestic and international Mayors, Mayor and Council will receive courtesy calls and meeting requests from domestic and international dignitaries, business leaders, and members of the Olympic and Paralympic family. Mayor and Council can expect up to 14 courtesy calls per day from dignitaries as well as host a range of luncheons and receptions. Most hosting will occur at City Hall and will require food and beverage service only. However, staff estimates that there will be some hosting by Mayor and Council at a downtown venue. It is anticipated that one hospitality suite may be required for approximately ten nights during the course of the Olympic and Paralympic Winter Games.

Staff seek Council approval to allocate \$610,500 of the Legacy Reserve Fund for a 2010 Official Hosting Program as outlined above. The funding would cover the following:

- Event costs including food and beverage, audio visual, décor and entertainment,
- Visit costs for invited domestic and international Mayors which may include some offset of travel and accommodation costs as well as some simple hosting and courtesies,
- Mayor and Council hosting costs including food and beverage and a suite in a downtown location for ten nights over the course of the Olympic and Paralympic Games.

3. 2010 PROTOCOL OPERATIONS CENTRE

As mentioned at the beginning of this report, over 1600 international and domestic dignitaries are expected to visit Vancouver during the 2010 Winter Games period. The visits will vary in length and complexity but each visit will have unique protocol and hosting requirements to be fulfilled by the City of Vancouver or one of its hosting partners. In the past, visits by dignitaries during the Olympics and Paralympics were coordinated independently by each protocol hosting body with limited consultations with the other hosting bodies. This often resulted in errors or protocol incidents, as well as significant financial costs to each host body as each operated its own independent protocol operations centre.

To improve the efficiency and effectiveness of protocol operations for the 2010 Winter Games, the International Olympic Committee (IOC) asked the Chiefs of Protocol from the Government of Canada, Government of British Columbia, The Four Host First Nations Society, VANOC, and the City of Vancouver to consider a coordinated approach to hosting dignitaries attending the 2010 Winter Games.

The IOC requested and encouraged the Chiefs to set up a joint protocol operations centre in a single location to perform all hosting and protocol functions. The Chiefs agreed to a joint approach and selected the Coal Harbour Community Centre as an appropriate venue for the operations centre. With Council approval, the City of Vancouver would partner and enter into an agreement with the following organizations to perform all hosting and protocol functions as a joint endeavour:

- The Government of Canada's 2010 Federal Secretariat,
- The Department of Foreign Affairs and International Trade,
- The Province of British Columbia's Protocol Office,
- Vancouver Organizing Committee,
- The Four Host First Nations Society,
- The City of Richmond, and
- The Resort Municipality of Whistler.

Each partner would contribute a portion of the Centre's operating funds, staff resources, equipment and supplies. The total value of the City's contribution to the Protocol Operations Centre would be \$341,000 which would include:

- Funding for the exclusive use of Coal Harbour Community Centre from January 4, 2010 to March 31, 2010.
- Two positions to plan and operate the Protocol Operations Centre leading up to and during the 2010 Winter Games.
- Staff uniforms for 70 Host City Team members and 10 Protocol Staff, and
- Office supplies, photography and development services.

Staff recommend Council approval for the allocation of \$341,000 to the Protocol Operations Centre, and authorize the General Manager of Olympic and Paralympic Operations to enter into an agreement with the partners in regards to joint funding, staffing and in-kind contributions.

4. PROTOCOL TRAINING PROGRAM AND MANAGEMENT SYSTEM

City staff assigned to the Protocol Operations Centre will require management tools to ensure that the hosting and protocol activities are well planned, coordinated and delivered. The Games period will be an extraordinarily busy time for Mayor and Council, both in hosting City events and in representing the City of Vancouver at numerous official events hosted by other partners, governments and organizations. It is estimated that Mayor and Council will share the responsibility of either hosting or attending:

- Up to 2 luncheons per day
- Up to 14 courtesy calls per day
- Up to 5 receptions per evening
- Up to 6 competitions per day
- Up to 3 after dinner events such as visits to National Olympic Committee Houses, Medal Ceremonies and the Cultural Olympiad

With over 1600 domestic and international dignitaries visiting Vancouver, as well as multiple events, receptions and meetings occurring every day during the Games, City staff will require an information management system that allows them to schedule and track activities, as well as build itineraries, briefing notes, invitation lists, menus, site plans and other documentation related to visits and events. Without an integrated system that supports the management of visits and events, the City is at risk of making errors that could be embarrassing and damaging to our reputation.

Protocol staff developed a proposal for a Visits and Events Management (VEM) Application, which would allow staff to plan visits, as well as large and small scale events more efficiently and effectively during and after the 2010 Winter Games.

There are three key areas of post-Games legacy value with regard to the proposed VEM application. The first is the continued benefit of efficiencies in the planning and execution of future visits and events, including the maintenance and continued use of contact information collected during the Games, such as identification of special needs and concerns related to specific visitors, which will remain available within the VEM application; the second area is enhanced access to historical information for management purposes, for example, the number and type of gifts previously provided to dignitaries, or the volume of visits managed over a given period of time, or questions pertaining to costs; the third area is the City's leadership position in future efforts to standardize information sharing and service delivery practices within the national Protocol community.

In addition to VEM application, staff also recommend that Council approve the development and delivery of a training program to all City staff assigned to the Protocol Operations Centre. The City expects to have approximately 60 staff working in the Protocol Operations Centre over the course of the 2010 Winter Games, including 10 core Protocol Officers and up to 50 rotating staff from the Host City Team.

Although the core staff would be experienced in protocol, the 50 staff from the Host City Team would have little to no protocol training or experience. The primary duties of the Host City Team would be to coordinate dignitary visits and events. They would also be expected to greet dignitaries, introduce dignitaries to City officials as well as accompany dignitaries to events, meetings and receptions. Adequate training would be required to ensure that staff are familiar with protocol rules and behaviours to manage these often sensitive and complex situations. Staff will also be trained to convey key messages about Vancouver to visiting dignitaries. Should proper training not occur, there is a risk that City staff could offend visitors and damage Vancouver's reputation.

The Office of External Relations and Protocol and Human Resource Services developed a proposal for a protocol training program that Host City Team members would be required to take before the 2010 Winter Games.

Staff recommend Council approval for the allocation of \$264,500 to the Visits and Events Management Application and the training program. Both would have a legacy value and be used after the 2010 Winter Games.

5. 2010 TICKET PLAN

The Vancouver Organizing Committee (VANOC) has offered the government partners, including the City of Vancouver, the opportunity to purchase Winter Games tickets before they have been offered for sale to the general public. In response to this offer, staff requested a reservation (not a purchase) of our maximum permitted ticket allocation. A ticket purchase commitment would only be made once the plan and budget has been reported to and approved by Council.

There are several limitations placed on the acquisition and use of the tickets. Among the more significant ones are:

- There is a limitation of 20 tickets per day for prime events and 100 tickets per day for non-prime events. In Vancouver, the non-prime events are generally the preliminary rounds for curling and men's and women's hockey. Prime events include figure skating, speed skating and the medal rounds for team competitions.
- Tickets may be purchased at face value but cannot be resold to the public or scalped.
- By March 31, 2009 the City must exercise its option (or not) to purchase all or part of our ticket allocation. A 25% down payment must be exercised at that time with final payment due in August. Any remaining tickets would be returned to VANOC for sale.
- If the City commits to purchase a ticket and is unable to use the ticket for whatever reason, it can be returned to VANOC to re-sell. While there is no guarantee the ticket can be resold, VANOC would use its best efforts on behalf of the partner.
- There is an opportunity to trade tickets with other government partners that require additional tickets. There would need to be a system that enabled the City to receive fair value for any tickets traded.

Ticket Allocation

Staff initially exercised its option for the full ticket allocation made available by VANOC, noting this was not a commitment to purchase. The initial allocation amounted to 2,024 tickets at a total value of \$377,500. However, upon further assessment of the City's protocol and hosting needs, staff reduced the total ticket allocation to 1,700 at a total value of \$340,000. A portion of the City's allocated tickets will be purchased at face value by the City's tourism partner, Tourism Vancouver.

As a partner to VANOC, the City of Vancouver was also offered the opportunity to purchase suites at BC Place, General Motors Place and the Pacific Coliseum. Given the high cost of the suites, staff recommend that this suite purchase option not be exercised.

Ticket Purchase Proposal

There are a number of proposed guiding principles that have been employed to develop the ticket acquisition and distribution program for the 2010 Winter Games. These include the following:

- Tickets purchased by the City must be through an approved City budget and used for official business.
- The City will have a responsibility and obligation to be represented at certain events in its Host City role. This could involve its protocol role or as a host to visiting dignitaries. Council members and potentially Park Board members will be provided a ticket (and possibly partners if applicable) when they are acting in their official capacity as a host ambassador while participating in an official program.
- To the extent possible, Tourism Vancouver will be given its requested allocation on a full cost recovery basis.
- It is proposed that a modest number of tickets be allocated to the City's Live Site program for promotion and marketing purposes.
- If there are any surplus tickets after all the business needs are met, these tickets would be offered for sale at face value to
 - Councillors,
 - Park Board Commissioners
 - City of Vancouver staff
 - Park Board staff, and
 - Staff of partnering organizations.

While this provides no financial incentive, it provides recognition of the commitment made to achieve a successful Games and Host City participation. Program criteria will be developed for Councils consideration.

As a result, the following listing in priority order is staff's recommendation on the ticket allocation, cost and source of funding. The objective is to ensure that there is full cost recovery through approved budgets or direct payment.

1. 2010 Hosting and Protocol Program

It is proposed that 1,335 tickets at a cost of \$257,500 be allocated to the 2010 Hosting and Protocol Program budget. The tickets would be used in the following ways:

- To enable City Council and Park Board Commissioners to host domestic and international dignitaries, host business and community leaders, and fulfill their official hosting and protocol roles at events.
- To offer, on a strategic basis and at-cost, to high level visiting dignitaries for events that are not included as part of the official hosting program.

- Any remaining tickets would be offered for sale at face value to Councillors, Park Board Commissioners, City of Vancouver staff, Park Board staff, and staff of partnering organizations. This program could also be used to recognize outstanding achievements in civic or community service and exemplifies City values such as sustainability, inclusivity and accessibility. Clear criteria outlining how tickets are distributed through the 2010 Hosting and Protocol Program will be developed for Council's consideration.

2. *Tourism Vancouver*

It is proposed that 265 tickets at a cost of \$67,500 be allocated to Tourism Vancouver. While this allocation does not fulfill their initial request, it enables them to meet their hosting needs. The full amount will be recovered from Tourism Vancouver.

3. *Marketing of Live City Vancouver*

It is proposed that 100 tickets at a cost of \$15,000 be allocated to incentives/prizes for spectators that attend the City's Live Sites. This will add to the programming and provide promotional / marketing opportunities to increase attendance. The cost would be included in the Live Site budget.

FINANCIAL IMPLICATIONS

On December 11, 2007, Council approved an amount of \$20 million for the Olympic Legacy Reserve Funds, with funding approval for specific projects to be reported to Council. The table below summarizes the projects approved to date and remaining programs to be presented to council for approval as plans are finalized.

Programs Approved to Date	\$13,067,550
Proposed Projects yet to be Approved	\$ 4,932,450
2010 Hosting and Protocol Program	\$ 1,798,000
2010 Ticket Plan (Net of Cost Recoveries)	\$ 202,000
Total Olympic Legacy Reserve Funds	\$20,000,000

Within the approved \$20 million for the Olympic Legacy Reserve Funds, one of the programs approved was the Hosting and Protocol Program, with a budget of \$2 million. The following tables provide detail of the funding allocation of the Hosting and Protocol program and the Ticket Plan.

2010 Hosting and Protocol Program	Estimated Cost
Pre-2010 Winter Games Planning	\$ 582,000.00
2010 Official Hosting Program	\$ 610,500.00
2010 Protocol Operation Centre	\$ 341,000.00
Protocol Training and Management System	\$ 264,500.00
TOTAL ESTIMATED BUDGET	\$1,798,000.00

As part of the 2010 Hosting and Protocol Program, City staff also recommend that Council approve the 2010 Ticket Plan as outlined in this report. A 25% down payment of the total ticket value (\$340,000) would be due by March 31, 2009 with final payment due in August 2009. Should Council approve only a portion of the tickets, the remaining tickets would be returned to VANOC for sale. If City Council approves the purchase of all tickets and staff are unable to use the full allotment for whatever reason, unused tickets would be returned to VANOC for resale. A summary of the 2010 Ticket Program to be approved by Council is outlined below.

Ticket Program Allocation	Total Ticket Quantity	Gross Ticket Cost	Host	No Host	Estimated Net Cost to City
2010 Hosting and Protocol Program	1,335	\$257,500	500	835	\$202,000
Tourism Vancouver	265	\$67,500		265	\$0
Live Site	100	\$15,000	100		\$15,000
TOTAL	1,700	\$340,000			\$217,000

Note: No-host = recipient pays face value of ticket

Should Council approve the purchase of 1,335 tickets allocated to the 2010 Hosting and Protocol Program, the \$257,500 would be paid for through the Olympic Legacy Reserve Fund - Hosting and Protocol budget. A portion of these tickets would be sold on an at-cost basis. Revenue generated through the ticket sales would then be redirected to the 2010 Hosting and Protocol Program to offset the total ticket cost. The net cost to the City is estimated at \$202,000.

Should Council approve the purchase of 100 tickets allocated to Live City Vancouver, funding would come from the \$4.8 million budget approved by Council on July 22, 2008 in the report entitled *Funding Allocation - Live City Vancouver and Update on Olympic Legacy Reserve* (RTS# 07533).

Should Council approved the purchase of 265 tickets on behalf of Tourism Vancouver, the City would invoice Tourism Vancouver directly and immediately for those tickets. The City would invoice Tourism Vancouver for the 25% down payment due March 31, 2009 with final payment due in August 2009. There would be no financial implications for the City of Vancouver under this arrangement.

CONCLUSION

The Vancouver 2010 Olympic and Paralympic Winter Games presents a once-in-a-lifetime opportunity for the City to deliver a hosting and protocol program that demonstrates our ability to host large scale events that are well coordinated, well organized and leave our visitors with lasting, positive memories of the 2010 Winter Games and Vancouver. One of the key success factors of the Host City Hosting and Protocol program will be the experience of international and domestic dignitaries visiting Vancouver during the 2010 Winter Games. The 2010 Hosting and Protocol Program has five components:

1. Pre-2010 Winter Games Planning
2. A 2010 Official Hosting Program

3. A 2010 Protocol Operations Centre
4. A Protocol Training Program and Management System
5. A 2010 Ticketing Plan

The five component program would ensure that the City honours its hosting obligations and that dignitaries leave Vancouver with positive and lasting memories. Funding to deliver on Vancouver's 2010 Hosting and Protocol Program was approved by Council on December 11, 2007 with the \$20,000,000 Olympic Legacy Reserve Fund. Staff are requesting through this report that \$1,798,000 be allocated to program components one through four. Staff also request that Council authorize the General Manager of Olympic and Paralympic Operations to purchase 2010 Winter Games tickets as set out in the body of this report.

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