

Olympic Village Financial Arrangements

Penny Ballem
City Manager

January 9, 2009

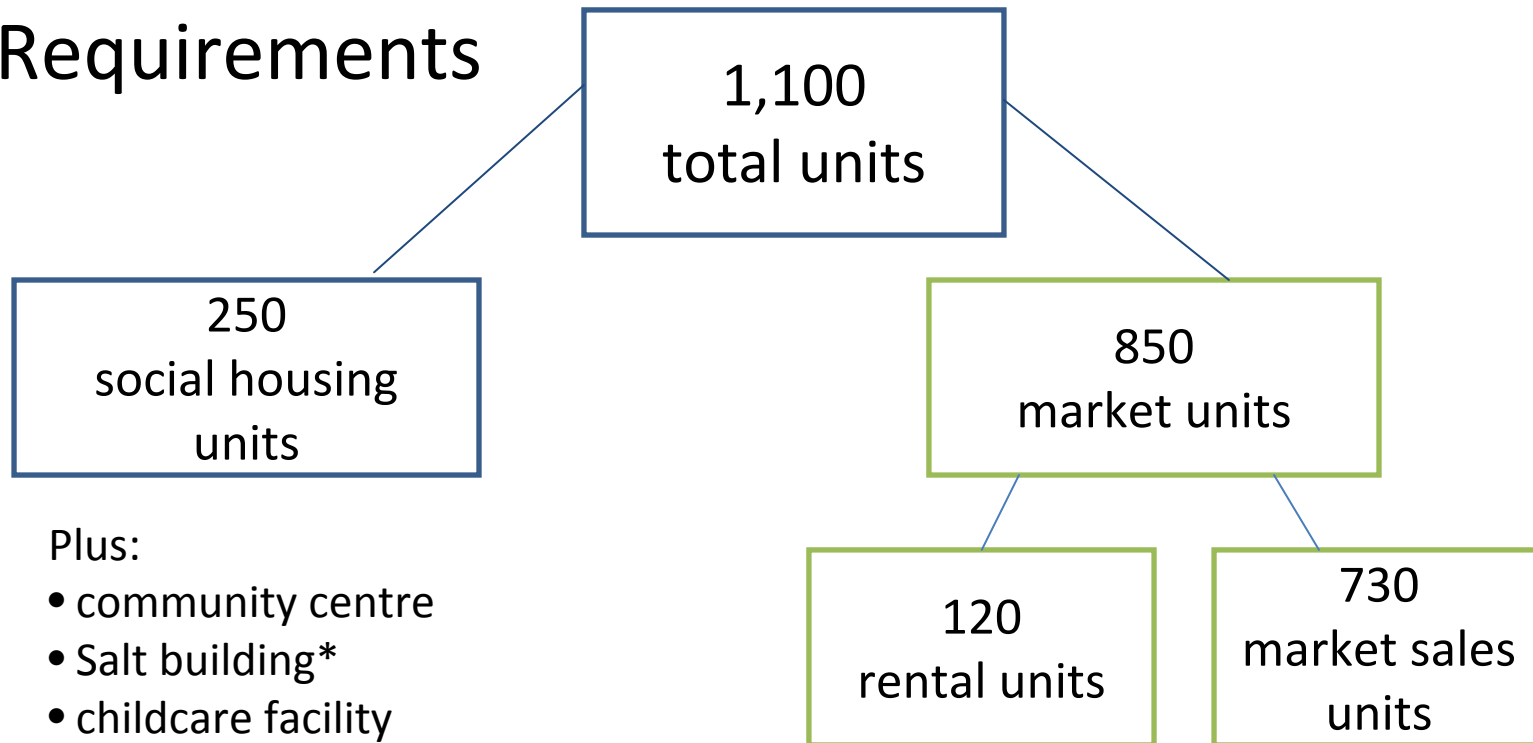
Southeast False Creek & the Olympic Village*

- SEFC: 80 acres of undeveloped waterfront land near downtown Vancouver
 - 50 acres owned by the City
 - 30 acres owned privately
- Nov. 2009 –**“Olympic Ready”**
Commitment: deliver a 17-acre village to house up to 2,800 athletes and officials; 1,100 units (250 social housing, 730 market sales, 120 rental)
- Sept. 2010 –**“Market Ready”**
Commitment: deliver 850 units and 69,000 sq ft of commercial space units to original specifications (730 market sales, 120 rental)



*all numbers are rounded for presentation purposes

Olympic Village Requirements



Plus:

- community centre
- Salt building*
- childcare facility



Development funded by City
Developer: Millennium
**other developer*

Development funded by external lender
Developer: Millennium

Key Milestones to Date: Planned

2002	2005	2006	2007-2009	Nov. 2009	April -Sept. 2010	2010-2020
<p>Bid Book</p> <p>City commits to delivery of Olympic Athletes' Village at Southeast False Creek</p>	<p>City adopts Official Development Plan for 80 acres on SEFC (50 acres City owned)</p> <p>Ambitious sustainability standards</p>	<p>Request for proposals: Millennium selected as developer of Olympic Village on 17 acres of City-owned land</p>	<p>Construction underway to complete development to "Olympic ready" status</p> <p>At least 30% of market sales units to be sold</p>	<p>Deliver "Olympic Ready" Village to VANOC for about 5 months exclusive use</p>	<p>Olympic Village retrofitted to be "Market Ready" and units sold</p>	<p>Rest of SEFC developed</p> <p>5,000 units, housing up to 16,000 residents</p>

Key Milestones to Jan 9/09: Actual

2002	2006	June – Sept. 2007	May - August 2008	Sep 2008	Oct. 14, 2008
<p>Multi-party agreement signed</p> <p>City commits to build Athletes' Village, subject to \$30M contribution from VANOC</p>	<p>Developer agrees to purchase & develop land for \$200M</p> <p>Makes \$29M non-refundable deposit toward land purchase & as security</p> <p>City retains title to land until financial commitments cleared by developer</p>	<p>Developer arranges financing for \$750M to construct buildings</p> <p>City Council approves:</p> <ul style="list-style-type: none"> • \$190M financial guarantee • completion guarantee* 	<ul style="list-style-type: none"> • Developer's loan out of balance • Cost overruns • Developer takes step to maintain loan in balance • Pre-sales on target 	<p>Lender pays Sept 15 construction draw</p> <p>Loan out of balance</p> <p>Lender advises no further funding under current arrangement</p>	<p>City Council authorizes up to \$100M to pay up to three construction draws:</p> <ul style="list-style-type: none"> - Oct. 15 - Nov. 15 - Dec. 15

***Definition of “completion guarantee”:** City is responsible to the “Lender” to complete the whole project to the original designs and specifications

City of Vancouver Commitments – Key Dates

- November 2002 Multi-party agreement
 - City commits to build Olympic Athletes' Village (with \$30M contribution from VANOC) by November 1, 2009

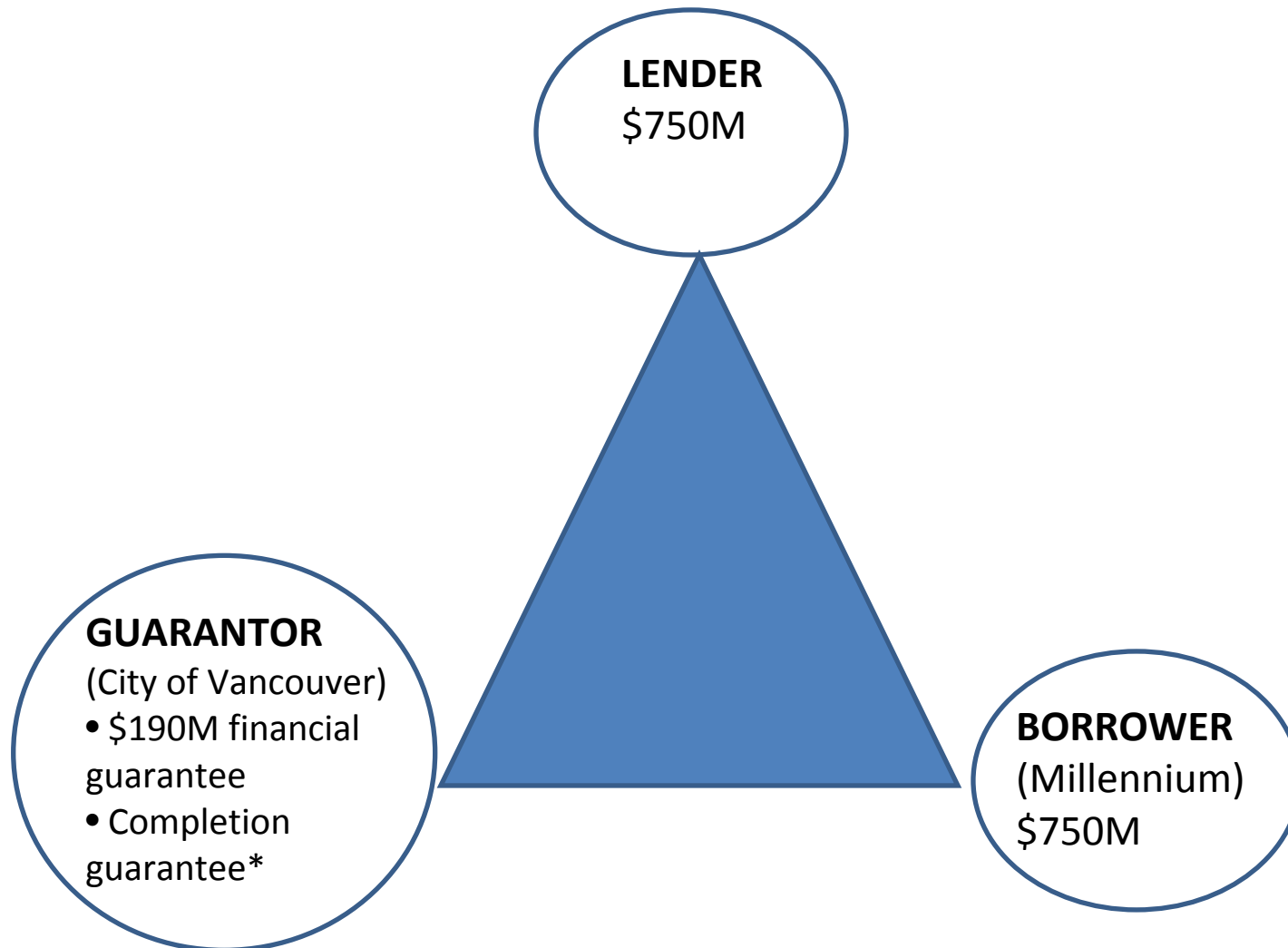
2007

- Council approves:
 - Completion guarantee
 - \$190M financial guarantee
- September: final loan documents signed

New Council Actions to date

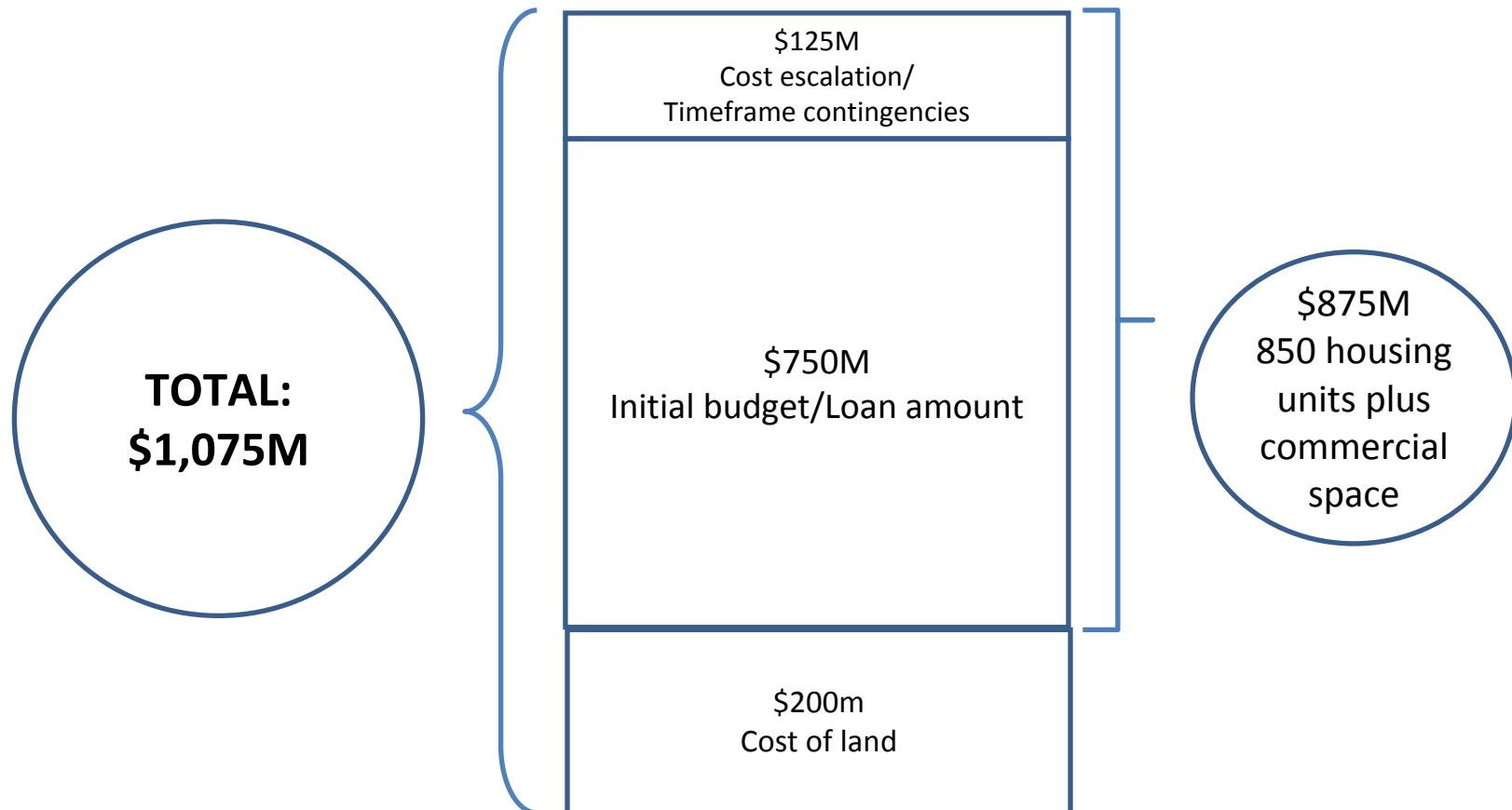
- December 8-12/08
 - KPMG hired to review of City obligations and commitments; Staff instructed to report back on completion & financing options
- December 16/08:
 - Approval to fund 4th construction draw (due Jan 15/09; \$21M remaining in \$100M allocation)
- Ongoing: City Manager review including:
 - Independent legal and financial advice
 - Intensive partner (VANOC, Province) discussions
 - Continued negotiations with lender
 - Review of project status

Agreement approved by City Council - 2007

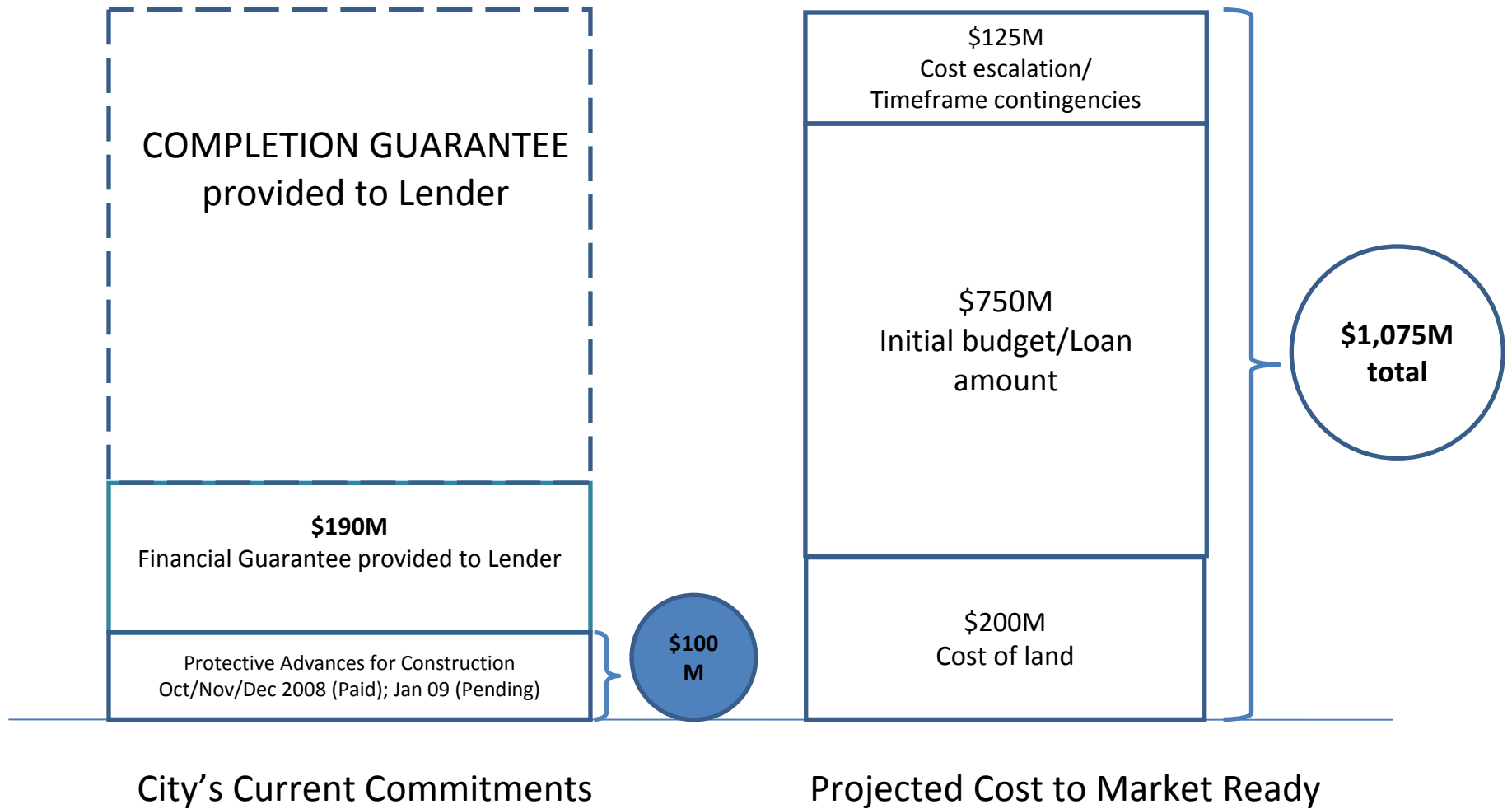


* To original designs and specifications

Projected Costs to “Market Ready” Portion of Olympic Village



Current City Obligations & Advances



Funding Source of Estimated Costs to Market Completion (as of Jan. 9, 2009)

Toward "Market Ready" Estimate of \$1,075m

